

26 July 2001

**DEED OF CHARGE AND ASSIGNMENT**

between

**FIRST FLEXIBLE NO.4 plc**  
as Issuer

**THE CHASE MANHATTAN BANK**  
as Trustee

**BRITANNIC MONEY plc**  
as Servicer and Start-up Loan Provider

**MORGAN GUARANTY TRUST COMPANY OF NEW YORK, LONDON BRANCH**  
as a Swap Counterparty, a LIBOR Swap Provider and a Cap Provider

**THE ROYAL BANK OF SCOTLAND plc**  
as a Base Rate Swap Provider

**BARCLAYS BANK PLC**  
as Redraw Facility Provider, GIC Provider, Account Bank, a Swap Counterparty and a  
Cap Provider

**THE CHASE MANHATTAN BANK**  
as Principal Paying Agent

**ARIANTY NO.1 plc**  
as Arianty

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**THIS DEED OF CHARGE AND ASSIGNMENT** is made on 26 July 2001

**BETWEEN**

- (1) **FIRST FLEXIBLE NO.4 plc** (registered number 4176542) whose registered office is at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (the “**Issuer**”);
- (2) **THE CHASE MANHATTAN BANK** whose principal office is at Trinity Tower, 9 Thomas More Street, London E1W 1YT (the “**Trustee**” which expression shall include such person and all other persons for the time being acting under the Trust Deed or under this Deed in the capacity of trustee or trustees);
- (3) **BRITANNIC MONEY plc** (registered number 2048895) whose registered office is at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (“**Britannic Money**”) (the “**Servicer**” or the “**Start-Up Loan Provider**”);
- (4) **MORGAN GUARANTY TRUST COMPANY OF NEW YORK, LONDON BRANCH** at 60 Victoria Embankment, London EC4Y 0JP (a “**Swap Counterparty**”, a “**Cap Provider** and a “**LIBOR Swap Provider**”);
- (5) **THE ROYAL BANK OF SCOTLAND plc** acting through its operations at 135 Bishopsgate, London EC2M 3UR (a “**Base Rate Swap Provider**”);
- (6) **BARCLAYS BANK PLC**, acting through its branch at 54 Lombard Street, London EC3P 3AH (the “**Redraw Facility Provider**”, the “**Account Bank**”, the “**GIC Provider**”, a “**Swap Counterparty**” and a “**Cap Provider**”);
- (7) **THE CHASE MANHATTAN BANK** acting through its office at Trinity Tower, 9 Thomas More Street, London E1W 1YT (the “**Principal Paying Agent**”); and
- (8) **ARIANTY NO.1 plc** (registered number 3946857) whose registered office is at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (“**Arianty**”).

**WHEREAS:**

This Deed of Charge and Assignment is supplemental to the Trust Deed of even date herewith and made between the Issuer and the Trustee constituting the £460,000,000 Class A Mortgage Backed Floating Rate Notes due 2036, the £35,000,000 Class M Mortgage Backed Floating Rate Notes due 2036 and the £5,000,000 Class B Mortgage Backed Floating Rate Notes due 2036.

**NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED AND DECLARED** as follows:

**1 DEFINITIONS**

**1.1** In this Deed, except so far as the context otherwise requires:

“**Act**” means the Law of Property Act 1925.

“**powers**” in relation to the Trustee, and any Receiver, means their respective powers, discretions, authorities and rights under this Deed, or the general law.

“**purchaser**” has the meaning given to it by section 205 of the Act and includes any person dealing (including any person acquiring, for money or money’s worth, any Security Interest over, or any other interest or right whatsoever in relation to, the Charged Property) in good faith.

“**Receiver**” means a receiver appointed by the Trustee pursuant to Clause 10 of this Deed.

“**this Deed**” means this Deed and any deed executed in accordance with this Deed or expressed to be supplemental hereto.

**1.2** In this Deed, except to the extent that the context otherwise requires, terms defined in the Master Definitions Schedule dated 26 July 2001 and made between, *inter alios*, the Issuer, Britannic Money, the Servicer and the Trustee (the “**Master Definitions Schedule**”) shall have the same meanings herein.

**1.3** References herein to the Issuer, the Trustee, the Servicer, a Swap Counterparty, the Start-Up Loan Provider, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider, the Account Bank, the GIC Provider, the Redraw Facility Provider and the Principal Paying Agent include references to their successors and persons deriving title under or through them respectively.

**1.4** References herein to the Swap Counterparties include each of Morgan Guaranty Trust Company of New York, London branch (in its capacity as a Swap Counterparty pursuant to an Interest Rate Swap), Barclays Bank PLC (in its capacity as a Swap Counterparty pursuant to an Interest Rate Swap) and such other entity as enters into an Interest Rate Swap with the Issuer from time to time.

**1.5** References herein to the LIBOR Swap Providers include Morgan Guaranty Trust Company of New York, London branch (in its capacity as a LIBOR Swap Provider pursuant to a LIBOR Swap) and such other entity as enters into a LIBOR Swap with the Issuer from time to time.

**1.6** References herein to the Cap Providers include Morgan Guaranty Trust Company of New York, London branch (in its capacity as a Cap Provider pursuant to an Interest Rate Cap), Barclays Bank PLC (in its capacity as a Cap Provider pursuant to an Interest Rate Cap) and such other entity as enters into an Interest Rate Cap with the Issuer from time to time.

**1.7** References herein to the Base Rate Swap Providers include The Royal Bank of Scotland plc (in its capacity as a Base Rate Swap Provider pursuant to a Base Rate Swap) and such other entity as enters into a Base Rate Swap with the Issuer from time to time.

**1.8** References herein to the Notes include the Conditions and the Coupons appertaining thereto and any references to an amount of money due or payable by reference to the Notes shall include any sums covenanted to be paid by the Issuer under the Trust Deed in respect of the Notes and/or the Coupons or any of them.

**1.9** References herein and in the Trust Deed to a particular numbered clause of the Servicing Agreement shall, in relation to any agreement under which a substitute Servicer is appointed, be construed as a reference to the provisions (if any) in such agreement which correspond to the provisions of such particular numbered clause of the Servicing Agreement in effect at the date hereof.

**1.10** The clause headings in this Deed shall not affect its interpretation.

**1.11** Unless the context otherwise requires, words denoting the singular number only shall include the plural number also and vice versa; words denoting one gender only shall include the other genders and words denoting persons only shall include firms and corporations and vice versa.

**1.12** For the avoidance of doubt but subject to Clause 6, references to the Trustee in this Deed are to it acting in its capacity as trustee under this Deed for, *inter alios*, the Noteholders, the Servicer, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider, the Principal Paying Agent or the GIC Provider (or any of them), as the case may require.

**1.13** Any reference herein to an enactment is a reference to it as already amended and includes a reference to any repealed enactment which it may re-enact, with or without amendment, and to any future re-enactment and/or amendment of it.

**1.14** Any reference herein to any agreement or other document shall be deemed to refer to such agreement or document as modified, amended, restated, supplemented, novated and/or replaced from time to time.

**1.15** By their execution of this Deed, each of the Servicer, each Swap Counterparty, the Start-Up Loan Provider, the GIC Provider, the Account Bank, the Redraw Facility Provider, each Cap Provider, each LIBOR Swap Provider, each Base Rate Swap Provider and the Principal Paying Agent acknowledge, and consent to the assignment pursuant to Clause 3.3 of the contracts referred to in Clause 3.3(a)(i)-(xiii) to which they are a party.

**1.16** References in this Deed to Clauses shall, unless the context otherwise requires, include references to clauses of this Deed.

**1.17** This Deed incorporates by reference (for the purposes only of Section 2 of the Law of Property (Miscellaneous Provisions) Act 1989 or Section 2 of the Statute of Frauds (Ireland) 1695 in relation to Northern Ireland) the terms where relevant, of each of the Documents.

## **2 THE ISSUER'S COVENANTS TO PAY**

**2.1** The Issuer hereby covenants with and undertakes to the Trustee for itself and on trust for the Secured Creditors that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer:

(a) to or to the order of the Trustee and/or any Receiver under, pursuant to or in connection with this Deed, the Conditions or the other Documents at the times and in the manner provided herein or therein, whether as principal or surety and whether or not jointly with another; and

(b) under or in respect of the Notes and the Coupons at the time and in the manner provided herein or therein, whether as principal or surety and whether or not jointly with another.

**2.2** The Issuer hereby covenants with and undertakes to the Servicer that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to the Servicer under or pursuant to the Servicing Agreement or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to the Servicer in any other capacity including as Noteholder or Couponholder). Monies due, owing or payable by the Issuer to the Servicer which have accrued in respect of any period

prior to the termination of the appointment of Britannic Money as Servicer under the Servicing Agreement shall continue to be due, owing or payable to it in that capacity notwithstanding such termination.

**2.3** The Issuer hereby covenants with and undertakes to each Swap Counterparty that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to each of the Swap Counterparties under or pursuant to the Interest Rate Swaps or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to a Swap Counterparty in any other capacity including as Noteholder or Couponholder).

**2.4** The Issuer hereby covenants with and undertakes to the Start-Up Loan Provider that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to the Start-Up Loan Provider under or pursuant to the Start-Up Loan Agreement or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to the Start-Up Loan Provider in any other capacity including as Noteholder or Couponholder).

**2.5** The Issuer hereby covenants with and undertakes to each Cap Provider that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to each of the Cap Providers under or pursuant to the Interest Rate Caps or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to a Cap Provider in any other capacity including as Noteholder or Couponholder).

**2.6** The Issuer hereby covenants with and undertakes to each Base Rate Swap Provider that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to each of the Base Rate Swap Providers under or pursuant to the Base Rate Swaps or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to a Base Rate Swap Provider in any other capacity including as Noteholder or Couponholder).

**2.7** The Issuer hereby covenants with and undertakes to the Redraw Facility Provider that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to the Redraw Facility Provider under or pursuant to the Redraw Facility Agreement or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to the Redraw Facility Provider in any other capacity including as Noteholder or Couponholder).

**2.8** The Issuer hereby covenants with and undertakes to the GIC Provider that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to the GIC Provider under or pursuant to the Guaranteed Investment Contract or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to the GIC Provider in any other capacity including as Noteholder or Couponholder).

**2.9** The Issuer hereby covenants with and undertakes to the Account Bank that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to the Account Bank under or pursuant to the Bank Agreement or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to the Account Bank in any other capacity including as Noteholder or Couponholder).

**2.10** The Issuer hereby covenants with and undertakes to the Principal Paying Agent (on behalf of the Agents) that it will duly and punctually pay or discharge all monies and liabilities whatsoever from time to time become due, owing or payable by the Issuer to the Principal Paying Agent (and each Agent) under or pursuant to the Agency Agreement or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to the Principal Paying Agent or such Agent in any other capacity including as Noteholder or Couponholder).

**2.11** The Issuer hereby covenants with and undertakes to each LIBOR Swap Provider that it will duly and punctually pay or discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer to each of the LIBOR Swap Providers under or pursuant to the LIBOR Swaps or this Deed, whether as principal or surety and whether or not jointly with another (but not, for the avoidance of doubt, any monies or liabilities from time to time due, owing or payable to a LIBOR Swap Provider in any other capacity including as Noteholder or Couponholder).

### **3 SECURITY**

**3.1 Mortgage Pool** Subject to Clause 3.10, the Issuer, by way of first fixed equitable charge for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner in relation to Northern Ireland) and subject in each case to the proviso for redemption hereinafter contained and subject to the provisos for redemption or cesser contained in the relative Mortgages, HEREBY CHARGES AND MORTGAGES to the Trustee by way of equitable charge and equitable mortgage only (but not so as to transfer any legal interest thereto) all the Issuer's right, title, interest and benefit present and future in, to and under the Mortgage Pool, all Mortgages, Mortgage Loans and their Related Security comprised therein (other than the Scottish Mortgages, the Mortgage Loans secured thereby and their Related Security) and all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same and the Mortgage Deeds relating to the relevant Properties, the Mortgages relating thereto and their Related Security and the Mortgage Pool including (without prejudice to the generality of the foregoing) any consents, postponements, reports, valuations, opinions, certificates and other statements of fact or opinion or both given in connection with the relevant Mortgages, their Related Security and the Mortgage Pool and any other contractual documents and any security documents in either case relating to the Mortgage Pool (but excluding the items referred to in Clause 3.2) TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of this Deed, for the Secured Creditors.

**3.2 Insurance Contracts** The Issuer, by way of first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner in relation to Northern Ireland) and subject to the proviso for redemption hereinafter contained, HEREBY ASSIGNS to the Trustee all the Issuer's right, title, interest and benefit present and future in, to and under the Insurance Contracts, to the extent, where applicable, that the Insurance Contracts have been assigned to the Issuer pursuant to the Mortgage Sale Agreement and all monies assured by or to become payable under the same and the benefit of all covenants relating thereto and all

powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of this Deed, for the Secured Creditors.

### **3.3 Contractual and Other Rights**

(a) The Issuer, by way of first fixed security for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner in relation to Northern Ireland) and subject to the proviso for redemption hereinafter contained HEREBY ASSIGNS to the Trustee all its right, title, interest and benefit present and future in, to and under:

- (i) the Servicing Agreement;
- (ii) the Mortgage Sale Agreement;
- (iii) the Guaranteed Investment Contract;
- (iv) the beneficial interest of the Issuer under the Declaration of Trust;
- (v) the Interest Rate Swaps;
- (vi) the Interest Rate Caps;
- (vii) the Base Rate Swaps;
- (viii) the LIBOR Swaps;
- (ix) the Redraw Facility Agreement;
- (x) the Bank Agreement;
- (xi) the Start-Up Loan Agreement;
- (xii) the Master Definitions Schedule; and
- (xiii) the Agency Agreement,

and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party and not otherwise charged in terms of this Clause 3 including without limitation all rights to receive payment of any amounts which may become payable to the Issuer thereunder, all payments received by the Issuer thereunder, all rights to serve notices and/or make demands thereunder and/or to take such steps as are required to cause payments to become due and payable thereunder and all rights of action in respect of any breach thereof and all rights to receive damages or obtain other relief in respect thereof TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of this Deed, for the Secured Creditors.

(b) Notwithstanding the assignments referred to in Clause 3.3(a), each of the parties hereto agrees that the Servicer, each Swap Counterparty, each Cap Provider, each Base Rate Swap Provider, each LIBOR Swap Provider, the Start-Up Loan Provider, the Principal Paying Agent, the GIC Provider and the Redraw Facility Provider and each Secured Creditor may continue to make all payments becoming due to the Issuer under any of the Servicing Agreement, the Mortgage Sale Agreement, the Interest Rate Swaps, the Interest Rate Caps, the Base Rate Swaps, the LIBOR Swaps, the Redraw Facility Agreement, the Guaranteed Investment Contract, the Start-Up Loan Agreement and the Agency



Agreement direct to the Issuer in the manner envisaged by such agreements (which payment shall constitute a good discharge by the person making the payment) until receipt of express written notice from the Trustee or the Receiver requiring such payments to be stopped or made elsewhere, which notice shall not be given at any time prior to the giving of an Enforcement Notice.

**3.4 Bank Accounts** The Issuer, by way of first fixed equitable charge for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner in relation to Northern Ireland) and subject to the proviso for redemption hereinafter contained HEREBY CHARGES, by way of first fixed equitable charge to the Trustee all the Issuer's right, title, benefit and interest present and future in, to and under the Trust Accounts, the Transaction Account and the Reserve Account and any other account of the Issuer opened from time to time and all sums of money which may now be or hereafter are from time to time standing to the credit of the Trust Accounts, the Transaction Account and the Reserve Account or such other account together with all interest accruing from time to time thereon and the debts represented thereby and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of this Deed, for the Secured Creditors.

**3.5 Permitted Investments** The Issuer, by way of further first fixed equitable charge for the payment or discharge of the Secured Amounts, with full title guarantee (or as beneficial owner in relation to Northern Ireland) and subject to the proviso for redemption hereinafter contained, HEREBY CHARGES, by way of first fixed equitable charge to the Trustee, all its right, title, interest and benefit present and future in, to and under the Permitted Investments and all moneys, income and proceeds to become payable thereunder or thereon and the benefit of all covenants relating thereto and all powers and remedies for enforcing the same TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of this Deed, for the Secured Creditors. The Issuer shall procure that, in each case where a Permitted Investment comprises the deposit of cash in a deposit account with a third party, the cash shall be deposited under instruction that it may not be paid out of such deposit account otherwise than by transferring such cash, together with interest and/or any premium accrued thereon, direct to the Transaction Account if such Permitted Investment was made from moneys standing to the credit of the Transaction Account or to the Reserve Account, if such Permitted Investment was made from moneys standing to the credit of the Reserve Account, which instruction may not be altered without the prior written consent of the Trustee and, prior to the service of an Enforcement Notice, the Issuer (such consent not to be unreasonably withheld or delayed).

**3.6 Scottish Trust Security** The Issuer:

- (a) as holder of the beneficial interest therein and subject to the proviso for redemption hereinafter contained, hereby assigns to and in favour of the Trustee in security for the payment and discharge of the Secured Amounts the Issuer's whole right, title and interest in and to the whole of the Scottish Trust Property as defined in the Scottish Declaration of Trust and in and to the Scottish Declaration of Trust, surrogating and substituting the Trustee in its full right and place therein and thereto;
- (b) hereby intimates to Britannic Money as trustee under the Scottish Declaration of Trust the assignation in security made in terms of Clause 3.6(a), and Britannic Money by its execution of this deed immediately subsequent to the Issuer's execution hereof consents to such assignation and acknowledges such intimation thereof and confirms that as at the date hereof it has received no intimation of any other dealing with the Scottish Trust Property or any part thereof;

- (c) undertakes forthwith on the execution and delivery after the date of this Deed of each and every Supplemental Scottish Declaration of Trust pursuant to Clauses 9.7(b), 10.2, 11.4 or 12.3 of the Mortgage Sale Agreement to execute and deliver to the Trustee an assignation in security of the beneficial interest thereunder substantially in the form of the Supplemental Deed of Charge set out in Schedule 2; the other parties to this Deed consent to the entering into of such Supplemental Deeds of Charge and the Trustee hereby authorises and instructs the Issuer to intimate and give notice to Britannic Money of the assignation in security made thereunder as provided therein; and
- (d) undertakes to the Trustee at the time of delivery of any Supplemental Deed of Charge in terms of Clause 3.6(c) simultaneously to deliver to the Trustee each Supplemental Scottish Declaration of Trust specified therein.

**3.7 Scottish Sub-Securities** The Issuer hereby undertakes to the Trustee and binds and obliges itself:

- (a) forthwith in the event of the execution and delivery to the Issuer of any Scottish Transfer in terms of Clause 5.5 of the Mortgage Sale Agreement to execute and deliver to the Trustee in security of the Secured Amounts a Scottish Sub-Security over the Issuer's whole right, title and interest as heritable creditor under the Scottish Mortgages thereby assigned and the Mortgage Loans relating thereto;
- (b) at the time of delivery of any Scottish Sub-Security in terms of Clause 3.7(a) simultaneously to deliver to the Trustee the relevant Scottish Transfers pertaining thereto;
- (c) if and when called upon to do so by the Trustee (subject to the provisions of the Transaction Documents) to take all such steps as are necessary to perfect legal title to the Scottish Mortgages, the Mortgage Loans secured thereby and their Related Security, including without limitation the registration or recording of the Issuer as heritable creditor under such Scottish Mortgages in the Registers of Scotland; and
- (d) if and when called upon to do so by the Trustee (subject to the provisions of the Transaction Documents) to execute and deliver such other deeds, and in such form, and to take such other action as the Trustee shall consider necessary to enable the Trustee to perfect a first ranking heritable security over the said Scottish Mortgages and to effect a first ranking assignation in security over their Related Security or any part thereof.

**3.8 Floating Charge** The Issuer, by way of further security for the payment or discharge of the Secured Amounts, with full title guarantee (or, in relation to rights and assets situated in or governed by the law of Scotland, with absolute warrandice) (or in relation to rights and assets situated in or governed by the law of Northern Ireland, as beneficial owner) and subject to the proviso for redemption hereinafter contained and subject where relevant to the provisos for redemption, re-assignment or cesser contained in the Mortgages, the Related Security and the Mortgage Pool HEREBY CHARGES, by way of first floating charge to the Trustee, the whole of its undertaking and all its property and assets whatsoever and wheresoever situate, present and future except those which have been specifically charged by way of fixed charge under the provisions of this Clause 3, (but excluding from the foregoing exception the Issuer's whole undertaking, property, rights and assets situated in or governed by the law of Scotland (including without limitation those charged pursuant to Clauses 3.6 or 3.7), all of which undertaking, property, rights and assets are charged by the floating charge hereby created) TO HOLD the same unto the Trustee absolutely for the Trustee itself and on trust, subject to the terms of this Deed, for the Secured Creditors and so that, for the avoidance of doubt, this floating charge shall rank after the fixed security created by or pursuant to this Deed. The Trustee may, at any time when it

may appear to the Trustee that the Charged Property may be under threat of being taken under any process of law by any creditor of the Issuer or otherwise endangered for whatever reason, by notice in writing to the Issuer convert the floating charge to a specific charge with reference to any assets specified in such notice and by way of further assurance of such specific charge the Issuer will promptly execute over such assets a fixed charge in favour of the Trustee in such form as the Trustee shall reasonably require.

**3.9 Further/Acquired Items** For the avoidance of doubt, it is hereby confirmed that reference herein to the Mortgage Pool, Mortgages, Mortgage Loans, Insurance Contracts, Permitted Investments and related items include those which are hereafter assigned or transferred to or otherwise acquired by the Issuer (whether pursuant to the Servicing Agreement or otherwise) and that the security created by Clauses 3.1 to 3.8 (both inclusive) are, and are intended to be, so far as permitted by law, specific and fixed assignments by way of security of, or specific and fixed charges over (as the case may be), the items to which they relate, both present and future acquired.

**3.10 Transfer of Obligations** Notwithstanding anything else in this Deed, it is hereby agreed that the Trustee does not assume, nor shall the Trustee be obligated to perform, any obligations of any other party to this Deed and nothing herein shall be construed so as to transfer any of such obligations to the Trustee.

#### **4 REDEMPTION AND RELEASE**

Upon proof being given to the satisfaction of the Trustee as to the full and final payment or discharge by the Issuer of all the Secured Amounts, the Trustee will at the request and cost of the Issuer release, re-convey, re-transfer or re-assign (as appropriate) the Charged Property to the Issuer or other person entitled thereto of whom the Trustee has notice provided that no assurance, security or payment which may be avoided under any enactment relating to bankruptcy or under sections 238 to 245 of the Insolvency Act 1986 (or Articles 202 to 207 of the Insolvency (Northern Ireland) Order 1989), and no release, settlement or discharge given or made by the Trustee on the faith of any such assurance, security or payment, shall prejudice or affect the right of the Trustee to enforce the security constituted hereby or pursuant hereto in respect of the full extent of the monies and liabilities hereby secured. It is hereby agreed that such security shall be deemed to have been and to have remained held by the Trustee as and by way of security for the payment to or to the order of the Trustee of all or any sums which may become due and owing to or to the order of the Trustee in respect of the monies and liabilities hereby secured. The cost of any release, re-assignment, retrocession or retransfer of the Charged Property to the Issuer or such other person referred to therein shall be borne entirely by the Issuer.

#### **5 RESTRICTIONS ON EXERCISE OF CERTAIN RIGHTS; BANK ACCOUNTS; LIMITED RECOURSE**

**5.1** Each of the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby agrees with the Trustee that subject to the provisions below (and without prejudice to Clause 6.4):

- (a) it shall not be entitled to take, and shall not take, any steps whatsoever to enforce the security created by or pursuant to Clause 3, or to direct the Trustee to do so; and
- (b) it shall not be entitled to take, and shall not take, any steps (including the right of set-off or other right of deduction) for the purpose of recovering any of the Secured Amounts owing to it or any other debts whatsoever owing to it by the Issuer or, until two years

following the payment of all sums outstanding and owing by the Issuer under the Notes, instituting against the Issuer or joining any other person in instituting against the Issuer any winding-up, arrangement, reorganisation, insolvency, examination, or liquidation or other proceedings under any similar law or the making of an administration order in relation to the Issuer in respect of any of its liabilities whatsoever,

provided that

- (i) unless and until an Enforcement Notice has been given, the provisions of this Clause 5 shall not prevent the Servicer, a Swap Counterparty, the Start-Up Loan Provider, the GIC Provider, the Account Bank, the Redraw Facility Provider, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider and the Principal Paying Agent (as the case may be) (a “**relevant party**”) from taking any steps against the Issuer which do not amount to (aa) the commencement or the threat of commencement of legal proceedings against the Issuer or (bb) procuring the winding-up, arrangement, reorganisation, insolvency, examination or liquidation of the Issuer or (cc) the making of an administration order in relation to the Issuer, to the extent of any amount which should have been paid to the relevant party pursuant to the applicable provisions of the Servicing Agreement, and the Servicer has notified the relevant party that the Issuer has failed to make such payment;
- (ii) if the Trustee, having become bound to do so, fails to serve an Enforcement Notice and/or, subject to the proviso to the final paragraph of Condition 2(f) of the Notes, to take any steps or proceedings to enforce such security pursuant to Clause 9 or 10 within a reasonable time, and such failure is continuing, any of the Servicer, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider and the Principal Paying Agent shall be entitled to take any such steps and proceedings as they shall deem necessary (other than the presentation of a petition for the winding-up of or for any administration order in respect of the Issuer) provided that the Servicer, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider and the Principal Paying Agent shall not be entitled to take any steps or proceedings which would contravene Clauses 5 or 6; and
- (iii) the Trustee shall not be bound to take any steps or institute any proceedings after the service of an Enforcement Notice or take any action to enforce the security constituted by or pursuant to this Deed unless the Trustee shall have been indemnified to its satisfaction against all actions, proceedings, claims or demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

**5.2** Notwithstanding the security created by or pursuant to this Deed, but subject to Clause 6, the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent agree and the Issuer concurs, that:

- (a) amounts may and shall be withdrawn from any of the Bank Accounts, in the amounts contemplated, and for application in accordance with, the provisions of the Notes, the Bank Agreement and the Servicing Agreement;

- (b) payments may be made by the Issuer of the commission, expenses and other amounts payable by the Issuer relating to or otherwise in connection with the issue of the Notes and the Coupons out of funds raised by the Issuer under the issue of the Notes;
- (c) payments to be made under any of the Documents may be made to the Issuer or in accordance with the directions of the Issuer, subject as provided in such Documents,

provided that no payments or transfers may be made as contemplated by the Servicing Agreement if (i) the provisions of Clause 6 are in effect; (ii) the intended recipient agrees otherwise; or (iii) such payment would cause such account to become overdrawn (after making appropriate transfers from the Reserve Account).

**5.3** Subject to Clause 5.2, no other payments may be made out of any of the Bank Accounts without the prior written approval of the Trustee.

**5.4** Each of the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby agrees with the Trustee that, notwithstanding any other provision hereof, the obligations of the Issuer hereunder shall be equal to the lesser of the nominal amount of such obligation and the actual amount received or recovered by the Trustee from the Issuer or the Charged Property. Accordingly, all payments to be made by the Trustee hereunder will be made only from and to the extent of the sums received or recovered by the Trustee from the Issuer or the Charged Property. Each of the Swap Counterparties, the Servicer, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby agrees with the Trustee that they shall look solely to such sums for payments in respect of any amounts due to them and that they will have no further recourse to the Issuer in respect thereof. In the event that the amount due and payable by the Issuer hereunder in relation to any amounts payable exceeds the sums so received or recovered by or on behalf of the Issuer, the right of any person to claim payment of any amount exceeding such sums shall be extinguished.

**5.5** No recourse under any obligation, covenant, undertaking or agreement of the Issuer contained in this Agreement shall be had against any shareholder, officer or director (save in respect of any director's fraudulent acts or defaults) of the Issuer as such, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Agreement is a corporate obligation of the Issuer and no personal liability shall attach to or be incurred by the shareholders, officers, agents or directors (save in respect of any director's fraudulent acts or defaults) of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants, undertakings or agreements, either at common law or at equity, or by statute or constitution, of every such shareholder, officer, agent or director (save in respect of any director's fraudulent acts or defaults) is hereby expressly waived by each of the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent as a condition of and consideration for the execution of this Agreement.

**5.6** Without prejudice to the other provisions of this Clause 5 each of the Servicer, each Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, each Cap Provider, each Base Rate Swap Provider, each LIBOR Swap Provider and the Principal Paying Agent hereby covenants with the Trustee that if, whether in the liquidation of the Issuer or otherwise any payment is received by it under this Deed other than in accordance with this Deed, the Priority of Payments or the Servicing Agreement, the amount so

paid shall be received and held by the Servicer, such Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, such Cap Provider, such Base Rate Swap Provider, such LIBOR Swap Provider and the Principal Paying Agent as the case may be upon trust for the Trustee and shall be paid over to the Trustee forthwith upon receipt provided however that this Clause 5.6 shall have effect only to the extent that it does not constitute or create and is not deemed to constitute or create any mortgage, charge or other Security Interest of any kind.

## **6 UPON ENFORCEMENT**

**6.1** Notwithstanding the security rights created by or pursuant to this Deed, each of the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby agrees and the Issuer concurs, that from the time of the giving of an Enforcement Notice, (i) no amount may be withdrawn from any of the Bank Accounts or pursuant hereto except to the extent that it is applied in accordance with the order of priorities set out in Clause 6.3 or as otherwise permitted by the provisions of this Deed that are applicable after the giving of an Enforcement Notice, and (ii) if not already so converted, the Trustee may, by notice in writing to the Issuer, for the benefit of itself and the various other persons to whom the Secured Amounts are due, owing or payable, convert any charge created by Clause 3 which is a floating charge into a specific fixed charge of the assets then secured thereby (and by way of further assurance therefor the Issuer shall on demand execute and deliver to the Trustee a fixed charge over such assets or any part thereof in such form as the Trustee shall reasonably require).

**6.2** Notwithstanding the security rights created by or pursuant to this Deed, each of the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby agrees, and the Issuer concurs, that any monies whatsoever received or recovered by each of them or on their behalf whether by the Trustee or otherwise after the giving of an Enforcement Notice, shall be paid to the Trustee (and pending such payment shall be held on trust for the Trustee) for application by the Trustee in accordance with the order of priorities set out in Clause 6.3.

**6.3** Notwithstanding the security rights created by or pursuant to this Deed, each of the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby agrees and the Issuer concurs, that all monies received by the Issuer after the giving of an Enforcement Notice and all monies recovered by the Trustee, the Servicer, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider, the Principal Paying Agent or any Receiver after service of such an Enforcement Notice shall be held on trust to be applied, as follows:

- (i)** first, to pay the remuneration then due and payable to the Trustee and any fees, costs, charges, liabilities and expenses incurred by the Trustee or any Receiver appointed by the Trustee under any of the Trust Deed, this Deed and/or any of the Transaction Documents together with interest as provided in the Trust Deed, this Deed and/or any of the Transaction Documents;
- (ii)** second, to pay the remuneration then due and payable to the Agent Bank and the Paying Agents and any fees, costs, charges, liabilities and expenses incurred by them or by the Account Bank under the Bank Agreement and/or any of the

Transaction Documents together with interest as provided in the Trust Deed, this Deed and/or any of the Transaction Documents;

- (iii) third, to pay or provide for *pari passu* and *pro rata* (a) amounts including audit fees and company secretarial expenses (plus value added tax, if any), which are payable or expected to become due and payable by the Issuer to third parties and incurred without breach by the Issuer of its obligations under the Transaction Documents and not provided for payments elsewhere and (b) the Issuer's liability or possible liability for corporation tax;
- (iv) fourth, in or towards satisfaction of any fees due and payable to the Servicer and any costs, charges, expenses and liabilities incurred by the Servicer;
- (v) fifth, to pay *pari passu* and *pro rata* (a) all amounts due under the Interest Rate Swaps; (b) all amounts due under the Base Rate Swaps; (c) all amounts due under the LIBOR Swaps; (d) all amounts due under the Redraw Facility; and (e) interest and principal and all other amounts due and payable in respect of the Class A Notes;
- (vi) sixth, to pay interest and principal and all other amounts due and payable in respect of the Class M Notes;
- (vii) seventh, to pay interest and principal and all other amounts due and payable in respect of the Class B Notes;
- (viii) eighth, to pay any interest and principal amounts due and payable under the Start-Up Loan;
- (ix) ninth, to pay *pari passu* and *pro rata* (a) sums due to Arianty as Arianty Deferred Purchase Consideration; (b) sums due to Britannic Money as Britannic Money Deferred Purchase Consideration and (c) sums due to First Active as First Active Deferred Purchase Consideration; and
- (x) tenth, to pay the surplus (if any) to the shareholders of the Issuer by way of dividends,

provided that for the purposes of Clause 6.3 the Trustee shall be entitled, and is hereby authorised, to call for and accept as conclusive evidence thereof a certificate from the auditors or, if applicable, the liquidator (if any) of the Issuer as to the amount of the claims of the persons specified above.

**6.4** Without prejudice to the provisions of Clause 6.3, each of the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby agrees, and the Issuer concurs, that:

- (a) in the exercise or non-exercise of its powers in relation to the Charged Property, the Trustee shall, for so long as any Class A Notes remain outstanding, be required to have regard only to the interests of the holders of Class A Notes and shall not be required to have regard to the interests of the holders of Class M Notes, Class B Notes, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent or to act upon or comply with

any direction or request of any of them if in the sole opinion of the Trustee there exists or may exist a conflict of interest between the interests of the holders of the Class A Notes and the other Secured Creditors;

- (b) in the exercise or non-exercise of its powers in relation to the Charged Property the Trustee shall, to the extent that there are no Class A Notes outstanding, be required to have regard only to the interests of the holders of the Class M Notes and shall not be required to have regard to the interests of the holders of the Class B Notes, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent or to act upon or comply with any direction or request of any of them if in the sole opinion of the Trustee there exists or may exist a conflict of interest between the interests of the holders of the Class M Notes and the other Secured Creditors;
- (c) in the exercise or non-exercise of its powers in relation to the Charged Property the Trustee shall, to the extent that there are no Class A Notes or Class M Notes outstanding, be required to have regard only to the interests of the holders of the Class B Notes and shall not be required to have regard to the interests of the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent or to act upon or comply with any direction or request of any of them if in the sole opinion of the Trustee there exists or may exist a conflict of interest between the interests of the holders of the Class B Notes and the other Secured Creditors;
- (d) in relation to the duties, obligations and responsibilities of the Trustee to any of the holders of Class M Notes, Class B Notes, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent as trustee of the Charged Property, the Trustee may, for so long as there are any Class A Notes outstanding, discharge such duties, obligations and responsibilities by performing its duties, obligations and responsibilities to the holders of Class A Notes as trustee of the Charged Property and, for so long as there are Class M Notes outstanding and no Class A Notes outstanding, the Trustee may discharge such duties, obligations and responsibility by performing its duties, obligations and responsibilities to the holders of the Class M Notes as trustee of the Charged Property and, for so long as there are Class B Notes outstanding and no Class M Notes or Class A Notes outstanding, the trustee may discharge such duties, obligations and responsibilities to the holders of the Class B Notes as trustee of the Charged Property;
- (e) the Trustee shall remain trustee of the Charged Property at all times while it remains Trustee in relation to the holders of Class A Notes and shall not be liable to be removed at the behest of the holders of Class M Notes, Class B Notes, the Servicer, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider and the Principal Paying Agent in their respective capacities as such;
- (f) for so long as there are Class M Notes outstanding and no Class A Notes are outstanding, the Trustee shall remain trustee of the Charged Property at all times while it remains Trustee in relation to the holders of the Class M Notes and shall not be liable to be removed at the behest of the holders of the Class B Notes, the Servicer, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC



Provider, the Account Bank, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider and the Principal Paying Agent in their respective capacities as such; and

- (g) for so long as there are Class B Notes outstanding and no Class A Notes or Class M Notes are outstanding, the Trustee shall remain trustee of the Charged Property at all times while it remains Trustee in relation to the holders of the Class B Notes and shall not be liable to be removed at the behest of the Servicer, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider and the Principal Paying Agent in their respective capacities as such.

For the avoidance of doubt, this Clause 6.4 supplements but does not amend Clause 16.2 of the Trust Deed.

**6.5** Notwithstanding the other provisions of this Deed, if the security constituted by or pursuant to this Deed has become enforceable otherwise than by reason of default in payment of any amount due on the Notes or the Coupons, the Trustee will not be entitled to dispose of the assets comprised in the Charged Property or any part thereof unless either a sufficient amount would be realised to allow discharge in full of all amounts owing to the holders of Notes and holders of Coupons or the Trustee is of the opinion, which shall be binding on the holders of Notes, the holders of Coupons and the other Secured Creditors, reached after considering at any time and from time to time the advice of an investment bank or other financial adviser selected by the Trustee, 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 relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the holders of Notes and the holders of Coupons.

**6.6** Notwithstanding that the Conditions provide that no notice is required to be given by the Trustee for the enforcement of security thereunder to be effective, the Trustee shall, upon the security becoming enforceable, serve a notice (the “**Enforcement Notice**”) notifying all parties hereto that the security has become enforceable in accordance with the terms of the relevant Documents. On the service of an Enforcement Notice the Issuer shall be deemed to be in default within the meaning of Condition 9(i)(b) of Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970.

**6.7** When there are no Class A Notes or Class M Notes or Class B Notes outstanding, the Trustee may, at its discretion, serve an Enforcement Notice and take such proceedings against the Issuer as it may think fit to enforce payment to any remaining Secured Creditors, but it shall not be bound to serve such a notice or take any such proceedings unless (a) it shall have been directed to do so by any of the remaining Secured Creditors and (b) it shall have been indemnified to its satisfaction.

## **7 CONTINUANCE OF SECURITY AND CONFLICT**

**7.1** Without prejudice to the generality of the foregoing, the security created by or pursuant to covenants, undertakings, obligations and provisions contained in this Deed shall remain in force as a continuing security to the Trustee (for itself and on trust for the various other persons to whom the Secured Amounts from time to time become due, owing or payable) notwithstanding any intermediate payment, settlement of account or any other act, event or matter whatsoever, except only the execution by or on behalf of the Trustee under seal of a release or the execution by or on behalf of the Trustee of a receipt for all (and not part only) of the Secured Amounts, which receipt the Trustee is hereby authorised to execute on behalf of all other persons to whom any of the Secured Amounts are due, owing or payable.

7.2 All the provisions of the Trust Deed relating to the exercise by the Trustee of its powers, trusts, authorities, duties, rights and discretions shall apply, *mutatis mutandis*, to the discharge by the Trustee of its powers, trusts, authorities, duties, rights and discretions under this Deed.

## 8 EXPENSES

The Issuer covenants (with the intent that this covenant shall survive the termination of this Deed, the Trust Deed and the other Documents) with and undertakes to the Trustee, subject to any arrangement regarding fees and expenses separately entered into between the Issuer, the Servicer and the Trustee, to reimburse, pay or discharge on demand (on the basis of a full indemnity) all costs, charges, liabilities and expenses to the extent properly incurred by the Trustee or the Receiver in connection with:

- (a) the preparation, execution, registration or perfecting of this Deed and each Supplemental Deed of Charge or any other document relating hereto;
- (b) the carrying out of the trusts and duties under or in connection with this Deed;
- (c) the exercise, or the attempted or purported exercise, or the consideration of the exercise, by or on behalf of the Trustee or the Receiver of any of the powers of the Trustee or the Receiver; and
- (d) any other action taken by or on behalf of the Trustee or the Receiver with a view to or in connection with the recovery of the Secured Amounts from the Issuer or any other person or the enforcement of the security for the Secured Amounts.

## 9 THE TRUSTEE'S POWERS

9.1 Section 103 of the Act (or in relation to Northern Ireland, Section 20 of the Conveyancing Act 1881) shall not apply to this Deed and forthwith after the service of an Enforcement Notice, the security created by this Deed shall become immediately enforceable and the powers conferred by the Act and this Deed shall become immediately exercisable without the restrictions contained in the Act.

9.2 The provisions of the Act relating to the power of sale and the other powers conferred by section 101 (1) and (2) of the Act (or in relation to Northern Ireland, Section 19 of the Conveyancing Act 1881 and Section 4(1) of the Conveyancing Act 1911 respectively) and by the Conveyancing and Feudal Reform (Scotland) Act 1970 are hereby extended as if such extensions were contained in the Act, but without limiting the Trustee's power to enter into possession of the Charged Property or into receipt of the income therefrom or the Trustee's other rights, subject to compliance with any specific restrictions imposed on the Trustee in this Deed or in the Servicing Agreement in relation to dealing with the Charged Property, to authorise the Trustee at its absolute discretion, subject as aforesaid, and upon such terms as it may think fit (in each case only after service of an Enforcement Notice):

- (a) to dispose of the Charged Property, or any interest in the same, and to do so for shares, debentures or any other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price in respect of such disposal at a later date or dates, or an agreement to make periodical payments, whether or not any such agreement is secured by a Security Interest or a guarantee, or for such other consideration whatsoever as the Trustee may think fit, and also to grant any option to purchase, and to effect exchanges (and nothing shall preclude any such disposal being made to the Servicer, Britannic Money, First Active, Arianty, a Swap Counterparty, the Start-Up Loan Provider, the

Redraw Facility Provider, the GIC Provider, a Cap Provider, a Base Rate Swap Provider, the Account Bank, a LIBOR Swap Provider, the Principal Paying Agent or any person associated with any of them);

- (b) with a view to, or in connection with, the disposal of the Charged Property, to carry out any transaction, scheme or arrangement which the Trustee may in its absolute discretion, consider appropriate;
- (c) to take possession of, get in and collect the Charged Property;
- (d) to carry on and manage or concur in managing the business of the Issuer;
- (e) to appoint and engage employees, managers, agents and advisers (and nothing shall preclude the appointment of the Servicer, Britannic Money, First Active, Arianty, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider, the Principal Paying Agent or any person associated with any of them) upon such terms as to remuneration and otherwise and for such periods as it may determine, and to dismiss them;
- (f) in connection with the exercise, or the proposed exercise, of any of its powers or in order to obtain payment of its remuneration or reimbursement of its expenses (in each case, whether or not already due), to borrow or raise money from any person, without security or on the security of the Charged Property (either in priority to the security constituted by this Deed or otherwise) and generally in such manner and on such terms as it may think fit;
- (g) to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Charged Property;
- (h) to transfer all or any of the Charged Property and/or of the liabilities of the Issuer to any other company or body corporate, whether or not formed or acquired for the purpose and whether or not a subsidiary or associated company of the Trustee, the Servicer, Britannic Money, First Active, Arianty, a Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider, the Principal Paying Agent or a company or body corporate in which the Trustee has an interest;
- (i) to call up all or any portion of the uncalled capital (if any) for the time being of the Issuer;
- (j) generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether similar or not to any of the foregoing, in relation to the Charged Property which it may consider expedient as effectually as if it were solely and absolutely entitled to the Charged Property;
- (k) in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, acts or things which it may consider appropriate; and
- (l) to pay and discharge out of the profits and income of the Charged Property and the monies to be made by it in carrying on any such business as aforesaid the expenses incurred in and about the carrying on and management of any such business as aforesaid or in the exercise of any of the powers conferred by this sub-clause 9.2 or otherwise in

respect of the Charged Property and all outgoing which it shall think fit to pay and to apply the residue of the said profits, income or monies in the manner provided by Clause 6.3.

**9.3** The Issuer, Arianty and Britannic Money hereby covenant and agree with and undertake to the Trustee that, if at any time after the security constituted by or pursuant to this Deed has become enforceable, the Trustee or any Receiver appointed hereunder shall so require, they will join together in directing Britannic Money and/or Arianty, as appropriate to sell or dispose of all or any part of the Scottish Trust Property or the Additional Scottish Trust Property on terms previously approved by the Trustee and/or in causing the trusts constituted by the Scottish Declaration of Trust and/or each or any Supplemental Scottish Declaration of Trust to be wound up or performed and they will take all such actions and execute all such documents as may be necessary to effect such sale or disposal or winding up or performance and the distribution or transfer of the relevant trust property in accordance with the terms of the Scottish Declaration of Trust and/or each and any Supplemental Scottish Declaration of Trust and this Deed. Britannic Money, Arianty and the Issuer hereby acknowledge and consent to the foregoing as trustee, consentor and beneficiary respectively in terms of the Scottish Declaration of Trust and each Supplemental Scottish Declaration of Trust.

## **10 RECEIVER**

**10.1** At any time after the giving of an Enforcement Notice or any of the security constituted hereby or pursuant hereto becomes enforceable and either before, at the same time as, or after the Trustee has taken possession of the Charged Property the Trustee may appoint such person or persons (including an officer or officers of the Trustee) as it thinks fit to be receiver or receivers of the Charged Property or any part or parts thereof.

**10.2** The Trustee may remove the Receiver appointed by it whether or not appointing another in his place, and the Trustee may also appoint another receiver if the Receiver resigns.

**10.3** The exclusion of any part of the Charged Property from the appointment of the Receiver shall not preclude the Trustee from subsequently extending his appointment (or that of the Receiver replacing him) to that part.

**10.4** The Receiver shall, so far as the law permits, be the agent of the Issuer, and (subject to the Companies Act 1985 or in relation to Northern Ireland, the Companies (Northern Ireland) Order 1986) the Issuer shall be solely responsible for his acts and defaults and liable on any contracts or engagements made or entered into by him; and in no circumstances whatsoever shall the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swaps Providers, the LIBOR Swap Providers and the Principal Paying Agent be in any way responsible for any misconduct, negligence or default of such Receiver. Notwithstanding the generality of the foregoing, such Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations from time to time made and given by the Trustee. The Trustee shall not be in any way responsible for any misconduct or negligence on the part of any Receiver.

**10.5** Subject to Section 36 of the Insolvency Act 1986 (or in relation to Northern Ireland, Article 46 of the Insolvency (Northern Ireland) Order 1989), the remuneration of the Receiver may be fixed by the Trustee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise), but such remuneration shall be payable by the Issuer alone; and the amount of such remuneration may be debited by the Trustee to any account of the Issuer, but shall, in any event, form part of the Secured Amounts and accordingly be secured on the Charged Property under the security created by or pursuant to this Deed.

**10.6** The Receiver may be invested by the Trustee with such of the powers, authorities and discretions exercisable by the Trustee under this Deed as the Trustee may think fit. Without prejudice to the foregoing, any Receiver appointed shall have the powers referred to in Schedule 1 of the Insolvency Act 1986 (or in relation to Northern Ireland, Schedule 1 of the Insolvency (Northern Ireland) Order 1989).

**10.7** The Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations and directions from time to time made and given by the Trustee.

**10.8** The Trustee may from time to time and at any time require any such Receiver to give security for the due performance of his duties as such Receiver and may fix the nature and amount of the security to be so given but the Trustee shall not be bound in any case to require any such security.

**10.9** Save so far as otherwise directed by the Trustee all monies from time to time received by such Receiver shall be paid over to the Trustee to be held by it on the trusts declared by Clause 6.3.

**10.10** The Trustee may pay over to such Receiver any monies constituting part of the Charged Property to the intent that the same may be applied for the purposes of this Deed by such Receiver and the Trustee may from time to time determine what funds the Receiver shall be at liberty to keep in hand with a view to the performance of his duties as such Receiver.

**10.11** Section 109(6) and (8) of the Act (or in relation to Northern Ireland, Sections 24(6) and 34(8) of the Conveyancing Act 1881 respectively) (application of monies received by receiver) shall not apply in relation to the Receiver.

**10.12** None of the restrictions imposed by the Act in relation to the appointment of receivers or the giving of notice or otherwise shall apply.

## **11 PROTECTION OF THIRD PARTIES**

**11.1** Without prejudice to any other provision of this Deed or the Conditions, the Secured Amounts shall become due for the purposes of section 101 of the Act (or in relation to Northern Ireland, Section 4(1) of the Conveyancing Act 1911) and the statutory powers of sale and of appointing a receiver which are conferred upon the Trustee as varied and extended by this Deed and all other powers shall in favour of any purchaser be deemed to arise and be exercisable immediately after the execution of this Deed.

**11.2** No purchaser from or other person dealing with the Trustee and/or the Receiver shall be concerned to enquire whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable, or whether the Secured Amounts remain outstanding, or whether any event has happened to authorise the Trustee and/or the Receiver to act or as to the propriety or validity of the exercise or purported exercise of any such power, and the title and position of such a purchaser or other persons shall not be impeachable by reference to any of those matters.

**11.3** The receipt of the Trustee or the Receiver shall be an absolute and a conclusive discharge to a purchaser or such other person and shall relieve him of any obligation to see to the application of any monies paid to or by the direction of the Trustee or the Receiver or, if applicable, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent.

## **12 PROTECTION OF TRUSTEE AND RECEIVER**

**12.1** Neither Britannic Money, the Trustee nor any of the Receiver, any Noteholder or Couponholder, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers or the Principal Paying Agent shall be liable in respect of any loss or damage which arises out of the exercise, or the attempted or purported exercise of, or the failure to exercise any of their respective powers, unless such loss or damage is caused by its or his negligence, wilful default, fraud or bad faith.

**12.2** The Trustee shall accept without investigation, requisition or objection such right and title as the Issuer may have to the Charged Property 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 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.

**12.3** Without prejudice to the provisions of the Servicing Agreement, neither the Trustee nor the Receiver shall be under any obligation to insure any of the Charged Property or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

**12.4** Neither the Trustee nor the Receiver shall be responsible for any loss occasioned to the Charged Property, however caused, by the Servicer, acting in accordance with or not in accordance with the Servicing Agreement, or any other person (including any bank, broker, depositary, warehouseman or other intermediary or by a clearing system or the operator thereof), or otherwise, unless such loss is occasioned by the negligence or wilful default of the Trustee or the Receiver respectively.

**12.5** Neither the Trustee nor the Receiver shall be under any obligation to monitor or supervise the functions of the Issuer or the Servicer or any other person under any of the Documents and each of the Trustee and the Receiver shall be and is hereby entitled and authorised to assume without enquiry, in the absence of knowledge or express notice to the contrary, that each of the Issuer, the Servicer and the other parties hereto and thereto is duly performing and observing all the covenants and provisions contained in the Documents relating to it and on its part to be performed and observed and that no event has happened which constitutes (and/or which with the giving of notice and/or the lapse of time and/or the Trustee making any relevant determination and/or issuing any relevant certificate, would constitute) an Event of Default.

**12.6** Neither the Trustee nor the Receiver shall have any responsibility whatsoever to any other party hereto or to any Noteholder or Couponholder as regards any deficiency which might arise because the Trustee or the Receiver is subject to any tax in respect of the Charged Property or any part thereof or any income therefrom or any proceeds thereof.

**12.7** Without prejudice to the generality of the foregoing, entry into possession of the Charged Property shall not render the Trustee or the Receiver liable to account as mortgagee or heritable creditor in possession or to be liable for any loss or decline in value on realisation or for any default or omission on realisation or for any default or omission for which a mortgagee or heritable creditor in possession might be liable unless such loss, default or omission is caused by its negligence or wilful default; and if and whenever the Trustee or the Receiver enters into possession of the Charged Property, it shall be entitled at any time at its pleasure to go out of such possession.

**12.8** Each of the parties to this Deed agrees and acknowledges that in the event of the enforcement of the security constituted by or pursuant to this Deed or the appointment of a Receiver, the Trustee shall not be obliged to indemnify out of its own money any such Receiver for any of its costs, charges, liabilities or expenses or to advance, in whatever form, any moneys to such a Receiver or any other person arising out of or in connection with such enforcement or to carry on or to require any Receiver to carry on, any business carried on from time to time or in connection with the Charged Property.

### **13 INDEMNITY**

**13.1** Without prejudice to the right of indemnity given by law to trustees, the Issuer further covenants with and undertakes to the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the Cap Providers, the Base Rate Swap Providers, the GIC Provider, the Account Bank, the LIBOR Swap Providers, the Principal Paying Agent and the Receiver fully to indemnify each of them from and against all liabilities, losses, damages, costs, charges, expenses, actions, proceedings, claims and demands which any of them may incur or may be made against it (in the case of the Trustee, whether before or after the giving of an Enforcement Notice) including value added tax:

- (a) in consequence of or in connection with anything done or purported to be done or omitted by any of them under or in connection with this Deed or the other Documents or of any failure by the Issuer to comply with its obligations to any of them under or in connection with this Deed or the other Documents; or
- (b) in consequence of any payment in respect of the Secured Amounts (whether made by the Issuer or a third person) being impeached or declared void for any reason whatsoever; or
- (c) as a consequence of, or in connection with, the Trustee being held or treated as or deemed to be, a “**Creditor**” (as defined in the Consumer Credit Act 1974) (the “**CCA**”) for the purpose of the CCA with respect of any “**Regulated Agreement**” (as defined in the CCA) entered into by the Servicer or the Issuer; or
- (d) under or as a consequence of The Unfair Terms in Consumer Contracts Regulations 1999,

save to the extent that the same arise as a result of the negligence, wilful default or breach of the provisions of this Deed or any of the Documents by the person claiming to be entitled to be indemnified.

**13.2** The Issuer covenants with and undertakes to each of the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the Cap Providers, the Base Rate Swap Providers, the GIC Provider, the Account Bank, the LIBOR Swap Providers, the Principal Paying Agent and the Receiver to pay the amounts payable under Clause 8 and 13.1 and all other amounts from time to time payable to them pursuant to this Deed on demand or, in the case of remuneration and fees payable to the Trustee under the Trust Deed on the due dates for payment thereof, with interest as well after as before judgment or decree at the rate as calculated pursuant to Clause 13.7 of the Trust Deed and amounts charged or incurred by the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the Cap Providers, the Base Rate Swap Providers, the GIC Provider, the Account Bank, the LIBOR Swap Providers, the Principal Paying Agent or the Receiver (as the case may require) or, in the case of remuneration and fees payable to the Trustee as aforesaid, the due date for payment thereof, until payment, as well after as before any judgment or decree.

**13.3** For the avoidance of doubt, any restriction contained in Clause 6 hereof or in the Servicing Agreement or in the relevant Documents applicable to, and any reduction pursuant to

any of such provisions of the Issuer's obligations in respect of, the payment of sums by the Issuer to the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Base Rate Swap Providers, the LIBOR Swap Providers, the Principal Paying Agent, the Account Bank or the Cap Providers, shall apply, *mutatis mutandis*, to any payment which would otherwise be due pursuant to Clause 13.1.

#### **14 FURTHER ASSURANCES AND POWER OF ATTORNEY**

**14.1** If so requested by the Trustee after the giving of an Enforcement Notice or after the Issuer or the Trustee or Britannic Money and/or First Active and, where appropriate, Arianty is obliged to effect a legal assignment and/or give notice pursuant to Clauses 5.5 and 11.4 of the Mortgage Sale Agreement and after the perfection of the Issuer's interest pursuant to Clause 5.5 and 11.4 of the Mortgage Sale Agreement, the Issuer shall execute in favour of the Trustee such legal mortgages or standard securities or legal assignments or assignments and legal charges in relation to the Charged Property and give or join in giving such notice thereof to the relevant Borrowers, Insurers and other persons, and all in such form as the Trustee or the Receiver may require at the Issuer's own cost.

**14.2** The Issuer further covenants with and undertakes to the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Base Rate Swap Providers, the Account Bank, the Cap Providers, the LIBOR Swap Providers and the Principal Paying Agent from time to time upon demand to execute, at the Issuer's own cost, any document or to do any act or thing which the Trustee or the Receiver may properly specify with a view to perfecting or improving any security created or intended to be created by or pursuant to this Deed or facilitating the exercise, or the proposed exercise of any of their powers, and to execute such Security Interests over its rights in and over the Charged Property and any other assets of the Issuer in such form as the Trustee and/or the Receiver may require at the Issuer's own cost, provided that this Clause 14.2 shall not extend to matters which are the subject of Clause 14.1.

**14.3** The Issuer irrevocably and by way of security appoints the Trustee and every Receiver severally to be its attorney (with full power to appoint substitutes and to delegate, including power to authorise the person so appointed to make further appointments) on behalf of the Issuer and in its name or otherwise, to execute any document (including any legal mortgages, standard securities, legal assignments or assignments and legal charges referred to in Clause 14.1 and any Security Interests referred to in Clause 14.2) with power to date the same and to do any act or thing which the Trustee or such Receiver (or such substitute or delegate) may, in its or his absolute discretion, consider appropriate in connection with the exercise of any of the powers of the Trustee or the Receiver whether under this Deed, the Trust Deed or any of the other Documents or otherwise; and, without prejudice to the generality of its power to appoint substitutes and to delegate or to Clause 9.2(e), the Trustee may appoint the Receiver as its substitute or delegate; and any person appointed the substitute or delegate of the Trustee shall, in connection with the exercise of the said power of attorney, be the agent of the Issuer.

**14.4** References in Clause 8 and Clause 13 to the Trustee and the Receiver shall include references to any substitute or delegate appointed under Clause 14.3.

**14.5** The Issuer hereby ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do or purport to do in the exercise or purported exercise of all or any of the powers, authorities and discretions referred to in this Clause 14.



## **15 OTHER SECURITY ETC.**

**15.1** This security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice, any other Security Interest, right of recourse or other right whatsoever which the Trustee, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent may now or at any time hereafter hold or have (or would apart from this security hold or have) as regards the Issuer or any other person in respect of the Secured Amounts.

**15.2** The restriction on consolidation of mortgages contained in section 93 of the Act (or in relation to Northern Ireland, Section 17 of the Conveyancing Act 1881) shall not apply in relation to the security created by or pursuant to this Deed.

**15.3** The powers which this Deed confers on each of the Trustee, the Receiver, the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers or the Principal Paying Agent are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as they think appropriate; and they may in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever; and the Issuer acknowledges that their respective powers shall in no circumstances whatsoever be suspended, waived or otherwise prejudiced by anything other than an express waiver or variation in writing.

## **16 COVENANTS**

**16.1** The Issuer hereby warrants to the Trustee for itself and on trust for the Noteholders and the Couponholders and each Secured Creditor and to the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent that it has taken all necessary steps to enable it to charge or assign by way of security the Charged Property in accordance with Clause 3 and that it has taken no action or steps to prejudice its right, title and interest in and to the Charged Property, including but not limited to it not disposing of the Charged Property or creating any Security Interest thereunder other than in accordance with Clause 3, provided that the Servicer shall have no rights against the Issuer in relation to any breach of this warranty to the extent that such breach results directly or indirectly from any breach by the Servicer of any representation, warranty or other obligation given or owed by it to the Issuer.

**16.2** The Issuer hereby covenants with and undertakes to the Trustee for itself and on trust for the Secured Creditors and with the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, the Cap Providers, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent that:

- (a)** it will not create or permit to subsist any mortgage, security, pledge, lien (unless arising by operation of law) or charge upon the whole or any part of its assets, present or future (including any uncalled capital) or its undertaking other than as created by or pursuant to this Deed (or in accordance with the Servicing Agreement);
- (b)** except with the prior written consent of the Trustee or as contemplated by this Deed, the Servicing Agreement or any of the other Documents, it will not transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option present or future right to

acquire, any of the Charged Property or any interest, estate, right, title or benefit therein or thereto or agree or attempt or purport to do so;

- (c) it shall ensure that save as permitted by this Deed, the Servicing Agreement and the Documents no person other than Britannic Money or First Active (in relation to any Redraws or Further Advances funded by either of them), the Issuer, the Trustee and the Secured Creditors shall have any equitable or beneficial interest in the Charged Property or any interest, estate, right, title or benefit therein;
- (d) it shall as soon as reasonably practicable after the Issue Date (i) give notices of assignment in respect of the agreements referred to in Clause 3.3(a) to Britannic Money, Arianty, First Active, the GIC Provider, the Account Bank, the Swap Counterparties, the Cap Providers, the LIBOR Swap Providers, the Base Rate Swap Providers, the Redraw Facility Provider and the Principal Paying Agent (as set out in the Schedule attached to this Deed); (ii) give notice in the agreed form to Barclays Bank PLC in respect of the security created by Clause 3.4; (iii) give notice in the agreed form to each insurer in respect of the assignment of Insurance Contracts pursuant to Clause 3.2; and (iv) give such other notices of assignment or assignation in relation to the Charged Property as may be required by the Trustee (other than, pending execution of the documents referred to in Clause 14.1 notices not required to be given under the Mortgage Sale Agreement);
- (e) so long as any of the Notes remains outstanding it will not have an interest in any bank account other than the Trust Accounts and the bank accounts maintained pursuant to the Bank Agreement or the Guaranteed Investment Contract, save as may be permitted by the Trustee;
- (f) it will not engage in any activity which is not incidental to any of the activities which the Documents provide or envisage that the Issuer will engage in;
- (g) it will not have any subsidiaries or employees or premises;
- (h) it will not pay any dividend or make any other distribution to its shareholders or issue any further shares other than pursuant to the Priority of Payments;
- (i) it will not incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any obligation of any person;
- (j) it will not consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any other person;
- (k) it will not offer or consent to surrender to any company any amounts which are available for surrender by way of group relief within Chapter IV of Part X of the Income and Corporation Taxes Act 1988 unless the Issuer first receives by way of consideration for such surrender the payment of an amount calculated by applying to the amount surrendered the rate of corporation tax applicable to the Issuer at the time of surrender; and
- (l) it will not permit the validity or effectiveness of any of the Documents, the Insurance Contracts relating to the Mortgages owned by the Issuer or the priority of the security interests created thereby to be amended, terminated or discharged, or consent to any variation of, or exercise of, any powers of consent or waiver pursuant to the terms of the Trust Deed, the Conditions or any of the Documents, or permit any party to any of the Documents or Insurance Contracts or any other person whose obligations form part of the

Security to be released from such obligations, or dispose of any Mortgage save as envisaged in the Documents.

Provided that the Servicer shall not have any rights against the Issuer in relation to any breach of this covenant to the extent that such breach results directly or indirectly from any breach by the Servicer of any of the representations, warranties, or other obligations given or owed by it to the Issuer.

**16.3** If the Issuer for any reason fails to observe or punctually to perform any of its obligations to the Trustee, whether under this Deed any of the other Documents or otherwise, the Trustee shall have power, on behalf of or in the name of the Issuer or otherwise, to perform the obligation and to take any steps which the Trustee may (but shall not be obliged to do so), in its absolute discretion, consider appropriate with a view to remedying, or mitigating the consequences of, the failure, but so that the exercise of this power, or the failure to exercise it, shall in no circumstances prejudice the Trustee's other rights under this Deed and the Trustee shall not be liable for so exercising such a power where exercised in good faith and without negligence.

## **17 APPLICATION TO COURT**

The Trustee may at any time after the giving of an Enforcement Notice apply to the court for an order that the terms of this Deed or the trusts of this Deed or any of them be carried into execution under the direction of the Court and for the appointment of a Receiver of the Charged Property or any part thereof and for any other order in relation to the administration of the terms of this Deed or the trusts created by this Deed or any of them as the Trustee shall deem fit and it may assent to or approve any application to the Court made at the instance of any of the holders (respectively) of Class A Notes, Class A Coupons or (if there are no Class A Notes outstanding) Class M Notes or Class M Coupons or (if there are no Class M Notes and Class A Notes outstanding) Class B Notes or Class B Coupons and shall be indemnified by the Issuer against all the costs, charges and expenses incurred by it in relation to any such applications or proceedings.

## **18 MISCELLANEOUS**

**18.1** No failure on the part of the Trustee, the Servicer, a Swap Counterparty, a Cap Provider, the Start-Up Loan Provider, the Redraw Facility Provider, the GIC Provider, the Account Bank, a Base Rate Swap Provider, a LIBOR Swap Provider or the Principal Paying Agent to exercise, and no delay on its part in exercising, any right or remedy under this Deed will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. Subject as provided herein to the contrary, the rights and remedies provided in or pursuant to this Deed are cumulative and not exclusive of any rights or remedies provided by law.

**18.2** Any waiver and any consent by the Trustee, the Servicer, the Start-Up Loan Provider, the Redraw Facility Provider, a Swap Counterparty, the GIC Provider, the Account Bank, a Cap Provider, a Base Rate Swap Provider, a LIBOR Swap Provider or the Principal Paying Agent under this Deed must be in writing and may be given subject to any conditions thought fit by the Trustee. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

**18.3** The Issuer will pay all stamp duties, land registry and similar taxes, fees, filing and registration fees required in relation to or for the purpose of procuring the execution, validity or enforceability of this Deed and the security created hereby or pursuant hereto and keep the Trustee indemnified against any failure or delay in paying the same.

**18.4** No variation of this Deed shall be effective unless it is in writing and signed by (or by some person duly authorised by) each of the parties hereto.

## **19 DEMANDS**

**19.1** Any notices to be given pursuant to this Deed to any of the parties hereto shall be sufficiently served if sent by prepaid first class post or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched or (in the case of first class post) 10 days following posting and shall be sent:

- (a) in the case of the Issuer, to it at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS, facsimile number 01372 737777 for the attention of the Company Secretary;
- (b) in the case of the Trustee, to it at Trinity Tower, 9 Thomas More Street, London E1W 1YT, facsimile number 020 7777 5460 for the attention of ITS STRUCTURED FINANCE GROUP;
- (c) in the case of the Servicer, to it at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS, facsimile number 01372 737777 for the attention of the Company Secretary;
- (d) in the case of Morgan Guaranty Trust Company of New York, London branch as a Swap Counterparty, a LIBOR Swap Provider and a Cap Provider, to it at 60 Victoria Embankment, London EC4Y 0JP, facsimile number 0207 325 8150 for the attention of Head of Legal Department;
- (e) in the case of the Start-Up Loan Provider, to it at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS, facsimile number 01372 737777 for the attention of the Company Secretary;
- (f) in the case of Barclays Bank PLC as a Swap Counterparty and a Cap Provider, to it at 5 The North Colonnade, Canary Wharf, London, E14 4BB, facsimile number 020 7773 4934 for the attention of Legal Director, Legal Division (marked urgent);
- (g) in the case of The Royal Bank of Scotland plc as a Base Rate Swap Provider, to it at 135 Bishopsgate, London EC2M 3UR, facsimile number 020 7375 5050 for the attention of Swaps Administration;
- (h) in the case of the GIC Provider, the Account Bank and the Redraw Facility Provider, to it at 54 Lombard Street, London EC3V 9EX, facsimile number 0207 669 3131 for the attention of Brian Cook;
- (i) in the case of the Principal Paying Agent, to it at Trinity Tower, 9 Thomas More Street, London E1W 1YT, facsimile number 01202 347945 for the attention of INSTITUTIONAL TRUST SERVICE OPERATIONS; and
- (j) in the case of Arianty, to it at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS, facsimile number 01372 737777 for the attention of the Company Secretary.

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this Clause 19.

## 20 TRUSTEE PROVISIONS

**20.1** Without prejudice to Clause 6.4 or the other provisions of this Deed, it is hereby confirmed that the following provisions of the Trust Deed shall apply, *mutatis mutandis*, for the purposes of this Deed:

- (a) Section 7 (enforcement);
- (b) Section 8 (proceedings);
- (c) Section 11 (investment by the Trustee);
- (d) Section 14 (remuneration and indemnification of Trustee);
- (e) Section 15 (supplement to Trustee Act 1925);
- (f) Section 17 (delegation of Trustee's powers);
- (g) Section 18 (employment of Agent by Trustee);
- (h) Section 19 (Trustee contracting with Issuer);
- (i) Section 20 (waivers and modification and substitution of principal debtor);
- (j) Section 23 (appointment of Trustees);
- (k) Section 24 (Trustee's retirement and removal);
- (l) Section 25 (Trustee's powers to be additional); and
- (m) Schedule 5 (provisions for meetings of Noteholders).

**20.2** Any person appointed as, or assuming the position of, trustee in relation to the Charged Property pursuant to the terms of this Deed shall have all the rights, powers and benefits which are vested in the Trustee pursuant to the terms of this Deed.

**20.3** Each of the Servicer, the Swap Counterparties, the Start-Up Loan Provider, the Redraw Facility Provider, the Cap Providers, the GIC Provider, the Account Bank, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby acknowledges that it is bound by and has notice of all of the provisions of the Trust Deed referred to in Clause 20.1 as if such person was a Noteholder.

**20.4** For the avoidance of doubt, each of the Servicer, the Swap Counterparty, the Start-Up Loan Provider, the Redraw Facility Provider, the Cap Providers, the GIC Provider, the Account Bank, the Base Rate Swap Providers, the LIBOR Swap Providers and the Principal Paying Agent hereby acknowledges that it is bound by each and every waiver and modification granted or effected by the Trustee under or pursuant to the provisions of Clause 19 of the Trust Deed and each other provision of the Documents and shall give effect to the same.

## 21 THIRD PARTY RIGHTS

No person, other than a party to this Agreement, Nomura International plc and Barclays Bank PLC (in order to secure amounts due or payable to it as a party to both the Class A Note Subscription Agreement, Class B Note Subscription Agreement or Class M Note Subscription

Agreement each dated 23 July 2001), shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term (express or implied) of this Agreement but this is without prejudice to any right or remedy of a third party which may exist or be available apart from that Act.

## 22 GOVERNING LAW

This Deed is governed by and shall be construed in accordance with the laws of England other than Clauses 3.6 and 3.7 and any terms hereof particular to Scots law, which shall be governed by and construed in accordance with the laws of Scotland and any terms hereof particular to Northern Irish law, which shall be governed by and construed in accordance with the laws of Northern Ireland.

IN WITNESS whereof this Deed has been duly executed and delivered on the day and year first before written.

<b>EXECUTED as a DEED by</b>	)	PAUL ROGERS
<b>FIRST FLEXIBLE NO.4 plc</b>	)	
as Issuer	)	ANDREW VAUGHAN
acting by two duly authorised signatories	)	

<b>EXECUTED as a DEED by</b>	)	MARK JONES
<b>THE CHASE MANHATTAN BANK</b>	)	
as Trustee	)	
acting by two directors	)	

<b>EXECUTED as a DEED by</b>	)	PAUL ROGERS
<b>BRITANNIC MONEY plc</b>	)	
as Servicer	)	ANDREW VAUGHAN
acting by two directors	)	

<b>EXECUTED as a DEED by</b>	)	PAUL ROGERS
<b>BRITANNIC MONEY plc</b>	)	
as Start-Up Loan Provider	)	ANDREW VAUGHAN
acting by two directors	)	

<b>EXECUTED as a DEED by</b>	)	GILBERT J DUNLOP
<b>MORGAN GUARANTY TRUST COMPANY OF</b>	)	
<b>NEW YORK, LONDON BRANCH</b>	)	
as a Swap Counterparty	)	
acting by a duly authorised signatory	)	

<b>EXECUTED as a DEED by</b>	)	GILBERT J DUNLOP
<b>MORGAN GUARANTY TRUST COMPANY OF</b>	)	
<b>NEW YORK, LONDON BRANCH</b>	)	
as a LIBOR Swap Provider	)	
acting by a duly authorised signatory	)	

**EXECUTED as a DEED by** )  
**MORGAN GUARANTY TRUST COMPANY OF** )  
**NEW YORK, LONDON BRANCH** )  
as a Cap Provider )  
acting by a duly authorised signatory )

GILBERT J DUNLOP

**EXECUTED as a DEED by** )  
**THE ROYAL BANK OF SCOTLAND plc** )  
as a Base Rate Swap Provider )  
acting by a duly authorised signatory )

MICHAEL SINGLETON

**EXECUTED as a DEED by** )  
**BARCLAYS BANK PLC** )  
as Redraw Facility Provider, GIC Provider, )  
Account Bank, a Swap Counterparty )  
and a Cap Provider )  
acting by a duly authorised signatory )

BRIAN COOK

**EXECUTED as a DEED by** )  
**THE CHASE MANHATTAN BANK** )  
as Principal Paying Agent )  
acting by a duly authorised signatory )

MARK JONES

**EXECUTED as a DEED by** )  
**ARIANTY NO.1 plc** )  
acting by two directors )

PAUL ROGERS

ANDREW VAUGHAN

**SCHEDULE 1**

**PRO FORMA NOTICE OF ASSIGNMENT**

[Date]

To: [Relevant Party]

Dear Sirs

**Notice of Assignment**

We hereby give notice in our capacity as issuer (the “**Issuer**”) under the deed of charge and assignment dated 26 July 2001 (the “**Deed of Charge**”), between, *inter alios*, ourselves and The Chase Manhattan Bank (the “**Trustee**”) that we have assigned to the Trustee by way of fixed first security all right, title, interest and benefit present and future in the [relevant document] (as defined in the Master Definitions Schedule of even date between, *inter alios*, ourselves and the Trustee to hold on trust, subject to the terms of the Deed of Charge as security for the Secured Creditors (as defined in the Master Definitions Schedule).

Would you please acknowledge receipt of this Notice of Assignment by signing and returning to us the enclosed duplicate duly endorsed.

Yours faithfully

By: .....

**On behalf of First Flexible No.4 plc**

We hereby acknowledge receipt of the Notice of Assignment of which this document is a duplicate dated this [ ].

On behalf of [Relevant Party]



## SCHEDULE 2

### FORM OF SUPPLEMENTAL DEED OF CHARGE

#### ASSIGNATION IN SECURITY

between

**FIRST FLEXIBLE NO.4 PLC**, incorporated under the Companies Acts in England and Wales (Number 4176542) and having its Registered Office at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (the “**Issuer**”)

and

**BRITANNIC MONEY**, incorporated under the Companies Acts in England (Number 2048895) and having its Registered Office at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (“**Britannic Money**”)

#### WHEREAS:

- (A) This deed is supplemental to a Deed of Charge and Assignment dated 26 July 2001 (the “**Deed of Charge**”) made between, *inter alios*, the Issuer and The Chase Manhattan Bank, having its principal office at Trinity Tower, 9 Thomas More Street, London E1W 1YT (the “**Trustee**” which expression shall include such person or persons for the time being the trustee or trustees under the Deed of Charge and the Trust Deed);
- (B) In terms of the Deed of Charge the Trustee holds the security constituted or to be constituted by or pursuant to the Deed of Charge for the Secured Creditors;
- (C) A supplemental declaration of trust dated [ ] (the “**Supplemental Declaration**”) has been entered into between Britannic Money, Arianty No.1 plc (“**Arianty**”) and the Issuer and delivered, in terms of which certain Scottish Mortgages, the Mortgage Loans secured thereby and their Related Security as more fully specified and defined therein (the “**Additional Scottish Trust Property**”) are held in trust at the request of and with the consent and concurrence of Arianty by the Britannic Money for the Issuer; and
- (D) This deed is made by the Issuer in accordance with and pursuant to Clause 3.6(c) of the Deed of Charge.

**NOW THEREFORE** the parties hereto have agreed and do hereby agree as follows:

#### 1 Interpretation

Words and expressions defined in the Master Definitions Schedule entered into among Britannic Money, the Issuer and others dated 26 July 2001 shall unless the context otherwise requires have the same meanings in this deed (including the recitals hereto) and all interpretation provisions contained in the Master Definitions Schedule shall apply herein.

#### 2 Issuer’s Undertaking to Pay

The Issuer covenants with and undertakes to the Trustee and binds and obliges itself that it will duly and punctually pay or discharge the Secured Amounts in accordance with the terms of Clause 2 of the Deed of Charge.

### **3 Security**

The Issuer as holder of the beneficial interest therein and subject to Clause 4 of the Deed of Charge HEREBY ASSIGNS to and in favour of the Trustee in security of the obligations and undertakings specified in Clause 2 hereof its whole right, title and interest, present and future, in and to Additional Scottish Trust Property and the whole benefit thereof and deriving thereunder, all as defined in and in terms of the Supplemental Declaration, and in and to the Supplemental Declaration, surrogating and substituting the Trustee in its full right and place therein and thereto.

### **4 Intimation**

The Issuer (for itself and on behalf of the Trustee) hereby intimates and gives notice to Britannic Money (as trustee under the Supplemental Declaration) of the assignation in security made in terms of Clause 3 hereof and Britannic Money (in its capacity aforesaid) by its execution hereof immediately subsequent to the execution of this deed by the Issuer consents thereto, acknowledges such notice and intimation and confirms that save under or pursuant to the Transaction Documents as at the date hereof it has not received notification of any other dealing with the Additional Scottish Trust Property or any part thereof.

### **5 Incorporation of Deed of Charge**

The parties hereby agree that all the obligations, undertakings, covenants, rights and powers specified and contained in the Deed of Charge which relate to the property referred to in and the security and other rights and powers created under and pursuant to the Deed of Charge (and in particular, without limitation, Clause 9 thereof) shall be deemed to be repeated herein and shall apply *mutatis mutandis* to the property referred to in Clause 3 hereof and the security and other rights and powers created under and pursuant hereto and that the whole remaining terms of the Deed of Charge, except in so far as inconsistent herewith apply *mutatis mutandis* hereto provided always that this deed shall be without prejudice to the Deed of Charge and all of the rights, powers, obligations and immunities comprised therein and arising pursuant thereto, which shall remain in full force and effect notwithstanding this deed.

**6. Governing Law**

This deed shall be governed by and construed in accordance with the laws of Scotland.

**IN WITNESS WHEREOF** these presents typewritten on this and the preceding two pages are executed for and on behalf of the Issuer and Britannic Money as follows:

**SUBSCRIBED** for and on behalf of the said  
**FIRST FLEXIBLE NO.4 PLC**

at .....  
on .....  
by .....  
and .....

**SUBSCRIBED** for and on behalf of the said  
**BRITANNIC MONEY PLC**

at .....  
on .....  
by ..... by .....  
and ..... and .....

## SCHEDULE 3

### PART 1

#### FORMS OF SCOTTISH SUB-SECURITY (LAND REGISTER)

WE, **FIRST FLEXIBLE NO.4 PLC**, incorporated under the Companies Acts in England (Number 4176542) and having our Registered Office at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (hereinafter referred to as the “**Issuer**”) hereby in security of all sums and all other obligations and liabilities due and that may become due to **THE CHASE MANHATTAN BANK**, having its principal office at Trinity Tower, 9 Thomas More Street, London E1W 1YT as trustee under and in terms of the Trust Deed between us the Issuer and the said The Chase Manhattan Bank dated the 26th day of July 2001 (hereinafter referred to as the “**Trust Deed**”) (the said The Chase Manhattan Bank and its successors as such trustee whomsoever being hereinafter referred to as the “**Trustee**”) by us the Issuer under and in terms of (a) the Trust Deed and/or the Notes defined therein and constituted thereby and/or (b) the Mortgage Sale Agreement among us the Issuer, the Trustee and others dated the 26th day of July 2001 (hereinafter referred to as the “**Mortgage Sale Agreement**”) and/or (c) the Deed of Charge and Assignment among us the Issuer, the Trustee and others dated of even date with the Trust Deed (hereinafter referred to as the “**Deed of Charge**”) (including without limitation the Secured Amounts as defined in the Deed of Charge) and any variation or alteration thereof GRANT a Standard Security in favour of the Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the Schedule annexed and executed as relative hereto in favour of Britannic Money plc, incorporated under the Companies Acts in England (Number 2048895) and having its Registered Office at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS or First Active plc, incorporated in Ireland (Number 292890) and having its Registered Office at Skehan House, Booterstown, Co. Dublin, Ireland for all sums due and to become due over the subjects therein described, registered said respective Standard Securities in the Land Register under the Title Number specified in the relative entry in Column 4 of the said Schedule on the date specified in the relative entry in Column 5 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the “**Principal Securities**”): Together with our whole right, title and interest, present and future therein and thereto: The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 and any lawful variation thereof operative for the time being shall apply: And we agree that the Standard Conditions shall be varied to the effect that (1) in the event of any breach or default in respect of the obligations and others hereby secured at any time on the part of us the Issuer the Standard Security hereby created shall for the avoidance of doubt be thereupon enforceable and the Trustee shall be entitled to call up and enforce the same in accordance with the provisions of the said Act, (2) without prejudice to the rights and remedies of the Trustee under the Standard Conditions or the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Trustee or any nominee of the Trustee and (b) the Trustee shall have power to uplift, receive, sue for and discharge all sums due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if these presents had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and (3) insofar as the provisions of the Trust Deed, the Mortgage Sale Agreement or the Deed of Charge extend, add to, depart from or conflict with the

Standard Conditions the Trust Deed, the Mortgage Sale Agreement and the Deed of Charge or any of them shall subject to the provisions of the said Act prevail and take effect: And we grant warrantice: And we further ASSIGN to the Trustee in security of all sums and other obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan granted by or entered into with the said respective parties whose names are specified in Column 2 of the said Schedule and secured by the Principal Securities.

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are together with the Schedule annexed hereto executed as follows:

**SUBSCRIBED** for and on behalf of the said  
**FIRST FLEXIBLE NO.4 PLC**

at .....

on .....

by .....

and .....

by .....

and .....

**Schedule referred to in the foregoing Standard Security by  
First Flexible No.4 plc in favour of The Chase Manhattan Bank**

<b>Account Number</b>	<b>Borrowers</b>	<b>Secured Property</b>	<b>Title Number</b>	<b>Registration Date</b>

## SCHEDULE 3

### PART 2

#### FORM OF SCOTTISH SUB-SECURITY (SASINE REGISTER)

WE, **FIRST FLEXIBLE NO.4 PLC**, incorporated under the Companies Acts in England (Number 4176542) and having our Registered Office at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS (hereinafter referred to as the "**Issuer**") hereby in security of all sums and all other obligations and liabilities due and that may become due to The Chase Manhattan Bank, having its principal office at Trinity Tower, 9 Thomas More Street, London E1W 1YT as trustee under and in terms of the Trust Deed between us the Issuer and the said The Chase Manhattan Bank dated the 26th day of July 2001 (hereinafter referred to as the "**Trust Deed**") (the said The Chase Manhattan Bank and its successors as such trustee whomsoever being hereinafter referred to as the "**Trustee**") by us the Issuer under and in terms of (a) the Trust Deed and/or the Notes defined therein and constituted thereby and/or (b) the Mortgage Sale Agreement among us the Issuer, the Trustee and others dated the 26th day of July 2001 (hereinafter referred to as the "**Mortgage Sale Agreement**") and/or (c) the Deed of Charge and Assignment among us the Issuer, the Trustee and others dated of even date with the Trust Deed (hereinafter referred to as the "**Deed of Charge**") (including without limitation the Secured Amounts as defined in the Deed of Charge) and any variation or alteration thereof GRANT a Standard Security in favour of the Trustee over ALL and WHOLE those Standard Securities granted by the respective parties whose names are specified in Column 2 of the Schedule annexed and executed as relative hereto in favour of Britannic Money plc, incorporated under the Companies Acts in England (Number 2048895) and having its Registered Office at Sir William Atkins House, Ashley Avenue, Epsom, Surrey KT18 5AS or First Active plc, incorporated in Ireland (Number 292890) and having its Registered Office at Skehan House, Booterstown, Co. Dublin, Ireland for all sums due and to become due over the subjects therein described lying in the County specified in the relative entry in Column 4 of the said Schedule, recorded said respective Standard Securities in the Register for the County specified as aforesaid in the relative entry in Column 4 of the said Schedule on the date specified in the relative entry in Column 5 of the said Schedule (which said respective Standard Securities are hereinafter together referred to as the "**Principal Securities**"): Together with our whole right, title and interest, present and future therein and thereto: The Standard Conditions specified in Schedule 3 to the Conveyancing and Feudal Reform (Scotland) Act 1970 and any lawful variation thereof operative for the time being shall apply: And we agree that the Standard Conditions shall be varied to the effect that (1) in the event of any breach or default in respect of the obligations and others hereby secured at any time on the part of us the Issuer the Standard Security hereby created shall for the avoidance of doubt be thereupon enforceable and the Trustee shall be entitled to call up and enforce the same in accordance with the provisions of the said Act, (2) without prejudice to the rights and remedies of the Trustee under the Standard Conditions or the said Act or otherwise, in the event of our being in default hereunder (a) we shall on demand grant, execute and deliver a valid assignation of the Principal Securities or any of them in favour of the Trustee or any nominee of the Trustee and (b) the Trustee shall have power to uplift, receive, sue for and discharge all sums due and to become due under the Principal Securities and to enforce all the rights and obligations contained or implied therein or thereby and to discharge the same in whole or in part and generally to do whatever is or may be or would, if these presents had not been granted, have been competent to us in respect thereof, and that without the consent of or notice to us and on such terms and conditions as the Trustee in its absolute discretion may determine, declaring that the exercise or otherwise by the Trustee of all or any of the powers hereby conferred shall be without prejudice to and shall in no way restrict or discharge the obligations undertaken by us herein or otherwise, and (3) insofar as the provisions of the Trust Deed, the Mortgage Sale Agreement or the Deed of

Charge extend, add to, depart from or conflict with the Standard Conditions the Trust Deed, the Mortgage Sale Agreement and the Deed of Charge or any of them shall subject to the provisions of the said Act prevail and take effect: And we grant warrandice: And we further ASSIGN to the Trustee in security of all sums and other obligations and liabilities foresaid our whole right, title and interest in and to all and any personal bonds, credit agreements or agreements for loan granted by or entered into with the said respective parties whose names are specified in Column 2 of the said Schedule and secured by the Principal Securities.

IN WITNESS WHEREOF these presents typewritten on this and the preceding page are together with the Schedule annexed hereto executed as follows:

**SUBSCRIBED** for and on behalf of the said  
**FIRST FLEXIBLE NO.4 PLC**

at .....  
on .....  
by ..... by .....  
and ..... and .....

**REGISTER** on behalf of the within named **THE CHASE MANHATTAN BANK** as trustee within mentioned in the REGISTER of the COUNTIES of [     ].



**Schedule referred to in the foregoing Standard Security by  
First Flexible No.4 plc in favour of The Chase Manhattan Bank**

<b>Account Number</b>	<b>Borrowers</b>	<b>Secured Property</b>	<b>County</b>	<b>Recording Date</b>