

Dated

2021

**Mortgage Syndicate Plc (as Issuer) (1)**

**City Partnership Trustee Limited (as Trustee) (2)**

**PRINCIPAL TRUST DEED**

*relating to Mortgage Syndicate Plc*

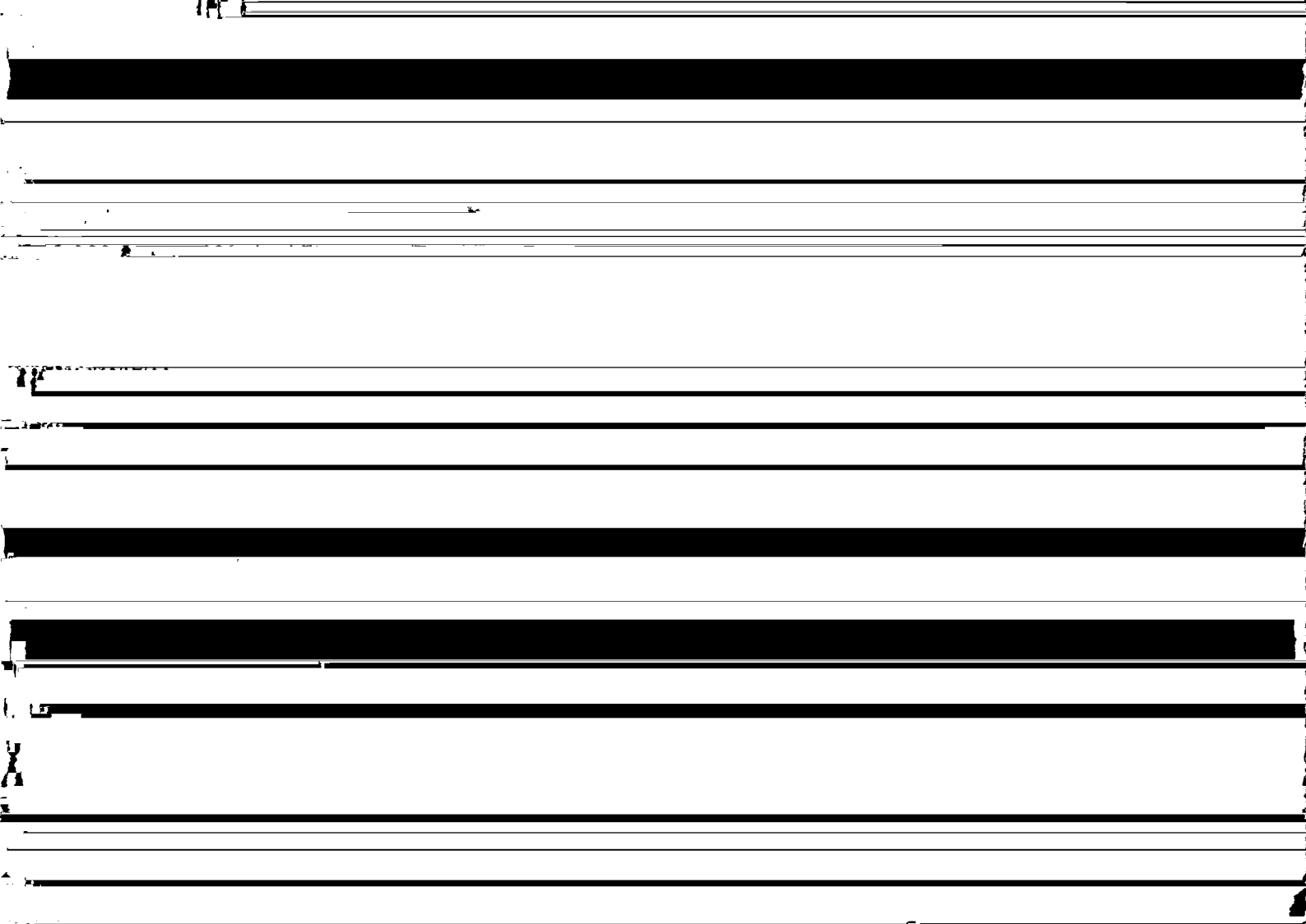


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**This Principal Trust Deed** is entered into on **2021** **between:**

- (1) **MORTGAGE SYNDICATE PLC** incorporated and registered in England and Wales with company number 13115325 whose registered office is at Olivers Barn, Maldon Road, Witham, Essex, CM8 3HY (the “**Issuer**”); and
- (2) **CITY PARTNERSHIP TRUSTEE LIMITED** incorporated and registered in England and Wales with company number 08909187 and whose registered office is at Suite 2 Park Valley House C/O The City Partnership (UK) Ltd, Park Valley Mills, Meltham Road, Huddersfield, United Kingdom, HD4 7BH (the “**Trustee**”, which expression, where the context so admits, includes any other trustee for the time being of this Principal Trust Deed for any Series).

**Whereas:**

- (A) The Issuer proposes to issue from time to time Bonds in an aggregate principal amount outstanding at any one time not exceeding the Programme Limit (the “**Programme**”).
- (B) The Trustee has agreed to act as trustee of this Principal Trust Deed on the following terms and conditions.
- (C) Each Series may be constituted and secured by a Supplemental Trust Deed made between the Issuer and the Trustee insofar as agreed between the Issuer and the Trustee.

**It is agreed:**

**1 Interpretation**

**1.1 Definitions**

Capitalised terms used in this Principal Trust Deed but not defined in this Principal Trust Deed shall have the meanings given to them in Schedule 7 or in the Conditions unless the context does not allow.

**1.2 Construction of certain references**

**1.2.1** Costs, charges, remuneration or expenses include any value added, turnover or similar tax charged in respect thereof.

**1.2.2** An action, remedy or method of judicial proceedings for the enforcement of creditors’ rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto.

**1.3 Headings**

Headings shall be ignored in construing this Principal Trust Deed.

**1.4 Contracts**

References in this Principal Trust Deed to this Principal Trust Deed or any other document are to this Principal Trust Deed or those documents as amended, varied, supplemented or replaced from time to time in relation to the Programme and

those of the particular Series in question and not of all Series unless expressly so provided, so that each Series shall be constituted by a separate trust and that, unless expressly provided, events affecting one Series shall not affect any other.

**2.3 Covenant to pay**

The Issuer shall on any date when the Bonds of any Series become due to be redeemed, in whole or in part, unconditionally pay (subject always to Clause 18) to or to the order of the Trustee of that Series in the Contractual Currency in the principal financial centre for the Contractual Currency (or if the Contractual

time being held by the Trustee in respect of such Series on the terms of the Trust Deed and the Security Trust Deed and which are available (after application in accordance with Clause 6.2 hereof and any relevant Supplemental Trust Deed)) and thereafter to hold all Bonds, Coupons, Certificates and Receipts comprising such Series and all moneys, documents and records held by them in respect of such Series to the order of the Trustee; or

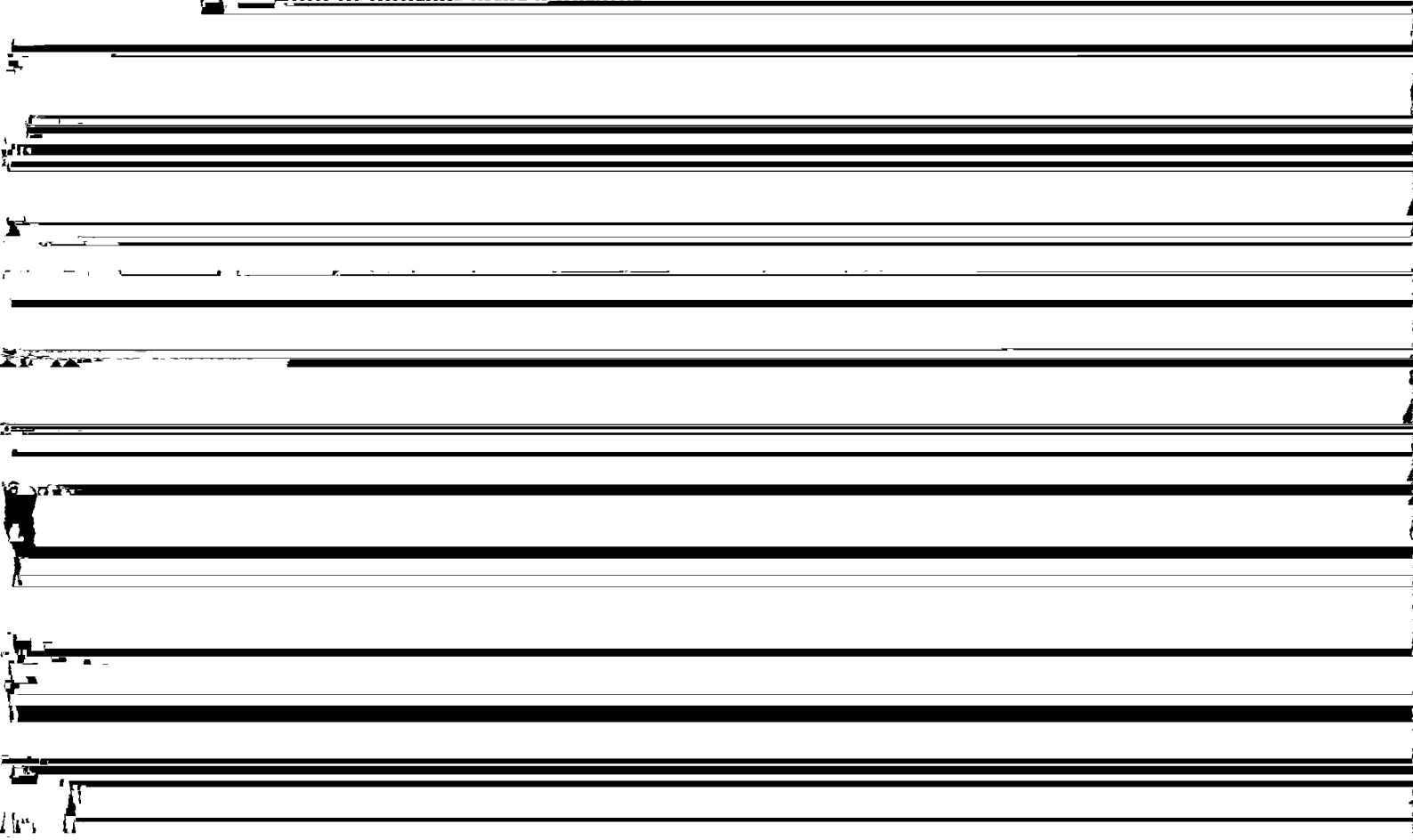
- (ii) to deliver all Bonds, Coupons, Certificates and Receipts comprising such Series and all moneys, documents and records held by them in respect of such Series to the Trustee or as the Trustee directs in such notice; and

2.5.2 by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds and Coupons of such Series to or to the order of the Trustee and not to the Issuing and Paying Agent and to hold assets forming part of the Mortgaged Property for the relevant Series to the order of the Trustee, provided that this is contractually permitted.

**2.6 Trustee's directions**

Upon the security created by the Security Trust Deed and any relevant Supplemental Trust Deed becoming enforceable, the Trustee shall give notice of the same to the Issuer and require the Issuer to deliver or transfer the Collateral and generally deal with the same and with any monies received by the Issuer in respect of the Collateral but not yet paid out pursuant to the terms in Schedule 1 to the order of the Trustee in accordance with the directions of the Trustee.

**2.7 Rate of interest after a default**



The provisions in this Principal Trust Deed concerning costs, expenses, fees, remuneration and other financial obligations (whether arising under indemnities or otherwise) shall apply separately to each Series of Bonds in respect of the costs, expenses, fees, remuneration and financial obligations which arise in respect of such Series of Bonds. No such amount incurred in respect of any Series of Bonds will be deducted from any amount payable to Bondholders, as the case may be, in respect of any other Series of Bonds nor will any such amount be in any other way charged to any other such holders. The provisions of this Principal Trust Deed shall be read accordingly.

### **3 Form of the Bonds**

#### **3.1 Form**

The Bonds will be issued as Registered Bonds. The Bonds may be represented by one or more Certificates which may be exchangeable under their terms for Bonds in uncertificated electronic form through CREST. If the Bond is not to be held through CREST or any other clearing system, the Issuing and Paying Agent or, as the case may be, the Registrar shall hold such Certificates at its specified office as custodian for and on behalf of the relevant Bondholder(s) (and in such capacity it shall not act as agent for the Issuer) unless such Certificates shall be sent to the Bondholders.

#### **3.2 Bonds in certificated form**

For each Series each Certificate shall:

- 3.2.1** be in or substantially in the form (duly completed) described in Schedule 1;
- 3.2.2** have endorsed thereon the Conditions;
- 3.2.3** be executed manually or in facsimile by a duly authorised attorney or a director on behalf of the Issuer in accordance with the Companies Act 2006;
- 3.2.4** bear a unique certificate number printed thereon;
- 3.2.5** be printed in accordance with the requirements of the Central Bank of Ireland and any other any professionals' securities market on which such Bonds may be listed; and
- 3.2.6** be printed in accordance with, and otherwise satisfy, any other legal and/or regulatory requirements applicable.

#### **3.3 Signature**

For each Series of Bonds, the Certificates shall be signed manually or in facsimile by an authorised signatory of the Issuer. The Issuer may or the Registrar may on the Issuer's behalf affix the facsimile signature of a person who at the date thereof is such an authorised signatory even if at the time of issue of the relevant Bonds and Certificates he no longer holds that office. Bonds and Certificates so executed shall represent binding and valid obligations of the Issuer.

**4 Stamp Duties and Taxes**

For each Series, the Issuer shall pay any stamp, issue, registration, documentary or other fees, taxes and duties, including interest and penalties, payable in the United Kingdom, and the country of each Contractual Currency in respect of the creation, issue and offering of the Bonds, Coupons, Certificates and Receipts of that Series and the execution or delivery of the Trust Deed and the Security Trust Deed. The Issuer shall also indemnify the Trustee and the Bondholders of each Series from and against all stamp, issue, documentary or other taxes paid by any of them



6.4.4. Fourthly, in payment of any amounts owing to the Bondholders in respect of

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## 7 Covenants

### 7.1 Issuer's covenants

So long as any Bond is outstanding, the Issuer shall:

#### 7.1.1 Books of account

keep proper books of account and, at any time after an Event of Default or Potential Event of Default has occurred or if the Trustee believes that such an event has occurred, so far as permitted by applicable law, allow the Trustee and anyone appointed by it to whom the Issuer has no reasonable objection access to its books of account at all reasonable times during normal business hours;

#### 7.1.2 Notice of Events of Default

notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or Potential Event of Default or any breach of this Trust Deed;

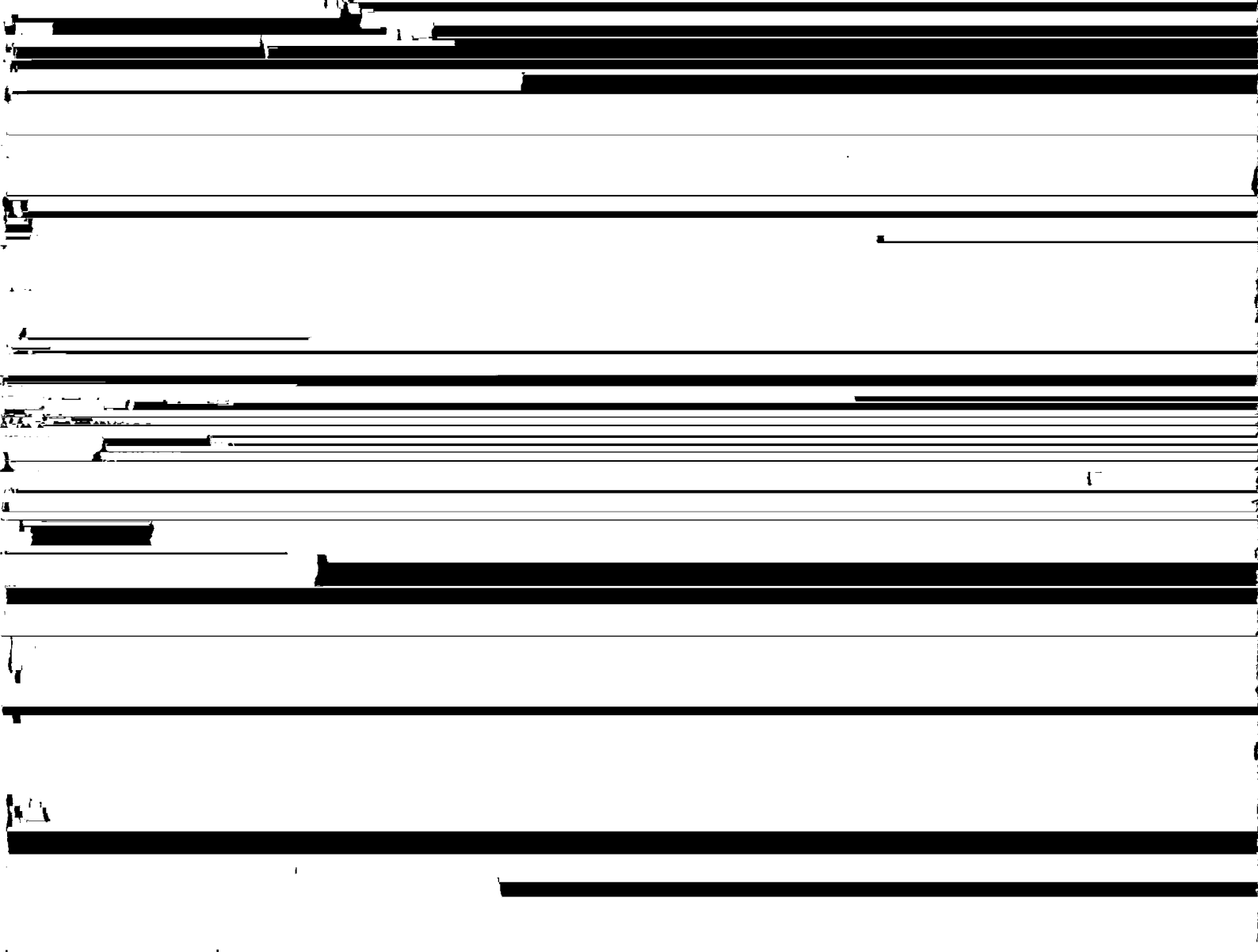
#### 7.1.3 Information

- (i) so far as permitted by law, at all times give to the Trustee such opinions, certificates and information as it shall require for the purpose of the discharge or exercise of the duties, powers, trusts, authorities and discretions vested in it by this Trust Deed or by operation of law;
- (ii) provide details of any change of Bank Account and notify the incoming Bank of the existence of this Trust Deed and its terms and to add, where appropriate, the Trustee as a signatory to the Bank Account;

on its behalf by any two of its Directors that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the "**Certification Date**") not more than five days before the date of the certificate no Event of Default or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of this Principal Trust Deed or, if such an event had occurred, giving details of it;

**7.1.5 Notices to Bondholders**

for each Series send to the Trustee at least three days (if practicable) before it is to be issued the form of each notice to be given to Bondholders and, once given, two copies of each such notice together with one copy to the Rating Agencies (if any), such notice to be in a form previously approved by the Trustee (such approval not to be unreasonably withheld or delayed and such approval, unless so expressed, not to constitute approval for the purposes of section 21 of the Financial Services and Markets Act 2000 as



endeavours to obtain and maintain the quotation for, or listing of, those Bonds issued under the Programme which are listed on such other professionals' securities market as it may (with the prior written approval of the Trustee) decide;

#### **7.1.10 Agents**

to maintain the Agents in accordance with, and to the extent required by, the Conditions.

#### **7.1.11 Change in Agents**

give at least 14 days' prior notice to the relevant Bondholders of any future appointment, resignation or removal (other than an automatic removal) of an Agent or of any change by an Agent of its specified office and not make any appointment and removal without the Advisory Agent's prior written approval or, in the case of any appointment and removal of the Advisory Agent or if there is no Advisory Agent, without the Trustee's prior written approval;

#### **7.1.12 Obligations with Agents**

comply with its obligations under the terms of this Trust Deed and, without prejudice to the generality of the foregoing, at all times maintain an Issuing and Paying Agent and in respect of a Series of Bonds, a Registrar and and, where appropriate, a Calculation Agent and other Issuing and Paying Agents and Transfer Agents in respect of each Series in each case as specified in the Conditions;

#### **7.1.13 Compliance**

in relation to each Series comply and use reasonable endeavours to procure that each of the parties thereto complies with its obligations under this Trust Deed and the Agency Agreements and use its reasonable endeavours to make such amendments to the obligations as may be required by the Trustee.

#### **7.1.14 Provision of legal opinions**

procure the delivery of legal opinions addressed to the Trustee dated the date of such delivery, in form and content acceptable to the Trustee;

#### **7.1.15 Restrictions**

not, without the prior consent in writing of the Trustee:

- (i) engage in any business other than acquiring and holding Mortgaged Property, issuing further Bonds (as provided in (xii) below), entering into related agreements and transactions and performing any act incidental to or necessary in connection with any of the foregoing;
- (ii) dispose of any Mortgaged Property or any interest therein except in accordance with its terms, or create any mortgage, charge or other

security or right of recourse in respect thereof in favour of any person other than the security referred to in Clause 5;

- (iii) cause or permit the priority of the security created by the Security Trust Deed to be amended, terminated or discharged (other than as contemplated by the Trust Deed and the Conditions);
- (iv) release any party to this Principal Trust Deed or any Supplemental Trust Deed from any existing obligations thereunder;
- (v) have any subsidiaries;
- (vi) consent to any variation of, or exercise any powers or consent or waiver pursuant to the Conditions, this Principal Trust Deed, any Supplemental Trust Deed or any other related transactions;

(vii) ~~consolidate or merge with any other person or convey or transfer its~~

**7.1.16 Taxes**

at all times use its reasonable efforts to minimise any tax liability and any other costs arising in connection with its activities;

**7.1.17 Securities**

procure that securities forming part of the Mortgaged Property shall at all times (if required by the Conditions) be held in safe custody by the Issuer;

**7.1.18 Mortgaged Property**

procure that the Mortgaged Property for any Series (and its proceeds, if any) is at all times distinguishable from the Mortgaged Property for each other Series (and its proceeds, if any) and from its other assets if provided in the Conditions;

**7.1.19 Conditions binding**

comply with, perform and observe all of the provisions of this Principal Trust Deed and any Supplemental Trust Deed expressed to be binding on it. The Conditions will be binding on the Issuer and the Bondholders. The Trustee

### **7.1.23 Compliance with local law**

at all times comply in all material respects with all requirements of law and regulatory directions from time to time in force in England or in any other jurisdiction in which it carries on business; and

### **7.1.24 Financial statements**

provide copies of its audited accounts to the Trustee within a reasonable time following their publication in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the relevant Stock Exchange in relation to the Bonds.

## **8 Remuneration and Indemnification of the Trustee**

### **8.1 Normal remuneration**

The Issuer shall (subject as hereinafter provided) pay to the Trustee in every year until the trusts contained herein shall be finally wound up, a fee calculated at such rate as may be agreed from time to time between the Issuer and the Trustee which shall be payable on such date or dates in each year as may from time to time be agreed between the Issuer and the Trustee.

### **8.2 Extra remuneration**

If the Trustee determines or is required to enforce any of the Security Documents, or in the event of the Trustee considering it expedient or necessary or being required to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Deed, the Issuer shall pay to the Trustee such additional remuneration (together with any applicable VAT) as may be agreed between them. Such additional remuneration shall be a cost and expense recoverable by the Trustee from the Issuer in connection with clause 7.7.2 of the Security Trust Deed. In the event of the Trustee and the Issuer failing to agree upon whether such duties are of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Deed, or failing to agree upon such additional remuneration, such matters shall be determined by a firm of accountants (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Institute of Chartered Accountants of England and Wales (the costs and expenses of the nomination and of the investment bank being payable by the Issuer). The decision of any such firm of accountants shall be final and binding on the Issuer and the Trustee and the expenses involved in such nomination and the fees of such firm of accountants shall be paid by the Issuer.

### **8.3 Expenses**

**8.3.1** For each Series the Issuer shall also on demand by the Trustee pay or discharge all costs, charges, liabilities and expenses properly incurred by the

Trustee in the preparation and execution of the Trust Deed for such Series and the performance of its functions thereunder including, in relation to such Series, but not limited to, legal and travelling expenses and any stamp, documentary or other taxes or duties paid by the Trustee in connection with any permissible proceedings brought or contemplated by the Trustee against the Issuer to enforce any provision of the Trust Deed or the Bonds.

**8.3.2** All sums payable under clause 8.3 and clause 7.7.2 of the Security Trust Deed shall be payable within three Business Days of written demand and invoicing therefore. All sums payable by the Company under this clause shall carry interest at a rate equal to 2 per cent. per annum over the base rate for the time being of Allied Irish Bank from the date 30 days after the date on which the sum become due or (where a demand by the Trustee specifies that payment by the Trustee has been or will be made on an earlier date) from such earlier date.

#### **8.4 Tax**

**8.4.1** The Issuer shall, subject to the receipt by it of a value added tax invoice, pay to the Trustee (if so required) an amount equal to the amount of any value added tax (if any) or similar tax (if any) charged in respect of the Trustee's remuneration hereunder.

**8.4.2** The Issuer shall pay all stamp, registration and other taxes to which the Security Documents, the Secured Assets or any judgment given in connection with them is, or at any time may be, subject and shall, from time to time, indemnify the Trustee on demand against any liabilities, costs, claims and expenses resulting from any failure to pay or delay in paying any such tax.

**8.4.3** All payments to be made to the Trustee under the Security Documents shall be made free and clear of, and without deduction for or on account of, tax unless the Issuer is required to make such payment subject to the deduction or withholding of tax, in which case the sum payable by the Issuer in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such



any loss occasioned by so acting. Any such opinion, advice or information may be sent or obtained by letter, electronic messaging systems or fax and the Trustee shall not be liable to anyone for acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic.

**9.2 Trustee to assume performance**

The Trustee need not notify anyone of the execution of the Trust Deed or do anything to find out if an Event of Default or Potential Event of Default has occurred in relation to any Series. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer is performing all its obligations under the Trust Deed, the Bonds and the Receipts of such Series.

**9.3 Resolutions of Bondholders**

The Trustee shall not be responsible for having acted in good faith on an Extraordinary Resolution purporting to have been passed at a meeting of Bondholders in respect of which minutes have been made and signed even if it is later found that there was a defect in the constitution of the meeting or the passing of the Extraordinary Resolution or that the Extraordinary Resolution was not valid or binding on the Bondholders.

**9.4 Certificate signed by Directors**

If the Trustee, in the exercise of its functions, requires to be satisfied or to have

**9.7 Agents**

Whenever it considers it expedient in the interests of the Bondholders of any Series, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an appropriately qualified agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money). The Trustee shall not be responsible to anyone for any misconduct or omission by any such agent so employed by it or be bound to supervise the proceedings or acts of any such agent.

**9.8 Delegation**

Whenever it considers it expedient in the interests of the Bondholders of any Series, the Trustee may delegate to any person on any terms (including power to subdelegate) all or any of its functions. If the Trustee exercises reasonable care in selecting such delegate, it shall not have any obligation to supervise such delegate or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of any misconduct or default by any such delegate or subdelegate.

**9.9 Forged Bonds**

The Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any Bond, Certificate or Receipt purporting to be such and later found to be forged or not authentic.

**9.13 Title of the Issuer to Mortgaged Property**

The Trustee shall accept without investigation, requisition or objection such right and title as the Issuer has to any of the Mortgaged 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 Mortgaged Property or any part thereof whether such

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nor is it obliged (unless indemnified to its satisfaction) to take any other action which may involve the Trustee in any personal liability or expense.

**9.18 Payment for and delivery of Bonds**

The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds of any Series, any exchange of such Bonds or the delivery of such Bonds to the persons entitled to them.

**9.19 Legal opinions**

The Trustee shall not be responsible to any person for failing to request, require or

corporate trust matters unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

## **10 Trustee Liability**

### **10.1 General**

Subject to Section 750 of the Companies Act 2006 (if applicable) and notwithstanding anything to the contrary in the Trust Deed, the Trustee shall not be liable to any person for any matter or thing done or omitted to be done in any way in connection with or in relation to the Contracts save as finally judicially determined to have been caused by its own gross negligence, wilful default or fraud.

### **10.2 Disapplication of Trustee Act**

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

## **11 Waiver, Consents and Proof of Default**

### **11.1 Waiver**

The Trustee will, if so directed by the Advisory Agent, and may, in respect of the Bonds of each Series, without the consent of the Bondholders of such Series and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Bondholders of such Series will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer of this Principal Trust Deed, the Security Trust Deed or any relevant Supplemental Trust Deed or the Agency Agreement or the Conditions or any other agreement to which the Issuer is party or determine that an Event of Default or Potential Event of Default shall not be treated as such, provided that the Trustee shall not do so in contravention of an express direction given by an Extraordinary Resolution or a request of the Bondholders made pursuant to the Conditions. No such direction or request shall affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Bondholders of such Series and, if the Trustee so requires, shall be notified to the Bondholders of such Series as soon as practicable.

### **11.2 Consents**

For each Series, in giving any consent under the Trust Deed the Trustee may require

### **11.3 Proof of default**

Proof that the Issuer has failed to pay a sum due to the holder of any one Bond shall (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other Bonds of the same Series that are then payable.

### **12 Trustee not precluded from entering into Contracts**

The Trustee and any other person, whether or not acting for itself, may acquire, hold or dispose of any Bond or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Trustee were not acting as Trustee and need not account for any profit.

### **13 Modification and Substitution**

#### **13.1 Modification**

The Trustee will, if so directed by the Advisory Agent, and may, in respect of each Series, agree without the consent of the Bondholders to any modification to this Principal Trust Deed or any Supplemental Trust Deed or the Agency Agreement or any other agreement to which the Issuer is party of a formal, minor or technical nature or to correct a manifest error. The Trustee may also so agree to any modification to this Principal Trust Deed or any Supplemental Trust Deed or the Agency Agreement or any other agreement to which the Issuer is party that is in its opinion not materially prejudicial to the interests of the Bondholders of such Series provided that the Rating Agencies (if appointed) confirm that any then current rating of the Bonds will not be adversely affected, but such power does not extend to any such modification as is mentioned in the proviso to Schedule 1. Notwithstanding anything herein or in any Schedule to the contrary, the Issuer agrees that it shall not remove the restrictive legends on any Restricted Certificate for so long as it is relying on the exception from the definition of investment company provided by section 3(c)(7) of the Investment Company Act.

#### **13.2 Substitution**

**13.2.1** The Trustee will, if so directed by the Advisory Agent, and may, without the consent of the holders of the Bonds, agree to the substitution, in place of the Issuer, or any previous substituted company, as the principal debtor under this Principal Trust Deed and any Supplemental Trust Deed, the Bonds, of any other company (incorporated in any jurisdiction) (the “**Substituted Issuer**”), provided that:

- (i) If the Bonds are rated, the Rating Agencies confirm that the then current rating of the Bonds will not be adversely affected;

(ii) a deed is executed or an undertaking given by the Substituted Issuer to the Trustee in a form satisfactory to the Trustee, agreeing to be

**13.2.2** Upon the execution of such documents and compliance with such requirements as are referred to in Clause 13.2.1, the Substituted Issuer shall be deemed to be named as the Issuer in this Principal Trust Deed (insofar as it affects the relevant Series), the relevant Supplemental Trust Deed and the relevant Bonds all of which shall thereupon be deemed to be amended in such manner as is necessary to give effect thereto. Agreement by the Trustee to such substitution shall operate to release the Issuer from all of its obligations as principal debtor in respect of the relevant Series under this Principal Trust Deed and the relevant Supplemental Trust Deed. Not later than 14 days after the execution of any such undertaking and such other deeds, documents and instruments as aforesaid and compliance with the said requirements of the Trustee, the Substituted Issuer shall, unless the Trustee agrees otherwise, give notice thereof to the relevant Bondholders.

### **13.3 Change in tax residence**

In the event of the Issuer being required by law to account for tax in respect of its income or payments so that the Issuer would not be able to make payment of the full amount due under any of its bonds or the value of any collateral held by it or the cashflows of the Issuer would in any way be impaired, the Trustee may agree to (and shall agree to, if so directed by the Advisory Agent) or require, subject to the consent of the Issuer, without the consent of the holders of the Bonds a change in the place of residence of the Issuer for taxation purposes, provided that:

**13.3.1** the Trustee is satisfied that:

- (i) all necessary governmental and regulatory approvals and consents necessary for or in connection with the change by the Issuer of its place of tax residence have been obtained; and
- (ii) such approvals and consents are at the time of change in full force and effect;

**13.3.2** if the relevant Bonds are rated, the Rating Agencies confirm that the then current rating of the Bonds will not be adversely affected;

**13.3.3** the Issuer executes such other deeds, documents and instruments (if any) as the Trustee may require in order that such change in place of tax residence is fully effective and complies with such other requirements in the interest of the Bondholders as the Trustee may direct;

**13.3.4** in connection with any proposed change in the place of tax residence of the Issuer, the Trustee will, if so directed by the Advisory Agent, and may, without the consent of the holders of the Bonds, agree to a change of the law from time to time governing such Bonds and/or this Principal Trust Deed and/or any relevant Supplemental Trust Deed and/or the Security Trust Deed, provided that such change of governing law is not, in the opinion of the Trustee, materially prejudicial to the interests of such holders of the Bonds in respect of the Mortgaged Property; and



13.3.5 a legal opinion satisfactory to the Trustee is provided concerning any change in the place of tax residence of the Issuer.

## **14 Appointment and Retirement of the Trustee**

### **14.1 Appointment**

The Issuer has the power of appointing new trustees but no one may be so appointed (a) unless appointed in accordance with the Trustee Appointment Procedure set forth in Clause 14.6 or (b) if such appointment cannot be made either due to there being no Advisory Agent or an Advisory Agent not being able to recommend a replacement Trustee, unless previously approved by an Extraordinary Resolution of the relevant Bondholders. Any appointment of a new Trustee shall be notified by the Issuer to the relevant Bondholders as soon as practicable through the clearing systems by the Issuing and Paying Agent.

### **14.2 Retirement and removal**

Any Trustee may retire in respect of any Series at any time on giving at least 3 months' written notice to the Issuer and the Advisory Agent without giving any reason or being responsible for any costs occasioned by such retirement and the

#### **14.4 Competence of a majority of Trustees**

If there are more than two Trustees the majority of them shall be competent to perform the Trustee's functions.

#### **14.5 Merger**

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

#### **14.6 Trustee Appointment Procedure**

No appointment of a Trustee pursuant to Clause 14.1 may be made unless the Issuer has attempted to effect an appointment by the following procedure (the "**Trustee Appointment Procedure**").

**14.6.1** If at any time a sole Trustee gives notice to the Issuer and the Advisory Agent under Clause 14.2 of its retirement or a sole Trustee is removed by an Extraordinary Resolution in accordance with Clause 14.2, the Advisory Agent shall use commercially reasonable efforts to obtain quotes from, if possible, three entities with expertise applicable to the duties of the Trustee to act as the Trustee. After receiving such quotes, the Advisory Agent acting in a commercially reasonable manner shall recommend to the Issuer in writing one of the entities to be appointed as the Trustee (the "**Recommended Trustee**").

**14.6.2** The Issuer shall enter into a letter of appointment with the Recommended Trustee to appoint such Recommended Trustee as the Trustee within 30 days (or, if earlier, the next Interest Payment Date) of receiving written notification of the recommendation.

**14.6.3** If there is no Advisory Agent appointed, the Issuer shall appoint another trustee as Trustee within 60 days of notice of retirement under Clause 14.2

### **15 Bonds held in Clearing Systems**

#### **15.1 Bonds held in clearing systems**

If, and so long as, any Bonds are, held on behalf of a clearing system, in considering the interests of Bondholders, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its account holders or participants with entitlements to any such Registered Bonds and may consider such interests on the basis that such account holders or participants were the holder(s) thereof.

**16 Currency Indemnity**

**16.1 Currency of account and payment**

The Contractual Currency is the sole currency of account and payment for all sums payable by the Issuer under or in connection with the Trust Deed and the Bonds, including damages.

**16.2 Extent of discharge**

An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by the Trusts or any Bondholder in respect of any sum expressed to be due to it from the

The initial telephone number, electronic messaging system number, fax number, address and names as designated by each party to this Principal Trust Deed are

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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## 18 Enforcement and Non-Recourse

### 18.1 Enforcement

Only the Trustee may enforce the rights of the holders of Bonds and/or the Agents against the Issuer, whether the same arise under general law, this Principal Trust Deed, any Supplemental Trust Deed, the Bonds, or otherwise, and the holders of Bonds shall not be entitled to proceed directly against that Issuer unless the Trustee, having become bound to proceed in accordance with the terms of this Principal Trust Deed, fails or neglects to do so and such failure is continuing.

submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the Trustee and the holders of Bonds and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not), although the parties agree that the courts of England are the most appropriate and convenient courts to settle any dispute and, accordingly that they will not argue to the contrary.

### **20.3 Third party rights**

No person (other than a party to this Deed or the Advisory Agent) shall have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 to enforce any term (express or implied) of this Deed.

In witness whereof this Trust Deed has been executed as a deed on the date stated at the beginning.

By:

**CITY PARTNERSHIP TRUSTEE LIMITED** as Trustee

Executed as a deed by

Director 

Witnessed by: 

Name: 

Address:   
  


By:




**MORTGAGE SYNDICATE PLC** as Issuer

Executed as a deed by

  
Director

Witnessed by:   
*WITNESSED*

Name: 

Address:   
  


*DTD*

**Schedule 1**  
**Terms and Conditions of the Bonds**

1. **Introduction**

- (a) **Programme:** Mortgage Syndicate Plc (the “**Issuer**”) has established a secured limited recourse bond programme (the “**Programme**”) for the issuance of bonds (the “**Bonds**”).
- (b) **Drawdown Prospectus:** The Bonds issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Bonds. Each Tranche is the subject of a Drawdown Prospectus which completes these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Bonds are these Conditions as completed by the relevant Drawdown Prospectus.
- (c) **Trust Deed:** The Bonds are constituted by, are subject to, and have the benefit of, a trust deed dated on or around 2021 (as amended or supplemented from time to time, the “**Trust Deed**”) between the Issuer and City Partnership Trustee Limited as trustee (the “**Trustee**”, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) **Deed of Charge:** The Bonds are secured pursuant to a deed of charge dated on or around the date of the Trust Deed (as amended or supplemented from time to time, the “**Issuer Deed of Charge**”) between the Issuer and the Trustee;
- (e) **Agency Agreement:** The Issuer will from time to time enter into an issue and paying agency agreement in connection with the services for Bonds (the “**Agency Agreement**”) between, among others, the Issuer, the Principal Paying Agent and Avenir Registrars Limited as registrar (the “**Registrar**”, which expression includes any successor Registrar and any successor Principal Paying Agent appointed from time to time in connection with the Bonds), the paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Bonds), the transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Bonds) and the Trustee. In these Conditions references to the “**Agents**” is to any one of them.
- (f) **The Bonds:** The Bonds will be issued in registered form. Pursuant to the Issuer’s Articles of Association, the execution by the Issuer of any Bond Certificates (as defined below) representing Bonds issued under the Programme will be under hand and not under seal. All subsequent references in these Conditions to “Bonds” are to the Bonds which are the subject to the relevant Drawdown Prospectus. Copies of the relevant Drawdown Prospectus are available for viewing at the London office of the Trustee at Suite 2 Park Valley House C/O The City Partnership (UK) Ltd, Park Valley Mills,



Meltham Road, Huddersfield, United Kingdom, HD4 7BH and the Specified Office of the Principal Paying Agent.

- (g) **Security Trust Deed:** The Issuer has entered into a security trust deed dated on or around the date of the Trust Deed between the Issuer and City Partnership Trustee Limited (the “**Trustee**”) (the “**Security Trust Deed**”).
- (h) **Summaries:** Certain provisions of these Conditions are summaries of the Trust Deed, the Security Trust Deed and the Agency Agreement and are subject to the detailed provisions of such deed and agreement. Bondholders and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of and are entitled to the benefit of, all the provisions of the Trust Deed, the Security Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed, the Security Trust Deed and the Agency Agreement are available for inspection by Bondholders and Couponholders during normal business hours at the Specified Office of each of the Agents, the initial Specified Offices of which are set out below. The Trustee acts for the benefit of the Bondholders and the Couponholders in accordance with the provisions of the Trust Deed and the Security Trust Deed.

## 2. Interpretation

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Drawdown Prospectus;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Drawdown Prospectus;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Drawdown Prospectus;

“**Bank**” means Global Custodial Services Ltd acting as a payment services operator holding client funds at authorised banking institutions;

“**Business Day**” means:

- i. In relation to any sum payable in Euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle generally in each (if any) Additional Business Centre; and
- ii. In relation to any sum payable in a currency other than Euro, the date on which commercial banks and foreign exchange markets settle payments generally in

~~London or the Principal Financial Centre of the relevant currency and in each (if~~

Drawdown Prospectus, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- i. **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- ii. **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- iii. **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- iv. **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be that date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Drawdown Prospectus as the Specified Period;
- v. After the calendar month in which the preceding such date occurred **provided, however, that:**
  - a) If there is no such numerically corresponding day in the calendar months in which any such date should occur, then such date will be the last day which is a business day in that calendar month;
  - b) If any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar months, in which case it will be the first preceding day which is a Business Day; and
  - c) If the preceding such date occurred on the last day in a calendar month which

**"Coupon Sheet"** means, in respect of a Bond, a coupon sheet relating to the Bonds;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Drawdown Prospectus and:

- i. If **"Actual/Actual (ICMA)"** is so specified, means:
  - (A) Where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (B) Where the Calculation Period is longer than one Regular Period, the sum of:
    - (a) The actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of

- viii. If “30E/360 (ISDA)” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction =

$$\frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day

Prospectus, the European Money Markets Institute (“**EMMI**”), the administrator of EURIBOR, and ICE Benchmark Administration Limited, the administrator of LIBOR, are included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority’s register of administrators under Article 36 of Regulation (EU) 2016/1011 (as amended or superseded, the “**Benchmarks Regulation**”).

“**Euro**” means the single currency introduced at the start of the third stage of European economic and monetary union, as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro as amended;

“**Extraordinary Resolution**” has the meaning given in the Trust Deed;

“**Final Redemption Amount**” means, in respect of any Bond, its principal amount;

“**First Interest Payment Date**” means the date specified in the relevant Drawdown Prospectus;

“**Fitch**” means Fitch Ratings Ltd or any successor thereof;

“**Fixed Coupon Amount**” has the meaning given in the relevant Drawdown Prospectus;

“**Holder**” has the meaning given in condition 3(d) (Form, Denomination and Title – Title to Bonds);

“**Indebtedness**” means any indebtedness for money borrowed or raised including (without limitation) any indebtedness for in respect of:

- i. Amounts raised by acceptance under any acceptance credit facility;
- ii. Amounts raised under any note purchase facility;
- iii. The amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- iv. The amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- v. Amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“**Interest Amount**” means, in relation to a Bond and an Interest Period, the amount of interest payable in respect of that Bond for that Interest Period;

**“Interest Commencement Date”** means the Issue Date of the Bonds or such other date as may be specified in the Interest Commencement Date in the relevant Drawdown Prospectus;

**“Interest Determination Date”** has the meaning given in the relevant Drawdown Prospectus;

**“Interest Payment Date”** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, ~~relevant Drawdown Prospectus and, if a Business Day Convention is specified in the~~

based on estimated interbank lending rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historical LIBOR rates can be obtained from a designated distributor) or such replacement benchmark formally designated, nominated or recommended as the replacement to LIBOR by any applicable central bank, regulator or supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

Amounts payable under the Bonds may be calculated by reference to LIBOR or EURIBOR, as specified in the applicable Drawdown Prospectus. As at the date of this Prospectus, the European Money Markets Institute (“EMMI”), the administrator of EURIBOR, and ICE Benchmark Administration Limited, the administrator of LIBOR, are included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority’s register of administrators under Article 36 of Regulation (EU) 2016/1011 (as amended or superseded, the “**Benchmarks Regulation**”).

“**Margin**” has the meaning given and the relevant Drawdown Prospectus;

“**Maturity Date**” has the meaning given in the relevant Drawdown Prospectus;

“**Maximum Redemption Amount**” has the meaning given in the relevant Drawdown Prospectus;

“**Minimum Redemption Amount**” has the meaning given in the relevant Drawdown Prospectus;

“**Moody’s**” means Moody’s Investors Services Ltd. or any successor thereof;

“**Bondholder**” has the meaning given in Condition 3(d) (Form, Denomination and Title – Title to Bonds)

“**Optional Redemption Amount (Call)**” means, in respect of any Bond, its principal amount or such other amount as may be specified and the relevant Drawdown Prospectus;

“**Optional Redemption Amount (Put)**” means, in respect of any Bond, its principal amount;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Drawdown Prospectus;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Drawdown Prospectus;

“**Payment Business Day**” means:

If the currency of payment is Euro, any day which is:



- a. A day on which banks in a relevant place of presentation are open for presentation for dealings in foreign currencies; and
- b. In the case of payment by a transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

If the currency of payment is not Euro, any day which is:

- a. A day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
- b. In the case of payment by a transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**“Principal Financial Centre”** means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to Euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**“Public Offer Jurisdictions”** means the Republic of Ireland and the United Kingdom;

**“Put Option Notice”** means a notice which must be delivered to the Paying Agent by any Bondholder wanting to exercise the right to redeem a Bond at the option of the Bondholder;

**“Put Option Receipt”** means the receipt issued by a Paying Agent to a depositing Bondholder upon deposit of a Bond with such Paying Agent by any Bondholder wanting to exercise the right to redeem a Bond at the option of the Bondholder;

**“Quotation Time”** has the meaning given in the relevant Drawdown Prospectus;

**“Rate of Interest”** means the rate of rates (expressed as a percentage per annum) of interest payable in respect of the Bonds specified in the relevant Drawdown Prospectus or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Drawdown Prospectus;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), The Early Termination Amount or such other amount in the

nature of a redemption amount as may be specified in the relevant Drawdown Prospectus;

“**Redemption Margin**” has the meaning given in the relevant Drawdown Prospectus;

“**Reference Banks**” means for major banks selected by the Calculation Agent in the market that is most closely connected with the reference rate;

“**Reference Date**” will be set out in the relevant notice of attention;

“**Reference Price**” has the meaning given in the relevant Drawdown Prospectus;

“**Reference Rate**” means EURIBOR or LIBOR as specified in the relevant Drawdown Prospectus in respect of the currency and period specified in the relevant Drawdown Prospectus;

“**Register**” means the register maintained by the Registrar in respect of the Bonds in accordance with the Agency Agreement;

“**Regular Period**” means:

- (i) In the case of Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page and the relevant Drawdown Prospectus, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Relevant Time”** has the meaning given in the relevant Drawdown Prospectus;

**“Reserved Matter”** means any proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, to change the currency of any payment under the Bonds or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

**“Security”** means any Security Interest created, evidenced or conferred by or under the Deed of Charge;

**“Security Interest”** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**“Secured Liabilities”** means all present and future monies, debts and liabilities due, owing or incurred by the Issuer to the Issuer Secured Creditors;

**“Specified Currency”** has the meaning given in the relevant Drawdown Prospectus;

**“Specified Denomination(s)”** has the meaning given in the relevant Drawdown Prospectus;

**“Specified Office”** has the meaning given in the Agency Agreement;

**“Specified Period”** has the meaning given in the relevant Drawdown Prospectus;

**“Transaction Documents”** means the Trust Deed, the Issuer Deed of Charge, the Security Trust Deed and the Agency Agreement; and

**“Treaty”** means the Treaty establishing the European Communities, as amended.

(b) Interpretation: in these Conditions:

- i. If the Bonds are Zero Coupon Bonds, references to Coupons and Couponholders are not applicable;
- ii. If Talons are specified in the relevant Drawdown Prospectus as being attached to the Bonds at the time of issue, references to Coupons and Couponholders shall be deemed to include references to Talons and holders of Talons, respectively;
- iii. If Talons are not specified in the relevant Drawdown Prospectus as being attached to the Bonds at the time of issue, references to Talons are not applicable;
- iv. Any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;
- v. Any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;
- vi. References to Bonds being “outstanding” shall be construed in accordance with the Trust Deed;
- vii. If an expression is stated in Condition 2(a) (Definitions) to have the meaning given in the relevant Drawdown Prospectus but the relevant Drawdown Prospectus give no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Bonds; and
- viii. Any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Bonds.

### 3. **Form, Denomination and Title**

- (a) **Registered Bonds:** The Bonds are issued in registered form, serially numbered and in the Specified Denomination(s) which may include a minimum denomination specified in the relevant Drawdown Prospectus (which will always be equal to or greater than €1,000) and higher integral multiples of a smaller amount specified in the relevant Drawdown Prospectus.
- (b) **Title to Bonds:** The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A registered certificate (each, a “**Bond Certificate**”) will be issued to each Holder of Bonds in respect of its registered holding.

Each Bond Certificate will be numbered serially with an identifying number which will be recorded in the Register. "Holder" means the person in whose name such Bond is

registered in the Register (or, in the case of a joint holding, the first

- (g) **Closed periods:** Bondholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Bonds.
- (h) **Regulations concerning transfers and registration:** All transfers of Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar.

4. **Status and Application of Moneys**

- (a) **Status:** The Bonds and Coupons constitute direct and secured obligations of the Issuer which will at all times rank pari passu and without preference or priority among themselves.
- (b) **Application of Moneys:** All moneys received by the Trustee in respect of the Bonds or recovered by the Trustee or any Receiver following the enforcement of the Security despite any appropriation of all or part of them by the Issuer (including any moneys which represent principal or interest in respect of Bonds or Coupons which have become void under the Conditions) shall be held by the Trustee on trust to apply them in the following order of priority pursuant to the terms of the Trust Deed:
  - i. First, in or towards satisfaction of (x) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts incurred by the Trustee in preparing and executing the trusts and performing any obligations under the Transaction Documents; (y) the costs, expenses, fees or ~~other remuneration and indemnity payments (if any) and any other amounts~~

Trust Deed, the Security Trust Deed and the Issuer Deed of Charge, as security for the Secured Liabilities.

- (b) **Fixed Charges:** The Security comprises of:
- (i) An assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under each of the Transaction Documents; and
  - (ii) An assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under each Borrower Loan Agreement and each Borrower Deed of Charge and the Security Trust Deed; and
  - (iii) A first fixed charge of all of its rights, title, benefit and interest, present and future, in, to and under the Custodian Account in which it has any right, title, benefit or interest and each other account (if any) in which the Issuer may at any time have or acquire any right, title, benefit or interest.

## 6. Fixed Rate Bond Provisions

- (a) **Application:** This Condition 6 is applicable to the Bonds only if the Fixed Rate Bond Provisions are specified in the relevant Drawdown Prospectus as being applicable.
- (b) **Accrual of interest:** The Bonds bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (Payments). Each Bond will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6(b) (before as well as after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment) in accordance with Condition 19 (Notices).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Bond for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Bonds are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Bond for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Bond divided by the Calculation Amount. For this purpose, a “**sub-unit**” means, in the case of any currency other than Euro, the lowest amount of such currency that

is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## 7. Floating Rate Bond Provisions

- (a) **Application:** This Condition 7 is applicable to the Bonds only if the Floating Rate Bond Provisions are specified in the relevant Drawdown Prospectus as being applicable.
- (b) **Accrual of interest:** The Bonds bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (Payments). Each Bond will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (before as well as after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Drawdown Prospectus as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Bonds for each Interest Period will be determined by the Calculation Agent on the following basis:
- i. If the Reference Rate is a composite quotation customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - ii. In any other case the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - iii. If, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - a. Request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - b. Determine the arithmetic mean of such quotations; and
    - c. If fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic means of the rates (being



the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11am (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period

and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any interest Period, the Rate of Interest applicable to the Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Bonds in respect of the preceding Interest Period.

- (d) **ISDA Determination:** If ISDA Determination is specified in the relevant Drawdown Prospectus as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Bonds for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as a Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- i. The Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Drawdown Prospectus;
  - ii. The Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Drawdown Prospectus;
  - iii. The relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest period or (B) in any other case, as specified in the relevant Drawdown Prospectus.
- (e) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Drawdown Prospectus, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the applicable Drawdown Prospectus, the Minimum Rate of Interest shall be deemed as zero.
- (f) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Bond for such

Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Bond divided by the Calculation Amount. For this purpose, a “**sub-unit**” means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- (g) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Bonds have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the fourth London Business Day thereafter. Notice thereof shall also promptly be given to the Bondholders. For the purposes of this paragraph (g) the expression “**London Business Day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Bond having the minimum Specified Denomination.
- (h) **Notifications etc.:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Bondholders and the Couponholders and (in the absence of wilful default) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (i) All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7 by the Calculation Agent or the Trustee, as the case may be, shall (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Bondholders and Couponholders and (in the absence of wilful default) no liability to the Issuer; the Bondholders or the Couponholders shall attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

## 8. Zero Coupon Bond Provisions

- (a) **Application:** This Condition 8 is applicable to the Bonds only if the Zero-Coupon Bond Provisions are specified in the relevant Drawdown Prospectus as being applicable.
- (b) **Late payment on Zero-Coupon Bonds:** If the Redemption Amount payable in respect of any Zero-Coupon Bond is improperly withheld or refused; the Redemption Amount shall thereafter be an amount equal to the sum of:
  - i. The Reference Price; and
  - ii. The product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

## 9. Redemption and Purchase

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (Payments).
- (b) **Redemption for tax reasons:** The Bonds may be redeemed at the option of the Issuer in whole but not in part:
  - i. At any time (if the Floating Rate Bond Provisions are not specified in the relevant Drawdown Prospectus as being applicable); or
  - ii. On any Interest Payment Date (if the Floating Rate Bond Provisions are specified in the relevant Drawdown Prospectus as being applicable),
  - iii. On giving not less than 30 nor more than 60 days' notice to the Bondholders, the Trustee and the Principal Paying Agent (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:
    - a. The Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (Taxation) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a Court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Bonds; and

- b. Such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) Where the Bonds may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due; or
- (2) Where the Bonds may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (a) if the Trustee so requests, an opinion of independent legal advisers to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, and (b) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. The Trustee shall be entitled to accept without liability such opinion and/or such certificate as sufficient evidence of the satisfaction of the circumstances set out above, in which event it shall be conclusive and binding on the Bondholders and Couponholders. Upon the expiry of any such notice as is referred to in this Condition 9(b) the Issuer shall be bound to redeem the Bonds in accordance with this Condition 9(b).

- (c) **Redemption at the option of the Issuer:** If the Call Option is specified in the relevant Drawdown Prospectus as being applicable, the Bonds may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Drawdown Prospectus, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 30 nor more than 60 days notice to the Bondholders, the Trustee and the Principal Paying

- (d) **Partial redemption:** if the Bonds are to be redeemed in part only on any date in accordance with Condition 9(c) (Redemption at the option of the Issuer), each Bond shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Bonds to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Bonds on such date. If any Maximum Redemption Amount is specified in the relevant Drawdown Prospectus, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) **Redemption at the option of Bondholders:** If the Put Option is specified in the relevant Drawdown Prospectus as being applicable, the Issuer shall, at the option of the holder of any Bond redeem such Bond on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the holder of a Bond must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Drawdown Prospectus), deposit with any Paying Agent such Bond together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Bond is so deposited shall deliver a duly completed Put Option Receipt to the depositing Bondholder. No Bond, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn.

for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30/360, Actual 360 or Actual 365 (Fixed).

- (h) **Purchase:** The Issuer may at any time purchase Bonds in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (i) **Cancellation:** All Bonds so redeemed or purchased by the Issuer and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

## 10. Payments

- (a) **Principal:** Payments of principal shall be made by a cheque drawn in a currency in which the payment is due drawn on, or, upon application by a Holder of a Bond to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by a transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town or clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Bond Certificates at the Specified Office of any Paying Agent.
- (b) **Interest:** Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Bond to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by a transfer to an account at a nominated in that currency (or, if the currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Bond Certificates at the Specified Office of any Paying Agent.
- (c) **Payments subject to fiscal laws:** All payments in respect of the Bonds will be subject in all cases to (i) any applicable fiscal or other laws and regulations in place of payments, but without prejudice to the provisions of Condition 13 (Taxation) and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to sections 1471 through 1474 (inclusive), of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.
- (d) **Payments on Business Days:** Where payment is to be made by a transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i)

(in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the date on which the relevant Bond Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Bond shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.

- (e) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and state of such payment are noted on the Register and, in the case of partial payment upon presentation of a Bond Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Bond Certificate.
- (f) **Record date:** Each payment in respect of a Bond will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Bond is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 11. Taxation

- (a) **Gross up:** All payments of principal and interest in respect of the Bonds and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction being required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

- iii) By or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Bond or Coupon to another Paying Agent in a member state of the EU; or
  - iv) More than 30 days after the Relevant Date except to the extent that a Holder of such Bond or Coupon would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days.
- (b) **Taxing jurisdiction:** If the Issuer becomes the subject at any time to any taxing jurisdiction other than the United Kingdom references in these Conditions to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

## 12. Events of Default

If any of the following events occurs and is continuing, the Trustee at its discretion may and, if so requested in writing by holders of at least one-quarter of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having being indemnified and/or prefunded and/or are provided with security to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest without further action or formality:

- (a) If default is made in the payment of any principal or interest due in respect of the Bonds or any of them and the default continues for a period of 7 days in the case of principal and 14 days in the case of interest; or
- (b) If the Issuer fails to perform or observe any of its other obligations under the Conditions, the Trust Deed or the Security Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Trustee may agree) next following the service by the Trustee on the Issuer of a notice requiring the same to be remedied; or
- (c) If:
  - i) Any Indebtedness of the Issuer becomes due and payable prematurely by reason of an event of default (however described); or
  - ii) The Issuer fails to make any payment in respect of any Indebtedness on the due date for payment as extended by any applicable grace period; or
  - iii) Default is made by the Issuer in making any payments due under any guarantee and/or indemnity given by it in relation to any Indebtedness of any other person on the due date for payment as extended by any applicable grace period.

Provided that no event described in this sub-paragraph (c) shall constitute an Event of Default unless the relevant amount of Indebtedness for guarantee and/or indemnity given by it in



relation to any Indebtedness, either alone or when aggregated (without duplication) with other amounts of Indebtedness and/or guarantee and/or indemnity given by it in relation to any Indebtedness relevant to all (if any) other events specified in (i) to (iii) the above which will have occurred and a continuing, amounts to at least £20,000,000 (or its equivalent in any other currency).

A certificate or report by two directors of the Issuer whether or not addressed to the Trustee that in their opinion the £20,000,000 (or its equivalent in any other currency) mentioned in the ~~proviso to (a) above has been reached may be relied upon by the Trustee without liability and~~

Claims for principal and interest on redemption in respect of Bonds shall become void unless the relevant Bond Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

**14. Replacement of Bonds, Coupons or Talons**

If any Bond Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, and, if the Bonds are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system requirements, in each

In acting under the Agency Agreement and in connection with the Bonds and the Coupons, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Drawdown Prospectus. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor Principal Paying Agent or Registrar or Calculation Agent and additional or successor Paying Agents in the manner specified in the Agency Agreement; **provided, however, that:**

- (a) The Issuer shall at all times maintain the Principal Paying Agent and a Registrar; and
- (b) The Issuer shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/WC; and
- (c) If a Calculation Agent is specified in the relevant Drawdown Prospectus, the Issuer shall at all times maintain a Calculation Agent; and
- (d) If and for so long as the Bonds are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

The notice of any change in any of the Agents or in their Specified Offices shall promptly be given to Bondholders in accordance with Condition 19 (Notices).

## **16. Meetings of Bondholders, Modification and Waiver, Substitution**

- (a) Meetings of Bondholders: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing more than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, one or more Persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; **provided, however, that** reserved matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more Persons holding or representing not less than three-quarters of the aggregate principal amount of the outstanding Bonds form a quorum.

Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders and Couponholders, whether present or not.

In addition, the resolution in writing signed by or on behalf of the holders of not less than 90%, in nominal amount of the Bonds which resolution will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document for several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) **Modification and waiver:** The Trustee and the Issuer may, without the consent of the Bondholders, agree to any modification of the Bonds, these Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of the Bondholders and to any modification of the Bonds, these Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Bondholders or Couponholders, authorise or waive any proposed breach or breach of the Bonds, these Conditions or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Bondholders would not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Bondholders as soon as practicable thereafter. Any such authorisation, waiver or modification shall be binding on the Bondholders and the Couponholders.

- (c) **Substitution:** The Trust Deed contains provisions under which the Trustee may, without the consent of the Bondholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) of any other company being a Subsidiary of the Issuer as the principal debtor under the Bonds, the Coupons and the Trust Deed **provided that** certain conditions specified in the Trust Deed are fulfilled.

No Bondholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Bondholder or Couponholder, except to the extent provided for in Condition 12 (Taxation) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

## 17. Enforcement

The Trustee may at any time, at its discretion and without notice, institute such proceedings and/or steps or action (including lodging an appeal in any proceedings) as it thinks fit to enforce its rights under the Transaction Documents or the Bonds for the Coupons and, at any time

after the Security has become enforceable, the Trustee may at its discretion and without notice, take such steps, actions and proceedings as it may see fit to enforce the Security, but it shall not be bound to do so unless:

- (a) It has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or has been so directed by an Extraordinary Resolution; and
- (b) It has been indemnified and/or secured and/or prefunded to its satisfaction.

No Bondholder or Couponholders may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in the jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law or in that jurisdiction or if it is determined by any Court or other competent authority in this jurisdiction that it does not have such power.

## **18. Further Issues**

The Issuer may from time to time, without the consent of the Bondholders or Couponholders and in accordance with the Trust Deed, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to be consolidated and form a single series with the Bonds. The Issuer may from time to time, without the consent of the Bondholders or Couponholders, incur, create or issue further secured or unsecured bonds or other Indebtedness. For the avoidance of doubt any further Bonds so issued shall be secured over different assets to those assets used to secure any other previous issues of Bonds. Any further bonds forming a single series with the outstanding Bonds of any Series constituted by the Trust Deed or and deed supplemental to it shall, and any other bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

## **19. Notices**

- (a) Notices to the Holders of Bonds shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.
- (b) The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant

authority on which the Bonds are for the time being listed or by which they have been admitted to trading.

## 20. Currency Indemnity

If any sum due from the Issuer in respect of the Bonds or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purposes of (a) making or filing a claim or proof against the Issuer; (b) the obtaining an order or judgment in any Court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Bonds, the Issuer shall indemnify each Bondholder, on the written demand of such Bondholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Bondholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 21. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Drawdown Prospectus), (a) or percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent, being rounded up to 0.00001 per cent), (b) all US dollar amounts used in or resulting from such calculations will be round to the nearest cent (with one half cent being rounded up), and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two percentage places in such currency, with 0.005 being rounded upwards

**Schedule 2**  
**Security Trust Deed**

**Schedule 3  
Debenture**



**Schedule 4**  
**Form of Supplemental Trust Deed**

Dated [ISSUE DATE]

**MORTGAGE SYNDICATE PLC**

and

**[TRUSTEE]**

and

**[ISSUING AND PAYING AGENT]**

**SUPPLEMENTAL TRUST DEED**

in respect of

**MORTGAGE SYNDICATE PLC**

Series [●] [Currency and Amount]

[Description of the Bonds]

issued under the £50,000,000 Secured Limited Recourse Bond Programme]

**This Supplemental Trust Deed** is made on [ISSUE DATE] **between:**

- (1) **MORTGAGE SYNDICATE PLC** (the “**Issuer**”);
- (2) **City Partnership Trustee Limited** (the “**Trustee**”, which expression shall, wherever the context so admits, include all persons for the time being the trustee or trustees of this Supplemental Trust Deed);
- (3) **[TO BE CONFIRMED]** as Issuing and Paying Agent.

**Whereas:**

- (A) The Issuer and the Trustee are parties to a trust deed dated [ ] 2021 as amended and restated from time to time (the “**Principal Trust Deed**”) establishing a programme for the issue from time to time of secured bonds.
- (B) The Issuer has authorised and determined to issue Series [●] [currency and amount] [description of the Bonds] to be constituted and secured as set out below.
- (C) The Issuer, the Issuing and Paying Agent, [the Paying Agent], and the Registrar have each resolved to enter into this Supplemental Trust Deed for the purposes set out below.

**Witnesses:**

## **1 Definitions**

### **1.1 Principal Trust Deed**

Expressions defined in the Principal Trust Deed shall have the same meanings when used herein save to the extent supplemented or modified hereby.

### **1.2 Additional Definitions**

The following expressions shall have the following meanings:

“**Bonds**” means the Series [●] [currency and amount] [description of the Bonds] of the Issuer hereby constituted or the amount thereof for the time being outstanding and includes the [Bond/Certificate] to be issued in respect thereof;

[“**Collateral**” means [details] held by the Issuer;]

“**Mortgaged Property**” means the [Collateral], the Agency Agreement, and the other assets and/or agreements from time to time charged in the manner set out herein and in Clause 5 of the Principal Trust Deed; and

[“**Final Terms**” means the final terms dated [ISSUE DATE] specifying the relevant issue details of the Bonds and the relevant section of which appears as the Schedule hereto.]

## **2 Incorporation by Reference**

Except as otherwise provided herein, the terms of the Principal Trust Deed shall apply to this Supplemental Trust Deed as if they were set out herein and the Principal Trust Deed shall be read and construed, in relation to the Bonds, as one document with this Supplemental Trust Deed.

## **3 Amount and Status of Bonds**

### **3.1 Amount**

The aggregate principal amount of the Bonds is limited to [DETAILS].

### **3.2 Status**

The Bonds constitute secured and limited recourse obligations of the Issuer, secured as provided below.

## **4 Form of the Bonds**

The Bonds will be Registered Bonds represented by the [Certificate]/ [uncertificated Bonds] issued in the principal amount of [DETAILS].

## **5 Security and Covenants**

### **5.1 Security**

The Issuer hereby creates security over the Mortgaged Property comprising the assets and agreements described in the Schedule hereto in accordance with the provisions of Clause 5 of the Principal Trust Deed.

### **5.2 The Mortgaged Property**

Without prejudice to the generality of Clause 5.1, the Issuer with full title guarantee and as continuing security hereby:

- (a) charges by way of first fixed charge in favour of the Trustee the Collateral and all proceeds of, income from and sums arising from the Collateral;
- (b) charges by way of first fixed charge in favour of the Trustee all the rights attaching to or relating to the Collateral including without limitation any right to delivery of such Collateral or to an equivalent number or nominal value thereof which arises in connection with any such Collateral being held in a clearing system or through a financial intermediary;
- (c) charges by way of first fixed charge all assets and property hereafter belonging to the Issuer and deriving from the Collateral or the rights attaching thereto
- (d) assigns by way of first fixed security in favour of the Trustee all rights, title and interest under the Agency Agreement to the extent that such rights relate to sums held to meet payments due in respect of the Bonds;

- (e) [charges by way of first fixed charge in favour of the Trustee all sums held by the Principal Paying Agent to meet payments due in respect of the Bonds;] and
- (f) [assigns by way of first fixed security in favour of the Trustee all rights, title and interest under the [Collateral transfer agreement] and any sums received under the [Collateral transfer agreement]].

### **5.3 Covenants**

[The Issuer agrees with the Trustee that it is bound by and will comply with all the terms of the Principal Trust Deed.]

### **5.4 Covenant to pay**

The Trustee hereby agrees to hold the covenant set out in Clause 2.3 of the Principal Trust Deed on trust for the holders of the Bonds.

### **5.5 Notice and acknowledgement**

The Trustee hereby gives notice and each of the Agents hereby acknowledges that it has notice of the assignment by way of security by the Issuer of all of its rights under the Agency Agreement and consents to any further assignment by way of security by the Issuer of such rights to any successor Trustee under this Supplemental Trust Deed.

### **5.6 Release of security**

The Trustee hereby agrees to release the security created under or pursuant to Clauses 5.1 and 5.2 over the Mortgaged Property (and the Trustee shall be released from its obligations to the same extent thereby) to the extent that such Mortgaged Property represents cash received by the Issuer:

- (a) in respect of any payment of dividends, interest or other payments received in respect of the Collateral the amount of which (i) becomes payable and is to be paid to the Issuing and Paying Agent (and the Trustee hereby instructs the Issuer to pay such amounts to the Issuing and Paying Agent) in respect of interest payable under the Bonds under Clause 15.14 of the Agency Agreement]; and
- (b) in respect of the proceeds of redemption of Collateral the amount of which becomes payable and is to be paid to the Issuing and Paying Agent (and the Trustee hereby instructs the Issuer to pay such amounts to the Issuing and Paying Agent) under Clause 15.14 of the Agency Agreement in respect of the redemption or buy-back of Bonds by the Issuer.

### **5.7 Application of moneys received**

The Trustee shall apply all moneys received by it under this Supplemental Trust Deed in connection with the realisation or enforcement of the Mortgaged Property as follows: [DETAILS].

**6 Communications**

Communications under this Supplemental Trust Deed shall be made in accordance with Clause 17 of the Principal Trust Deed. The telephone number, fax number, address and person designated by [the Issuer and] the Trustee are as set out in such Clause 17, and those designated by [TO BE CONFIRMED] are set out below:

[TO BE CONFIRMED]

[TO BE CONFIRMED]

[TO BE CONFIRMED]

Tel: [TO BE CONFIRMED]

Fax: [TO BE CONFIRMED]

Email: [TO BE CONFIRMED]

Attention: [TO BE CONFIRMED]

[INSERT DETAILS]

**7 Governing Law, Jurisdiction and Third Party Rights**

**7.1 Governing law**

This Supplemental Trust Deed and any other contractual obligations arising out of or

Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer

exists in England then deemed impossible access to appoint a substitute

**Schedule 5**  
**Provisions of Final Terms**

[Insert the Provisions of the Relevant Final Terms that relate to the Conditions]

**Schedule 6**  
**Memorandum of Supplemental Trust Deeds**

<b>Date</b>	<b>Parties</b>	<b>Principal Amount of Series</b>	<b>Title of Series</b>	<b>Final Maturity Date</b>
[•]	[•]	[•]	[•]	[•]



## Schedule 7 Definitions

**“Administrator”** means such entity appointed as “Administrator” to the Issuer from time to time and notified as such to the Trustee by the Issuer;

**“Agency Agreement”** means the various agency agreements relating to the Programme as amended and restated from time to time between the Issuer, the Trustee, the Registrars, the Transfer Agent, the Issuing and Paying Agent and the Calculation Agent;

**“Agent”** means the Issuing and Paying Agent, the Calculation Agent, the Registrar and

“**Euroclear**” means Euroclear UK & Ireland Limited, a company incorporated in England & Wales and the operator of CREST;

“**Event of Default**” means an event described in Schedule 1;

“**Exchange Act**” means the US Securities Exchange Act of 1934, as amended;

“**Extraordinary Resolution**” means a decision of the Bondholders taken by a Bondholders Majority Group (as defined in the Security Trust Deed) or Special Resolution;

“**Final Terms**” means, in relation to a Series, the document if any, supplemental to the Prospectus, prepared in connection with the issue thereof setting out the terms and conditions which will be applicable thereto;

“**Holder**” in relation to a Bond and “**Bondholder**” have the meanings given to them in the Conditions;

“**Investment Company Act**” means the US Investment Company Act of 1940, as amended;

“**Issue Date**” means, in relation to each Tranche, the date on which the Bonds of that Tranche have been issued or, if not yet issued, the date determined by the Issuer, or if any Dealers have been appointed, the date agreed for their issue between the Issuer and the Relevant Dealer(s);

“**Issuer**” means Mortgage Syndicate Plc;

“**Issuing and Paying Agent**” means the Registrar or any Successor Issuing and Paying Agent in each case at its specified office;

“**Master Documents**” means the Principal Trust Deed, the Security Trust Deed and the Agency Agreement;

“**Mortgaged Property**” means the assets and agreements comprising the property on which the Bonds of a Series are secured, all as specified in the relevant Pricing Supplement, Supplemental Trust Deed, Security Trust Deed and the Debenture;

“**outstanding**” means, in relation to the Bonds of a Series, all the Bonds issued except (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable after such date) have been duly paid to the Trustee or to the Issuing and Paying Agent as provided in Clause 2 of the Principal Trust Deed and remain available for payment against presentation and surrender of Bonds, Certificates, Receipts and/or Coupons, as the case may be, (c) those that have become void or in respect of which claims have become prescribed, (d) those that have been purchased and cancelled as provided in the Conditions

“**Potential Event of Default**” means an event or circumstance that could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Schedule 1 become an Event of Default;

**“Prospectus”** means the prospectus dated \_\_\_\_\_ 2021 as amended, restated or replaced from time to time relating to the Bonds prepared in connection with the Programme including all supplements thereto or replacements therefor, and such documents as are from time to time incorporated therein by reference and including, in relation to each Series of Bonds, the Final Terms relating to such Series;

**“Principal Trust Deed”** means the principal trust deed dated \_\_\_\_\_ 2021 as amended and restated from time to time between the Issuer and the Trustee;

**“professionals’ securities market”** means the Central Bank of Ireland and such other professionals’ securities market on which any Bonds may be listed;

**“Programme”** has the meaning given in Recital A;

**“Programme Limit”** means £50,000,000 or the equivalent in other currencies and is the maximum aggregate principal amount of Bonds that may be outstanding at any time under the Programme;

**“Rating Agencies”** means in relation to a Series, Moody’s Investors Service Inc. and/or any other rating agency which has, at the request of the Issuer, assigned a rating to the Bonds of such Series;

**“Redemption Amount”** means any amount payable or securities, loans or other obligations deliverable upon the redemption or early redemption of the Bonds of that Series;

**“Register”** means the register maintained by the Registrar;

**“Registered Bond”** means a Bond in registered form;

**“Registrar”** means Avenir Registrars Limited or any Successor Registrar in each case at its specified office;

**“Related Agreement”** means any agreement entered into by the Issuer relating to a Series which is referred to in, or contemplated by, this Principal Trust Deed, the Security Trust Deed or any Supplemental Trust Deed;

**“Relevant Dealer(s)”** means, in relation to any Tranche, the Dealer or Dealers (if any have been appointed) with or through whom an agreement to issue Bonds has been concluded, or is being negotiated, by the Issuer;

**“Restricted Certificate”** means a global registered certificate that represents Restricted Registered Bonds issued as part of a Tranche of a Series of Registered Bonds;

**“Restricted Registered Bond(s)”** means a Registered Bond issued under a Tranche of a Series of Registered Bonds that is initially sold to a qualified institutional buyer within the meaning of Rule 144A under the Securities Act which is also a qualified purchaser as defined in Section 2(a)(51)(A) under the Investment Company Act;

**“Securities Act”** means the US Securities Act of 1933, as amended;

**“Security Trust Deed”** means the security trust deed dated \_\_\_\_\_ 2021 contained in Schedule 2 of this Deed;

“**Series**” means a series of Bonds comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of interest and their issue price) have identical terms on issue and are expressed to have the same series number;

“**Series Secured Obligations**” means the obligations that the Issuer owes to the Trustee and the Agents in respect of a particular Series under the Master Documents and the Related Agreements applicable to such Series;

“**specified office**” means, in relation to the Issuing and Paying Agent, the Registrar or a Transfer Agent, the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to Bondholders pursuant to Clause 7.1.11 of the Principal Trust Deed;

“**Subscription Agreement**” means an agreement between a Dealer and the Issuer;

“**Successor**” means, in relation to an Agent, such other or further person as may from time to time be appointed by the Issuer as such Agent with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Bondholders pursuant to Clause 7.1.11 of the Principal Trust Deed;

“**Supplemental Trust Deed**” means a supplemental trust deed if any dated the Issue Date between the Issuer and the Trustee substantially in the form set out in Schedule 4 of the Principal Trust Deed;

“**Syndicated Issue**” means an issue of Bonds between two or more Relevant Dealers under a Dealer Agreement;

“**Trade Date**” means each date on which the Issuer concludes an agreement for the issue and sale of Bonds or where such agreement is conditional, the date when all conditions have been satisfied or waived;

“**Trade Time**” means the time on the Trade Date at which the agreement for the issue and sale of Bonds is entered into or where such agreement is conditional, the date when all conditions have been satisfied or waived;

“**Tranche**” means, in relation to a Series, those Bonds of that Series which are issued on the same date;

“**Transfer Agents**” means such entity appointed as “Transfer Agent” to the Issuer from time to time and notified as such to the Trustee by the Issuer or any Successor Transfer Agents in each case at their specified offices;

“**Trust Deed**” means, in relation to a Tranche of Bonds, this Principal Trust Deed and the relevant Supplemental Trust Deed if any constituting the Bonds;

“**Trustee**” means City Partnership (UK) Limited or any replacement appointed as trustee under the Trust Deed in relation to one or more Series of Bonds; and

“**winding-up**” shall include any equivalent or analogous proceedings or events under the law of a country to whose jurisdiction the Issuer or its assets are or may be subject.