

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

KENRICK NO. 3 PLC
AS ISSUER

AND

CITICORP TRUSTEE COMPANY LIMITED
AS TRUSTEE

TRUST DEED

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 DEED is made on 25 January 2018 and amended and restated on ____ April 2021.

BETWEEN:

- (1) **KENRICK NO. 3 PLC** (registered number 11001450) whose registered office is at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD, United Kingdom as **Issuer**; and
- (2) **CITICORP TRUSTEE COMPANY LIMITED**, (registered number 235914), whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as **Trustee**.

INTRODUCTION:

- (A) The Issuer has authorised the creation and issue of the Notes, to be constituted by this Deed and secured by the Security.
- (B) The Trustee has agreed to act as trustee of the Trust Property in accordance with the provisions of this Deed and the Deed of Charge.

THIS DEED WITNESSES AS FOLLOWS:

SECTION A INTERPRETATION

1. DEFINITIONS

- 1.1 Unless otherwise defined in this Deed or the context requires otherwise, words and expressions used in this Deed have the meanings and constructions ascribed to them in the Master Definitions Schedule set out in Schedule 1 of the incorporated terms memorandum which is dated on or about the date of this Deed and signed for the purpose of identification by each of the Transaction Parties (as such words and constructions for this Deed may be amended, varied or supplemented from time to time with the consent of the parties to this Deed) (the "**Incorporated Terms Memorandum**").

2. COMMON TERMS

2.1 Incorporation of Common Terms

Except as provided below, the Common Terms apply to this Deed, where applicable, and shall be binding on the parties to this Deed as if set out in full in this Deed.

2.2 Amendment to Common Terms

- 2.2.1 For the purpose of this Deed, Paragraph 1 (*Further Assurance*) of the Common Terms applies to this Deed as if set out in full in this Deed, and as if the Issuer were the Obligor and the Trustee were the Obligee for the purposes of such paragraph.

- 2.2.2 For the purposes of this Deed, Paragraph 16 (*Third Party Transaction Rights*) of the Common Terms is deleted in its entirety and replaced with the following:

"16 THIRD PARTY TRANSACTION RIGHTS

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."

2.3 Conflict with Common Terms

If there is any conflict between the provisions of the Common Terms and the provisions of this Deed, the provisions of this Deed shall prevail, save where any provision of this Deed relates to VAT, in which case the VAT provisions of the Common Terms shall prevail.

2.4 Governing Law and Jurisdiction

This Deed and all non-contractual obligations arising out of or in connection with it shall be governed by English law in accordance with Paragraph 25 (*Governing Law*) of the Common Terms. Paragraph 26 (*Jurisdiction*) of the Common Terms applies to this Deed as if set out in full in this Deed.

SECTION B
REPRESENTATIONS AND COVENANTS BY THE ISSUER

3. REPRESENTATIONS AND COVENANTS BY THE ISSUER

3.1 Representations and Warranties

The Issuer gives certain representations and warranties to the Trustee (acting for itself and on behalf of the Secured Creditors) on the terms set out in the Issuer Warranties set out in Schedule 6 (*Issuer Representations and Warranties*) of this Deed.

3.2 Times for making representations and warranties

3.2.1 The Issuer Warranties are made on the date of this Deed.

3.2.2 Unless a representation and warranty is expressed to be given at a specific date, each of the Issuer Warranties is deemed to be repeated by the Issuer on each date until the Secured Amounts have been unconditionally and irrevocably paid and discharged in full.

3.2.3 When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

3.3 Covenants

The Issuer covenants with the Trustee (acting for itself and on behalf of the Secured Creditors) on the terms of the Issuer Covenants set out in Schedule 7 (*Issuer Covenants*) of this Deed and covenants to comply with those provisions of the Conditions, this Deed and the other Transaction Documents that are expressed to be binding on it and to perform and observe the same.

3.4 Instruments subject to Trust Documents

The Notes are subject to the provisions contained in the Trust Documents, all of which shall be binding upon the Issuer, the Noteholders and all persons claiming through or under them respectively.

3.5 Benefit held on trust

The Trustee holds the benefit of the Trust Property on trust for itself, the Noteholders and the other Secured Creditors in accordance with the respective terms of the Transaction Documents.

SECTION C
AMOUNT OF THE NOTES AND COVENANT TO REPAY AND PAY INTEREST
ON THE NOTES

4. AMOUNT OF THE NOTES

The aggregate Principal Amount Outstanding of the Notes on the Closing Date is limited to £383,100,000. The Notes shall be comprised on the Closing Date of the Class A Notes in a principal amount of £350,000,000 and the Class B Notes in a principal amount of £33,100,000.

5. COVENANT TO REPAY PRINCIPAL

The Issuer covenants with the Trustee (acting for itself and on behalf of the Secured Creditors) that it will unconditionally pay or procure to be paid to or to the order of the Trustee, in accordance with Clause 7 (*Conditions of Payment*), the principal amount of the Notes or any of them or any part thereof becoming due for redemption or repayment in accordance with this Deed and the Conditions as and when:

- 5.1 the Notes or any of them become due to be redeemed; or
- 5.2 any principal on the Notes or any of them becomes due to be repaid.

6. COVENANT TO PAY INTEREST

Until all payments of principal on the Notes or any of them are duly made under Clause 5 (*Covenant to Repay Principal*) (after as well as before any judgment or other order of any court of competent jurisdiction), the Issuer shall pay or procure to be paid to or to the order of the Trustee (acting for itself and on behalf of the Secured Creditors) on the dates and in the amounts provided for in the Conditions in accordance with Clause 7 (*Conditions of Payment*), interest on the Principal Amount Outstanding of the Notes or any of them outstanding from time to time and all other amounts payable in respect of the Notes in accordance with the Conditions, subject to the provisions of the Conditions and Clause 12 (*Rate of Interest after a Default*).

7. CONDITIONS OF PAYMENT

7.1 Manner of payment

Payments made pursuant to Clauses 5 (*Covenant to Repay Principal*) and 6 (*Covenant to Pay Interest*) shall be made by, or on behalf of, the Issuer to the order of the Trustee in Sterling in London in immediately available funds subject to the following provisions of this Clause 7 (*Conditions of Payment*).

7.2 Application of payments

Subject to Clause 7.3 (*Payment after due date*), every payment in respect of the principal or interest in respect of the Notes made to the Principal Paying Agent in the manner provided in the Cash Management Agreement and Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in Clause 5 (*Covenant to Repay Principal*) and Clause 6 (*Covenant to Pay Interest*) except,

in the case of payment to the Principal Paying Agent, to the extent that there is a default in the subsequent payment thereof to the Noteholders under the Conditions.

7.3 Payment after due date

If any payment of principal or interest in respect of the Notes is made after the due date, payment shall be deemed not to have been made until the earlier of:

- 7.3.1 the date on which the full amount is paid to the relevant Noteholders; and
- 7.3.2 the seventh calendar day after notice has been given to the relevant Noteholders in accordance with the Notices Condition that the full amount (together with interest accrued to that date) has been received by the Principal Paying Agent except to the extent that there is a default in the subsequent payment thereof to the Noteholders (as the case may be) under the Conditions.

7.4 Default interest

In any case where payment of the whole or any part of the principal amount due in respect of any Note is improperly withheld or not made or refused upon due presentation (if so provided for in the Conditions) of the Note, interest at the rate specified in Clause 6 (*Covenant to Pay Interest*) shall accrue on the whole or such part of such principal amount from the date of such withholding or refusal until the earlier of:

- 7.4.1 the date on which such principal amount (together with accrued interest) due is paid to the relevant Noteholder; and
- 7.4.2 the seventh calendar day after notice has been given to the relevant Noteholders in accordance with the Notices Condition that the full amount payable in respect of the said principal amount is available for collection by such Noteholders, provided that on further due presentation thereof (if so provided for in the Conditions) such payment is in fact made.

7.5 Maximum payments

No provision contained in the Conditions or the Trust Documents will require the Issuer to pay:

- 7.5.1 an amount of principal in respect of a Note which exceeds the Principal Amount Outstanding of such Note at the relevant time; or
- 7.5.2 an amount of interest calculated on any principal amount in excess of such Principal Amount Outstanding.

8. FEES, DUTIES AND TAXES

The Issuer will pay any stamp, issue, registration, documentary and other similar fees, duties and taxes, including interest and penalties (except for any interest or penalties arising from a failure by a person to pay any amount to a Tax Authority after the Issuer has paid such amount) payable on (i) the execution and delivery of the Trust Documents and the other Transaction Documents to which the Issuer is a party, (ii) the constitution

and original issue of the Notes and (iii) any action taken by or on behalf of the Trustee or (where permitted under the Trust Documents so to do) any Noteholder to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, the Trust Documents or any of the other Transaction Documents.

9. TRUST

9.1 The Trustee will hold the benefit of the rights, powers and covenants in its favour contained in the Trust Documents and the other Transaction Documents upon trust for itself and the Noteholders and the other Secured Creditors according to its and their respective interests, upon and subject to the terms and conditions of the Trust Documents.

9.2 The provisions contained in Schedule 3 (*Terms and Conditions*) shall have effect with respect to the Notes as if set out herein and Schedule 4 (*Provisions for Meetings of Noteholders*) shall have effect with respect to all Notes as if set out herein.

10. POWERS TO BE ADDITIONAL

The powers conferred upon the Trustee by the Trust Documents shall be in addition to any powers which may from time to time be vested in the Trustee by the general law or as a holder of any of the Notes.

11. FOLLOWING AN EVENT OF DEFAULT

11.1 Notes due and Payable

Upon the delivery of an Enforcement Notice, the Notes, without further action or formality, shall become immediately due and payable at their Principal Amount Outstanding, together with accrued interest.

11.2 Appointment of Agents for Trustee

At any time after any Event of Default or Potential Event of Default shall have occurred, which shall not have been waived by the Trustee or remedied to its satisfaction or the Trustee shall have received any money which it proposes to pay under Clause 22 (*Monies held on Trust*) to the Noteholders, the Trustee may:

11.2.1 by notice in writing to the Issuer and the Agents require any Agents:

- (a) to act thereafter as agents of the Trustee under the provisions of the Trust Documents *mutatis mutandis* on the terms provided in the Agency Agreement and, where applicable, the other Transaction Documents (with consequential amendments as necessary) save that the Trustee's liability under any provisions of the Agency Agreement for the indemnification, remuneration and payment of out-of-pocket expenses of the Registrar, Paying Agents and the Agent Bank (as applicable) shall be limited to amounts for the time being held by the Trustee on the trusts of the Trust Documents in relation to the Notes on the terms of the Trust Documents and available to the Trustee for such purpose; and

- (b) in the case of the Principal Paying Agent, to hold all Notes and all sums, documents and records held by them in respect of the Notes on behalf of the Trustee subject to the terms of the Agency Agreement; and
- (c) in the case of each of the Registrar and the Agent Bank to hold all documents and records held by it in respect of the Notes on behalf of the Trustee subject to the terms of the Agency Agreement; and/or
- (d) to deliver up all sums, documents and records held by it in respect of Notes and, in the case of the Principal Paying Agent, all Notes held by it as the Trustee shall direct in such notice **provided that** such notice shall be deemed not to apply to any document or record which the Principal Paying Agent is obliged not to release by any Requirement of Law or Regulatory Direction or by the terms of the Agency Agreement; and

11.2.2 by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Notes to or to the order of the Trustee and not to the Principal Paying Agent and with effect from the issue of any such notice until such notice is withdrawn, the provisions in Clause 7.2 (*Application of payments*) and (so far as it concerns payments by the Issuer) Clause 25 (*Payment to Noteholders*) shall cease to have effect.

12. **RATE OF INTEREST AFTER A DEFAULT**

If the Notes become immediately repayable pursuant to the Conditions, the Note Rate payable thereon shall be calculated at quarterly intervals, the first of which shall commence on the expiry of the Interest Period during which the Notes become so repayable. In these circumstances, interest payable on the Notes will be calculated in accordance with Condition 8 (*Interest*) (with consequential amendments as necessary) except that the Note Rate need not be published.

SECTION D

FORM AND ISSUE OF THE NOTES

13. FORM OF THE NOTES

13.1 The Global Notes

13.1.1 The Global Notes of each Class will be initially issued in fully registered global form. The Global Notes will initially be represented by one or more global notes offered and sold to persons who are not U.S. persons (as defined in Regulation S) outside the United States in accordance with Regulation S.

13.1.2 Beneficial interests in each Global Note will be registered in the name of a nominee for and shall be deposited with the Common Safekeeper for and in respect of those interests held through Euroclear and Clearstream, Luxembourg. Each Global Note will represent the aggregate Principal Amount Outstanding of the Notes it represents at any time.

13.2 Form of the Global Notes

Each Global Note shall be printed, lithographed or typed substantially in the form set out in Schedule 1 (*Form of Global Note*). Each Global Note shall be duly executed by the Issuer.

13.3 Exchange, authentication, effectuation, delivery etc. of the Global Notes

13.3.1 The procedures as regards the exchange, authentication, effectuation, delivery, surrender, cancellation, presentation, and marking down of a Global Note (or part thereof) and any other matters to be carried out by the relevant parties upon such exchange (in whole or part) shall be made in accordance with the provisions of the relevant Global Note, the Agency Agreement and the rules and procedures of Euroclear and Clearstream, Luxembourg for the time being.

13.3.2 If any Global Note is mutilated, defaced, lost, stolen or destroyed, such Global Note shall, upon evidence of such mutilation, defacement, loss, theft or destruction being given to the Issuer and the Trustee, become void and the Issuer shall immediately after being provided with such evidence deliver to the registered holder thereof a duly executed and authenticated replacement Global Note or Definitive Note, as the case may be.

13.4 Signature and authentication

The Issuer shall procure that, prior to the issue and delivery of each Global Note, each Global Note will be signed on behalf of the Issuer by a director of the Issuer or a duly authorised person designated by the Issuer and authenticated by an authorised signatory on behalf of the Registrar and no Global Note shall be valid for any purpose unless and until so signed and authenticated and such authentication shall, for the avoidance of doubt, include manual authentication of a facsimile copy of the Global Note. A Global Note so executed and authenticated shall be a binding and valid obligation of the Issuer. A Global Note shall in all respects be entitled to the same benefits as a Definitive Note and shall be subject to the provisions of this Deed.

13.5 Issue of Definitive Notes

If, while any of the Notes are represented by one or more Global Note, an Exchange Event occurs then the Issuer will, at its sole cost and expense, within 30 calendar days of the occurrence of the relevant event but not earlier than the Exchange Date, issue Definitive Notes in respect of the Notes.

13.6 Exchange of the Global Note for Definitive Notes

13.6.1 If Definitive Notes are issued pursuant to Clause 13.5 (*Issue of Definitive Notes*), the beneficial interests represented by each Global Note shall be exchanged by the Issuer for Definitive Notes in an aggregate principal amount equal to the Principal Amount Outstanding of the relevant Global Note, subject to and in accordance with the provisions of the relevant terms of the Global Note, the Agency Agreement and the relevant rules and procedures of Euroclear and Clearstream, Luxembourg, as applicable for the time being.

13.6.2 If the Issuer has become obliged to issue Definitive Notes, the Trust Documents and the other Transaction Documents will be deemed to be amended in such manner as the Trustee requires to take account of the issue of Definitive Notes.

13.7 Form of Definitive Notes

13.7.1 If issued, Definitive Notes shall be in, or substantially in, the form set out in Schedule 2 (*Form of Definitive Note*), printed, lithographed or typewritten and serially numbered in each case and shall be issued in the Minimum Denomination for the Notes.

13.7.2 Title to a Definitive Note shall pass by registration in the Register.

13.7.3 The Definitive Notes shall be signed manually or by facsimile by a director of the Issuer and shall have attached thereto the Conditions subject to such amendments, to reflect the issue of the relevant Definitive Notes, as the Trustee may approve.

13.7.4 No Definitive Note shall be valid for any purpose until it has been authenticated by or on behalf of the Registrar. The Issuer may use on any of the Definitive Notes the facsimile signature of any person who is a director of the Issuer on the date such signature is affixed notwithstanding the fact that when such Definitive Notes shall be delivered such person may have ceased to be a director. Definitive Notes so executed and so authenticated shall be binding and valid obligations of the Issuer.

13.8 Notice of issue of Definitive Notes

13.8.1 If the Issuer becomes obliged to issue, or procure the issue of, Definitive Notes pursuant to Clause 13.5 (*Issue of Definitive Notes*), the Issuer shall notify the Trustee, the Principal Paying Agent and the Registrar forthwith of the occurrence of an Exchange Event and shall promptly give notice thereof and of its intention to issue the relevant Definitive Notes to the Noteholders.

- 13.8.2 If after the Exchange Date, the Issuer becomes obliged to issue Definitive Notes pursuant to the terms of the relevant Global Note but fails to do so within 30 calendar days of the occurrence of the relevant Exchange Event, then the Issuer shall indemnify the Trustee and the Noteholders against any loss or damage incurred by any of them if the amount received by any of them is less than the amount that would have been received had the Definitive Notes been issued. If and for so long as the Issuer discharges its obligations under this indemnity, the breach by the Issuer of the provisions of the relevant Global Notes shall be deemed to be cured from the date of such breach.

13.9 Transfers or Exchanges of Beneficial Interests in a Global Note

Transfers or exchanges of beneficial interests in a Global Note may only be made in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, as applicable, the transfer restrictions contained in the legend on the relevant Global Note and any transfers prior to the expiration of the Distribution Compliance Period by a holder of a beneficial interest in a Global Note may only be made upon receipt by the Registrar or Transfer Agent of a form of transfer, including written certifications from the transferor in or substantially in the form set out in Schedule 5 (*Form of Transfer Certificate*) (a "**Transfer Certificate**").

13.10 Transfer and Exchange of Book Entry Interests

The transfer and exchange of Book Entry Interests shall be effected through Euroclear and/or Clearstream, Luxembourg, as the case may be, in accordance with these provisions, the Agency Agreement and the procedures therefor of Euroclear and/or Clearstream, Luxembourg as the case may be. The Trustee shall have no obligation to ascertain or to monitor Euroclear's or Clearstream, Luxembourg's compliance with any such restrictions on transfer.

13.11 Transfers and Exchanges of Definitive Notes

- 13.11.1 Subject to any restrictions on transfer or exchange specified in the Definitive Notes or in the Agency Agreement, the Noteholder of any Definitive Note may transfer or exchange the same in whole or in part (equal to or in excess of the applicable Minimum Denomination) by surrendering such Definitive Note at the office of the Principal Paying Agent, together with in the case of any exchange, a written request for exchange.
- 13.11.2 Following a valid request for transfer or exchange, the Registrar or Transfer Agent shall (provided it has available in its possession an inventory of Definitive Notes), within five Business Days of such request if made at its office, authenticate and make available at its office to the transferee (in the case of transfer) or Noteholder (in the case of exchange) or send by first class mail (at the risk of the transferee in the case of transfer or Noteholder in the case of exchange) to such address as the transferee or Noteholder, as applicable, may request, a Definitive Note or Notes, as the case may require, for such principal amount as may be requested (**provided always that** where a transfer or exchange in part is requested, the relevant Noteholder shall retain Notes with a Principal Amount Outstanding equal to at least the Minimum Denomination).

- 13.11.3 The presentation for transfer or exchange of any Definitive Note shall not be valid unless made at the Registrar's office or at the office of the Transfer Agent by the registered Noteholder in person, or by a duly authorised attorney-in-fact.

13.12 **Mandatory Transfer and/or Redemption**

If at any time the Issuer determines or is notified that:

- 13.12.1 any holder or beneficial owner of the Notes was, at the time of acquisition of the Notes or interests thereon, in breach of any of the representations or agreements set forth in the front section of the Global Notes; or
- 13.12.2 otherwise determines that any transfer or other disposition of any Notes would, in the sole determination of the Issuer, require the Issuer to register as an investment company under the provisions of the Investment Company Act, then:
- (a) the Issuer may consider the acquisition of such Notes or interests therein void *ab initio*;
 - (b) the Issuer has the right to refuse to register or otherwise honour the transfer; and
 - (c) the Issuer may require that the Notes or interests therein purchased by such holder or beneficial owner be transferred to a person designated by the Issuer, at a price determined by the Issuer based upon its estimation of the prevailing price of the Notes,

and by its acceptance of its Notes or interests therein, each such holder or beneficial owner authorises the Issuer to take such action if warranted and understands that the Issuer shall not be responsible for any losses that may be incurred as a result of any such action.

14. **ENTITLEMENT TO TREAT HOLDER AS OWNER**

14.1 **Deemed absolute owner**

- 14.1.1 The Issuer, the Trustee, the Registrar and the other Agents shall deem and treat the person registered in the Register as the holder of the relevant Note or, if more than one person is so registered, the first named of such persons as the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing on it or any notice of previous loss or theft of such Note) for all purposes **provided that**, so long as the nominee for the Common Safekeeper, for Euroclear and Clearstream, Luxembourg is the registered holder of the relevant Global Note, Euroclear and Clearstream, Luxembourg, as applicable, will be considered the sole Noteholder for all purposes hereunder.
- 14.1.2 Except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee, the Registrar and the other Agents shall not be affected by any notice to the contrary and shall make payments thereon accordingly.

14.2 **Payments and exchanges valid**

All payments or exchanges made to the person registered in the Register as the holder of the relevant instrument or, if more than one person is so registered, the first named of such persons in accordance with Clause 14.1 (*Deemed absolute owner*) shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the Issuer's liability for the monies payable upon the Notes.

SECTION E

WAIVER, MODIFICATIONS AND SUBSTITUTION

15. WAIVER

15.1 Waiver of Breach

The Trustee may at any time and from time to time in its sole discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class shall not be materially prejudiced thereby:

15.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the Trust Documents, the Conditions, the Notes or any other of the Transaction Documents; or

15.1.2 determine, on such terms and subject to such conditions (if any) as it may decide, that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Documents, the Conditions, the Notes or any of the other Transaction Documents;

without any consent or sanction of the Noteholders or any other Secured Creditor.

15.2 Binding Nature

Any authorisation, waiver or determination referred to in Clause 15.1 (*Waiver of Breach*) shall be binding on the Noteholders and the other Secured Creditors.

15.3 Restriction on powers

The Trustee shall not exercise any powers conferred upon it by Clause 15 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class but so that no such direction or request shall (a) affect any authorisation, waiver or determination previously given or made; or (b) require or authorise the Trustee to exercise its discretion to authorise or waive any proposed breach or breach relating to a Reserved Matter unless each class of Notes has, by Extraordinary Resolution, so authorised its exercise.

15.4 Notice of waiver

Unless the Trustee agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the relevant Transaction Documents, and to the Rating Agencies, as soon as practicable after it has been made.

16. MODIFICATIONS

16.1 Modification of Transaction Documents

The Trustee may in respect of Clauses 16.1.1 and 16.1.2 at any time and from time to time, without the consent or sanction of the Noteholders or any other Secured Creditors, concur with the Issuer and any other relevant parties in making any modification to the Conditions, the Trust Documents, the Notes or the other Transaction Documents:

- 16.1.1 which, in the opinion of the Trustee, is of a formal, minor or technical nature, or is to correct a manifest error; or
- 16.1.2 (other than a Reserved Matter) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of the holders of the then Most Senior Class;

provided that, the Issuer shall in relation to any proposed modification (for the avoidance of doubt, including any modification effected in accordance with Clause 16.2 below) provide a certificate to the Trustee certifying that (i) it has notified the Fixed Rate Swap Provider of such proposed modification and (ii) either the Fixed Rate Swap Provider has given its prior written consent to such modification or the prior written consent of the Fixed Rate Swap Provider is not required for such modification.

16.2 Additional Right of Modification of Transaction Documents

Notwithstanding the provisions of Clause 16.1 above, the Trustee shall be obliged, without any consent or sanction of the Noteholders, or, save as provided in this Clause 16.2, any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to the Conditions or any other Transaction Document to which the Trustee is a party or in relation to which the Trustee holds security, or enter into any new, supplemental or additional documents that the Issuer considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
 - (i) the Issuer certifies in writing to the Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (ii) in the case of any modification to a Transaction Document proposed by any of the Fixed Rate Swap Provider or the Account Bank, in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - (A) the Fixed Rate Swap Provider or the Account Bank, as the case may be, certifies in writing to the Issuer or the Trustee that such modification is necessary for the

purposes described in paragraph (ii)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Trustee that it has received the same from the Fixed Rate Swap Provider or the Account Bank, as the case may be);

(B) either:

- (1) the Fixed Rate Swap Provider or the Account Bank, as the case may be, obtains from each of the Rating Agencies written confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing the Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Trustee; or
- (2) the Issuer certifies in writing to the Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); and
- (3) the Issuer pays all costs and expenses (including legal fees) incurred by the Issuer and the Trustee in connection with such modification;

(b) in order to enable the Issuer and/or the Fixed Rate Swap Provider to comply with:

- (i) any obligation which applies to it under Articles 9, 10 and 11 of EMIR (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators); or
- (ii) any other obligation which applies to it under EMIR,

provided that the Issuer or the Fixed Rate Swap Provider, as appropriate, certifies to the Trustee in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;

(c) for the purpose of complying with any changes in the requirements of Article 405 of the CRR, Article 51 of the AIFMR or Article 254 of the

Solvency II Regulation, after the Closing Date, including as a result of the adoption of additional Regulatory Technical Standards in relation to the CRR or the AIFMR or the Solvency II Regulation or any other risk retention legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

- (d) for the purposes of enabling the Notes to remain listed on the Stock Exchange, provided that the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (e) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (f) for the purpose of complying with any changes in the requirements of the CRA{ XE "CRA" } Regulation after the Closing Date, including as a result of the adoption of Regulatory Technical Standards in relation to the CRA Regulation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (g) for the purpose of changing the reference rate or base rate used to calculate the Note Rate from Compounded Daily SONIA to an alternative reference rate or base rate (including where such alternative reference rate or base rate remains linked to SONIA but may be calculated in a different manner) (any such rate, an "**Alternative Base Replacement Rate**{ XE "LIBOR Replacement Rate" }") and making such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**{ XE "LIBOR Modification" }"), provided that, in relation to any amendment under this paragraph (g):
 - (i) the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer), on behalf of the Issuer, certifies to the Trustee in writing (such certificate, a "**Base Rate Modification Certificate**{ XE "LIBOR Modification Certificate" }") that:
 - (A) such Base Rate Modification { XE "LIBOR Modification" } is being undertaken due to:
 - (1) a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;

- (2) SONIA ceasing to exist or be published;
 - (3) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);
 - (4) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
 - (5) a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is or will be subject to restrictions or adverse consequences; or
 - (6) the reasonable expectation of the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer) that any of the events specified in paragraphs (2), (3), (4) or (5) above will occur or exist within six months of the proposed effective date of such Base Rate Modification { XE "LIBOR Modification" }; and
- (B) such Alternative Base Replacement Rate{ XE "LIBOR Replacement Rate" } is:
- (1) a reference rate published, endorsed, approved or recognised by the Bank of England or the European Central Bank, any regulator in the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
 - (2) the Broad Treasuries Repo Financing Rate (or any rate which is derived from, based upon or otherwise similar to such rate);
 - (3) a reference rate utilised in a material number of publicly-listed new issues of asset-backed floating rate notes denominated in the same currency as the Notes prior to the effective date of such Base Rate Modification{ XE "LIBOR Modification" };
 - (4) a reference rate utilised in a publicly-listed new issue of asset-backed floating rate notes

denominated in the same currency as the Notes where the originator of the relevant assets is WBBS; or

- (5) such other reference rate as the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer) reasonably determines; and
- (ii) the Issuer pays all fees, costs and expenses (including legal fees) incurred by the Issuer and the Trustee or any other Transaction Party in connection with such modification; or
- (h) for the purpose of changing the base rate that then applies in respect of the Fixed Rate Swap Agreement to an Alternative Base Replacement Rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer) on its behalf) and the Fixed Rate Swap Provider solely as a consequence of a Base Rate Modification{ XE "LIBOR Modification" } and solely for the purpose of aligning the base rate of the Fixed Rate Swap to the base rate of the Class A Notes following such Base Rate Modification (a "**Swap Rate Modification**{ XE "Swap Rate Modification" }"), provided that the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer), on behalf of the Issuer, certifies to the Trustee in writing (upon which certificate the Trustee may rely absolutely and without enquiry or liability) that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**{ XE "Swap Rate Modification Certificate" }"),

(the certificate to be provided by the Issuer, the Fixed Rate Swap Provider, the Cash Manager or the relevant Transaction Party, as the case may be, pursuant to paragraphs (a) to (h) above being a "**Modification Certificate** { XE "Modification Certificate" }"), provided that:

- (A) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee;
- (B) the Modification Certificate { XE "Modification Certificate" } in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect; and
- (C) the consent of each Transaction Party which is party to the relevant Transaction Document has been obtained,

and provided further that, other than in the case of a modification pursuant to Clause 16.2(b)(i):

- (A) other than in the case of a modification pursuant to Clause 16.2(a)(ii), either:

- (1) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); or
 - (2) the Issuer certifies in the Modification Certificate{ XE "Modification Certificate" } that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (B) (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 22 (*Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and (II) the Trustee has not been contacted in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) by Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding within such notification period notifying the Trustee that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*),

and provided that other than where specifically provided in Clause 16.2 or any Transaction Document:

- (1) when implementing any modification pursuant to Clause 16.2 (save to the extent the Trustee considers that the proposed modification would constitute a Reserved Matter), the Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Clause 16.2 and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the Transaction Documents and/or these Conditions.

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

- (1) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each Rating Agency;
- (2) the Secured Creditors; and
- (3) the Noteholders in accordance with Condition 22 (*Notices*).

16.3 **Binding Nature**

Any modification referred to in this Clause 16 (*Modification of Transaction Documents*) shall be binding on the Noteholders and the other Secured Creditors and may be made on such terms and subject to such conditions (if any) as the Trustee may determine.

16.4 **Notice of modification**

Unless the Trustee otherwise agrees, the Issuer shall cause any such modification to be notified to the Noteholders, the other Secured Creditors and the Rating Agencies as soon as practicable after it has been made, in accordance with the Notices Condition and the relevant Transaction Documents.

17. **BREACH**

Any breach of or failure on the part of the Issuer, to comply with any such terms and conditions as are referred to in Clauses 15.3 (*Notice of waiver*), 16.4 (*Notice of Modification*) and/or 18.5 (*Notice of substitution*) shall constitute a default by the Issuer in the performance or observance of a covenant or provision binding on it under or pursuant to the Trust Documents.

18. SUBSTITUTION

18.1 Procedure

The Trustee may, without the consent of any Noteholder or any other Secured Creditor concur with the Issuer (at the request of the Issuer) in substituting in place of the Issuer (or of any previous substitute under this Clause 18.1 (*Substitution*)) a Substituted Obligor as the principal debtor in respect of the Transaction Documents, the Notes and the other Secured Amounts if:

- 18.1.1 a trust deed is executed or some other written form of undertaking is given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of the Trust Documents, the Notes and the other Transaction Documents with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substituted Obligor had been named in the Trust Documents and the other Transaction Documents and on the Notes as the principal debtor in respect of the Notes and the other Secured Amounts in place of the Issuer (or of any previous substitute under this Clause 18 (*Substitution*));
- 18.1.2 the Issuer (or any previous substitute) and the Substituted Obligor execute such other deeds, documents and instruments (if any) as the Trustee may require in order that the substitution is fully effective and complies with such other requirements as the Trustee may direct in the interests of the Noteholders and the other Secured Creditors;
- 18.1.3 where all or substantially all of the assets of the Issuer (or any previous substitute) are transferred to the Substituted Obligor, the Substituted Obligor:
 - (a) acquires the Issuer's (or such previous substitute's) equity of redemption in the Charged Property (other than the undertaking of the Issuer or any previous substitute);
 - (b) becomes a party to all the Transaction Documents to which the Issuer (or such previous substitute) is a party;
 - (c) acknowledges the Security and the other matters created and effected in respect thereof pursuant to the Trust Documents; and
 - (d) takes all such action as the Trustee may require so that the Charged Property continues to be subject to the Security and the other matters created and effected in respect thereof pursuant to the Trust Documents are otherwise effected or maintained in all respects corresponding to those previously subsisting on the part of the Issuer (or such previous substitute);
- 18.1.4 (unless all or substantially all of the assets of the Issuer (or any previous substitute) are transferred to the Substituted Obligor) an unconditional and irrevocable guarantee secured on the Charged Property in form and substance satisfactory to the Trustee is given by the Issuer (or such previous substitute) of

the obligations of the Substituted Obligor under the Trust Documents, the Notes and the other Transaction Documents;

- 18.1.5 the Substituted Obligor is a single purpose company similar to, and with like constitution as, and having substantially the same restrictions and prohibitions on its activities and operations as the Issuer, and undertakes to be bound by provisions corresponding to those set out in the Conditions, the Trust Documents and the other Transaction Documents binding on the Issuer (or any previous substitute) and satisfies the SPV Criteria;
- 18.1.6 the Trustee is satisfied that in accordance with all applicable Requirements of Law and Regulatory Directions:
- (a) the Substituted Obligor has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Notes and the other Secured Amounts in place of the Issuer (or such previous substitute as aforesaid);
 - (b) (if a guarantee is executed in accordance with sub-clause 18.1.4 (*Substitution*)) the Issuer (or such previous substitute) has obtained all governmental and regulatory approvals and consents necessary for the guarantee to be fully effective; and
 - (c) such approvals and consents are at the time of substitution in full force and effect;
- 18.1.7 the Trustee is provided with legal opinions in respect of such substitution and the satisfaction of the conditions thereto in this Clause 18 (*Substitution*) in form and substance satisfactory to it; and
- 18.1.8 without prejudice to the rights of reliance of the Trustee under Clause 18.4 (*Directors certification*), the Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders.

18.2 **Change of law**

In connection with any proposed substitution of the Issuer or any previous substitute, the Trustee may, in its absolute discretion and without the consent of the Noteholders or the other Secured Creditors, agree to a change of the law from time to time governing the Notes and/or the Trust Documents and/or the other Transaction Documents **provided that** such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of the holders of the Most Senior Class, and provided that the Rating Agencies have been notified.

18.3 **Extra duties**

Notwithstanding any of the forgoing provisions, the Trustee shall be entitled to refuse to approve any Substituted Obligor if, pursuant to the law of the country of incorporation of the Substituted Obligor, the assumption by the Substituted Obligor of its obligations under the Trust Documents and the other Transaction Documents imposes responsibilities and Liabilities on the Trustee over and above those which have been assumed under the Trust Documents.

18.4 Directors' certification

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

18.5 Substitution for tax reasons

If the Issuer (or any previous substitute):

- 18.5.1 would be required to make a Tax Deduction in respect of any payments made on the Notes; or
- 18.5.2 by virtue of a change in the tax law of the Issuer's Jurisdiction (or the application or official interpretation thereof) would be subject to tax on an amount in excess of the Issuer Profit Amount,

then the Issuer shall use all reasonable endeavours to procure the substitution of the Issuer (or any previous substitute) as principal debtor under the Trust Documents, the Notes and the other Secured Obligations upon the same terms and in the same form as are set out in Clause 18.1 (*Procedure*) of a company approved by the Trustee incorporated in some other jurisdiction, subject to and in accordance with the Conditions.

18.6 Interests of Noteholders and Secured Creditors

In connection with any proposed substitution, the Trustee shall not have regard to, or be in any way liable for, the consequences of such substitution for individual Noteholders or the other Secured Creditors resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. No Noteholder or other Secured Creditor shall, in connection with any such substitution, be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders or other Secured Creditors.

18.7 Release of Issuer

Any agreement by the Trustee pursuant to Clause 18.1 (*Procedure*) shall, if so expressed, operate to release the Issuer (or such previous substitute) from any or all of its obligations as principal debtor under the Notes, the Trust Documents and the other Secured Amounts but without prejudice to its liabilities under any guarantee given pursuant to sub-clause 18.1.4.

18.8 Notice of substitution

Not later than fourteen days after any substitution in accordance with this Clause 18 (*Substitution*) has effect in accordance with Clause 18.9 below the Substituted Obligor shall cause notice of the Substitution to be given to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the relevant Transaction Documents, and to the Rating Agencies.

18.9 Completion of Substitution

Upon the execution of such documents as are required to be executed pursuant to Clause 18.1 (*Procedure*) and compliance with any requirements of the Trustee under such Clause, the Substituted Obligor shall be deemed to be named in the Trust Documents, the Notes and the other Transaction Documents as the principal debtor in place of the Issuer (or of any previous substitute under this Clause) and the Trust Documents, the Notes and the other Transaction Documents shall thereupon be deemed to be amended in such manner as shall be necessary to give effect to the substitution. Any references to the Issuer (or any previous substitute) in the Trust Documents, the Notes and the other Transaction Documents shall be deemed to be references to the Substituted Obligor.

SECTION F ENFORCEMENT

19. ENFORCEMENT NOTICE, ENFORCEABILITY OF SECURITY AND PROCEEDINGS

The parties hereto acknowledge and agree that:

19.1 Enforcement Notices

The circumstances in which the Trustee may or shall deliver an Enforcement Notice and the conditions applicable to delivery of an Enforcement Notice are set out in Conditions 13.2 (*Delivery of Enforcement Notice*) and 13.3 (*Conditions to delivery of Enforcement Notice*) respectively and the consequences of delivery of an Enforcement Notice are set out in Condition 13.4 (*Consequences of delivery of Enforcement Notice*).

19.2 Enforceability of Security

The Security shall become enforceable upon the delivery of an Enforcement Notice in accordance with clause 13 (*Security Enforceable*) of the Deed of Charge.

20. PROCEEDINGS AND ACTIONS BY THE TRUSTEE

20.1 Proceedings

The circumstances in which the Trustee may institute proceedings to enforce its rights under this Deed in respect of the Notes of each Class and under the other Transaction Documents are set out in Condition 14.1 (*Proceedings*).

20.2 Restrictions on disposal of Issuer's assets

Certain restrictions are imposed on the entitlement of the Trustee to dispose of the Charged Property, as set out in Condition 14.3 (*Restrictions on disposal of Issuer's assets*).

20.3 Directions to the Trustee

Following delivery of an Enforcement Notice, the Trustee shall be bound to act in accordance with directions from certain Classes of Noteholders in accordance with the provisions of Condition 14.1 (*Proceedings*).

20.4 No action by Noteholders or any other Secured Creditor

The Trustee shall be entitled to act as provided in Condition 15 (*No action by Noteholders or any other Secured Creditor*) and the Noteholders and other Secured Creditors shall have their rights to act limited in accordance with the provisions of that Condition.

20.5 Trustee discretions

20.5.1 When taking any action pursuant to the provisions of the Transaction Documents, the Trustee can rely on the provisions for its benefit as set out in this Deed, the Conditions and the Deed of Charge.

20.5.2 In relation to any discretion to be exercised or action to be taken by the Trustee under any Transaction Document, the Trustee may, at its discretion, or shall, if it has been so directed by an Extraordinary Resolution of the holders of the Most Senior Class or so requested in writing by the holders of at least 25 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class and without further notice exercise such discretion or take such action, **provided that**, in either case, the Trustee shall not be obliged to exercise such discretion or take such action unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities and **provided that** the Trustee shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Noteholders or Secured Creditors.

20.6 Action by Trustee

Save as otherwise provided in the Deed of Charge, only the Trustee may pursue the remedies available under the general law or the Trust Documents to enforce the rights under the Trust Documents of the Noteholders and the other Secured Creditors. No person shall be entitled to proceed directly against the Issuer to enforce the performance of any provision of the Trust Documents unless the Trustee is obliged by the Conditions or any of the Transaction Documents to take such action but fails to do so.

21. EVIDENCE OF DEFAULT

If the Trustee makes any claim, institutes any legal proceeding or lodges any proof in respect of the Issuer under the Trust Documents or under the Notes, proof therein that, as regards any specified Note, the Issuer has made default in paying any principal or interest due in respect of such Note shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Notes in respect of which a corresponding payment is then due.

SECTION G

APPLICATION OF MONIES

22. MONIES HELD ON TRUST

All monies received by the Trustee in respect of the Notes or amounts payable under the Trust Documents (including any monies which represent principal or interest in respect of Notes which have become void under the Conditions) will, despite any appropriation by the Issuer, be held by the Trustee on trust to apply them (subject to Clause 23 (*Investment of Monies*)), if received prior to the delivery of an Enforcement Notice, in accordance with the Pre-Enforcement Payments Priorities and, if received after delivery of an Enforcement Notice, in accordance with the Post-Enforcement Payments Priorities.

23. INVESTMENT OF MONIES

23.1 Investment by the Trustee

If upon enforcement of the Security, the amount of the monies at any time available for payment of principal and interest in respect of the Notes and any other amounts payable under Clause 22 (*Monies Held on Trust*) shall be less than a sum sufficient to pay at least one-tenth of the aggregate Principal Amount Outstanding of the Notes the Trustee may, at its discretion, invest such monies upon some or one of the investments hereinafter authorised with power from time to time, with like discretion, to vary such investments.

23.2 Accumulations

Any investment referred to in Clause 23.1 (*Investment by the Trustee*), with the resulting income thereof, may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustee and available for the purpose shall amount to a sum sufficient to pay at least one-tenth of the aggregate Principal Amount Outstanding of the Notes and such accumulation and funds (after deduction of any taxes and any other deductibles applicable thereto) shall then be applied in accordance with the Post-Enforcement Payments Priorities.

24. PERMITTED INVESTMENTS

24.1 Types of Investment

Any monies which under the Trust Documents may be invested by the Trustee may be invested in the name or under the control of the Trustee in the following:

- 24.1.1 any of the investments for the time being authorised by English law for the investment by trustees of trust monies; or
- 24.1.2 in any other investments, whether similar to those aforesaid or not, which may be selected by the Trustee by placing the same on deposit in the name or under the control of the Trustee with such bank or other financial institution as the Trustee may think fit.

24.2 Currency and Conversion

Such investments may be invested in such currency as the Trustee in its absolute discretion may determine and the Trustee may at any time vary or transfer any of such investments for or into other such investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss occasioned by reason of any such investments or such deposit whether by depreciation in value, fluctuation in exchange rates or otherwise.

25. PAYMENT TO NOTEHOLDERS

The Trustee shall, after the delivery of an Enforcement Notice, give notice to the Noteholders in accordance with the Notices Condition of the date fixed for any payment to them under Clause 22 (*Monies Held on Trust*). Any payment to be made in respect of the Notes by the Issuer or the Trustee to the Principal Paying Agent may be made in the manner provided in the Conditions, the Agency Agreement, the Trust Documents or the Fixed Rate Swap Agreement and any payment so made shall be a good discharge to the Issuer or to the Trustee as the case may be to the extent of such payment. Any payment in full in respect of the interest or principal payable to the Principal Paying Agent made in respect of the Notes in the manner aforesaid shall extinguish any claim of a Noteholder which may arise directly or indirectly in respect of such interest or principal, except to the extent that there is a default in the subsequent payment thereof to the Noteholders (as the case may be) under the Conditions.

26. CURRENCY INDEMNITY

The indemnity contained in paragraph 23.3 of the Common Terms shall constitute an obligation of the Issuer separate and independent from its obligations under the other provisions of the Trust Documents and shall apply irrespective of any indulgence granted by the Trustee or the Noteholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Issuer for a liquidated sum or sums in respect of amounts due under the Trust Documents (other than this clause). Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Noteholders and no proof or evidence of any actual loss shall be required by the Issuer or its liquidator or liquidators.

SECTION H TERMS OF APPOINTMENT

27. SUPPLEMENT TO TRUSTEE ACTS

By way of supplement to the Trustee Acts, it is expressly declared as follows in relation to the Trustee and the trust created by the Trust Documents:

27.1 Reliance on Information

27.1.1 *Advice*: the Trustee may act on the opinion or advice of, or a certificate or any information (whether addressed to the Trustee or not) obtained from, any lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert in the United Kingdom or elsewhere (whether obtained by the Trustee, the Receiver, the Issuer, a Paying Agent or any other Secured Creditor and whether or not the liability of such lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert is limited by monetary cap or otherwise) or a letter or any information obtained from a Rating Agency, and shall not be responsible for any Liability occasioned by so acting or relying;

27.1.2 *Transmission of Advice*: any opinion, advice, certificate or information referred to in sub-clause 27.1.1 (*Advice*) may be sent or obtained by letter, telegram, e-mail or fax transmission and the Trustee shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic;

27.1.3 *Certificate of Directors or Authorised Signatories*: the Trustee may call for and shall be at liberty to accept a certificate signed by two directors and/or two Authorised Signatories of the Issuer or any other Transaction Party (or other person duly authorised on its behalf):

- (a) as to any fact or matter *prima facie* within the knowledge of the Issuer or such other Transaction Party; and
- (b) to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient,

as sufficient evidence that such is the case, and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do and in any event (without limitation) shall be entitled to assume the truth and accuracy of any such certificate without being required to make any further investigation in respect thereof;

27.1.4 *Resolution or direction of Noteholders*: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the making of such

directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Noteholders;

27.1.5 *Reliance on certification of clearing system:* the Trustee may call for and shall be at liberty to accept and place full reliance on the following matters as sufficient evidence thereof:

- (a) any Note purporting to be such and subsequently found to be forged or not authentic; and
- (b) the facts stated in a certificate or letter of confirmation purporting to be signed on behalf of Euroclear, Clearstream, Luxembourg or any other relevant clearing system in relation to any matter,

and the Trustee shall not be liable to the Issuer or any Noteholder by reason only of such acceptance or reliance;

27.1.6 *Certificates of other parties to the Transaction Documents:* the Trustee shall be entitled to call for and rely upon a certificate (or any confirmation or affirmation, in the case of any Rating Agency), believed by it to be genuine, of:

- (a) any of the parties to the Transaction Documents, in respect of every matter and circumstance for which a certificate is expressly provided for under the Trust Documents, the Conditions or the other Transaction Documents;
- (b) the Mortgage Administrator, as to any other fact or matter *prima facie* within the knowledge of the Mortgage Administrator;
- (c) the Auditors or, if applicable, the Insolvency Official (if any) of the Issuer as to the amounts to be paid to Secured Creditors in accordance with the Post- Enforcement Payments Priorities; and
- (d) the Issuer, that the Issuer has sufficient funds to make an optional redemption under the Conditions; and
- (e) any Rating Agency in relation to the impact of any action or waiver on the then current ratings of the Notes,

as sufficient evidence thereof, and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failing to do so;

27.1.7 *No Liability as a result of the delivery of a certificate:* the Trustee shall have no liability whatsoever for any Liability directly or indirectly suffered or incurred by the Issuer, any Noteholder, Secured Creditor or any other person as a result of the delivery by the Trustee to the Issuer of a certificate as to material prejudice pursuant to Condition 13.1(c) (*Breach of other obligations*), on the basis of an opinion formed by it in good faith;

- 27.1.8 *Notes held by or for the benefit of the Issuer or any other person referred to in the proviso to the definition of outstanding:* in the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer) that no Notes are for the time being held by or for the benefit of the Issuer or any other person referred to in the proviso to the definition of outstanding;
- 27.1.9 *Trustee not responsible for investigations:* the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in the Trust Documents, the other Transaction Documents, the Notes, the Conditions or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof and shall assume the accuracy and correctness thereof nor shall the Trustee, by execution of the Trust Documents, be deemed to make any representation as to the validity, sufficiency or enforceability of either the whole or any part of the Trust Documents;
- 27.1.10 *Determination of Material Adverse Effect:* in determining whether a Material Adverse Effect (or like circumstance) has arisen it shall be entitled to seek directions by an Extraordinary Resolution of the holders of the Most Senior Class in this regard or a request in writing by the holders of at least 25% of the aggregate Principal Amount Outstanding of the Most Senior Class, and/or expert advice as it considers appropriate and rely thereon, without any responsibility for delay occasioned by so doing; and
- 27.1.11 *Information:* it is a term of the trust created in this Deed that, except where expressly provided otherwise in the Transaction Documents, where the Trustee receives any information provided to it under to the terms of the Transaction Documents for information purposes only, the Trustee will not and is not expected to review or monitor such information.

27.2 Trustee's powers and duties

- 27.2.1 *Trustee's determination:* the Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of the Trust Documents, the Conditions or contained in the Notes or any other Transaction Document is capable of remedy and/or materially prejudicial to the interests of the Noteholders or any Class thereof. If the Trustee shall certify that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Noteholders or any Class thereof, such certificate shall be conclusive and binding upon the Issuer, the Noteholders and the other Secured Creditors;
- 27.2.2 *Events of Default:* the Trustee shall not be bound to give notice to any person of the execution of the Trust Documents or the other Transaction Documents or to take any steps to ascertain whether any Event of Default or Potential Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no Event of Default or Potential Event of Default has happened and that the Issuer is

observing and performing all the obligations on its part contained in the Notes, the Conditions, the other Transaction Documents and under the Trust Documents and no event has happened as a consequence of which any of the Notes may become repayable;

- 27.2.3 *Determination of questions:* the Trustee, as between itself and the Noteholders and the other Secured Creditors, shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Documents and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee, the Noteholders and the other Secured Creditors;
- 27.2.4 *Noteholders as a Class:* without prejudice to the provisions of sub-clause 27.2.5 (*Consideration of the interests of the Noteholder and the other Secured Creditors*), whenever in the Trust Documents the Trustee is required in connection with any exercise of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders or any Class thereof, it shall have regard to the interests of the Noteholders (or such Class) as a class. The Trustee shall not be obliged to have regard to the consequences of such exercise for any individual Noteholder resulting from its being for any purpose domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, any particular territory or taxing jurisdiction;
- 27.2.5 *Consideration of the interests of the Noteholders and the other Secured Creditors:* the Trustee shall, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Trust Documents, the other Transaction Documents, the Conditions or the Notes, except where expressly provided otherwise, have regard to the interests only of the Noteholders and not of the other Secured Creditors. Where, in the opinion of the Trustee, there is a conflict between the interests of the Class A Noteholders and the Class B Noteholders, the Trustee shall give priority to the interests of the Class A Noteholders, whose interests shall prevail.
- 27.2.6 *Trustee's discretion:* save as expressly otherwise provided herein or in the other Transaction Documents, the Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise as regards all the trusts, powers, authorities and discretions vested in it by the Trust Documents, the other Transaction Documents or by operation of law. The Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise of such discretion, but whenever the Trustee is under the provisions of the Trust Documents bound to act at the request or direction of the Noteholders or any Class thereof, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all Liabilities which it may incur by so doing;
- 27.2.7 *Trustee's consent:* any consent, authority or waiver given by the Trustee for the purposes of the Trust Documents, the Conditions the Notes and the other Transaction Documents may be given on such terms and subject to such conditions (if any) as the Trustee may require and (notwithstanding any provision to the contrary) may be given retrospectively;

- 27.2.8 *Conversion of currency:* where it is necessary or desirable for any purpose in connection with the Trust Documents to convert any sum from one currency to another it shall (unless otherwise provided by the Trust Documents, the other Transaction Documents or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be specified by the Trustee in its absolute discretion as relevant and any rate, method and date so specified shall be binding on the Issuer, the Noteholders and the other Secured Creditors;
- 27.2.9 *Application of proceeds:* the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes, the exchange of any Global Note for a Definitive Note or the delivery of any Note to the persons entitled to them;
- 27.2.10 *Error of judgment by employees:* the Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;
- 27.2.11 *Agents:* the Trustee may, in the conduct of the trusts created pursuant to the Trust Documents, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money), provided that the Trustee uses reasonable care in appointing such agent and the Trustee shall not be bound to supervise the proceedings or acts of, and shall not in any way or to any extent be responsible for, any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder;
- 27.2.12 *Delegation:* the Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Documents, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Documents or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Documents. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Noteholders and the Trustee shall not be bound to supervise the proceedings or acts of, and shall not in any way or to any extent be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of, such delegate or sub-delegate;
- 27.2.13 *Custodians and nominees:* the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to the Trust Property as the Trustee may determine, including for the purpose of depositing with a custodian this Deed or any document relating to the trusts created by the Trust Documents and the Trustee shall not be responsible for any Liability incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer;

27.2.14 *Determination of material prejudice:* the Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions, the Trust Documents or any of the other Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Class thereof) if:

- (a) the Rating Agencies have confirmed in writing that the then current rating of the Notes (or the Notes of such Class) would not be adversely affected by such exercise; or
- (b) the Mortgage Administrator has certified in writing that an amendment is required to reflect the then current rating criteria of a Rating Agency and that such exercise would not:
 - (i) adversely impact on the Issuer's ability to make payments when due in respect of the Notes; or
 - (ii) affect the legality, validity or enforceability of any of the Transaction Documents or any Security created therein; or
- (c) in the Trustee's sole opinion, such exercise would not:
 - (i) adversely impact on the Issuer's ability to make payments when due in respect of the Notes; or
 - (ii) affect the legality, validity or enforceability of any of the Transaction Documents or any Security created therein.

27.2.15 *Determination of manifest error:* for the purposes of making a determination under or in relation to the Notes, the Conditions, the Trust Documents or any other Transaction Documents, a manifest error shall include an oversight which in the Trustee's opinion is so obvious as to admit no difference of opinion as between the parties to the relevant document. In making such determination, the Trustee shall be entitled to consider such certificates and documentation (including the other Transaction Documents) as it deems appropriate. Any such determination made in accordance with these provisions shall be binding on the Noteholders and other Secured Creditors.

27.2.16 *Advice or opinion on material prejudice:* where the Trustee is required to consider whether any event or the exercise by it of any power, trust, authority, duty or discretion, under or in relation to the Notes, the Trust Documents or any other Transaction Document, is or will be materially prejudicial to the interests of the Noteholders (or any Class thereof), the Trustee shall be entitled to call for and rely and act upon the advice or opinion of any reputable financial or other adviser (whether or not such financial adviser shall be a Secured Creditor or other party to any Transaction Document) and the advice of such financial or other adviser if relied upon by the Trustee, shall be binding on the Noteholders

and the other Secured Creditors and the Trustee shall not incur any Liability by reason of so acting or relying;

- 27.2.17 *Directions from Most Senior Class:* The Trustee shall be entitled to seek and obtain the express direction by an Extraordinary Resolution of the holders of the Most Senior Class or a direction in writing made by holders of not less than 25 per cent. in the aggregate Principal Amount Outstanding of the Most Senior Class in respect of the exercise of any of its powers in Section E (*Waiver, Modifications and Substitutions*) of this Deed and any such direction shall be binding on the Noteholders and the other Secured Creditors;
- 27.2.18 *Confidential information:* the Trustee shall not (unless required pursuant to any Requirement of Law or any Regulatory Direction or ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder, any other Secured Creditor or any other person confidential information or other information made available to the Trustee by the Issuer in connection with this Deed or the other Transaction Documents and no Noteholder, other Secured Creditor or any other person shall be entitled to take any action to obtain from the Trustee any such information;
- 27.2.19 *No obligation to monitor performance:* the Trustee shall be under no obligation to monitor or supervise the performance by the Issuer or any of the other Transaction Parties of their respective obligations under the Transaction Documents or under the Notes, the Conditions or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;
- 27.2.20 *Maintenance of Rating:* the Trustee shall not be responsible for the maintenance of the Ratings;
- 27.2.21 *Illegality:* notwithstanding anything else contained in the Trust Documents or the other Transaction Documents, the Trustee may refrain from doing anything which would or might in its opinion be contrary to any Requirement of Law or Regulatory Direction or which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such Requirement of Law or Regulatory Direction;
- 27.2.22 *Responsibility for determination of certain matters:* the Issuer is responsible, pursuant to the Conditions for determining the amount of (i) the Note Principal Payment, (ii) the Principal Amount Outstanding, (iii) the Pool Factor and (iv) the Interest Amount and the Trustee shall have no responsibility to recalculate any such amounts notwithstanding a manifest error therein. If the Issuer does not at any time for any reason determine such amounts, the Trustee may (but is not obliged to) without responsibility or liability appoint an agent to determine the same and such calculation shall be deemed to have been made by the Issuer pursuant to the Conditions and the Trustee shall have no liability in respect thereof;

27.2.23 *Mortgage Administrator Delegation Events:* The Trustee shall not be responsible for:

- (a) identifying the occurrence of a Mortgage Administrator Delegation Event and determining whether such could be expected to have a Material Adverse Effect in respect of the Mortgage Loans and shall assume that no such event or eventuality has occurred unless notified thereof by the Mortgage Administrator pursuant to Clause 17 (*Delegation*) of the Mortgage Administration Agreement, regarding a Mortgage Administrator Delegation Event; or
- (b) analysing the circumstances which have informed the Mortgage Administrator or the Issuer when notifying the Trustee of a Mortgage Administrator Delegation Event,

and the Trustee has no obligation to assume the role or responsibilities of the Mortgage Administrator or to appoint a delegate Mortgage Administrator or substitute Back-Up Mortgage Administrator.

27.3 **Financial matters**

27.3.1 *Professional charges:* any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of the Trust Documents and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with the Trust Documents, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;

27.3.2 *Expenditure by the Trustee:* the Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it under the Trust Documents, any other Transaction Document, the Charged Property or any other agreement relating to the transactions herein or therein contemplated or from taking any action to enforce the Security until it has been indemnified and/or secured and/or prefunded to its satisfaction against any and all Liabilities which might be brought, made or conferred against or suffered, incurred or sustained by it as a result (which may include payment on account). Nothing contained in the Trust Documents or the other Transaction Documents shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it;

27.3.3 *Deductions and withholdings:* notwithstanding anything contained in the Trust Documents, to the extent required by applicable law, if the Trustee is required to make any deduction or withholding from any distribution or payment made by it under the Trust Documents (other than in connection with its remuneration as provided for herein) or if the Trustee is otherwise charged to, or may become

liable to, Tax as a consequence of performing its duties under the Trust Documents or the other Transaction Documents, then the Trustee shall be entitled to make such deduction or withholding or (as the case may be) to retain out of sums received by it an amount sufficient to discharge any liability to Tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to Tax from the funds held by the Trustee on the trusts of the Trust Documents;

27.3.4 *Trustee may enter into financial transactions:* no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any other Transaction Party or any person or body corporate directly or indirectly associated with the Issuer or such other party, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or such other party or any person or body corporate directly or indirectly associated with the Issuer or such other party. Neither the Trustee nor any director or officer of any corporation being a Trustee shall be accountable to the Noteholders, the other Secured Creditors, the Issuer or any other Transaction Party or any person or body corporate directly or indirectly associated with the Issuer or any such other Transaction Party for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit;

27.3.5 *Noteholder appraisal of financial condition:* each Noteholder and each other Secured Creditor shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Issuer, the Charged Property or the Security and the Trustee shall not at any time have any responsibility for any such appraisal or investigation and no Noteholder or other Secured Creditors shall rely on the Trustee in respect thereof;

27.4 **Matters Relating to Security**

27.4.1 *Reliance on title to the Security:* the Trustee may accept without investigation, requisition or objection such right and title as the Issuer may have to any of the Charged Property and the Security created in favour of the Trustee by the Trust Documents and shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to all or any of the Charged Property whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not;

27.4.2 *Registration and perfection of the Security:* the Trustee shall not be liable for any failure, omission or defect in perfecting, protecting or further assuring the Security including:

- (a) any failure, omission or defect in registering or filing or procuring registration or filing of, or otherwise protecting or perfecting the

Security or the priority thereof or the right or title of any person in or to the assets comprised in the Security; and

- (b) any failure or omission to require any further assurances in relation to the Security;

- 27.4.3 *Adequacy of the Security:* the Trustee shall not be responsible for any unsuitability, inadequacy or unfitness of any Charged Property as security for the Secured Amounts and shall not be obliged to make any investigation into, and shall be entitled to assume, the suitability, adequacy and fitness of the Charged Property as security for the Secured Amounts;
- 27.4.4 *Monitoring:* the Trustee shall not be responsible for investigating, monitoring or supervising the observance or performance by any person in respect of the Charged Property or otherwise;
- 27.4.5 *No responsibility for Security:* the Trustee shall not be responsible for any Liabilities occasioned to the Security however caused, whether by an act or omission of the Issuer or any other party to the Transaction Documents or any other person (including any bank, broker, depositary, or other intermediary or any clearing system or operator thereof) acting in accordance with or contrary to the provisions of any of the Transaction Documents or otherwise and irrespective of whether the Security is held by or to the order of any of such persons;
- 27.4.6 *Insurance:* without prejudice to the provisions of any Transaction Document relating to insurance, the Trustee shall not be under any obligation to insure any of the Charged Property or any deeds or documents of title or other evidence in respect of the Charged Property or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any Liability which may be suffered by any person as a result of the lack of or inadequacy of any such insurance;
- 27.4.7 *Depreciation in value:* until the delivery of an Enforcement Notice, the moneys standing to the credit of any account comprised in the Charged Property shall be dealt with in accordance with the provisions of the Transaction Documents and the Trustee shall not be responsible in such circumstances or at any other time for any Liability suffered by any person, whether by reason of depreciation in value or by fluctuation in exchange rates or otherwise;
- 27.4.8 *No liability for loss:* the Trustee will not be liable for any decline in the value nor any loss realised upon any sale or other disposition pursuant to the Trust Documents of any of the Charged Property. In particular and without limitation, the Trustee shall not be liable for any such decline or loss directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached by it in good faith based on advice received by it in accordance with the Trust Documents and the Conditions;
- 27.4.9 *Liability to Tax:* the Trustee shall have no responsibility whatsoever to the Issuer, any Noteholder or other Secured Creditors as regards any deficiency

which might arise because the Trustee is subject to any Tax in respect of all or any of the Charged Property, the income therefrom or the proceeds thereof; and

27.4.10 *Responsibility:* the Trustee shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or suitability of any of the Transaction Documents or the Asset Agreements or other documents entered into in connection therewith, nor shall it be responsible or liable to any person because of any invalidity of any provisions of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court. The Trustee shall not have any responsibility for, or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

- (a) the nature, status, creditworthiness or solvency of any Borrower or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to any Borrower;
- (b) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of any Asset Agreement or any other document entered into in connection therewith;
- (c) the scope or accuracy of any representations, warranties or statements made by or on behalf of any Borrower in any application for any advance or any document entered into in connection therewith;
- (d) the performance or observance by any Borrower or any other person of any provisions of any Asset Agreement or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or waiver or consent which has at any time been granted in relation to any of the foregoing;
- (e) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with any Mortgage Loan;
- (f) the title of the Issuer to any Mortgage Loan or any other property intended to be comprised in the Security;
- (g) the suitability, adequacy or sufficiency of the Lending Criteria or compliance therewith or compliance with any applicable criteria for any further advances or the legality or recoverability or enforceability thereof or the priority of the security in relation thereto;
- (h) the compliance of the provisions and contents of and the manner and formalities applicable to the execution of the Asset Agreements, and any documents connected therewith, with any Requirement of Law;

- (i) the failure by the Originator, the Mortgage Administrator or the Issuer to obtain or comply with any licence, consent or other authority in connection with the origination, sale or purchase of any of the Mortgage Loans or the making of any advances in connection therewith;
- (j) the failure to call for delivery of documents of title to or require any transfers, legal mortgages, charges or other further assurances in relation to any of the assets the subject matter of any of the Transaction Documents or any other document;
- (k) records, accounts, books or files in respect of the Issuer and in relation to the Mortgage Loans or any other property intended to be comprised in the Charged Property; or
- (l) any other matter or thing relating to or in any way connected with any Mortgage Loan or any document entered into in connection therewith, whether or not similar to the foregoing.

27.5 FSMA Authorisation

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

27.6 Trustee Liability

Subject to Sections 750 and 751 of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in the Transaction Documents, the Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Transaction Documents save in relation to its own gross negligence, wilful default or fraud.

27.7 Trustee liable for negligence

None of the provisions of the Trust Documents shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as Trustee, having regard to the provisions of the Trust Documents conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any liability which by virtue of any applicable rule of law would otherwise attach to it in respect of any Breach of Duty (except insofar as the same arises because of a Breach of Duty by the Issuer or any other Transaction Party) of which it is found guilty in relation to its duties under the Trust Documents.

27.8 Merger

Any corporation or other corporate entity into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation or other corporate entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation or other corporate entity succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or other corporate entity shall be otherwise

qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any or parties hereto.

27.9 Disapplication

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by the Trust Documents. Where there are any inconsistencies between the Trustee Acts and the provisions of the Trust Documents, the provisions of the Trust Documents shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of the Trust Documents shall constitute a restriction or exclusion for the purposes of that Act.

27.10 Illegality

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

SECTION I COSTS AND EXPENSES

28. REMUNERATION

28.1 Normal Remuneration

The Issuer shall pay to the Trustee remuneration for its services as trustee as from the Closing Date, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Trustee including under any relevant fee letter. Such remuneration shall accrue from day to day and be payable in accordance with the Payments Priorities until the trusts of the Trust Documents are discharged.

28.2 Extra Remuneration

In the event of the occurrence of an Event of Default or a Potential Event of Default or the Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under the Trust Documents, the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them.

28.3 Value Added Tax

The Issuer shall in addition pay to the Trustee an amount of any VAT chargeable in respect of its remuneration under this Deed.

28.4 Failure to agree

In the event of the Trustee and the Issuer failing to agree:

28.4.1 (in a case to which Clause 28.1 (*Normal Remuneration*) applies) upon the amount of the remuneration; or

28.4.2 (in a case to which Clause 28.2 (*Extra Remuneration*) applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under the Trust Documents or upon such additional remuneration,

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

28.5 Expenses

The Issuer shall also pay or discharge all costs, charges and expenses incurred by the Trustee, any Appointee and (if applicable) the Receiver in relation to the preparation and execution of, the exercise or attempted or purported exercise of its powers and the

performance of its duties under, and in any other manner in relation to, the Trust Documents and the other Transaction Documents, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, the Trust Documents or the other Transaction Documents.

28.6 Indemnity

28.6.1 The Issuer covenants with and undertakes to the Trustee to indemnify the Trustee on demand against any Liabilities which are incurred by the Trustee, any Receiver or any Appointee or any other person appointed by the Trustee under the Trust Documents to whom any trust, power, authority or discretion may be delegated by the Trustee in the execution, or the purported execution, of the trusts, powers, authorities and discretions vested in it by the Trust Documents or the other Transaction Documents, in, or in connection with (except insofar as the same are incurred because of a Breach of Duty of the Trustee, any Appointee or the Receiver):

- (a) the performance of the terms of the Trust Documents or the other Transaction Documents;
- (b) anything done or purported to be done or omitted by the Trustee, any Appointee or the Receiver in relation to the Charged Property or under the Trust Documents or any other Transaction Document;
- (c) the exercise or attempted or purported or omitted exercise by or on behalf of the Trustee, any Appointee or the Receiver of any of the powers of the Trustee, any Appointee or the Receiver or any other action taken by or on behalf of the Trustee with a view to or in connection with enforcing any obligations of the Issuer or any other person under any Transaction Document or the recovery by the Trustee, any Appointee or the Receiver from the Issuer of the Secured Amounts; or
- (d) any payment made in respect of the Secured Amounts (whether by the Issuer or any other person) which is subsequently impeached or declared void for any reason whatsoever,

28.6.2 The Issuer shall, if required by the Trustee, put the Trustee in funds prior to the Trustee being required to make a payment in respect of any Liability incurred by the Trustee where the Trustee would have a right to be indemnified by the Issuer for such Liability under Clause 28.6.1 and the Trustee shall only be required to pay such liability to the extent that the Trustee has been prefunded thereof.

28.7 Consequential Losses

In no event shall any party to this Deed be liable under or in connection with this Deed to any other party hereto for indirect, special or consequential losses or damages of any kind, including, but not limited to, lost profits, even if such party has been advised of

the possibility thereof and regardless of the form of action by which such losses or damages may be claimed.

28.8 Electronic Data

28.8.1 The Issuer accepts that some methods of communication are not secure. In no event shall the Trustee be liable for any Liabilities arising to it from receiving or transmitting any data from the Issuer (or any Authorised Person of the Issuer) or Instructions via any non-secure method of transmission or communication, such as, but without limitation, by facsimile or email.

28.8.2 The Trustee shall not incur any liability for receiving Instructions via any non-secure method of transmission or communication. The Trustee is authorised to comply with and rely upon any such notice, Instructions or other communications believed by it to have been sent by an Authorised Person. The Issuer shall use all reasonable endeavours to ensure that Instructions transmitted to the Trustee pursuant to this Deed are complete and correct. Any Instructions shall be conclusively deemed to be valid instructions from the Issuer to the Trustee for the purposes of this Deed.

28.9 Priority of Indemnity

The Trustee, any Appointee and the Receiver shall be entitled to be indemnified out of the Charged Property against all actions, liabilities payable pursuant to Clause 28.6 (*Indemnity*) in accordance with the Payments Priorities and proceedings (or threats of actions or proceedings) costs, claims and demands in respect of any matter or thing in any way omitted or done in any way in relation to the Trust Documents in accordance with the Payments Priorities and the Trustee may retain and pay out of the monies in its hands arising from the Charged Property all sums necessary to effect such indemnity.

28.10 Payment of amounts due

28.10.1 All amounts due and payable pursuant to Clauses 28.5 (*Expenses*) and 28.6 (*Indemnity*) shall be payable by the Issuer on the date specified in a demand by the Trustee; the rate of interest applicable to such payments shall be 2 per cent. per annum above the base rate from time to time of Barclays Bank PLC or, if higher, the Trustee's cost of funds (provided that such cost of funds is reasonable by reference to the sources of funds generally available at such time) and interest shall accrue:

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

28.10.2 All remuneration or indemnity payments due and payable to the Trustee shall carry interest at the rate specified in Clause 28.10.1 from the due date thereof.

28.11 **Discharges**

Unless otherwise specifically stated in any discharge of the Trust Documents or the other Transaction Documents the provisions of Clause 28 (*Remuneration*) shall continue in full force and effect notwithstanding such discharge and whether or not the Trustee is then the trustee of this Deed.

SECTION J
APPOINTMENT AND RETIREMENT

29. APPOINTMENT OF TRUSTEES

The power of appointing new trustees of the Trust Documents shall be vested in the Issuer, but no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Most Senior Class. One or more persons may hold office as trustee or trustees of the Trust Documents, **provided that** such trustee or trustees shall be (if there is only one) or include (if there is more than one) a Trust Corporation.

30. NOTICE OF A NEW TRUSTEE

Any appointment of a new trustee of the Trust Documents shall, as soon as practicable thereafter, be notified by the Issuer to the Paying Agents, the Noteholders and the other Secured Creditors. The Noteholders shall together have the power, exercisable by Extraordinary Resolution of each Class of Noteholders, to remove any trustee or trustees for the time being hereof. The removal of any trustee shall not become effective unless there remains a trustee hereof (being a Trust Corporation) in office after such removal.

31. SEPARATE AND CO-TRUSTEES

Notwithstanding the provisions of Clause 29 (*Appointment of Trustees*), the Trustee may, upon giving prior notice to the Issuer (but without the consent of the Issuer, the Noteholders or any other Secured Creditor), appoint any person established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:

- 31.1 if the Trustee considers such appointment to be in the interests of the Noteholders and/or the other Secured Creditors; or
- 31.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed; or
- 31.3 for the purposes of obtaining a judgment against the Issuer in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained against the Issuer or of the Trust Documents or any other Transaction Document.

32. APPOINTMENT, REMOVAL, REMUNERATION OF SEPARATE/CO-TRUSTEE

The Issuer hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any instrument of appointment of a separate or co-trustee pursuant to Clause 31 (*Separate and co-trustees*). Such a person shall (subject always to the provisions of the Trust Documents and the other Transaction Documents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by the Trust Documents and the other Transaction Documents) and such duties and obligations as shall be conferred on such person or imposed by the instrument of appointment. The Trustee shall have the power in like manner to remove any such person. Such remuneration as the Trustee may pay to any such person, together with

any attributable Liabilities incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of the Trust Documents be treated as Liabilities incurred by the Trustee.

33. RETIREMENT OF TRUSTEES

Any Trustee for the time being of the Trust Documents may retire at any time upon giving not less than 60 calendar days' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any Liabilities occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a Trust Corporation) in office after such retirement. The Issuer covenants that, in the event of the sole trustee or the only trustee hereof which is a Trust Corporation giving notice under this Clause, it shall use all reasonable endeavours to procure a new trustee, being a Trust Corporation, to be appointed. If the Issuer has not appointed a new trustee prior to the expiry of the notice period given by the Trustee, the Trustee shall be entitled to nominate a replacement, being a Trust Corporation. Subject to Clause 29 (*Appointment of Trustees*), such appointment remains at the discretion of the Issuer.

34. COMPETENCE OF A MAJORITY OF TRUSTEES

Whenever there shall be more than two trustees hereof the majority of such trustees shall (provided such majority includes a Trust Corporation) be competent to execute and exercise all the trusts, powers, authorities and discretions vested by the Trust Documents in the Trustee generally.

35. POWERS ADDITIONAL

The powers conferred by the Trust Documents upon the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as the holder of any of the Notes.

SECTION K
MISCELLANEOUS

36. EXECUTION

The parties have executed this Deed as a deed and intend to deliver, and do deliver, this Deed on the date stated at the beginning of this Deed.

SCHEDULE 1 FORM OF GLOBAL NOTE

THIS NOTE HAS NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND THE ISSUER (AS DEFINED IN THE TRUST DEED) HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**") AND, FOLLOWING THE CLOSING OF THE OFFERING, THE NOTES MAY ONLY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO (I) A PURCHASER WHO IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) OR AN AFFILIATE OF THE ISSUER OR A PERSON ACTING ON BEHALF OF SUCH AFFILIATE, AND WHO IS NOT ACQUIRING THE NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (AS DEFINED IN REGULATION S) AND IS ACQUIRING THE NOTES UNDER AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S; OR (II) A PURCHASER WITH AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN THE CASE OF BOTH (I) AND (II) ABOVE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES; AND IN PRINCIPAL AMOUNT OF NOT LESS THAN £100,000.

THE NOTES OFFERED AND SOLD BY THE ISSUER ARE NOT DESIGNED TO INVOLVE THE RETENTION BY A SPONSOR OF AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITISED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE U.S. RISK RETENTION RULES{ XE "U.S. Risk Retention Rules" } (AS DEFINED BELOW) REGARDING NON-U.S. TRANSACTIONS OTHER THAN THE EXEMPTION UNDER SECTION 20 OF THE U.S. RISK RETENTION RULES{ XE "U.S. Risk Retention Rules" } (AS DEFINED BELOW), AND NO OTHER STEPS WILL BE TAKEN BY THE ISSUER, THE ORIGINATOR, THE ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THEIR AFFILIATES OR ANY OTHER PARTY TO ACCOMPLISH SUCH COMPLIANCE.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF WEST BROMWICH BUILDING SOCIETY (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), ANY NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**").

PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "U.S. PERSON" IN REGULATION S, AND PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S MAY BE U.S. PERSONS UNDER THE U.S. RISK RETENTION RULES. ANY PURCHASER OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES, BY ITS ACQUISITION OF THE NOTES OR BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO

MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF WEST BROMWICH BUILDING SOCIETY), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTES OR A BENEFICIAL INTEREST THEREIN THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES.

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, "**MIFID II**"); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A DISTRIBUTOR) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("**EEA**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE PURCHASER OF THIS NOTE OR ANY INTEREST IN THIS NOTE SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST IN THIS NOTE WILL NOT BE, A BENEFIT PLAN INVESTOR AS DEFINED IN SECTION 3(42) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS

AMENDED ("**ERISA**"); AND (II) IF IT IS OR MAY BECOME A GOVERNMENTAL OR OTHER EMPLOYEE BENEFIT PLAN WHICH IS NOT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE U.S INTERNAL REVENUE CODE OF 1986, AS AMENDED, (THE "**CODE**"), ITS PURCHASE AND HOLDING OF THIS NOTE OR ANY INTEREST IN THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY U.S. FEDERAL, STATE OR LOCAL LAW OR ANY NON U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE. "**BENEFIT PLAN INVESTOR**," AS DEFINED IN SECTION 3(42) OF ERISA, INCLUDES (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY.

THE PURCHASER IS HEREBY NOTIFIED THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES, AND THAT THOSE PARTICIPANTS MAY FURTHER DISCLOSE TO THE ISSUER THE NAMES AND POSITIONS OF HOLDERS OF ITS SECURITIES.

PRIOR TO THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, AN INTEREST IN THIS NOTE MAY BE HELD ONLY THROUGH EUROCLEAR OR CLEARSTREAM, LUXEMBOURG.

ISIN: [•]

Common Code: [•]

KENRICK NO. 3 PLC

*(incorporated with limited liability under
the laws of England and Wales with Registered Number 11001450)*

Class [A/B] Mortgage Backed Floating Rate Notes due October 2054

GLOBAL NOTE

This Global Note is a Note without interest coupons in respect of a duly authorised issue of Mortgage Backed Floating Rate Notes of Kenrick No. 3 Plc (the "**Issuer**"), designated as specified in the title hereof, limited to the aggregate principal amount of £[•] (the "**Global Note**") and constituted by a trust deed dated 25 January 2018 (the "**Trust Deed**") between the Issuer and Citicorp Trustee Company Limited as Trustee (the "**Trustee**"). References herein to the "**Conditions**" (or to any particular numbered condition) shall be to the Terms and Conditions of the Notes (or that particular one of them) set out in Schedule 3 (*Terms and Conditions*) to the Trust Deed as if the same were incorporated herein. References herein to the Agency Agreement shall be to the Agency Agreement, dated 25 January 2018 between, *inter alios*, the Issuer, Citibank N.A., London Branch as principal paying agent (the "**Principal Paying Agent**"), transfer agent (the "**Transfer Agent**"), as agent bank (the "**Agent Bank**") and as registrar (the "**Registrar**") and the Trustee. Terms and expressions defined in the Trust Deed and the Conditions shall bear the same meanings when used herein. The registered holder

hereof shall be bound by, and deemed to have notice of, all the provisions of the Trust Deed and the Conditions.

If the Issuer becomes obliged to issue Definitive Notes pursuant to the Conditions, or Clause 13.5 of the Trust Deed, this Global Note will be exchangeable in whole upon the request of the registered holder hereof for Definitive Notes only on and subject to the terms and conditions set out in the Trust Deed. If the Issuer fails to meet its obligations to issue Definitive Notes, this shall be without prejudice to the Issuer's obligations with respect to the Notes under the Trust Deed and this Global Note.

The Issuer, for value received, promises to pay to the person registered in the register maintained by the Registrar on behalf of the Issuer (the "**Register**") as holder of this Global Note the principal amount specified in the Register on the dates and in the amounts specified in or otherwise calculated in accordance with the Conditions or on any other date or dates on which all or any part of that principal amount becomes due and payable in accordance with the Conditions, and to pay interest on the unpaid and unexchanged balance of such principal amount in arrear on the dates and at the rate specified in the Conditions, together with other amounts (if any) payable in accordance with the Conditions, subject to and in accordance with this Global Note and the Conditions.

Transfers of interests in the Notes to which this Global Note relates shall be made in accordance with the Trust Deed and the Conditions and the rules of Euroclear and Clearstream, Luxembourg. Upon any transfer of interests in this Global Note, the Registrar shall, on behalf of the Issuer, endorse on the Register the principal amount of such transfer and the principal amount hereof shall be increased or reduced, as the case may be, for all purposes by the principal amount of such interests transferred.

Upon any payment of principal and/or interest on the Notes represented by this Global Note as referred to above details of such payment shall be endorsed on the Register by the Issuer (or by Registrar on its behalf) in accordance with the provisions of the Agency Agreement and, in the case of payments of principal, the Principal Amount Outstanding hereof shall be reduced for all purposes by the amount so paid and endorsed. If the amount of interest or principal then due for payment is not paid in full to the registered holder hereof (otherwise than by reason of a deduction required by law to be made therefrom) details of such shortfall (and the relevant date on which it was due to be paid) shall be endorsed on the Register by the Issuer (or by the Registrar on its behalf).

Upon any purchase and cancellation of the Notes represented by this Global Note, the Registrar shall, on behalf of the Issuer, endorse on the Register, the principal amount of such cancelled Notes represented by this Global Note and the principal amount hereof shall be reduced for all purposes by the principal amount of the Notes represented by this Global Note so purchased and cancelled.

If the Issuer has become obliged to issue Definitive Notes pursuant to the Conditions or Clause 13.5 of the Trust Deed, this Global Note may be exchanged by the Registrar at its specified office for Definitive Notes and the Issuer shall procure that the Registrar shall issue and deliver, in exchange for this Global Note, Definitive Notes in aggregate principal amount equal to the principal amount of this Global Note submitted for exchange.

On an exchange of all Notes represented by this Global Note for Definitive Notes, this Global Note shall be surrendered to the Registrar.

The registered holder hereof shall at a meeting of Noteholders have one vote in respect of each £100,000 in principal amount of the initial Principal Amount Outstanding of the relevant Definitive Notes for which this Global Note may be exchanged.

This Global Note is evidence of entitlement only and is not a document of title. Title to this Global Note passes only on due registration in the Register and only the registered holder is entitled to payment in respect of the Notes represented hereby.

The statements set out in the legends above are an integral part of this Global Note and, by acceptance hereof, each holder of this Global Note agrees to be subject to and bound by such legends.

This Global Note shall not become valid for any purpose unless and until the certificate of authentication hereon has been signed by an authorised signatory of the Registrar and the certificate of effectuation hereon has been signed by the entity appointed as the Common Safekeeper by Euroclear or Clearstream, Luxembourg.

This Global Note and all non-contractual obligations arising out of or in connection with it shall be governed by the laws of England.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

SIGNED by

KENRICK NO. 3 PLC

per pro MaplesFS UK Corporate Director No.1 Limited, as Director

By:

[manual signature or facsimile signature]
(duly authorised)

ISSUED on [●] 2018

CERTIFICATE OF AUTHENTICATION

This is the Global Note referred to in, and entitled to the benefits of, the above mentioned Trust Deed.

CITIBANK, N.A., LONDON BRANCH
as [agent for and on behalf of] the Registrar
(without warranty, recourse or liability)

By:
Authorised Signatory

ISSUED on [•] 2018

CERTIFICATE OF EFFECTUATION

Effectuated without recourse, warranty or liability by

[[CLEARSTRAM BANKING S.A.] / [EUROCLEAR BANK S.A./N.V.]

as Common Safekeeper

By:

SCHEDULE 2
FORM OF DEFINITIVE NOTE

(Face of Note)

THIS NOTE HAS NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND THE ISSUER (AS DEFINED IN THE TRUST DEED) HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**") AND, FOLLOWING THE CLOSING OF THE OFFERING, THE NOTES MAY ONLY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO (I) A PURCHASER WHO IS NOT A U.S. PERSON (AS DEFINED IN REGULATION S) OR AN AFFILIATE OF THE ISSUER OR A PERSON ACTING ON BEHALF OF SUCH AFFILIATE, AND WHO IS NOT ACQUIRING THE NOTES FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (AS DEFINED IN REGULATION S) AND IS ACQUIRING THE NOTES UNDER AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S; OR (II) A PURCHASER WITH AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN THE CASE OF BOTH (I) AND (II) ABOVE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES; AND IN PRINCIPAL AMOUNT OF NOT LESS THAN £100,000.

THE NOTES OFFERED AND SOLD BY THE ISSUER ARE NOT DESIGNED TO INVOLVE THE RETENTION BY A SPONSOR OF AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE SECURITISED ASSETS FOR PURPOSES OF COMPLIANCE WITH THE U.S. RISK RETENTION RULES{ XE "U.S. Risk Retention Rules" } (AS DEFINED BELOW) REGARDING NON-U.S. TRANSACTIONS OTHER THAN THE EXEMPTION UNDER SECTION 20 OF THE U.S. RISK RETENTION RULES{ XE "U.S. Risk Retention Rules" } (AS DEFINED BELOW), AND NO OTHER STEPS WILL BE TAKEN BY THE ISSUER, THE ORIGINATOR, THE ARRANGERS, THE JOINT LEAD MANAGERS OR ANY OF THEIR AFFILIATES OR ANY OTHER PARTY TO ACCOMPLISH SUCH COMPLIANCE.

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF WEST BROMWICH BUILDING SOCIETY (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION 20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), ANY NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**").

PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "U.S. PERSON" IN REGULATION S, AND PERSONS WHO ARE NOT "U.S. PERSONS" UNDER REGULATION S MAY BE U.S. PERSONS UNDER THE U.S. RISK RETENTION RULES. ANY PURCHASER OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF

THE NOTES, BY ITS ACQUISITION OF THE NOTES OR BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES REQUIRED, TO MAKE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON (UNLESS IT HAS OBTAINED A PRIOR WRITTEN CONSENT OF WEST BROMWICH BUILDING SOCIETY), (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTES OR A BENEFICIAL INTEREST THEREIN THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES.

SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, "**MIFID II**"); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A DISTRIBUTOR) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("**EEA**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE PURCHASER OF THIS NOTE OR ANY INTEREST IN THIS NOTE SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR ANY INTEREST IN THIS

NOTE WILL NOT BE, A BENEFIT PLAN INVESTOR AS DEFINED IN SECTION 3(42) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"); AND (II) IF IT IS OR MAY BECOME A GOVERNMENTAL OR OTHER EMPLOYEE BENEFIT PLAN WHICH IS NOT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, (THE "**CODE**"), ITS PURCHASE AND HOLDING OF THIS NOTE OR ANY INTEREST IN THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY U.S. FEDERAL, STATE OR LOCAL LAW OR ANY NON U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE. "**BENEFIT PLAN INVESTOR**," AS DEFINED IN SECTION 3(42) OF ERISA, INCLUDES (1) ANY EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO PART 4 OF TITLE I OF ERISA, (2) ANY PLAN DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE, AND (3) ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY.

THE PURCHASER IS HEREBY NOTIFIED THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK ENTRY DEPOSITARIES, AND THAT THOSE PARTICIPANTS MAY FURTHER DISCLOSE TO THE ISSUER THE NAMES AND POSITIONS OF HOLDERS OF ITS SECURITIES.

PRIOR TO THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD, AN INTEREST IN THIS NOTE MAY BE HELD ONLY THROUGH EUROCLEAR OR CLEARSTREAM, LUXEMBOURG.

ISIN: [•]

Common Code: [•]

KENRICK NO. 3 PLC

*(incorporated with limited liability under
the laws of England and Wales with Registered Number 11001450)*

Class [A/B] Mortgage Backed Floating Rate Notes due [October 2054]

DEFINITIVE NOTE

This Note evidences the entitlement to [•] (being the person registered in the register (the "**Register**") referred to below or, if more than one person is so registered, the first named of such persons) to receive, in accordance with the terms and conditions attached to this Definitive Note in so far as they relate to this Note (the "**Conditions**"), and subject to the provisions of the trust deed dated 25 January 2018 between the Issuer and Citicorp Trustee Company Limited (the "**Trustee**") (the "**Trust Deed**"), on the Interest Payment Date (as defined in the said Conditions) falling in [•] (or on such earlier or later date as the principal sum mentioned below may become repayable in accordance with the said Conditions) the principal sum of:

£[•]

(or such lesser principal sum as may from time to time be represented by this Definitive Note) together with interest on that principal sum and together with such premium and other amounts as may be payable, all subject to and in accordance with the said Conditions.

This Definitive Note is issued by Kenrick No. 3 Plc (the "**Issuer**") pursuant to a resolution of the board of directors of the Issuer passed in accordance with its articles of association.

This Definitive Note forms one of a class of Mortgage Backed Floating Rate Notes (the "**Notes**") in the aggregate principal amount of £[•] which are in Minimum Denominations of £100,000. The Notes are constituted by and issued subject to, and with the benefit of, the Trust Deed dated 25 January 2018 and are also issued subject to, and with the benefit of, the Conditions.

References herein to the Agency Agreement shall be to the agency agreement, dated 25 January 2018, among the Issuer, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**"), as transfer agent (the "**Transfer Agent**"), as agent bank (the "**Agent Bank**") and as registrar (the "**Registrar**") and the Trustee. This Definitive Note is evidence of entitlement only. Title to this Definitive Note passes only on due registration in the register and only the duly registered holder or if more than one person is so registered, the first named of such persons is entitled to payment in respect of this Definitive Note.

Exchanges or transfers of the Definitive Notes represented by this Certificate shall only be made in accordance with the Terms of the Trust Deed, the Conditions and the Agency Agreement.

This Definitive Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by a duly authorised officer of the Registrar.

IN WITNESS WHEREOF the Issuer has caused this Class [A/B] Definitive Note to be duly executed on its behalf.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

SIGNED by

KENRICK NO.3 PLC

per pro MaplesFS Corporate Director No.1 Limited, as Director

By:

[manual or facsimile signature]
(duly authorised)

ISSUED on [•] 2018

CERTIFICATE OF AUTHENTICATION

This is one of the Definitive Notes described in the above-mentioned Trust Deed.

CITIBANK, N.A., LONDON BRANCH

As agent for and on behalf of the Registrar
(without warranty, recourse or liability)

By:

Authorised Signatory

ISSUED on [•] 2018

(Attached to the Note)

TERMS AND CONDITIONS OF THE NOTES

[in the form set out in Schedule 3 (Terms and Conditions) to the Trust Deed]

REGISTRAR

Citibank, N.A., London Branch

And/or such other or further Registrar and/or specified offices as may from time to time be duly appointed by the Issuer and notice of which has been given to the Noteholders.

FORM OF TRANSFER

FOR VALUE RECEIVED [•], being the registered holder of this Note, hereby transfers to [•] of [•] £[•] in principal amount of this Note and irrevocably requests and authorises the Registrar to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated:

By:

SCHEDULE 3 TERMS AND CONDITIONS

1. General

- 1.1 The £350,000,000 Class A Mortgage Backed Floating Rate Notes due October 2054 (the "**Class A Notes**") and the £33,100,000 Class B Mortgage Backed Floating Rate Notes due October 2054 (the "**Class B Notes**" and, together with the Class A Notes, the "**Notes**") will be issued by Kenrick No. 3 Plc (registered number 11001450) (the "**Issuer**") on or about the Closing Date.
- 1.2 The Issuer has agreed to issue the Notes subject to and with the benefit of the terms of the Trust Documents and the Agency Agreement.
- 1.3 The security for the Notes is created pursuant to, and on the terms set out in, the Deed of Charge.
- 1.4 The Agency Agreement records certain arrangements in relation to the payment of interest and principal in respect of the Notes.
- 1.5 Certain provisions of these Conditions are summaries of the Trust Documents and the Agency Agreement and are subject to their detailed provisions.
- 1.6 The Noteholders are bound by the terms of the Trust Documents and are deemed to have notice of all of the provisions of the Transaction Documents.
- 1.7 Copies of the Transaction Documents are available for inspection by Noteholders during normal business hours at the Specified Office of the Principal Paying Agent.

2. Definitions

- 2.1 In these Conditions the following defined terms have the meanings set out below:

"**Account Bank**" means Citibank N.A., London Branch acting in such capacity;

"**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;

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

"**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;

"**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;

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

"**Agents**" means the Agent Bank, the Registrar, the Transfer Agent and the Paying Agents and "**Agent**" means any one of them;

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

"**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 and payable and unpaid on or before that determination date;

"**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;
- (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 dated on or about the Closing Date between the Back-Up Cash Manager, the Issuer and the Trustee 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 back-up cash manager under 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 pursuant to which the Back-Up Mortgage Administrator will be appointed as a delegate mortgage administrator after the occurrence of a Mortgage Administrator Delegation Event (as defined in the Mortgage Administration Agreement) or any agreement entered into between the Issuer, the Trustee and any replacement Back-Up Mortgage Administrator;

"Back-Up Mortgage Administrator" means Link Mortgage Services Limited in its capacity as back-up mortgage administrator in accordance with the terms of the Back-Up Mortgage Administration Agreement;

"Back-Up Mortgage Administrator Facilitator" means Maples Fiduciary Services (UK) Limited in its capacity as back-up mortgage administrator facilitator in accordance with the Mortgage Administration Agreement;

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

"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;

"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;

"**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 Management Agreement**" means the cash management agreement so named entered into on or about the Closing Date between the Cash Manager, the Back-Up Cash Manager, the Issuer, the Trustee and the Originator;

"**Cash Manager**" means WBBS in its capacity as cash manager;

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

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

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

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

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

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

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

"**Collection Account Declaration of Trust**" means the declaration of sub-trust dated on or about the Closing Date in relation to the Collection Accounts pursuant to the Original Collection Account Declaration of Trust dated 30 April 2012 and any subsequent declaration of trust or sub-trust so named, each being made by WBBS;

"**Compounded Daily SONIA** { XE "Compounded Daily SONIA" }" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as the reference rate for the calculation of interest) and will be calculated by the Agent Bank on the related Interest

Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"D{ XE "D" }" is 365;

"d{ XE "d" }" is the number of calendar days in the relevant Interest Period;

"d_o{ XE "d_o" }" is the number of Business Days in the relevant Interest Period;

"i{ XE "i" }" is a series of whole numbers from one to d_o, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period;

"BD{ XE "BD" }" means a Business Day

"n_i{ XE "n_i" }", for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following Business Day;

"p{ XE "p" }" means, for any Interest Period, 5 Business Days;

"r{ XE "r" }" means the SONIA rate in respect of such Business Day; and

"r_{i-pBD}{ XE "r_{i-pBD}" }" means the applicable SONIA as set out in the definition of "r" above for the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i";

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

"**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;

"**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 11th Floor, 200 Aldersgate Street, London EC1A 4HD;

"CRA Regulation" means Regulation (EC) No. 1060/2009;

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

"CRR" means Regulation (EU) No. 575/2013;

"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 (d) 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;

"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;

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

"Definitive Notes" has the meaning ascribed to it in Condition 3.3;

"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;

"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*);

"Euroclear" means Euroclear Bank S.A./N.V. and any successor to such business;

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

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

"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;

"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);

"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;

"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;

"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 swap provider pursuant to the Fixed Rate Swap Agreement;

"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 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;

"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;

The **"General Reserve Release Conditions"** means each of the following conditions as at the related Calculation Date:

- (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 the aggregate Current Balances of the 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 Note" has the meaning ascribed to it in Condition 3.2;

"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;

"Holdings" means Kenrick No. 3 Holdings Limited;

"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;

"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;

"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;

"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 11th 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;

"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 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 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;

"Joint Lead Managers" means J.P. Morgan Securities plc and Lloyds Bank plc;

"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;

"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;

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

"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;

"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 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 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;

"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" 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 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 Portfolio" means the portfolio of Mortgage Loans, Further Advances, Mortgages and other Related Security and all rights, interest, benefit, income and payments in relation thereto comprised in the Originator Trust declared 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 Terms" means all of the terms and conditions applicable to a Mortgage Loan, including without limitation the applicable Mortgage Conditions and Offer Conditions;

"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,

(such amounts, including items (a), (b) and (c) above being collectively referred to herein as **"Third Party Amounts"**);

"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; and
- (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;

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

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

"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);

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

"Original Collection Account Declaration of Trust" means the original declaration of trust dated 30 April 2012 in relation to the Collection Accounts;

"Original Originator Trustee" means the originator trustee as defined in the Original Collection Accounts Declaration of Trust;

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

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

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

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

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

"Originator Trust Property" means the property which is the subject of the Originator Trust;

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

"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 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 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;

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

"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;

"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 of 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 from the Revenue Ledger set out in Part A of Schedule 4 (*Payments Priorities*) of the Cash Management Agreement;

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

"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; and
- (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 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 (i) Issuer Principal Losses allocated to the Notes, and (ii) any 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;

"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 pursuant to 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.

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

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

"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;

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

"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;

"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;

"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, determined in accordance with Condition 8.11(b)(iii) (*Determinations and Reconciliation*);

"Record Date" shall have the meaning in Condition 11.3 (*Record Date*);

"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;

"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;

"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;

"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; 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;

"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;

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

"Reporting Delegate" means J.P. Morgan AG acting as reporting delegate pursuant to the Reporting Delegation Agreement;

"Reporting Delegation Agreement" means the agreement appointing the Reporting Delegate dated on or about the Closing Date;

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

"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 (as defined in Condition 17.2(g)));
- (b) (except in accordance with Condition 21 (*Substitution of Issuer*) and Clause 20 (*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;

"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;

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

"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 Cash Manager, the Back-Up Cash Manager, the Back-Up Mortgage Administrator Facilitator, 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;

"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;

"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 11th Floor, 200 Aldersgate Street, London EC1A 4HD;

"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;

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

"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;

"Subordinated Loan" means the subordinated loan which the Subordinated Loan Provider will make available to the Issuer on the Closing Date pursuant to the Subordinated Loan Agreement;

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

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

"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 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 swap provider to enter into a replacement swap;

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

"Transaction Account" means the account in the name of the Issuer held with the Account Bank or any replacement bank account designated as such;

"Transaction Documents" means the Agency Agreement, Account Bank 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, Incorporated Terms Memorandum, Originator Trust Deed, Originator Power of Attorney, Mortgage Administration Agreement, Back-Up Mortgage Administration Agreement, Share Trust Deed, Subordinated Loan Agreement, Trust Deed (including the Conditions), the Notes, and any other related document or documents which are referred to or relate to the terms of any 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;

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

"Trust Deed" means the deed so named (including the Conditions and the form of 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);

"Trustee" means Citicorp Trustee Company Limited in its capacity as trustee under the Trust Documents or any successor thereto;

"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;

"WBBS" means West Bromwich Building Society, a building society incorporated under the Building Societies Act 1986 whose principal office is at 2 Providence Place, West Bromwich B70 8AF; and

"Written Resolution" means a resolution in writing signed by or on behalf of holders of 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.

2.2 **Interpretation:** Any reference in the Conditions to:

"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 each or any of the Class A Notes or the Class B Notes and **"classes"** shall be construed accordingly;

"including" shall be construed as **"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, judgment, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court;

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 premium;

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

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

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.

- 2.3 ***Transaction Documents and other agreements:*** Any reference to any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to 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 or replaced.
- 2.4 ***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.
- 2.5 ***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.
- 2.6 ***Headings:*** Condition headings are for ease of reference only.
- 2.7 ***Sections:*** Except as otherwise specified in a Condition, reference in the Conditions to:
- (a) a "**Section**" of a Transaction Document shall be construed as a reference to a Section of such Transaction Document;
 - (b) a "**Part**" of a Transaction Document shall be construed as a reference to a Part of such Transaction Document;
 - (c) a "**Schedule**" of a Transaction Document shall be construed as a reference to a Schedule of such Transaction Document;
 - (d) a "**Clause**" of a Transaction Document shall be construed as a reference to a Clause of a Part or Section (as applicable) of such Transaction Document; and
 - (e) a "**Paragraph**" of a Transaction Document shall be construed as a reference to a Paragraph of a Schedule of such Transaction Document.
- 2.8 **Number**

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

3. **Form and Denomination**

- 3.1 The Notes are in fully registered form and serially numbered in the Minimum Denomination for the Notes. Notes in registered form are issued without coupons attached. The expression "**Notes**" means and includes co-ownership under a permanent global note and the expression "**Noteholder**" shall mean and include any person entitled to co-ownership and benefit under a permanent global note.
- 3.2 The Principal Amount Outstanding of the Notes of each Class initially offered and sold outside the United States to non U.S. Persons pursuant to Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") is represented by one or more global notes in fully registered form (each a "**Global Note**") without coupons attached.
- 3.3 Definitive registered Notes in an aggregate principal amount equal to the Principal Amount Outstanding of each Global Note (the "**Definitive Notes**") will be issued in registered form and serially numbered in the circumstances referred to Condition 3.4 below.
- 3.4 If, while any Notes are represented by a Global Note:
- (a) in the case of a Global Note held in Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does 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 registered form and a certificate to such effect signed by an authorised director of the Issuer is delivered to the Trustee,

the Issuer will issue Definitive Notes to Noteholders whose accounts with the relevant clearing systems are credited with interests in that Global Note in exchange for those interests within 30 calendar days of the relevant event but not earlier than the Exchange Date. Definitive Notes, if issued, will be issued in the applicable Minimum Denomination for the Notes. The Global Note will not be exchangeable for Definitive Notes in any other circumstances.

4. **Title and transfer**

- 4.1 The person registered in the Register as the holder of any Note will (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note regardless of any notice of ownership, theft or loss, of any trust or other interest

therein or of any writing thereon or, if more than one person, the first named of such persons will be treated as the absolute owner of such Note.

- 4.2 The Issuer shall cause to be kept at the Specified Office of the Registrar, the Register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers and redemptions of the Notes.
- 4.3 No transfer of a Note will be valid unless and until entered on the Register.
- 4.4 Transfers and exchanges of beneficial interests in the Global Notes and any Definitive Notes and any entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Notes, the detailed regulations concerning transfers of such Notes contained in the Agency Agreement, the Trust Deed and the legend appearing on the face of the Notes. In no event will the transfer of a beneficial interest in a Global Note or the transfer of a Definitive Note be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by the Principal Paying Agent in the U.K. or the Registrar to any holder of a Note who so requests and will be available upon request at the Specified Office of the Registrar or the Principal Paying Agent.
- 4.5 A Definitive Note may be transferred in whole or in part upon the surrender of the relevant Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Note, new Definitive Notes in respect of both the balance transferred and the balance remaining will be issued to each of the transferee and the transferor by or by order of the Registrar (subject to the relevant new Definitive Notes each being issued in an amount equal to the applicable Minimum Denomination for the Notes in accordance with Condition 3.4 above).
- 4.6 Each new Definitive Note to be issued upon a transfer of Definitive Notes will, within five Business Days of receipt of such request for transfer, be available for delivery at the Specified Office of the Registrar or the Principal Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Note to such address as may be specified in such request.
- 4.7 Registration of Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any Tax or other governmental charges which may be imposed in relation to it.
- 4.8 No holder of a Definitive Note may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.

5. **Status and Ranking**

- 5.1 **Status:** The Notes of each class constitute direct, secured, limited recourse and unconditional obligations of the Issuer.

- 5.2 **Ranking:** The Class A Notes will at all times rank without preference or priority *pari passu* amongst themselves. The Class B Notes will at all times rank without preference or priority *pari passu* amongst themselves.
- 5.3 **Sole Obligations:** The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.
- 5.4 **Priority of Interest Payments:** Payments of interest on the Class A Notes will at all times rank in priority to payments of interest on the Class B Notes, in accordance with the Pre-Enforcement Revenue Payments Priorities and the Post-Enforcement Payments Priorities;
- 5.5 **Priority of Principal Payments:** Payments of principal on the Class A Notes will rank at all times in priority to payments of principal on the Class B Notes in accordance with the Pre-Enforcement Principal Payments Priorities and the Post-Enforcement Payments Priorities.
- 5.6 **Payments Priorities:** Prior to the delivery of an Enforcement Notice, on each Interest Payment Date, the Issuer is required to apply an amount equal to the Available Issuer Revenue and an amount equal to the Available Issuer Principal in accordance with the Pre-Enforcement Revenue Payments Priorities and the Pre-Enforcement Principal Payments Priorities, respectively. Following service of an Enforcement Notice, the Issuer is required to apply the Post-Enforcement Issuer Amounts in accordance with the Post-Enforcement Payments Priorities.

6. Security

- 6.1 **Security:** The Notes are secured by the Security.
- 6.2 **Enforceability:** The Security will become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with Condition 13 (*Events of Default*) and subject to the matters referred to in Condition 14 (*Enforcement*).

7. Issuer Covenants

The Issuer makes the Issuer Covenants in favour of the Trustee which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed), dispose of assets or change the nature of its business, without the prior written consent of the Trustee. So long as any Note remains outstanding, the Issuer will comply with the Issuer Covenants.

8. Interest

- 8.1 **Accrual of Interest:** Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date.
- 8.2 **Cessation of Interest:** Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of any amount of principal required to redeem the Note on such date is improperly withheld or refused or default is otherwise made in respect of the payment, in which case, it will continue to bear interest in

accordance with this Condition (both before and after judgment) until whichever is the earlier of:

- (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
- (b) the seventh calendar day after notice has been given to the relevant Noteholder in accordance with Condition 22 (*Notices*) that the full amount (together with interest accrued to that date) has been received by the relevant Paying Agent or the Trustee, except to the extent that there is a default in the subsequent payment thereof to the Noteholders (as the case may be) under the Conditions.

8.3 ***Interest Payments:*** Interest on each Note is payable in Sterling in arrear on the First Interest Payment Date and, thereafter, quarterly in arrear on each Interest Payment Date in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on the day immediately preceding such Interest Payment Date.

8.4 ***Calculation of Interest Amount:*** Upon or as soon as practicable after each Interest Determination Date, the Issuer shall calculate (or shall cause the Agent Bank to calculate) the Interest Amount payable on each Note for the related Interest Period in accordance with Condition 8.5 (*Determination of Note Rate, Interest Amount and Interest Payment Date*).

8.5 ***Determination of Note Rate, Interest Amount and Interest Payment Date:*** The Agent Bank will, on each Interest Determination Date, determine:

- (a) the Note Rate for each of the relevant classes of Notes for the related Interest Period;
- (b) the Interest Amount for each of the relevant classes of Notes for the related Interest Period; and
- (c) the Interest Payment Date next following the related Interest Period;

and notify the Issuer, the Mortgage Administrator, the Cash Manager, the Trustee, the Registrar, the Fixed Rate Swap Provider and the Paying Agents and, for so long as the Notes are listed on the Stock Exchange, the Stock Exchange.

8.6 ***Publication of Note Rate, Interest Amount and Interest Payment Date:*** As soon as practicable after receiving notification of the Note Rate, the Interest Amount and the Interest Payment Date in accordance with Condition 8.5 (*Determination of Note Rate, Interest Amount and Interest Payment Date*) and in any event no later than the second Business Day thereafter, the Issuer will cause the Note Rate and the Interest Amount for each class and the next following Interest Payment Date to be published in accordance with Condition 22 (*Notices*).

8.7 ***Amendments to Publications:*** The Note Rate, Interest Amount for each class and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

8.8 ***Notifications to be final:*** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 (*Interest*), whether by the Paying Agents, the Registrar or the Agent Bank (in the absence of any Breach of Duty, or manifest error) be binding on the Issuer and all Noteholders and (in the absence of any Breach of Duty or manifest error) no liability to the Noteholders shall attach to the Agents or the Registrar in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 8 (*Interest*).

8.9 ***Agents:*** The Issuer shall ensure that, so long as any of the Notes remain outstanding there shall at all times be a Registrar, an Agent Bank, a Transfer Agent, a Paying Agent and a Principal Paying Agent. In the event of an Agent being unable or unwilling to continue to act as an Agent, the Issuer shall appoint such other person as may be previously approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign until a successor agent bank is appointed in accordance with the Agency Agreement. Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Issuer to the Noteholders in accordance with the Notices Condition.

8.10 ***Interest Deferred:***

- (a) To the extent that funds available to the Issuer to pay Interest Amounts due and payable on the Class B Notes on an Interest Payment Date are insufficient to pay the full amount of such Interest Amounts, payment of the shortfall in respect of such Interest Amounts ("**Deferred Interest**") will not then fall due but will instead be deferred until the First Interest Payment Date thereafter on which funds are available to the Issuer (after allowing for the Issuer's liabilities of higher priority and subject to and in accordance with these Conditions) to fund the payment of some or all of the Deferred Interest, and will fall due on such Interest Payment Date to the extent of such available funds.
- (b) Deferred Interest or any other amounts which are due and payable in respect of the Notes and not paid on the relevant Interest Payment Date will accrue interest ("**Additional Interest**") at the rate of interest applicable from time to time to such Notes. Payment of Additional Interest will, in the case of the Class B Notes only, also be deferred until the first Interest Payment Date after such Additional Interest is accrued on which funds are available (subject to and in accordance with these Conditions) to the Issuer to pay some or all of such Additional Interest, to the extent of such available funds.
- (c) Payment of Deferred Interest and Additional Interest shall not be deferred beyond the Final Maturity Date or beyond any earlier date on which the Notes fall to be redeemed in full in accordance with Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation*). Any amounts of Deferred Interest or Additional Interest which have not then been paid shall thereupon become due and payable in full.

8.11 ***Determinations and Reconciliation***

- (a) In the event that the Cash Manager does not receive a Mortgage Administrator Report with respect to a Calculation Period (the "**Determination Period**"), then

the Cash Manager shall use the Mortgage Administrator Report in respect of the three most recent Calculation Periods (or, where there are not at least three previous Mortgage Administrator Reports, all previous Mortgage Administrator Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in this Condition 8.11 (*Determinations and Reconciliation*). If the Cash Manager subsequently receives the Mortgage Administrator Report relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Condition 8.11(c). Any: (i) calculations properly done on the basis of such previous Mortgage Administrator Reports; (ii) payments made under any of the Notes and Transaction Documents in accordance with such calculations; (iii) reconciliation calculations; and (iv) reconciliation payments made as a result of such reconciliation calculations, each in accordance with Condition 8.11(b), 8.11(c) and/or 8.12(d), shall be deemed to be done in accordance with the provisions of the Transaction Documents and will not in themselves lead to an Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.

- (b) In respect of any Determination Period the Cash Manager shall:
 - (i) determine the Interest Determination Ratio by reference to the three most recently received Mortgage Administrator Reports (or, where there are not at least three previous Mortgage Administrator Reports, all previous Mortgage Administrator Reports received in the preceding Calculation Periods);
 - (ii) calculate the Issuer Revenue for such Determination Period as the product of: (i) the Interest Determination Ratio; and (ii) all payments received by the Issuer in respect of the Issuer Interest during such Determination Period; and
 - (iii) calculate the Issuer Principal Receipts for such Determination Period as the product of: (i) 1 minus the Interest Determination Ratio; and (ii) all payments received by the Issuer in respect of the Issuer Interest during such Determination Period.
- (c) Following any Determination Period, upon receipt by the Cash Manager of the Mortgage Administrator Reports in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with Condition 8.11(b) above to the actual collections set out in the Mortgage Administrator Reports as follows:
 - (i) if the Reconciliation Amount is a positive number, the Cash Manager shall on the immediately following Interest Payment Date pay or provide for such amount by allocating amounts standing to the credit of the Mortgage Administrator Failure Reserve Fund and Available Issuer Revenue as Available Issuer Principal in the following order of priority:
 - (A) *first*, amounts standing to the credit of the Mortgage Administrator Failure Reserve Fund; and

- (B) *second*, Available Issuer Revenue;
 - (ii) if the Reconciliation Amount is a negative number, the Cash Manager shall on the immediately following Interest Payment Date pay or provide for such amount by allocating amounts standing to the credit of the Mortgage Administrator Failure Reserve Fund and Available Issuer Principal as Available Issuer Revenue in the following order of priority:
 - (A) *first*, amounts standing to the credit of the Mortgage Administrator Failure Reserve Fund; and
 - (B) *second*, Available Issuer Principal.
 - (d) if amounts standing to credit of the Mortgage Administrator Failure Reserve Fund, Available Issuer Revenue or Available Issuer Principal, as the case may be, are insufficient to pay or provide for the applicable Reconciliation Amount in full on the relevant Interest Payment Date the Cash Manager shall reallocate Available Issuer Revenue or Available Issuer Principal (as applicable) in accordance with Condition 8.11(c)(i) or 8.11(c)(ii) respectively in respect of each subsequent Calculation Period (to be applied accordingly on the immediately following Interest Payment Date) until such Reconciliation Amount is paid or provided for in full; and
 - (e) if the Cash Manager is required to provide for a Reconciliation Amount in determining Available Issuer Revenue and Available Issuer Principal in respect of any Interest Payment Date, the Cash Manager shall pay or provide for such Reconciliation Amount in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Trustee of such Reconciliation Amount.
9. **Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation**
- 9.1 ***Final Redemption:*** Unless previously redeemed or purchased and cancelled as provided in this Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation*), the Issuer shall redeem the Notes of each class at their Principal Amount Outstanding on the Final Maturity Date together with any accrued (and unpaid) interest up to (and including) the Final Maturity Date.
- 9.2 ***Mandatory Redemption in part:*** On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply an amount equal to the Available Issuer Principal which is available for such purposes in accordance with the Pre-Enforcement Principal Payments Priorities in and towards redemption of the Notes.
- 9.3 ***Optional Redemption in whole:*** The Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding on any Interest Payment Date together with any accrued (and unpaid) interest up to (and including) such Interest Payment Date:
- (a) when, on the related Calculation Date, the aggregate of the Principal Amount Outstanding of the outstanding Notes is equal to or less than 10 per cent. of the Principal Amount Outstanding of all of the Notes as at the Closing Date; or

- (b) from and including the Step-Up Date,

subject to the following:

- (c) no Enforcement Notice has been delivered by the Trustee;
- (d) the Issuer has given not more than 60 nor less than 14 calendar days' notice to the Trustee and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes; and
- (e) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Payments Priorities.

9.4 ***Optional Redemption in whole for taxation reasons:*** The Issuer may redeem all (but not some only) of the Notes at their Principal Amount Outstanding, on any Interest Payment Date together with any accrued (and unpaid) interest up to (and including) such Interest Payment Date, after the date on which, by virtue of a change in Tax law (or the application or official interpretation of Tax law):

- (a) the Issuer is to make any payment in respect of the Notes or the Fixed Rate Swap Provider is to make any payments in respect of the Fixed Rate Swap Agreement and either the Issuer or the Fixed Rate Swap Provider, as the case may be, would be required to make a Tax Deduction in respect of such payment; or
- (b) the Issuer would be subject to United Kingdom corporation tax in an accounting period on an amount which materially exceeds the aggregate Issuer Profit Amount retained during that accounting period;

subject to the following:

- (i) no Enforcement Notice has been delivered by the Trustee prior to such Interest Payment Date;
- (ii) the Issuer has given not more than 60 nor less than 30 calendar days' notice to the Trustee and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes; and
- (iii) prior to giving any such notice, the Issuer (or in respect of Condition 9.4(a), the Fixed Rate Swap Provider (if applicable)) has provided to the Trustee:
 - (A) a legal opinion (in form and substance satisfactory to the Trustee) from a firm of lawyers (approved in writing by the Trustee) in the applicable jurisdiction, opining on the relevant change in Tax law (or the application of the official interpretation of Tax law) and confirming that the circumstance set out in either paragraph (a) or (b) above is applicable; and

- (B) if relevant, a certificate signed by the Issuer or, as the case may be, the Fixed Rate Swap Provider, to the effect that the obligation to make a Tax Deduction cannot be avoided; and
- (C) a certificate signed by the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Payments Priorities.

9.5 *Calculation of Note Principal Payment, Principal Amount Outstanding and Pool Factor:* On each Calculation Date, the Issuer shall calculate (or cause the Cash Manager to calculate):

- (a) the aggregate of any Note Principal Payment due in relation to each class on the Interest Payment Date immediately succeeding such Calculation Date;
- (b) the Principal Amount Outstanding of each Note of each class on the Interest Payment Date immediately succeeding such Calculation Date (after deducting any Note Principal Payment due to be made on that Interest Payment Date in relation to such class); and
- (c) the fraction expressed as a decimal to the sixth point (the "**Pool Factor**"), of which the numerator is the Principal Amount Outstanding of a Note of that class (as referred to in Condition 9.5(b) above) and the denominator is the Principal Amount Outstanding of such class of Notes as at the Closing Date,

and notify the Trustee, the Paying Agents, the Agents and, for so long as the Notes are listed on the Stock Exchange, the Stock Exchange thereof in accordance with Condition 9.9 (*Notice of Calculation*).

9.6 *Calculations final and binding:* Each calculation by or on behalf of the Issuer of any Note Principal Payment, the Principal Amount Outstanding of a Note of each class and the Pool Factor shall in each case (in the absence of any Breach of Duty, or manifest error) be final and binding on all persons.

9.7 *Trustee may determine amounts in case of Issuer default:* If the Issuer does not at any time for any reason calculate (or cause the Cash Manager to calculate) any Note Principal Payment, the Principal Amount Outstanding in relation to each Note of each class or the Pool Factor in accordance with this Condition, such amounts may be calculated by the Trustee (without, in the absence of fraud, any liability accruing to the Trustee as a result) in accordance with this Condition (based on information supplied to it by the Issuer, the Cash Manager or the Mortgage Administrator) and each such calculation shall be deemed to have been made by the Issuer.

9.8 *Conclusiveness of certificates and legal opinions:* Any certificate or legal opinion given by or on behalf of the Issuer or, as the case may be, the Fixed Rate Swap Provider pursuant to Condition 9.3 (*Optional Redemption in whole*) and Condition 9.4 (*Optional Redemption in whole for taxation reasons*) may be relied on by the Trustee without further investigation and shall be conclusive and binding on the Noteholders and on the other Secured Creditors.

- 9.9 **Notice of Calculation:** The Issuer will cause each calculation of a Note Principal Payment, Principal Amount Outstanding in relation to each Note of each class and the Pool Factor to be notified immediately after calculation to the Trustee, the Agents and, for so long as the Notes are listed on the Stock Exchange, the Stock Exchange and will, as soon as practicable after their determination but in any event not later than two Business Days prior to each Interest Payment Date, cause details of each calculation of a Note Principal Payment, Principal Amount Outstanding in relation to each Note of each class and the Pool Factor to be published in accordance with the Notices Condition.
- 9.10 **Notice irrevocable:** Any notice referred to in Condition 9.3 (*Optional Redemption in whole*) or Condition 9.4 (*Optional Redemption in whole for taxation reasons*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes to which such notice relates at their Principal Amount Outstanding.
- 9.11 **Restrictions on purchase price:** The Issuer may not purchase any Note of any Class if the purchase price for such Note (after deducting the accrued (and unpaid) interest and expenses in relation to such purchase) would be more than the Principal Amount Outstanding of such Note as at the date of purchase of such Note.
- 9.12 **Cancellation of purchased or redeemed Notes:** All Notes purchased by the Issuer or redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold. The Issuer shall give notice to the Trustee of such cancellation.

10. Limited Recourse

10.1 If at any time following:

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

the proceeds of such Realisation are insufficient, after the same have been allocated in accordance with the applicable Payments Priorities as Available Issuer Principal, Available Issuer Revenue or as Post-Enforcement Issuer Amounts (as applicable), to pay in full all claims ranking in priority to the Notes and all amounts then due and payable under any Class of Notes then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes) shall, on the day following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer.

For the purposes of this Condition 9.10, "**Realisation**" means, in relation to any Charged Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such

Charged Property including (without limitation) through sale or through performance by an obligor.

11. **Payments**

- 11.1 ***Principal and interest:*** Payments of principal and interest shall be made by cheque drawn in Sterling or, upon application by a Noteholder to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for payment, by transfer to an account in Sterling, maintained by the payee with a bank in London and (and in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Notes at the Specified Office of any Paying Agent in accordance with the terms of the Agency Agreement.
- 11.2 ***Cheques:*** Cheques sent to the nominated address of a Noteholder will be taken to have been received by the Noteholder on the relevant payment date and no further amount will be payable by the Issuer in respect of the Notes as a result of the Noteholder not receiving payment on the due date.
- 11.3 ***Record date:*** Each payment in respect of a Note will be made to the person shown as the Noteholder in the Register at the opening of business in the place of the Registrar's Specified Office as at the close of the Business Day before the due date for such payment (the "**Record Date**"). The person shown in the Register at the opening of business on the relevant Record Date in respect of a Note shall be the only person entitled to receive payments in respect of Notes represented by such Note and the obligations of the Issuer will be discharged by payment to, or to the order of, such person in respect of each amount so paid.
- 11.4 ***Payments subject to fiscal laws:*** All payments in respect of the Notes are subject to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments. Neither the Issuer, the Registrar, nor the Principal Paying Agent shall be liable to any Noteholder or any other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.
- 11.5 ***Partial Payments:*** If a Principal Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note.
- 11.6 ***Payments on Business Days:*** If the due date for payment of any amount in respect of any Note is not a Business Day, then the holder shall not be entitled to payment until the next succeeding Business Day and no payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note as a result.
- 11.7 ***Payment after due date:*** If any payment of principal or interest in respect of the Notes is made after the due date, payment shall be deemed not to have been made until the earlier of:
- (a) the date on which the full amount is paid to the relevant Noteholders; and

- (b) the seventh day after notice has been given to the relevant Noteholders in accordance with the Notices Condition that the full amount (together with interest accrued to that date) has been received by the relevant Paying Agent or the Trustee except to the extent there is a default in the subsequent payment thereof to the Noteholders (as the case may be) under the Conditions.

11.8 ***Payments to Noteholders:***

Subject to Condition 11.7 (*Payment after due date*), every payment of principal or interest in respect of the Notes made to the Principal Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in the Trust Deed, except, in the case of payment to the Principal Paying Agent, to the extent that there is a default in the subsequent payment thereof to the Noteholders under the Conditions.

12. **Taxation**

- 12.1 ***Payments free of Tax:*** (Subject to Condition 12.3 below) all payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any Taxes unless the Issuer or the Paying Agents (as the case may be) are required by law to make any payment in respect of the Notes subject to any Tax Deduction. In that event, the Issuer or the Paying Agents (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted.
- 12.2 ***No payment of additional amounts:*** Neither the Issuer nor the Paying Agents will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction.
- 12.3 Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to the US-UK IGA or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder or any other person for any FATCA withholding deducted or withheld by the Issuer, the Principal Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

13. **Events of Default**

- 13.1 ***Events of Default:*** Each of the following events shall be an "**Event of Default**":
 - (a) *Non-payment of principal:* the Issuer fails to pay any amount of principal in respect of the Notes within 7 calendar days following the due date for payment of such principal to the Paying Agent;
 - (b) *Non-payment of Interest:* the Issuer fails to pay any Interest Amount on the Most Senior Class within 15 calendar days following the due date for payment of such Interest Amount to the Paying Agent (as applicable);

- (c) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Issuer Covenants, the Trust Deed, the Deed of Charge or any of the other Transaction Documents and the Trustee certifies in writing that such default is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders of the Most Senior Class and is either: (a) in the opinion of the Trustee, incapable of remedy; or (b) in the opinion of the Trustee, capable of remedy, but remains unremedied for 30 calendar days or such longer period as the Trustee may agree after the Trustee has given written notice of such default to the Issuer;
- (d) *Insolvency Event*: an Insolvency Event occurs in relation to the Issuer; or
- (e) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Documents or any of the other Transaction Documents.

13.2 ***Delivery of Enforcement Notice***: Subject to Condition 13.3 (*Conditions to delivery of Enforcement Notice*), if an Event of Default occurs and is continuing, the Trustee may at its discretion deliver an Enforcement Notice to the Issuer, but it shall not be bound to do so unless:

- (a) so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class; or
- (b) so directed by an Extraordinary Resolution of the holders of the Most Senior Class.

13.3 ***Conditions to delivery of Enforcement Notice***: Notwithstanding Condition 13.2 (*Delivery of Enforcement Notice*) the Trustee shall not be obliged to deliver an Enforcement Notice unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may become liable or which it may incur by so doing.

13.4 ***Consequences of delivery of Enforcement Notice***: Upon the delivery of an Enforcement Notice, the Notes of each class shall become immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with any accrued (and unpaid) interest. If the Notes become immediately due and payable, interest payable on the Notes will continue to be calculated in accordance with Condition 8 (*Interest*) (with consequential amendments as necessary) except that the Note Rate need not be published.

14. **Enforcement**

14.1 ***Proceedings***: At any time after the delivery of an Enforcement Notice the Trustee may, at its discretion and without notice, institute such proceedings or take such other steps or actions as it thinks fit to enforce and/or to exercise its rights under the Trust Deed in respect of the Notes of each class (including these Conditions), the Deed of Charge or under the other Transaction Documents, but it shall not be bound to do so unless:

- (a) so requested in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of outstanding Notes; or

- (b) so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of outstanding Notes,

and in such case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may become liable or which it may incur in so doing.

14.2 **Action by the Trustee:** If the Trustee shall take any action described in Condition 14.1 (*Proceedings*) it may take such action without having regard to the effect of such action on individual Noteholders or any other Secured Creditor.

14.3 **Restrictions on disposal of Issuer's assets:** If an Enforcement Notice has been delivered by the Trustee otherwise than by reason of non-payment of any amount due in respect of the Notes, the Trustee will not be entitled to dispose of the Charged Property or any part thereof (apart from Swap Excluded Receipts) unless either:

- (a) a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders of each class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Payments Priorities; or
- (b) the Trustee has received advice (which shall be binding on the Noteholders and the other Secured Creditors) from an investment bank or other financial adviser selected by the Trustee, (and if the Trustee is unable to obtain such advice having made efforts to do so this Condition 14.3(b) shall not apply) that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Notes of each class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Payments Priorities and the resulting shortfall would be greater than the shortfall arising upon disposal of the Charged Property.

The Trustee shall not be bound to seek the advice referred to in Condition 14.3(b) unless the Trustee shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may become liable or which it may incur by so doing.

14.4 **Third Party Rights:** No person shall have any right to enforce any Condition or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

15. **No action by Noteholders or any other Secured Creditor**

15.1 Only the Trustee may pursue the remedies available under the general law or under the Trust Documents and/or enforce the Security and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer in respect of the Trust Documents or to enforce the Security. In particular, none of the Noteholders or any other Secured Creditor (nor any person on its or their behalf, other than the Trustee where appropriate) are entitled:

- (a) otherwise than as permitted by these Conditions, to direct the Trustee to enforce the Security or take any proceedings against the Issuer to enforce the Security;

- (b) to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due by the Issuer to the Noteholders or any other Secured Creditors;
- (c) until the date falling two years after the Final Discharge Date, to initiate or join any person in initiating any insolvency proceeding in relation to the Issuer; or
- (d) to take or join in the taking of any steps or proceedings which would result in the Payments Priorities not being observed.

16. Meetings of Noteholders

16.1 **Convening:** The Trust Deed contains "**Provisions for Meetings of Noteholders**" for convening separate or combined meetings of Noteholders of any class or classes to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed, which modification may be made if sanctioned by an Extraordinary Resolution.

16.2 **Separate and combined meetings:** The Trust Deed provides that, except in the case of an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each Class of Noteholders) and subject to Condition 16.5 (*Relationship between Classes*):

- (a) an Extraordinary Resolution which in the opinion of the Trustee affects the Notes of only one class shall be transacted at a separate meeting of the Noteholders of that class;
- (b) an Extraordinary Resolution which in the opinion of the Trustee affects the Noteholders of more than one class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one class of Notes and the holders of another class of Notes shall be transacted either at separate meetings of the Noteholders of each relevant class or at a single meeting of the Noteholders of all such classes of Notes as the Trustee shall determine in its absolute discretion; and
- (c) an Extraordinary Resolution which in the opinion of the Trustee affects the Noteholders of more than one class and gives rise to any actual or potential conflict of interest between the Noteholders of one class of Notes and the Noteholders of any other class of Notes shall be transacted at separate meetings of the Noteholders of each relevant class.

16.3 **Request from Noteholders:** A meeting of Noteholders of a particular class may be convened by the Trustee or the Issuer at any time and must be convened by the Trustee (subject to its being indemnified and/or secured to its satisfaction) upon the request in writing of Noteholders of a particular class holding not less than ten per cent. of the aggregate Principal Amount Outstanding of the outstanding Notes of that class. However, so long as no Event of Default has occurred and is continuing, the Noteholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Trustee, without consent of the Issuer and, if applicable, certain other transaction parties pursuant to any relevant Transaction Documents, unless

the Issuer has an obligation to take such action under the relevant Transaction Documents.

16.4 ***Quorum:*** The quorum at any meeting convened to vote on:

- (a) an Extraordinary Resolution, other than regarding a Reserved Matter, relating to a meeting of a particular class or classes of the Notes will be one or more persons holding or representing in aggregate a majority of the Principal Amount Outstanding of the outstanding Notes in that class or those classes or, at any adjourned meeting, one or more persons being or representing Noteholders of that class or those classes, whatever the Principal Amount Outstanding of the outstanding Notes so held or represented by such persons; and
- (b) an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each class of Noteholders) will be one or more persons holding or representing in aggregate not less than 75 per cent. of the Principal Amount Outstanding of the outstanding Notes in the relevant class or, at any adjourned meeting, one or more persons holding or representing not less than in aggregate 25 per cent. of the Principal Amount Outstanding of the outstanding Notes in the relevant class.

16.5 ***Relationship between Classes:***

In relation to each class of Notes:

- (a) no Extraordinary Resolution involving a Reserved Matter that is passed by the holders of one class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other classes of Notes (to the extent that there are outstanding Notes in such other classes);
- (b) no Extraordinary Resolution to approve any matter other than a Reserved Matter of any class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other classes of Notes ranking senior to such class (to the extent that there are outstanding Notes ranking senior to such class) unless the Trustee considers that the interests of the holders of each of the other classes of Notes ranking senior to such class would not be materially prejudiced by the implementation of such first mentioned Extraordinary Resolution; and
- (c) any resolution passed at a Meeting of Noteholders of one or more classes of Notes duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders of such class, whether or not present at such Meeting and whether or not voting and, except in the case of a meeting relating to a Reserved Matter, any resolution passed at a meeting of the holders of the Most Senior Class duly convened and held as aforesaid shall also be binding upon the holders of all the other classes and of Notes and will override any resolution to the contrary of the other classes of Notes.

16.6 ***Resolutions in writing:*** A Written Resolution shall take effect as if it were an Extraordinary Resolution.

17. **Modification and Waiver**

17.1 **Modification:** The Trustee may at any time and from time to time, without the consent or sanction of the Noteholders or any other Secured Creditors, concur with the Issuer and any other relevant parties in making:

- (a) any modification to these Conditions, the Trust Documents, the Notes or the other Transaction Documents (other than in respect of a Reserved Matter) in relation to which its consent is required which, in the opinion of the Trustee, will not be materially prejudicial to the interest of the holders of the Most Senior Class;
- (b) any modification to these Conditions, the Trust Documents, the Notes or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Trustee, such modification: (i) is of a formal, minor or technical nature; or (ii) is made to correct a manifest error,

provided that, the Issuer shall in relation to any proposed modification (for the avoidance of doubt, including any modification effected in accordance with Condition 17.2 (*Additional Right of Modification*) below) provide a certificate to the Trustee certifying that (i) it has notified the Fixed Rate Swap Provider of such proposed modification and (ii) either the Fixed Rate Swap Provider has given its prior written consent to such modification or the prior written consent of the Fixed Rate Swap Provider is not required for such modification.

17.2 **Additional Right of Modification:** Notwithstanding the provisions of Condition 17.1 (*Modification*), the Trustee shall be obliged, without any consent or sanction of the Noteholders, or, save as provided in this Condition 17.2 (*Additional Right of Modification*), any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:
 - (i) the Issuer certifies in writing to the Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and
 - (ii) in the case of any modification to a Transaction Document proposed by any of the Fixed Rate Swap Provider or the Account Bank, in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):
 - (A) the Fixed Rate Swap Provider or the Account Bank, as the case may be, certifies in writing to the Issuer or the Trustee that such

modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Trustee that it has received the same from the Fixed Rate Swap Provider or the Account Bank, as the case may be);

(B) either:

- (1) the Fixed Rate Swap Provider or the Account Bank, as the case may be, obtains from each of the Rating Agencies written confirmation that such modification would not result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing the Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer and the Trustee; or
- (2) the Issuer certifies in writing to the Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); and
- (3) the Issuer pays all costs and expenses (including legal fees) incurred by the Issuer and the Trustee in connection with such modification;

(b) in order to enable the Issuer and/or the Fixed Rate Swap Provider to comply with:

- (i) any obligation which applies to it under Articles 9, 10 and 11 of Regulation (EU) 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) ("**EMIR**"); or
- (ii) any other obligation which applies to it under EMIR,

provided that the Issuer or the Fixed Rate Swap Provider, as appropriate, certifies to the Trustee in writing that such modification is required solely for the purpose of enabling it to satisfy such obligation and has been drafted solely to such effect;

(c) for the purpose of complying with any changes in the requirements of Article 405 of the CRR, Article 51 of the AIFMR or Article 254 of the Solvency II Regulation, after the Closing Date, including as a result of the adoption of additional Regulatory Technical Standards in relation to the CRR or the AIFMR or the Solvency II Regulation or any other risk retention legislation or regulations

or official guidance in relation thereto, provided that the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

- (d) for the purposes of enabling the Notes to remain listed on the Stock Exchange, provided that the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (e) for the purposes of enabling the Issuer or any of the other Transaction Parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (f) for the purpose of complying with any changes in the requirements of the CRA Regulation after the Closing Date, including as a result of the adoption of Regulatory Technical Standards in relation to the CRA Regulation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;
- (g) for the purpose of changing the reference rate or base rate used to calculate the Note Rate from Compounded Daily SONIA to an alternative reference rate or base rate (including where such alternative reference rate or base rate remains linked to SONIA but may be calculated in a different manner) (any such rate, an "**Alternative Base Replacement Rate**") and making such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Base Rate Modification**"), provided that, in relation to any amendment under this Condition 17.2(g):
 - (i) the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer), on behalf of the Issuer, certifies to the Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:
 - (A) such Base Rate Modification is being undertaken due to:
 - (1) a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
 - (2) SONIA ceasing to exist or be published;
 - (3) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);
 - (4) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently

or indefinitely discontinued or will be changed in an adverse manner;

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

(B) such Alternative Base Replacement Rate is:

- (1) a reference rate published, endorsed, approved or recognised by the Bank of England or the European Central Bank, any regulator in the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
- (2) the Broad Treasuries Repo Financing Rate (or any rate which is derived from, based upon or otherwise similar to such rate);
- (3) a reference rate utilised in a material number of publicly-listed new issues of asset-backed floating rate notes denominated in the same currency as the Notes prior to the effective date of such Base Rate Modification;
- (4) a reference rate utilised in a publicly-listed new issue of asset-backed floating rate notes denominated in the same currency as the Notes where the originator of the relevant assets is WBBS; or
- (5) such other reference rate as the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer) reasonably determines; and

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

(h) for the purpose of changing the base rate that then applies in respect of the Fixed Rate Swap Agreement to an Alternative Base Replacement Rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer) on its behalf) and the Fixed Rate Swap Provider solely as a consequence of a Base Rate

Modification and solely for the purpose of aligning the base rate of the Fixed Rate Swap to the base rate of the Class A Notes following such Base Rate Modification (a "**Swap Rate Modification**"), provided that the Cash Manager (whilst WBBS is the Cash Manager, otherwise the Issuer), on behalf of the Issuer, certifies to the Trustee in writing (upon which certificate the Trustee may rely absolutely and without enquiry or liability) that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**"),

(the certificate to be provided by the Issuer, the Fixed Rate Swap Provider, the Cash Manager or the relevant Transaction Party, as the case may be, pursuant to paragraphs (a) to (h) above being a "**Modification Certificate**"), provided that:

- (A) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee;
- (B) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect; and
- (C) the consent of each Transaction Party which is party to the relevant Transaction Document has been obtained,

and provided further that, other than in the case of a modification pursuant to Condition 17.2(b)(i):

- (A) other than in the case of a modification pursuant to Condition 17.2(a)(ii), either:
 - (1) the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); or
 - (2) the Issuer certifies in the Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and
- (B) (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 22 (*Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and (II) the Trustee has not been contacted in writing (or otherwise

in accordance with the then current practice of any applicable clearing system through which such Notes may be held) by Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding within such notification period notifying the Trustee that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*).

Other than where specifically provided in this Condition 17.2 (*Additional Right of Modification*) or any Transaction Document:

- (1) when implementing any modification pursuant to this Condition 17.2 (*Additional Right of Modification*) (save to the extent the Trustee considers that the proposed modification would constitute a Reserved Matter), the Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 17.2 (*Additional Right of Modification*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (2) the Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the Transaction Documents and/or these Conditions.

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

- (1) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each Rating Agency;
- (2) the Secured Creditors; and
- (3) the Noteholders in accordance with Condition 22 (*Notices*).

17.3 **Waiver:** The Trustee may at any time and from time to time in its sole discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the holders of the Most Senior Class would not be materially prejudiced thereby:

- (a) authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or any breach of any of the covenants or provisions contained in the Trust Documents, the Notes or any other of the Transaction Documents; or
- (b) determine, on such terms and subject to such conditions (if any) as it may decide, that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Documents, the Notes or any of the other Transaction Documents,

without any consent or sanction of the Noteholders or any other Secured Creditor.

17.4 **Restriction on power to waive:** The Trustee shall not exercise any powers conferred upon it by Condition 17.2 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class, but so that no such direction or request shall: (a) affect any authorisation, waiver or determination previously given or made; or (b) require or authorise the Trustee to exercise its discretion to authorise or waive any proposed breach or any breach relating to a Reserved Matter unless the holders of each class of outstanding Notes have, by Extraordinary Resolution, authorised such exercise by the Trustee of its discretion.

17.5 **Notification:** Unless the Trustee otherwise agrees, the Issuer shall cause any authorisation, waiver, modification or determination given or made in accordance with this Condition 17 (*Modification and Waiver*) to be notified to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the Transaction Documents, and to the Rating Agencies, as soon as practicable after it has been made.

17.6 **Binding Nature:** Any authorisation, waiver, determination or modification referred to in Condition 17.1 (*Modification*) or Condition 17.2 (*Waiver*) shall be binding on the Noteholders and the other Secured Creditors.

18. **Prescription**

18.1 **Principal:** Claims for principal in respect of Notes shall become void where application for payment is made more than ten years after the due date therefor.

18.2 **Interest:** Claims for interest in respect of Notes, shall become void where application for payment is made more than five years after the due date therefor.

19. **Replacement of Notes**

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and Stock Exchange requirements, upon payment by the holder of such Note of the expenses incurred in connection with such replacement and on such terms as to evidence, security,

indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

20. **Trustee and Agents**

20.1 ***Trustee's right to Indemnity:*** Under the Transaction Documents, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

20.2 ***Trustee not responsible for loss or for monitoring:*** The Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of the Charged Property or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Mortgage Administrator or by any person on behalf of the Trustee. The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.

20.3 ***Regard to classes of Noteholders:*** In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will:

- (a) have regard to the interests of each class of Noteholders as a class and will not be responsible for any consequence for individual Noteholders, including, without limitation, as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction; and
- (b) in the event of a conflict of interests between holders of different classes of Notes, have regard only to the holders of the Most Senior Class, save in respect of a Reserved Matter, and will not have regard to any lower ranking class of Notes nor to the interests of the other Secured Creditors.

20.4 ***Agents solely agents of Issuer:*** In acting under the Agency Agreement and in connection with the Notes, the Paying Agents, the Agent Bank and the Registrar act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders (other than as expressly set out in the Transaction Documents).

20.5 ***Initial Agents:*** The Issuer reserves the right (with the prior written approval of the Trustee) to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, registrar, agent bank or transfer agent and additional or successor paying agents, registrars, agent banks or transfer agents at any time, having given not less than 30 calendar days' notice to such Agent.

21. **Substitution of Issuer**

21.1 ***Substitution of Issuer:*** The Trustee may, without the consent of the Noteholders or any other Secured Creditor and subject to:

- (a) the request of the Issuer; and

(b) such further conditions as are specified in the Trust Deed,

agree to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the Notes and the Secured Amounts.

21.2 **Notice of Substitution of Issuer:** Not later than fourteen calendar days after any substitution of the Issuer in accordance with this Condition has effect, the Substituted Obligor shall cause notice of such substitution to be given to the Noteholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents, and to the Rating Agencies.

21.3 **Change of Law:** In the case of a substitution pursuant to this Condition, the Trustee may in its absolute discretion agree, without the consent of the Noteholders or the other Secured Creditors, to a change of the law governing the Notes and/or any of the Transaction Documents provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class.

21.4 **No indemnity:** No Noteholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders.

22. Notices

22.1 **Valid Notices:** Any notice to Noteholders shall be validly given if such notice is either:

(a) published in the Financial Times or, if such newspaper shall cease to be published or timely publication therein shall not be practicable, in such English language newspaper or newspapers as the Trustee shall approve having a general circulation in the United Kingdom;

(b) prior to the issue of any Definitive Notes and so long as the Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg upon delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders; or

(c) published on the Relevant Screen.

22.2 **Date of publication:** Any notice so sent or published shall be deemed to have been given on the date on which it was so sent or, as the case may be, on the date of such publication or, if delivered or published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required or on the Relevant Screen or on the first date of delivery of the relevant notice to Euroclear and Clearstream, Luxembourg (as applicable).

22.3 **Other Methods:** The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the Stock Exchange on which the Notes are then listed and the clearing system through which the Notes are cleared and provided that notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

23. Governing Law and Jurisdiction

- 23.1 ***Governing law:*** The Transaction Documents and the Notes and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, English law.
- 23.2 ***Jurisdiction:*** The Courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Transaction Documents shall be brought in such Courts. The Issuer has in each of the Transaction Documents irrevocably submitted to the jurisdiction of the Courts of England.

SCHEDULE 4

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

In this Schedule "**Notes**" and "**Noteholders**" shall mean, except where the context otherwise requires: in connection with a meeting of the Class A Noteholders, the Class A Notes and the Class A Noteholders respectively and in connection with a meeting of the Class B Noteholders, the Class B Notes and the Class B Noteholders respectively.

1. BLOCK VOTING INSTRUCTIONS AND FORM OF PROXY

1.1 Issue of Block Voting Instructions

Any Noteholder may require a Paying Agent to issue a Block Voting Instruction by delivering to such Paying Agent written instructions not later than 48 hours before the time fixed for the relevant Meeting.

1.2 Issue of Form of Proxy

Any Noteholder may obtain an uncompleted and unexecuted Form of Proxy from the Registrar.

1.3 Expiry of Validity

A Form of Proxy or Block Voting Instruction shall be valid until the release of the deposited Notes to which it relates.

A certified copy of each Block Voting Instruction or Form of Proxy and satisfactory proof of due execution (if applicable) must, if required by the Issuer, the Trustee or the Registrar, be produced by the proxy at the relevant Meeting or adjourned Meeting. If the Trustee requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Trustee shall not be obliged to investigate the validity of any Block Voting Instructions or the authority of any Proxy.

1.4 Deemed Holder

So long as a Form of Proxy or Block Voting Instruction is valid, any Proxy named therein (including in the case of a Block Voting Instruction) shall be deemed to be the holder of the Notes to which it relates for all purposes in connection with the Meeting.

1.5 Mutually Exclusive

A Form of Proxy and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

2. REFERENCES TO BLOCKING/RELEASE OF NOTES

Where the Notes are held in Euroclear or Clearstream, Luxembourg (whether in the form of Global Notes or Definitive Notes), references to the deposit, or release, of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of Euroclear and Clearstream, Luxembourg.

3. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND FORMS OF PROXY**

Block Voting Instructions and any Forms of Proxy shall be valid only if deposited at the Specified Office of the Principal Paying Agent or at some other place approved by the Trustee, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business.

4. **RECORD DATE**

The Issuer may fix a record date for the purposes of any Meeting or any resumption thereof following its adjournment for want of a quorum provided that such record date is not more than 10 days prior to the time fixed for such Meeting or (as the case may be) its resumption. The person in whose name a Note is registered in the Register on the record date at close of business in the city in which the Registrar has its Specified Office shall be deemed to be the holder of such Note for the purposes of such Meeting and notwithstanding any subsequent transfer of such Note or entries in the Register.

5. **CONVENING OF MEETING: MEETINGS OF COMBINED CLASSES OF NOTES**

5.1 **Convening of Meeting**

5.1.1 The Issuer or the Trustee may convene a Meeting at any time. The Issuer or the Trustee shall be entitled to cancel any Meeting proposed in accordance with this Paragraph 5.1.1, **provided that** notice of such cancellation is provided no later than 24 hours before the time fixed for such Meeting.

5.1.2 The Trustee shall be obliged to convene a Meeting, subject to its being indemnified and/or secured and/or prefunded to its satisfaction, upon the request in writing of a Class or Classes of Noteholders holding not less than ten per cent. of the aggregate Principal Amount Outstanding of the relevant Classes or Classes of Notes then outstanding.

5.1.3 Every Meeting shall be held on a date, and at a time and place, approved by the Trustee.

6. **NOTICE**

6.1 **Notice period and notice details**

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the relevant Noteholders, the Registrar and the Paying Agents (with a copy to the Issuer where the Meeting is convened by the Trustee or, where the Meeting is convened by the Issuer, with a copy to the Trustee).

6.2 **Notice of proposed resolutions**

The notice shall set out the full text of any resolutions to be proposed and shall state that Notes may be blocked in clearing systems for the purposes of appointing Proxies under Block Voting Instructions 48 hours before the time fixed for the Meeting and a Noteholder may appoint a Proxy either under a Block Voting Instruction by delivering

written instructions to the Principal Paying Agent or by executing and delivering a Form of Proxy to the Specified Office of the Principal Paying Agent, in either case until 48 hours before the time fixed for the Meeting.

7. **CHAIRMAN**

An individual (who may, but need not, be a Noteholder) nominated in writing by the Trustee may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair, failing which, the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting. The Chairman may, before the Meeting or adjourned Meeting proceeds to business, decide to treat as valid any Form of Proxy which has not been submitted to the Specified Office of the Registrar in accordance with the requirements of Paragraph 3.

8. **QUORUM**

8.1 ***Quorum:*** The quorum at any meeting convened to vote on:

8.1.1 an Extraordinary Resolution, other than regarding a Reserved Matter, relating to a Meeting of a particular Class or Classes of Notes will be one or more persons holding or representing in aggregate a majority of the aggregate Principal Amount Outstanding of the Notes then outstanding in that Class or those Classes or, at any adjourned Meeting, one or more persons being or representing Noteholders of that Class or those Classes, whatever the aggregate Principal Amount Outstanding of the Notes then outstanding so held or represented in such by such persons;

8.1.2 an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each Class of Noteholders) will be one or more persons holding or representing in aggregate 75 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding in the relevant Class or, at any adjourned meeting, one or more persons holding or representing not less than in aggregate 25 per cent. of the aggregate Principal Amount Outstanding of the Notes then outstanding in the relevant Class.

9. **ADJOURNMENT FOR WANT OF QUORUM**

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

9.1 in the case of a Meeting requested by Noteholders, it shall be dissolved; and

9.2 in the case of any other Meeting (unless the Issuer and the Trustee otherwise agree), it shall (subject to paragraphs (a) and (b) below) be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines (with the approval of the Trustee), **provided that:**

(a) the Meeting shall be dissolved if the Issuer and the Trustee together so decide; and

(b) no Meeting may be adjourned more than once for want of a quorum.

10. ADJOURNED MEETING

Save as provided in Paragraph 9 (*Adjournment for want of quorum*) above, the Chairman may, with the consent of, and shall if directed by, any Meeting adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

11. NOTICE FOLLOWING ADJOURNMENT

Paragraph 6 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

- 11.1 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- 11.2 the notice shall specifically set out the quorum requirements that will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting that has been adjourned for any other reason.

12. PARTICIPATION

The following may attend and speak at a Meeting:

- 12.1 Voters;
- 12.2 representatives of the Issuer or the Trustee;
- 12.3 the financial advisers of the Issuer or the Trustee;
- 12.4 the legal counsel to the Issuer or the Trustee; and
- 12.5 any other person approved by the Meeting or the Trustee.

13. SHOW OF HANDS

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution.

14. POLL

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the Trustee or one or more Voters representing or holding not less than one fiftieth of the aggregate Principal Amount Outstanding of the outstanding Notes of the relevant Class or Classes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of

adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

15. VOTES

15.1 Number

Every Voter shall have:

15.1.1 on a show of hands, one vote; and

15.1.2 on a poll, one vote in respect of each £1.00 in Principal Amount Outstanding of the outstanding Note(s) represented or held by him.

15.2 No Obligation to exercise

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way. In the case of a voting tie the Chairman shall have a casting vote.

16. VOTES BY PROXIES

16.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Form of Proxy shall be valid even if such Block Voting Instruction or Form of Proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Principal Paying Agent has not been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting.

16.2 Adjournment

Unless revoked, any appointment of a Proxy under a Block Voting Instruction or Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment.

17. POWERS

17.1 Power of a Meeting

Subject to Paragraphs 17.2 (*Reserved Matters*) and 17.3 (*Extraordinary Resolution of a single Class*), a Meeting shall have the power (exercisable only by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

17.1.1 to approve any Reserved Matter;

17.1.2 to approve any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of any provisions of this Deed, the Conditions or any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;

- 17.1.3 to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes except pursuant to Clause 18 (*Substitution*) of this Deed where the provisions of Clause 18 (*Substitution*) shall prevail;
- 17.1.4 to waive any breach or authorise any proposed breach by the Issuer or (if relevant) any other Transaction Party of its obligations under or in respect of this Deed, the Notes or the other Transaction Documents or any act or omission which might otherwise constitute an Event of Default or Potential Event of Default under the Notes;
- 17.1.5 to remove any Trustee;
- 17.1.6 to approve the appointment of a new Trustee;
- 17.1.7 to authorise the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- 17.1.8 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may have become or may become responsible under this Deed or the Notes;
- 17.1.9 to give any other authorisation, direction or approval which under this Deed or the Notes is required to be given by Extraordinary Resolution; and
- 17.1.10 to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution,

17.2 **Reserved Matters**

Amendments in respect of a Reserved Matter require an Extraordinary Resolution of each Class of Notes then outstanding. No Extraordinary Resolution involving a Reserved Matter that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then outstanding.

17.3 **Extraordinary Resolution of a single Class**

No Extraordinary Resolution to approve any matter other than a Reserved Matter of any Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then outstanding ranking senior to such Class (to the extent that there are Notes outstanding ranking senior to such Class) unless the Trustee considers that the holders of each of the other Classes of Notes ranking senior to such Class would not be materially prejudiced by the implementation of such first mentioned Extraordinary Resolution. For the purpose of this Paragraph 17.3 (*Extraordinary Resolution of a Single Class*) Class A Notes rank senior to Class B Notes.

18. EXTRAORDINARY RESOLUTION BINDS ALL HOLDERS

18.1 Binding Nature

Subject to Paragraph 17.2 (*Reserved Matters*) and Paragraph 17.3 (*Extraordinary Resolution of a single Class*) which take priority over the following, any resolution passed at a Meeting of Noteholders of one or more classes of Notes duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders of such class, whether or not present at such Meeting and whether or not voting and, except in the case of a meeting relating to a Reserved Matter, any resolution passed at a meeting of the holders of the Most Senior Class duly convened and held as aforesaid shall also be binding upon the holders of all the other classes of Notes and will override any resolution to the contrary of the other classes of Notes.

18.2 Notice of Voting Results

Notice of the result of every vote on a resolution duly considered by the Noteholders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Registrar, the Rating Agencies and the Paying Agents (with a copy to the Issuer and the Trustee) within 14 days of the conclusion of the Meeting.

19. MINUTES

Minutes of all resolutions and proceedings at each Meeting shall be made. The Chairman shall sign the minutes, which shall be *prima facie* evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

20. WRITTEN RESOLUTION

A Written Resolution shall take effect as if it were an Extraordinary Resolution. A Written Resolution is passed when the last Noteholder signs it. The accidental omission to give a copy of a Written Resolution to, or the non-receipt of a copy by, any Noteholder does not invalidate the Written Resolution.

21. SEPARATE AND COMBINED MEETINGS OF CLASSES OF NOTEHOLDERS

Subject to paragraphs 17.2 (*Reserved Matters*), 17.3 (*Extraordinary Resolution of a Single Class*) and 18.1 (*Binding Nature*), the Trustee shall have certain discretions regarding the constitution of Meetings of Noteholders as set out below:

- 21.1 an Extraordinary Resolution which in the opinion of the Trustee affects the Notes of only one class shall be transacted at a separate Meeting of the Noteholders of that class;
- 21.2 an Extraordinary Resolution which in the opinion of the Trustee affects the Noteholders of more than one class of Notes but does not give rise to an actual or potential conflict of interest between the Noteholders of one class of Notes and the holders of another class of Notes shall be transacted either at separate Meetings of the Noteholders of each

relevant class or at a single Meeting of the Noteholders of all such classes of Notes as the Trustee shall determine in its absolute discretion; and

- 21.3 an Extraordinary Resolution which in the opinion of the Trustee affects the Noteholders of more than one class and gives rise to any actual or potential conflict of interest between the Noteholders of one class of Notes and the Noteholders of any other class of Notes shall be transacted at separate Meetings of the Noteholders of each relevant class and the provisions of this Schedule 4 (*Provisions for Meetings of Noteholders*) shall apply *mutatis mutandis* thereto.

22. **FURTHER REGULATIONS**

Subject to all other provisions contained in this Deed, the Trustee may without the consent of the Issuer or the Noteholders prescribe such further regulations regarding the requisitioning and/or holding of Meetings of Noteholders and attendance and voting at them and/or the provision of a Written Resolution as the Trustee may in its sole discretion determine.

SCHEDULE 5

FORM OF TRANSFER CERTIFICATE

Kenrick No. 3 Plc
11th Floor, 200 Aldersgate Street
London
EC1A 4HD

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
London E14 5LB

Reference is hereby made to the trust deed dated 25 January 2018 (the "**Trust Deed**") between Kenrick No. 3 Plc (the "**Issuer**") and Citicorp Trustee Company Limited as Trustee. Capitalised terms used but not defined herein shall have the meanings given to them in the Trust Deed.

NOTE: INSERT [A] FOR TRANSFERS OF AN INTEREST IN A GLOBAL NOTE TO TRANSFEREES THAT TAKE DELIVERY IN THE FORM OF A DEFINITIVE NOTE DURING THE DISTRIBUTION COMPLIANCE PERIOD. INSERT [B] FOR TRANSFERS OF A DEFINITIVE NOTE TO TRANSFEREES THAT TAKE DELIVERY IN THE FORM OF A DEFINITIVE NOTE DURING THE DISTRIBUTION COMPLIANCE PERIOD. INSERT [C] FOR TRANSFERS OF AN INTEREST IN A GLOBAL NOTE TO TRANSFEREES THAT TAKE DELIVERY IN THE FORM OF AN INTEREST IN A GLOBAL NOTE DURING THE DISTRIBUTION COMPLIANCE PERIOD.

- [A] This letter relates to [•] in principal amount of [Class A/Class B] Notes that are held in the form of a beneficial interest in the [Class A/Class B] Global Note in the name of [*insert name of transferor*] (the "**Transferor**") through [Euroclear] [Clearstream Luxembourg] (ISIN: [•]), which in turn holds through the Common Safekeeper. The Transferor has requested a transfer of such beneficial interest in the [Class A/Class B] Global Note for a [Class A/Class B] Definitive Note of the same Class registered in the name of [*insert name of transferee*] (the "**Transferee**"). Delivered herewith is a Transfer Certification completed by the Transferor.
- [B] This letter relates to [•] in principal amount of [Class A/Class B] Notes that are represented by a [Class A/Class B] Definitive Note registered in the name of [*insert name of transferor*] (the "**Transferor**"). The Transferor has requested a transfer of such [Class A/Class B] Notes for a [Class A/Class B] Definitive Note registered in the name of [*insert name of transferee*] (the "**Transferee**"). Delivered herewith is a Transferee Certification completed by the Transferor.
- [C] This letter relates to [•] in principal amount of [Class A/Class B] Notes that are held in the form of a beneficial interest in the [Class A/Class B] Global Note in the name of [*insert name of transferor*] (the "**Transferor**") through [Euroclear] [Clearstream Luxembourg] (ISIN: [•]), which in turn holds through the Common Safekeeper. The Transferor has requested a transfer of such Notes for a beneficial interest in the [Class A/Class B] Global Note to be held by [*insert name of transferee*] (the "**Transferee**") through [Euroclear] [Clearstream, Luxembourg] (ISIN: [•]), which in turn holds

through the Common Safekeeper. Delivered herewith is a Transfer Certification completed by the Transferor.

In connection with such request and in respect of such Notes, the Transferor does hereby certify that such transfer has been effected in accordance with the transfer restrictions set forth in the Trust Deed and the Notes and pursuant to and in accordance with Regulation S under the Securities Act, and accordingly the Transferor does hereby certify that:

- (1) It has notified the Transferee that: (i) the Notes have not been and will not be registered under the Securities Act and the Issuer has not been and will not be registered as an "investment company" under the Investment Company Act; (ii) neither the Notes nor any beneficial interest therein may be re-offered, resold, pledged or otherwise transferred absent an exemption from the registration requirements of the Securities Act and applicable state securities laws; (iii) the Transferee will be required to notify any subsequent transferee of the Notes of such transfer restrictions and (iv) during the Distribution Compliance Period, the interests in the Global Note may only be held through Euroclear or Clearstream, Luxembourg.
- (2) At the time the buy order was originated, the Transferee was outside the United States or the Transferor and any person acting on its behalf reasonably believed that the Transferee was outside of the United States.
- (3) The Transferor reasonably believes that the Transferee is a non-U.S. person (within the meaning of Regulation S under the Securities Act) who is purchasing the Note in an offshore transaction.
- (4) The transaction is not part of a plan or scheme to evade either alone or in conjunction with any other person the registration requirements of the Securities Act or the Investment Company Act.
- (5) The Note is not being sold, pledged or otherwise transferred in a denomination of less than £100,000.

This certificate and the statements contained herein are made for your benefit.

[*INSERT NAME OF TRANSFEROR*]

By:

Name:

Title:

By:

Name:

Title:

Dated [•], [•]

SCHEDULE 6
ISSUER REPRESENTATIONS AND WARRANTIES

PART I
CORPORATE REPRESENTATIONS AND WARRANTIES OF THE ISSUER

1. INCORPORATION

The Issuer is duly incorporated in the Issuer Jurisdiction with limited liability under the Companies Act 1985 or the Companies Act 2006, with its registered office at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD, United Kingdom and with full power and authority to own its property and assets and conduct its business in its own name and as a separate entity (in particular, with respect to its stationery, invoices and checks) as described in the Prospectus.

2. CENTRE OF MAIN INTERESTS

The Issuer has its "centre of main interests", as that term is used in Article 3(1) of the EU Insolvency Regulation, in the United Kingdom.

3. LITIGATION

No litigation, arbitration or administrative proceedings of or before any court, tribunal or governmental body have been commenced or, so far as the Issuer is aware, are pending or threatened against the Issuer or against any of its directors or any of its assets or revenues which may have a Material Adverse Effect on the Issuer, any Relevant Transaction Document or any Charged Property.

4. SOLVENCY

No Insolvency Event has occurred in respect of the Issuer.

5. TAX RESIDENCE

The Issuer is a company which is and has, since incorporation, been resident for tax purposes solely in United Kingdom.

6. VAT

The Issuer is not, and is not liable to be, registered (or part of any registration) for VAT in the United Kingdom immediately prior to entering into the Transaction Documents.

7. MANAGEMENT AND ADMINISTRATION

The Issuer's management, the places of residence of the directors of the Issuer and the place at which meetings of the board of directors of the Issuer are held are all situated in the United Kingdom.

8. ACCOUNTING REFERENCE DATE

The Accounting Reference Date of the Issuer is 31 March.

9. NO ESTABLISHMENT, SUBSIDIARIES, EMPLOYEES OR PREMISES

The Issuer has no "establishment", as that term is used in Article 2(h) of the EU Insolvency Regulation or branch office in any jurisdiction, no subsidiaries, no employees and no premises.

10. NO ENCUMBRANCES

No Encumbrance exists over or in respect of any asset of the Issuer, other than a Permitted Encumbrance.

11. ISSUER'S ACTIVITIES

The Issuer has not engaged in any activities since its incorporation other than:

- (a) those incidental to its registration under the Companies Act;
- (b) various changes to its directors, secretary, registered office and Memorandum and Articles of Association;
- (c) increases in issued share capital;
- (e) re registration as a public company;
- (f) other appropriate corporate steps;
- (g) the authorisation of the issue of the Notes and the authorisation and execution of the Relevant Transaction Documents; and
- (h) the activities referred to in or contemplated by the Transaction Documents and the Prospectus.

The Issuer has not engaged and will not engage in any activity, and has not entered and will not enter into any transaction, agreement or arrangement and has not and will not hold any asset, otherwise than as set out in or specifically contemplated by the Transaction Documents. In particular, it has not owned and will not own any shares in another company or have any employees.

12. ACCOUNTS AND DIVIDENDS

The Issuer has not made up any accounts or paid any dividends.

13. NO ADVERSE CHANGE

Save as disclosed in the Prospectus since the date of its incorporation there has been no material adverse change in the financial position or prospects of the Issuer.

14. CONSENTS

The Issuer has obtained and maintained in effect all authorisations, registrations, approvals, licences and consents required in connection with its business and the consummation of the transactions contemplated by the Relevant Transaction Documents pursuant to any Requirement of Law or any Regulatory Direction

applicable to the Issuer in the Issuer Jurisdiction and in each other jurisdiction in which the Issuer carries on business.

15. NO GOVERNMENTAL INVESTIGATION

No governmental or official investigation or inquiry concerning the Issuer is, so far as the Issuer is aware, progressing or pending or has been threatened in writing which may have a Material Adverse Effect on the Issuer, any Relevant Transaction Document, or any of the Charged Property or which may have or may during the twelve months prior to the Closing Date have had a significant adverse effect on the financial position of the Issuer.

16. FUNCTIONAL CURRENCY

The functional currency of the Issuer for the purposes of section 17(4) CTA 2010 is Sterling.

PART II

TRANSACTION DOCUMENT REPRESENTATIONS AND WARRANTIES OF THE ISSUER

1. CORPORATE POWER

The Issuer has the requisite power and authority to:

- (a) enter into each Relevant Transaction Document; and
 - (b) create and issue the Notes and the Security,
- and to undertake and perform the obligations expressed to be assumed by it therein.

2. AUTHORISATION

All acts, conditions and things required to be done, fulfilled and performed in order:

- (a) to enable the Issuer lawfully to issue, distribute and perform the terms of the Notes and distribute the Prospectus in accordance with the selling restrictions set out in Schedule 3 of the Subscription Agreement;
- (b) to enable the Issuer lawfully to enter into each Relevant Transaction Document;
- (c) to enable the Issuer lawfully to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Relevant Transaction Documents;
- (d) to ensure that the obligations expressed to be assumed by it in the Notes and the Relevant Transaction Documents are legal, valid, binding and enforceable against it; and
- (e) to make the Notes and the Relevant Transaction Documents admissible in evidence in the Issuer Jurisdiction,

have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected, and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected.

3. EXECUTION

The Relevant Transaction Documents have been duly executed by the Issuer.

4. NO BREACH OF LAW OR CONTRACT

The entry by the Issuer into and the execution (and, where appropriate, delivery) of the Relevant Transaction Documents and the performance by the Issuer of its obligations under the Relevant Transaction Documents do not and will not conflict with or constitute a breach or infringement by the Issuer of:

- (a) the Issuer's Memorandum and Articles of Association;
- (b) any Requirement of Law or any Regulatory Direction; or
- (c) any agreement, indenture, contract, mortgage, deed or other instrument to which the Issuer is a party or which is binding on it or any of its assets,

where such conflict, breach, infringement or default may have a Material Adverse Effect on the Issuer, any Relevant Transaction Document, the Notes or any of the Charged Property.

5. VALID AND BINDING OBLIGATIONS

The obligations expressed to be assumed by the Issuer under the Relevant Transaction Documents (other than the Notes) are legal and valid obligations, binding on it and enforceable against it in accordance with their terms, except:

- (a) to the extent that they are subject to any stamping or registration requirements and as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally;
- (b) as such enforceability may be limited by the effect of general principles of equity; and
- (c) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891.

6. NOTES VALID AND BINDING

The Notes constitute and any Definitive Notes will, upon execution, due authentication, effectuation and delivery, constitute legal and valid obligations, binding on it and enforceable against it in accordance with their terms, except:

- (a) to the extent that they are subject to any stamping or registration requirements and as such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally;
- (b) as such enforceability may be limited by the effect of general principles of equity; and
- (c) obligations relating to stamp duties may be void by virtue of Section 117 of the Stamp Act 1891.

7. STATUS OF NOTES

- 7.1 Amounts payable under the Notes will constitute Secured Obligations of the Issuer in accordance with the terms of the Deed of Charge.
- 7.2 The Class A Notes rank and will at all times rank *pari passu* and rateably without preference or priority amongst themselves, and the Class B Notes rank and will at all times rank *pari passu* and rateably without preference or priority amongst themselves.
- 7.3 Payments of interest due on the Class A Notes will rank in priority to payments of interest due on the Class B Notes.
- 7.4 Payments of principal due on the Class A Notes will rank in priority to payments of principal due on the Class B Notes.

8. ARMS' LENGTH TRANSACTIONS

The Relevant Transaction Documents to which the Issuer is a party have been entered into by the Issuer in good faith for the benefit of the Issuer and on arms' length commercial terms.

9. CROSS DEFAULT

The Issuer is not in breach of or default under any agreement, indenture, contract, mortgage, deed or other instrument to which it is a party or which is binding on it or any of its assets to an extent or in a manner which would be reasonably likely to have a Material Adverse Effect on the Issuer, any Relevant Transaction Document, any of the Charged Property or the Notes.

10. COMPLIANCE WITH RELEVANT TRANSACTION DOCUMENTS

The Issuer has complied in all material respects with the terms of the Relevant Transaction Documents.

11. SECURITY

The Deed of Charge validly creates the Encumbrances in respect of the assets of the Issuer which it purports to create and with the ranking specified in the Deed of Charge.

12. ENCUMBRANCES VALID AND BINDING

The Encumbrances created by the Deed of Charge are legal and valid obligations, binding on it and enforceable against it in accordance with their respective terms and not subject to any restriction that would render the Security ineffective or otherwise prohibit the grant of Security and not liable to be avoided or otherwise set aside in the event of any Insolvency Event in relation to the Issuer.

13. RANKING OF CLAIMS

The claims of the Secured Creditors against the Issuer will rank in priority to the claims of unsecured creditors of the Issuer as provided in the Deed of Charge.

14. CHOICE OF LAW

Except as set out in the transaction opinion of Clifford Chance LLP and subject to the assumptions and qualifications set out in that opinion,

14.1 The choice of English law as the governing law of the Transaction Documents will be recognised and enforced in the Issuer Jurisdiction; and

14.2 any judgment obtained in England in relation to any Transaction Document will be recognised and enforced in the Issuer Jurisdiction.

15. FILINGS

Save for the Required Filings in respect of the Issuer, under the laws of the Issuer Jurisdiction it is not necessary that any Relevant Transaction Document be filed, recorded or enrolled with any court or other authority in the Issuer Jurisdiction.

16. CONSENTS

The Issuer does not require the consent of any other party or the consent, licence, approval or authorisation of any Governmental Authority in connection with the creation and issue of the Notes, the distribution of the Prospectus or the entering into or performance of the Relevant Transaction Documents other than the Obtained Consents in relation to the Issuer which have not been revoked or suspended and which are in full force and effect and are not subject to any conditions which the Issuer in its opinion, acting as a reasonably prudent consumer mortgage loans investor, considers unusually onerous and the Issuer has complied with any conditions which apply to the Obtained Consents in relation to the Issuer in all material respects.

17. NO REVOCATION OF CONSENTS

The Issuer is not aware of any circumstance which indicates that any Obtained Consent of the Issuer is likely to be terminated or revoked or not renewed.

18. STAMP, REGISTRATION AND SIMILAR TAXES

Under the laws of United Kingdom, it is not necessary that any stamp, registration or similar tax be paid on or in relation to the Relevant Transaction Documents or any of them.

19. WITHHOLDING TAX

On the basis of English law and the published practice of HM Revenue and Customs on the date hereof, all payments of principal and interest in respect of the Notes and all

payments by the Issuer under the Transaction Documents may be made free and clear of, and without any Tax Deduction under the Issuer Jurisdiction, **provided that**, in relation to the Notes, the admission of the Notes to listing on the Official List and to trading on the Regulated Market of the London Stock Exchange or any other recognised stock exchange is maintained at the time of any such payments.

20. ACCURACY OF INFORMATION

All relevant information supplied by the Issuer to the Trustee, the Rating Agencies and the Managers in connection with the execution of the Relevant Transaction Documents and the issue of the Notes and the performance of the obligations of the Issuer under the Relevant Transaction Documents and in respect of the Notes is true and accurate in all respects and is not misleading because of any omission or ambiguity or for any other reason.

21. PROSPECTUS

- 21.1 The Prospectus contains all information regarding the Issuer and the Notes which is to the best of the information, knowledge and belief of the Issuer (in the context of the issue of the Notes) material;
- 21.2 such information is true and accurate in all material respects and not misleading in any material respect;
- 21.3 any opinions, predictions and intentions expressed in the Prospectus on the part of the Issuer are honestly held or made after due and careful consideration of all relevant circumstances and based on reasonable assumptions and are not misleading in any material respect;
- 21.4 the Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and
- 21.5 all proper enquiries have been made by or on behalf of the Issuer to ascertain and to verify the foregoing.

22. GENERAL DUTY OF DISCLOSURE

The Prospectus contains all such information:

- (a) as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and of the rights attaching to the Notes; and
- (b) all such other information as is required by Sections 80 and 87A of the FSMA.

23. **APPROVAL OF PROSPECTUS**

Applications have been made for each Class of Notes to be admitted to listing on the Official List of the UKLA and to trading on the Regulated Market of the Stock Exchange. The Prospectus comprises a prospectus issued in compliance with the listing rules and the prospectus rules made under Part VI of the FSMA by the FCA.

24. **COMPLIANCE WITH UNITED STATES SECURITIES LAWS**

- (a) Neither the Issuer, nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) (including any person acting on behalf of the Issuer or any of its affiliates) has offered or sold, or will offer or sell, any Notes in any circumstances which would require the registration of the Notes under the Securities Act or the qualification of the Trust Deed as an indenture under the United States Trust Indenture Act of 1939.
- (b) Neither the Issuer, nor its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act), nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as that term is defined in Regulation S) in the United States with respect to the Notes; and it, its affiliates, and any person acting on its or their behalf, has complied and will comply with the offering restrictions requirements of Regulation S.
- (c) The Issuer is a "foreign issuer" (as defined in Regulation S).

25. **EVENTS OF DEFAULT, POTENTIAL EVENT OF DEFAULT**

No Potential Event of Default or Event of Default has occurred.

SCHEDULE 7
ISSUER COVENANTS

PART I
CORPORATE COVENANTS OF THE ISSUER

The Issuer shall so long as any of the Notes remains outstanding:

1. FINANCIAL STATEMENTS

1.1 Preparation of Financial Statements

cause to be prepared in respect of each of its financial years, Financial Statements in such form as will comply with the requirements for the time being of the Companies Acts and any requirements of the Stock Exchange and to maintain them separate from any other entity;

1.2 Delivery of Financial Statements

as soon as the same become available, but in any event by the Accounts Final Delivery Date, deliver to the Cash Manager and the Trustee two copies of its Financial Statements for such financial year and deliver to the Cash Manager and the Trustee as soon as practicable following the issue or giving of the same two copies of every balance sheet, profit and loss account, source and application of funds statement (if any), report or other notice, statement, circular or document issued or given to any holder of securities or creditors generally of the Issuer;

1.3 Certificate to accompany Financial Statements

on the Calculation Date immediately preceding each anniversary of the Closing Date and otherwise forthwith on request by the Trustee deliver a certificate signed by two directors of the Issuer stating that no Event of Default or Potential Event of Default has occurred, no matter exists which would adversely affect the Issuer's ability to perform its obligations under the Trust Documents and that, so far as it is aware, it has complied with all of its obligations under the Transaction Documents (or, if such is not the case, specifying the particulars of any such matter, non-compliance, Event of Default or Potential Event of Default);

2. CONDUCT

at all times carry on and conduct its affairs in a proper and efficient manner in compliance with any Requirement of Law and any Regulatory Direction from time to time in force in the Issuer Jurisdiction or in any other jurisdiction in which it carries on business and in compliance with its Memorandum and Articles of Association;

3. **CONSENTS**

obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents necessary under any Requirement of Law and any Regulatory Direction from time to time in force in the Issuer Jurisdiction or in any other applicable jurisdiction;

3.1 in connection with its business; and

3.2 to enable it lawfully to enter into and perform its obligations under the Relevant Transaction Documents or to ensure the legality, validity, enforceability or admissibility in evidence in the Issuer Jurisdiction of the Relevant Transaction Documents including any registration required under the Companies Acts;

4. **FUNDS AND ADEQUATE CAPITAL**

pay its own liabilities out of its own funds and maintain adequate capital in light of its contemplated business operations;

5. **AUTHORISED SIGNATORIES**

deliver to the Trustee (with a copy to the Cash Manager) on the Closing Date and thereafter upon any change of the same, a list of Authorised Signatories of the Issuer together with a specimen signature of each Authorised Signatory;

6. **REGISTERED OFFICE, HEAD OFFICE AND CENTRE OF MAIN INTERESTS**

maintain its registered office, its head office and its "centre of main interests", as that term is used in Article 3(1) of the EU Insolvency Regulation, in the Asset Jurisdiction and will not move such offices to another jurisdiction;

7. **BOARD MEETINGS, MANAGEMENT AND ADMINISTRATION**

hold all meetings of the board of directors of the Issuer in the United Kingdom and not hold any such meeting outside the United Kingdom and procure that the Issuer's management, the places of residence of the directors of the Issuer and the place where the Issuer effects its central management and decision making are all, at all times, situated in the United Kingdom;

8. **NO FOREIGN ESTABLISHMENT**

not establish any "establishment", as that term is used in Article 2(h) of the EU Insolvency Regulation, outside of the Asset Jurisdiction.

9. **TAX**

comply with all requirements in relation to tax, including payment of any tax or duty imposed in the United Kingdom or any other jurisdiction.

10. GENERAL NEGATIVE COVENANTS

not until after the Final Discharge Date, save to the extent permitted by the Relevant Transaction Documents or with the prior written consent of the Trustee:

- 10.1 carry on any business or enter into any documents other than those contemplated by the Relevant Transaction Documents;
- 10.2 except as contemplated by the Transaction Documents, sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking or grant any option or right to acquire the same;
- 10.3 grant, create or permit to exist any Encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) the Charged Property other than any Permitted Encumbrance;
- 10.4 pay dividends or make other distributions to its members out of profits available for distribution and then only in the manner permitted by its Memorandum and Articles of Association and by applicable laws;
- 10.5 commingle its assets with those of any other entity (other than when expressly permitted under any Transaction Document);
- 10.6 incur or permit to subsist any indebtedness whatsoever;
- 10.7 make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person;
- 10.8 consolidate or merge with any other person;
- 10.9 be treated as a member of any VAT Group;
- 10.10 voluntarily become registered (or part of any registration) for VAT in the United Kingdom;
- 10.11 surrender any losses to any other company;
- 10.12 have any employees or premises or have any subsidiary undertaking (as defined in section 1162 of the Companies Act 2006) or become a director of any company;
- 10.13 have an interest in any bank account other than the Accounts unless such account or interest is charged to the Trustee on terms acceptable to it;
- 10.14 amend, supplement or otherwise modify its Memorandum and Articles of Association; and
- 10.15 permit the validity or effectiveness of the Trust Documents or of the Security to be impaired or to be amended, hypothecated, subordinated, terminated or discharged.

PART II
TRANSACTION DOCUMENT COVENANTS OF THE ISSUER

The Issuer shall so long as any Notes remain outstanding:

1. COMPLIANCE WITH RELEVANT TRANSACTION DOCUMENTS

At all times comply with and perform all its obligations under the Relevant Transaction Documents and the Notes and use all reasonable endeavours to procure that the other Transaction Parties, other than the Trustee, comply with and perform all their respective obligations under the Relevant Transaction Documents.

2. EXERCISE RIGHTS

Preserve and/or exercise and/or enforce its rights under and pursuant to the Notes and the Relevant Transaction Documents.

3. DEALING WITH TRUSTEE

3.1 Inspection by Trustee

Upon reasonable notice, during normal business hours allow the Trustee and any persons appointed by the Trustee access to such books of account and other business records as relate to the Originator Trust Property or the Issuer Interest and the Transactions as the Trustee or any such persons may reasonably require.

3.2 Information to Trustee

At all times give to the Trustee such information, opinions, certificates and other evidence as the Trustee and any persons appointed by the Trustee shall reasonably require (and which it is reasonably practicable to produce) for the purposes of the discharge of the duties, trusts, powers, authorities and discretions vested in the Trustee by or pursuant to the Trust Documents or any other Relevant Transaction Document.

4. NOTIFICATION OF BREACH OF ISSUER WARRANTIES AND UNDERTAKINGS

Immediately notify the Mortgage Administrator and the Trustee if the Issuer becomes aware of any breach of the Issuer Warranties or of any breach of any undertaking given by the Issuer in any Relevant Transaction Documents.

5. LEGAL PROCEEDINGS

5.1 Notification of Legal Proceedings

If any legal proceedings are instituted against it by any of its creditors or in respect of any of the Charged Property, including any litigation or claim calling into question in any material way the Issuer's interest therein, immediately:

- (a) notify the Cash Manager and the Trustee of such proceedings; and
- (b) notify the court and any receiver appointed in respect of the property the subject of such proceedings of the interests of the Trustee in the Charged Property.

5.2 Join in Legal Proceedings

If the Trustee so requires the Issuer will join in any legal proceedings brought by the Trustee against any person.

6. EXECUTION OF FURTHER DOCUMENTS

Perform any act required by any Requirement of Law or any Regulatory Direction to be performed, and so far as permitted by applicable law, execute such further documents and perform such further acts as may be incidental to, or necessary in the opinion of the Trustee to give effect to, the Relevant Transaction Documents.

7. NOTIFICATION OF EVENT OF DEFAULT

Deliver notice to the Trustee forthwith upon becoming aware of any Event of Default or Potential Event of Default without waiting for the Trustee to take any further action.

8. NO ENCUMBRANCES

Not create or permit to subsist any Encumbrance in respect of the Issuer Accounts or any assets of the Issuer other than pursuant to the Deed of Charge.

9. NO VARIATION AND TERMINATION OF RELEVANT TRANSACTION DOCUMENTS

Not until the Final Discharge Date, save to the extent permitted by the Relevant Transaction Documents or with the prior written consent of the Trustee:

- 9.1 terminate, repudiate, rescind or discharge any Relevant Transaction Document;
- 9.2 vary, novate, amend, modify or waive any material provision of any Relevant Transaction Document;
- 9.3 permit any person to do any of the things specified in Paragraph 9.1 or 9.2; or

- 9.4 permit any person who has obligations under the Relevant Transaction Documents to be released from such obligations other than in accordance with the terms of the applicable Relevant Transaction Document and any applicable Requirement of Law or Regulatory Direction.

10. **FILINGS**

- 10.1 Effect all Required Filings in respect of the Issuer and file, record or enrol each Relevant Transaction Document required to be filed, recorded or enrolled with any court or other authority in the Asset Jurisdiction and ensure that such Required Filings and such other filings, recordings or enrolments are at all times maintained in accordance with any applicable Requirement of Law or Regulatory Direction.
- 10.2 At all times maintain an Agent Bank, Paying Agents, Transfer Agent and a Registrar in accordance with the Conditions;
- 10.3 Procure the Principal Paying Agent and the Registrar to notify the Trustee forthwith in the event that the Principal Paying Agent or, as the case may be, the Registrar does not, by the time specified in the Agency Agreement for any payment to it in respect of the Notes of any Class, receive unconditionally pursuant to and in accordance with the Agency Agreement payment of the full amount in the requisite currency of the moneys payable on such due date on the Notes of such Class;
- 10.4 Comply with and perform all its obligations under the Agency Agreement and each other Transaction Document and use reasonable endeavours to procure that the Agent Bank, the Paying Agents, the Transfer Agent, the Registrar and each party to any of the other Transaction Documents comply with and perform all their respective obligations thereunder and in accordance with any notice given by the Trustee pursuant to clause 11.2 (*Appointment of Agents for Trustee*) of the Trust Deed;
- 10.5 At all times use all reasonable endeavours to minimise taxes and any other costs arising in connection with its payment obligations in respect of the Notes;
- 10.6 Furnish, or procure that there is furnished, from time to time, any and all documents, instruments, information and undertakings that may be necessary in order to maintain the current ratings of the Notes by the Rating Agencies (save that when any such document, instrument, information and/or undertaking is not within the possession or control of the Issuer, the Issuer agrees to use all reasonable efforts to furnish, or procure that there is furnished, from time to time any such documents, instruments, information and undertakings as may be necessary in order to maintain the current ratings of the Notes by the Rating Agencies);

PART III
ASSET COVENANTS OF THE ISSUER

The Issuer shall so long as any Notes remain outstanding:

1. BOOKS OF ACCOUNT

Maintain, or procure that the Mortgage Administrator maintains, clear and unambiguous records and books of account in respect of the Issuer Interest and all Collections received, to be kept separated from those of any other entity;

2. NOTIFICATION OF LITIGATION

Promptly notify the Mortgage Administrator and the Trustee if the Issuer receives, after the Closing Date in respect of any Charged Property, any notice of any litigation in relation to any of such Charged Property including any litigation or claim calling into question in any material way the Issuer Interest;

3. PARTICIPATION IN LITIGATION

If required to do so by the Mortgage Administrator or the Trustee, participate in or join in and lend its name to, and take such other steps as may be required by the Mortgage Administrator or the Trustee (as the case may be) in relation to any action (through the courts or otherwise) relating to any Originator Trust Property after the Closing Date in respect of such Originator Trust Property, including participation in any legal proceedings to the extent necessary for defending or contesting any litigation in relation to such Originator Trust Property including any litigation or claim calling into question in any material way the Issuer's interest in any such Originator Trust Property.

4. INTERESTS IN THE ORIGINATOR TRUST PROPERTY

At all times own and exercise its rights in respect of the Originator Trust Property and its interest in the Originator Trust Property and perform and comply with its obligations in respect of the Originator Trust Property under the terms of the Relevant Transaction Documents.

5. FURTHER ACTION

Perform any act incidental to or necessary in connection with the other covenants contained in Parts 1, 2 and 3 of this Schedule or any act required by any law, regulation or order of any court to be performed.

6. **NEGATIVE COVENANT**

Not until the Final Discharge Date, save to the extent permitted by the Transaction Documents, permit any person other than the Issuer and the Trustee to have any interest in the Issuer Interest.

PART IV

COVENANTS OF THE ISSUER IN RESPECT OF THE NOTES

The Issuer shall so long as any Notes remain outstanding:

1. LISTING

- 1.1 Use all reasonable endeavours to procure the admission of the Notes to the Official List of the UKLA and to maintain such admission until none of the Notes is outstanding.
- 1.2 Use all reasonable endeavours to procure the admission of the Notes to trading on the Regulated Market of the Stock Exchange and to maintain such admission until none of the Notes is outstanding.
- 1.3 If it is impracticable or unduly burdensome to maintain the admission of the Notes to listing on the Official List or to trading on the Regulated Market of the Stock Exchange, use all reasonable endeavours to procure and maintain a listing for or quotation or trading of the Notes on such other stock exchange or exchanges as it may (with the prior written approval of the Arrangers, the Joint Lead Managers and the Trustee) decide or failing such approval as the Arrangers and the Joint Lead Managers may decide, **provided that** (i) any such other exchange shall in any case be a "regulated market" in the European Economic Area for the purposes of the Markets in Financial Instruments Directive and (ii) if necessary to ensure that interest will be payable on the Notes without withholding or deduction for or an account of tax irrespective of the identity of the holder, any such listing will be made in such a way and on such a stock exchange (or on such a market thereof) as will ensure that interest is so payable and if necessary, enter into documentation to effect consequential changes/amendments to the Trust Documents.

2. ASCERTAINING THE OUTSTANDING AMOUNTS OF THE NOTES

Upon receiving a written request from the Trustee, deliver to the Trustee a certificate of the Issuer (signed on its behalf by two Authorised Signatories) setting out the total number and aggregate Principal Amount Outstanding of the outstanding Notes which:

- (a) up to and including the date of such certificate have been purchased by the Issuer and cancelled in accordance with Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption, Purchase and Cancellation*); and
- (b) at the date of such certificate are held by any person for the benefit of the Issuer or, so far as the Issuer is aware, any of its holding companies or any subsidiaries of any of its holding companies (without being required to make enquiries other than of its holding companies).

3. **NOTICES TO NOTEHOLDERS**

Send or procure to be sent to the Trustee not less than three days prior to the date of publication, for the Trustee's approval, one copy of each notice to be given to the Noteholders in accordance with the Conditions and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice (such approval, unless so expressed, not to constitute approval for the purposes of Section 21 of the FSMA of a communication of an invitation or inducement to engage in an investment activity within the meaning thereof).

4. **NOTIFICATION OF LATE PAYMENT**

If unconditional payment to the Principal Paying Agent or the Trustee of any sum due in respect of the Notes is made after the due date for such payment, forthwith give notice to the Noteholders in accordance with the Notices Condition that such payment has been made.

5. **NOTIFICATION OF DEFERRAL OF PAYMENTS**

As soon as practicable after becoming aware that any part of a payment of interest on the Notes will be deferred or that a payment previously deferred will be made in accordance with Condition 8 (*Interest*), give notice thereof to the Noteholders in accordance with Condition 22 (*Notices*) and, for so long as the Notes are listed on the Official List of the UKLA and admitted to trading on the Stock Exchange in accordance with the listing rules of the UKLA and the rules of the Stock Exchange, respectively.

6. **NOTIFICATION OF REDEMPTION OR REPAYMENT**

Not less than the number of days specified in the relevant Conditions prior to the redemption or repayment date in respect of any Note, give to the Trustee notice in writing of the amount of such redemption or repayment pursuant to the Conditions.

7. **TAX OR OPTIONAL REDEMPTION**

If the Issuer gives notice to the Trustee that it intends to redeem the Notes pursuant to Condition 9.3 (*Optional Redemption in whole*) or Condition 9.4 (*Optional Redemption in whole for taxation reasons*) prior to giving such notice to the Noteholders, provide such information to the Trustee as the Trustee requires in order to satisfy itself of the matters referred to in those Conditions.

8. **LIABILITY TO TAX**

Promptly give notice to the Trustee:

- (a) if it is required by law to effect a Tax Deduction in respect of any payment due in respect of the Notes; or

- (b) if the Fixed Rate Swap Provider is required to make a Tax Deduction in respect of any payment due under the Fixed Rate Swap Agreement; or
 - (c) if it would become subject to tax on an amount in excess of the Issuer Profit Amount;
- and take such action as may be required by the Trustee in respect thereof.

9. **RATING AGENCIES**

While any of the Notes remain outstanding, give notice, or procure that notice is given, to each of the Rating Agencies of:

- (a) any proposed amendment to the Transaction Documents which is not of a formal, minor or technical nature or made to correct a manifest error;
- (b) the Notes of any Class being repaid in full;
- (c) any surrender of any of the Issuer Interest by the Issuer pursuant to Clause 4.2 (*Surrender*) of the Originator Trust Deed;
- (d) the occurrence of a Cash Manager Event;
- (e) the delivery of a Cash Manager Termination Notice;
- (f) the appointment of delegate Mortgage Administrator pursuant to Clause 17 (*Delegation*) of the Mortgage Administration Agreement;
- (g) the appointment of a Successor Trustee or the appointment of any new or replacement Paying Agents;
- (h) the substitution of the Issuer under Clause 18 (*Substitution*);
- (i) the occurrence of any Event of Default or Potential Event of Default; and
- (j) the delivery of a Security Protection Notice or an Enforcement Notice.

10. **CHANGE OF AGENTS**

Give not less than 14 days prior notice to the Noteholders in accordance with the Notices Condition of any future appointment or any resignation or removal of any Agent or of any change by any Agent of its Specified Office (in each case, with the prior written approval of the Trustee).

PART V
DATA PROTECTION ACT COVENANTS OF THE ISSUER

The Issuer shall so long as any Notes remain outstanding:

1. DPA REGISTRATION

At all times maintain a valid and current DPA Registration and renew the same before its expiry.

2. DPA REGISTRATION AND RELEVANT TRANSACTION DOCUMENTS

Perform its obligations under the Relevant Transaction Documents as required by the terms of the DPA Registration and in a manner so as not to prejudice the continuation of such registrations.

3. COMPLIANCE WITH DPA

Comply with all of the provisions of the DPA (and, if applicable, the General Data Protection Regulation) applicable to the Asset Agreements.

4. DATA PROCESSOR AGREEMENT

Instruct the Mortgage Administrator, where the Mortgage Administrator processes personal data (as defined in the DPA) on behalf of the Issuer, to take such steps in the processing of those personal data as:

- 4.1 are reasonably necessary for the performance of the Issuer's obligations pursuant to the Transaction Documents; and
- 4.2 are consistent with the performance of the Issuer's obligations and any applicable Requirement of Law or any Regulatory Direction.

EXECUTION PAGE(S)

ISSUER

EXECUTED as a **DEED** by)
KENRICK NO. 3 PLC)
acting by two directors)
)

MaplesFS UK Corporate Director
No.1 Limited

MaplesFS UK Corporate Director
No.2 Limited

TRUSTEE

EXECUTED and **DELIVERED**)
as a **DEED** by)
CITICORP TRUSTEE COMPANY LIMITED)
acting by:

_____ Signature of Director

_____ Name of Director

In the presence of:

Name:

Occupation:

Address: