

DATED

2021

- (1) CITY PARTNERSHIP TRUSTEE  
LIMITED
  
- (2) MORTGAGE SYNDICATE PLC

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**SECURITY TRUST DEED**

relating to Mortgage Syndicate Plc  
£50,000,000 secured limited recourse  
bond programme

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**DRUCES**  
— SINCE 1767 —

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THIS DEED is entered into on

2021

**BETWEEN:**

- (1) **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, as security trustee for the Secured Parties (the "**Trustee**"); and
- (2) **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 "**Company**")

**WHEREAS:**

- (A) The Company proposes to establish a £50,000,000 secured limited recourse bond programme (the "**Programme**").
- (B) Under the terms of the Principal Trust Deed, the Company proposes to issue the Bonds to the Bondholders on a secured basis and the Trustee has agreed to act as trustee and security trustee in relation to such issuance.
- (C) Under the terms of a debenture dated on or about the date hereof (the "**Debenture**") entered into by the Company and the Trustee, the Company granted to the Trustee, for and on behalf of the Secured Parties, a fixed and floating charge over all of their assets.
- (D) The parties hereto have entered into this Deed in order to regulate the rights of priority and of enforcement in respect of the Secured Parties' rights pursuant to the Security Documents from (and including) the date of this Deed.
- (E) It is intended by the parties hereto that this document shall take effect as a Deed.
- (F) The Trustee and the Company have also entered into the Principal Trust Deed on the same date as this Deed, which further regulates the relationship between the Trustee and the Company.

NOW IT IS HEREBY AGREED as follows:

## 1 INTERPRETATION AND DEFINITIONS

### 1.1 In this Deed:

"**Bonds**" means secured limited recourse bonds issued under the Programme up to a maximum nominal amount of £50,000,000 and constituted by the Principal Trust Deed.

"**Bondholder**" means a registered holder of Bonds.

"**Bondholders Majority Group**" means at any relevant time a group of one or more Bondholders whose aggregate nominal value of Bonds as at that day equal more than 66 $\frac{2}{3}$ % of the aggregate nominal value of all Bonds issued under the Principal Trust Deed.

"**Business Day**" means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

recoveries to any of the Secured Parties.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Secured Assets.

"**Register**" means the register of Bondholders kept and maintained by the Company pursuant to the Principal Trust Deed.

"**Relevant Documents**" means the Security Documents and each Certificate issue pursuant to the Principal Trust Deed and "**Relevant Document**" means any one of them.

"**Rights**" means all rights vested in the Trustee by virtue of, or pursuant to this Deed, the Debenture, the Security Documents and the Security created in respect of the Secured Assets and all rights to make demands, bring proceedings or take any other action in respect thereof.

"**Secured Assets**" means the Rights and the Proceeds.

"**Secured Liabilities**" means all present and future monies, obligations and liabilities of the Company to the Secured Parties, whether actual or contingent and whether owed jointly or severally, as principal or surety or in any other capacity, under or in connection with the Principal Trust Deed or this Deed together with all interest (including, without limitation, default interest) accruing in respect of those monies, obligations or liabilities.

"**Secured Parties**" means the Trustee, any Receiver or Delegate and each Bondholder and any person who becomes a party as a Secured Party in accordance with the terms of clause 10.2, and "**Secured Party**" means any one of them.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**Security Documents**" means the Debenture and any other documents under which the Trustee is granted Security for and on behalf of the Secured Parties in respect of the Secured Liabilities.

"**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.

"**Special Resolution**" means a Special Resolution of Bondholders passed in accordance with the Principal Trust Deed.

**"this Deed"** means this deed and any deed or other document executed in accordance with the provisions hereof (as from time to time modified in accordance herewith) and expressed to be supplemental hereto.

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

**"Trust Security"** means the Security created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents.

**"Trustee Acts"** means the Trustee Act 1925 and the Trustee Act 2000.

**"Uncertificated Form"** means any Bond which is for the time being held in uncertificated form in CREST, and title to which may be transferred by means of CREST.

- 1.2 In this Deed, all capitalised terms and other expressions used but not defined herein shall have the meanings ascribed thereto in the Debenture.

4.8 In this Deed (except to the extent that the context otherwise requires) references to

- 1.8 For the purposes of this Deed:
- 1.8.1 where any discretions or power to give instructions or directions are vested herein in the Bondholders, the Trustee shall only act upon receipt of written instructions on a particular day signed by Bondholders together making up a Bondholders Majority Group on such day;
  - 1.8.2 notwithstanding the provisions of any of the Relevant Documents or clause 1.8.1, unless the Trustee has received express notice in writing to the contrary, the Trustee shall not concern itself whether each Bondholder is entitled (under the terms of any Relevant Documents) to give such requests or instructions and may rely on any instructions given without further enquiry as to the validity or authenticity of such instructions and shall rely on the information it receives from the Company pursuant to clause 2 (*Information*) in respect of each Bondholder;
  - 1.8.3 if any Bondholder, in issuing any requests or instructions, withdraws its consent, this shall not invalidate the requests or instructions in question unless the relevant Bondholder informs the Trustee in writing before the Trustee commences to act on such request or instruction that it no longer consents to such request or instruction. If the Trustee is so informed after it has commenced to act on a request or instruction, the validity of any action taken shall not be affected but the Trustee shall take no further action in accordance with such request or instruction, except to the extent that it has become legally obliged to do so; and
  - 1.8.4 save as expressly set out in this Deed, only the Bondholders shall, in accordance with the terms of the applicable Relevant Documents, be entitled to make requests or give instructions to the Trustee and the Company shall not have any rights so to do or otherwise to request the Trustee to take any action or proceedings under or in relation to any Security Document.
- 1.9 If the Trustee considers that an amount paid to the Trustee or any Secured Party for application in or towards repayment of the Secured Liabilities is capable of being avoided (or otherwise set aside on the liquidation or administration of the Company or otherwise), then such amount shall not be considered to have been irrevocably paid for the purposes of the Security Documents.

- 1.10 A certificate from the Company setting forth the amount of any Secured Liabilities due from the Company to a Bondholder shall be *prima facie* evidence of such amount against the Company in the absence of manifest error.
- 1.11 Clauses 6 (*Application of Proceeds*) and 7 (*Activities of the Trustee*) of this Deed are deemed to form part of the Debenture as if expressly incorporated into it and as if all references in such clauses to this Deed were a reference to the Debenture.
- 1.12 With the exception of any rights afforded to Bondholders, Receivers or Delegates under this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any terms of this Deed.
- 1.13 In the event of a conflict between the Principal Trust Deed and this Deed, the terms of this Deed shall prevail.
- 1.14 This Deed shall take effect on the date stated at the beginning of it.

## **2 INFORMATION**

The Company shall provide to the Trustee, on request, a certificate of accurate and up-to-date information as to the Secured Liabilities owing to the Bondholders to enable the Trustee to perform its functions under this Deed (such certificate to be in a form required by the Trustee), and the Trustee shall be entitled to rely on any such certificates and shall have no duty to enquire as to the accuracy thereof.

## **3 TRUST FOR SECURED PARTIES**

### **3.1 Trust**

3.1.1 The Trustee shall hold the Secured Assets on trust for the Secured Parties on the terms and subject to the conditions contained herein.

3.1.2 Each of the parties to this Deed agrees that the Trustee shall have only those duties, obligations and responsibilities expressly specified in the Security Documents, this Deed and the Principal Trust Deed (and no others shall be implied).



### 3.2 No independent power

No Secured Party (other than the Trustee) shall have any independent power to enforce, or have recourse to, any of the Secured Assets or to exercise any rights or powers arising under the Security Documents except through the Trustee. For the ~~purpose of doubt the Company shall deal only with the Trustee and shall be under~~

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enforcement of any Trust Security except, in the case of the Trustee, as may be required under the terms of the Relevant Documents or applicable law.

## **6 APPLICATION OF PROCEEDS**

### **6.1 Order of application**

6.1.1 All amounts from time to time received or recovered by the Trustee in connection with the realisation or enforcement of all or any part of the Secured Assets shall be held by the Trustee on trust to apply them at any time the Trustee sees fit, to the extent permitted by applicable law (subject to the provisions of this clause 0), in the following order of priority:

6.1.1.1 first, in payment discharge and satisfaction of all sums, costs charges, *expenses* and liabilities (and all interest thereon as provided in the Security Documents) incurred by or on behalf of the Trustee, any Receiver or Delegate in connection with the due performance of its duties and exercise of its powers and discretions under the Security Documents and the remuneration of the Trustee, every Receiver or Delegate under the Security Documents;

6.1.1.2 secondly, to each Bondholder, *pari passu* and *pro rata* up to the total aggregate amount owing (including all accrued interest) to each such Bondholder under the Bonds; and

6.1.1.3 thirdly, the balance, if any, in payment or delivery to the Company.

### **6.2 Sums received by the Company**

Clause 6.1 shall override any appropriation made by the Company.

### **6.3 Currency Conversion**

6.3.1 For the purpose of, or pending the discharge of, any of the Secured Liabilities, the Trustee may convert any moneys received or recovered by the Trustee from one currency to another, at such rate of exchange as it may select.

6.3.2 The obligations of the Company to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion unless provided otherwise in the Relevant Documents in which case the terms of the Relevant Documents shall prevail.

#### 6.4 **Permitted deductions**

Notwithstanding anything contained in this Deed and the Principal Trust Deed, the Trustee shall be entitled:

6.4.1 to set aside by way of reserve amounts required to meet; and

6.4.2 to make and pay,

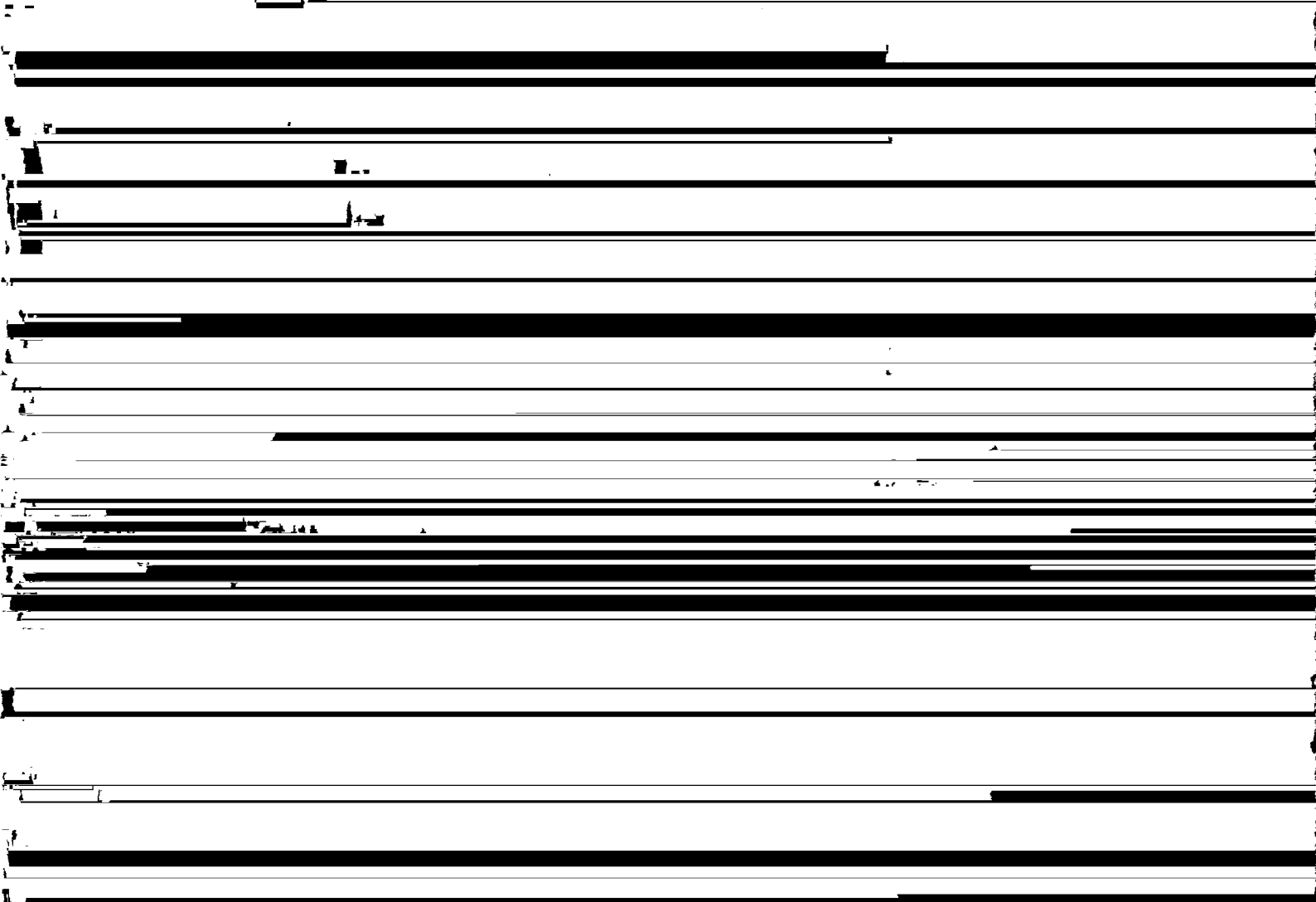
any deductions and withholdings (on account of taxes or otherwise) which it is or may be required by any applicable law to make from any distribution or payment made by it under this Deed, and to pay all taxes which may be assessed against it in respect of any of the Secured Assets, or as a consequence of performing its duties, or by virtue of its capacity as Trustee under any of the Security Documents or otherwise (other than in connection with its remuneration for performing its duties under this Deed and the Principal Trust Deed).

#### 6.5 **Discharge of Secured Liabilities**

The Company agrees that the Secured Liabilities shall be discharged to the extent of the receipts by, or recoveries of, the Trustee pursuant to the enforcement of the Secured Assets.

**7 ACTIVITIES OF THE TRUSTEE**

7.1 The Trustee shall only be required to take any action to enforce or protect the Secured Assets if instructed to do so in accordance with this Deed by a Bondholders Majority Group or Special Resolution and may refrain from exercising any right, power or discretion vested in it by this Deed unless and until (i) instructed in accordance with this Deed by a Bondholders Majority Group or pursuant to a Special Resolution as to whether or not any such right, power, authority or discretion is to be exercised and as to the manner in which it should be exercised and subject always to the provisions of this Deed and (ii) it has received any indemnification and/or security and/or prefunding that it may in its discretion require (whether by way of payment in advance or otherwise) for all costs, losses and liabilities which it may incur or expend or to which it may be exposed in so acting or bringing any action or proceedings. The Trustee shall be entitled to seek instructions from the Bondholders Majority Group or the Bondholders passing the Special Resolution as to whether, and in what manner, it should carry out or refrain from any course of action and may act in accordance with any such instructions given in accordance with this Deed by the Bondholders Majority Group or pursuant to a Special Resolution. The Trustee shall be entitled to seek clarification from the



fit. in which case it shall be in no way responsible for any costs, charges.

on their behalf, as to any fact or matter prima facie within the knowledge of such person as sufficient evidence thereof and (iii) a like certificate to the effect that any particular dealing or transaction or step or thing is, in the opinion of the persons so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to ask for further evidence of authority or otherwise or be responsible for any loss that may be occasioned by its failing so to do;

7.2.7 act in relation to the Relevant Documents and the Secured Assets through its officers, employees and agents and shall not:

7.2.7.1 be liable for any error of judgment made by any such person;  
or

7.2.7.2 be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part of any such person,

unless such error or such loss was directly caused by the Trustee's, Receiver's or Delegate's gross negligence or wilful default; and

7.2.8 unless this Deed expressly specifies otherwise, disclose to any other party any information it believes it has received as security trustee under this Deed.

### 7.3 **Duties**

The Trustee shall promptly send to the Bondholders details of each communication received by it from the Company under any of the Security Documents. For the avoidance of doubt, it is the responsibility of the Secured Parties to keep the Trustee informed of their relevant contact details, and the Trustee shall have no liability in respect of any loss arising out of a Secured Party having failed to provide correct contact details.

### 7.4 **Excluded obligations**

Notwithstanding anything to the contrary expressed or implied in the Relevant Documents, except in relation to obligations it owes to the Company under the Relevant Documents, the Trustee shall not:

- 7.4.1 be bound or liable to disclose to any other person (including but not limited to any Secured Party) (i) any confidential information or (ii) any other information if disclosure would, or might in its opinion, constitute a breach of any law or be a breach of fiduciary duty or otherwise be actionable at the suit of any person, and no such person shall be entitled to take any action to obtain from the Trustee any such information;
- 7.4.2 be under any obligations other than those which are specifically provided for in the Relevant Documents;
- 7.4.3 be under any obligation to review or check the adequacy, accuracy or completeness of any document it forwards to any person in connection with the Relevant Documents;
- 7.4.4 have or be deemed to have any duty, obligation or responsibility to, or relationship of trust or agency with, the Company; or
- 7.4.5 in any circumstances be obliged to give its own indemnity to any Receiver or Delegate, attorney or agent of any Receiver or Delegate or to become a mortgagee in possession.

## 7.5 **Protections**

By way of supplement to the Trustee Act 1925 and to the Trustee Act 2000, it is expressly declared as follows:

- 7.5.1 the Trustee may in relation to any of the provisions of any of the Security Documents, without the consent of the Bondholders, obtain, pay for and act on the opinion or advice of, or any information obtained from, any lawyer, valuer, surveyor, broker, auctioneer, accountant or other expert whether obtained by the Company, any Secured Party or by the Trustee or otherwise, and shall not be responsible for any loss occasioned by so acting;

- 7.5.2 any opinion, advice or information obtained pursuant to clause 7.5.1 may be sent or obtained by letter, facsimile transmission, telephone or other means and the Trustee shall not be liable for acting on any opinion, advice or information purporting to be so conveyed or any other document purporting to be conveyed from any Secured Party or the Company although, in any such case, the same shall contain some error or shall not be authentic;
- 7.5.3 the Trustee may, without the consent of the Bondholders, request and shall be at liberty to accept as sufficient evidence a certificate signed by any two members of the board of directors of the Company (or any sub-committee authorised by the board) to the effect that any particular dealing, transaction, step or thing is, in the opinion of the persons so certifying, suitable or expedient, or as to any other fact or matter, upon which the Trustee may require to be satisfied. The Trustee shall be in no way bound to call for further evidence or be responsible for any loss that may be occasioned by acting on any such certificate even if the certificate contains an error or is not authentic;
- 7.5.4 where the Trustee acts upon the instructions, or at the direction, of any Bondholders by Bondholders Majority Group or Special Resolution, it shall have no liability or responsibility for advising on the appropriateness or suitability of such instructions or directions, or for any action or the consequences thereof;
- 7.5.5 the Trustee may, without the consent of the Bondholders, refrain from doing anything which would or might in its opinion be contrary to any law, directive or regulation of any jurisdiction or any directive or regulation of any agency of any state or a breach of any fiduciary duty or duty of confidentiality, or which would or might in its opinion otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation;
- 7.5.6 the Trustee shall not be liable for any failure, omission, or defect in perfecting the Secured Assets, including (without prejudice to the generality of the foregoing) failure to:



- 7.5.6.1 require the deposit with it of any deed or document certifying, representing or constituting the title of the Company to any of the Secured Assets;
- 7.5.6.2 obtain any licence, consent or other authority for the execution, delivery, legality, validity, enforceability or admissibility in evidence of any of the Security Documents;
- 7.5.6.3 register, file or record or otherwise protect any of the Secured Assets (or the priority of the Secured Assets) under any applicable laws in any jurisdiction or to give notice to any person of the execution of any of the Security Documents;
- 7.5.6.4 take, or to require the Company to take, any steps to perfect its title to any of the Secured Assets or to render the Secured Assets effective or to secure the creation of any ancillary security interest under the laws of any jurisdiction; or
- 7.5.6.5 require any further assurances in relation to any of the Security Documents;
- 7.5.7 the Trustee shall be at liberty, without the consent of the Bondholders, to place any of the Security Documents and any other instruments, documents or deeds delivered to it pursuant to, or in connection with, any of the Security Documents for the time being in its possession in any safe deposit, safe or receptacle selected by it or, without being bound to enquire as to the existence or adequacy of any insurances with any bank or building society within the United Kingdom, any company whose business includes the safe custody of documents or any reputable firm of lawyers, or, in respect of any insurance policies, to place the policy documents with any insurance broker of good repute, and shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings thereby incurred and, without prejudice to the foregoing, the Company's lawyers may retain any such instruments, documents or deeds delivered to the Trustee pursuant to or in connection with the Security Documents, provided that such lawyers undertake to hold such instruments, deeds or documents to the order of the Trustee;

- 7.5.8 save as otherwise provided in any Security Document, all moneys which are received by the Trustee under the trusts herein contained, may be invested in the name of, or under the control of, the Trustee in any investment for the time being authorised by English law for the investment by trustees of trust moneys, or in any other investments, whether similar to the aforesaid or not, which may be selected by the Trustee in its sole discretion, or by placing the same on deposit in the name of or under the control of the Trustee at such bank or institution (including the Trustee) as the Trustee may think fit, or in such currency as the Trustee may think fit, and the Trustee may at any time vary or transfer any such investments for or into other such investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss occasioned thereby, whether by depreciation in value, fluctuation in exchange rates or otherwise;
- 7.5.9 the Trustee may in the conduct of the trusts herein contained, without the consent of the Bondholders, instead of acting personally employ and pay an agent (whether a solicitor or other appropriately qualified person) to transact or concur in transacting any business and to do or concur in doing any acts required to be done by the Trustee (including the receipt and payment of money) and any agent (being a solicitor, broker or other person engaged in any profession or business) shall be entitled to be paid all usual professional and other charges for business transacted and acts done by him or any partner of his in connection with the trusts contained herein;
- 7.5.10 the Trustee shall have only those duties, obligations and responsibilities expressly specified in this Deed and the Principal Trust Deed and shall not have any implied duties, obligations and responsibilities;
- 7.5.11 the Trustee shall not be under any obligation to insure any of the Secured Assets or any deeds or documents of title (or other evidence in respect thereof), to require any other person to maintain any insurance or to verify any obligation to arrange or maintain insurance contained in the Relevant Documents. The Trustee shall not be responsible for any loss, expense or liability which may be suffered as a result of the lack of or inadequacy of any such insurance;

- 7.5.12 where the Trustee is named on any insurance policy as an insured party, it shall not be responsible or liable for any loss to the Secured Parties which may be suffered by reason of, directly or indirectly, its failure to notify the insurers of any material fact relating to the risk assumed by such insurers or any other information of any kind, unless the Bondholders Majority Group shall have requested it to do so in writing and the Trustee shall have failed to do so within fourteen days after receipt of that request;
- 7.5.13 the Trustee shall be entitled to accept without enquiry, and shall not be obliged to investigate, any right and title that the Company may have to any of the Secured Assets and shall not be liable for or bound to require the Company to remedy any defect in its right or title, whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not;
- 7.5.14 nothing in this Deed constitutes the Trustee as an agent, trustee or fiduciary of the Company;
- 7.5.15 no provision of this Deed or any Relevant Document (or any document referred to therein) shall require the Trustee to expend or risk its own funds or to otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights, powers, authorities or discretions, if it shall have grounds for believing that repayment of such funds or adequate indemnity and/or Security against such risk or liability is not assured to it;
- 7.5.16 the Trustee shall not be responsible for the legality, validity, effectiveness, suitability, adequacy or enforceability of any Relevant Document (or other documents entered into in connection therewith), or any other document, or any obligation or rights created or purported to be created thereby or pursuant thereto, or any Security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decision of any court;

7.5.17 neither the Trustee nor any of its directors or officers shall by reason of the fiduciary position of the Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Company or any person or body corporate directly or indirectly associated with the Company, or from accepting the trusteeship of any other debenture stock, debentures or security of the Company or any person or body corporate directly or indirectly associated with the Company, and neither the Trustee nor any such director or officer shall be accountable to any Secured Party for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit;

7.5.18 except as herein expressly provided, the Trustee is hereby authorised and it shall be entitled to assume without enquiry (in the absence of actual knowledge or an express notice to it to the contrary), that no Event of Default has occurred and the Company is duly performing and observing all the covenants, conditions, provisions and obligations contained in any Security Document and/or in respect of the Secured Liabilities and on its part to be performed and observed. In particular, the Trustee shall not be responsible for monitoring the Company's compliance with any of the covenants that it gives in the Security Documents;

~~7.5.19 unless otherwise specifically stated in any discharge of this Deed, the~~

relation to this Deed or any Secured Asset except as instructed in accordance with Clause 7.1 and then only if it is indemnified to its satisfaction against all actions, proceedings, claims, demands, costs, charges, damages, expenses and liabilities which it may incur by so doing;

7.5.22 the Trustee may (but shall not be obliged to), in the absence of any instructions to the contrary, take such action in the exercise of any of its powers and duties under the Relevant Documents as it considers in its discretion to be appropriate;

7.5.23 no party (other than the Trustee, any Receiver or any Delegate or the Company) may take any proceedings against any officer, employee or agent of the Trustee, a Receiver or a Delegate in respect of any claim it might have against the Trustee, a Receiver or a Delegate or in respect of any act or omission of any kind (including negligence or wilful default) by that

from taking any action in relation to any of the Relevant Documents, the Secured Assets or otherwise, whether in accordance with an instruction from the Bondholders Majority Group or otherwise unless directly caused by its fraud, gross negligence or wilful default;

- (d) the exercise of, or the failure to exercise, any right, authority, judgment, discretion or power given to it by or in connection with any of the Relevant Documents, the Secured Assets or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, the Relevant Documents or the Secured Assets;

~~any shortfall which arises on the enforcement or realization of the~~

or at the time of payment believed by the Trustee to be entitled thereto;

- (k) any liabilities arising from or connected with any realisation of the Secured Assets from time to time the subject, or expressed to be the subject, of the Trust Security or from any act, default, omission or misconduct of the Trustee, any Receiver or any of their officers, employees or agents in relation to the Secured Assets or in connection with the Relevant Documents; or
- (l) without prejudice to the generality of paragraphs (a) to (f) above, any damages, costs, losses, any diminution in value or any liability whatsoever arising as a result of:

any act, event or circumstance not within its control; or

indirect or consequential damages, whether or not the Trustee, Receiver or Delegate (as the case may be) has been advised of the possibility of such loss or damages.

## 7.7 Indemnities

7.7.1 Without prejudice to the Company's obligations to indemnify the Trustee under this Deed, each of the Secured Parties (other than the Trustee) hereby undertakes jointly and severally as against the Trustee and any Delegate and Receiver (but as between the Bondholders *inter se* only, in the proportion which the amounts then due to them in respect of the Secured Liabilities bears to the then aggregate amount of such Secured Liabilities), to indemnify and hold harmless the Trustee and every Receiver and every Delegate, within three Business Days of demand, against all costs, charges, losses, claims, damages, liabilities, expenses and other sums (or actions in respect thereof) including value added tax thereon suffered or incurred by any of them or any person appointed by any of them to whom any power, trust, authority or discretion may be delegated by it pursuant hereto, in connection with this Deed and the other Security Documents and the powers, trusts, authorities and discretion and duties contemplated therein or actions in respect thereof and all costs, charges, losses, claims, damages, liabilities, expenses and other sums suffered or incurred by the Trustee, any Receiver or Delegate or such person as a result of complying with the provisions hereof or as a result of any Secured Party challenging the right of the Trustee, any Receiver or any Delegate ~~to be indemnified to the extent that, other than in respect of any indemnity to~~



result of the fraud, gross negligence or wilful default of the Trustee, any Receiver or any Delegate;

7.7.2 The Company shall as a separate and independent obligation and notwithstanding any release or discharge of all or any part of the Trust Security, promptly indemnify the Trustee and every Receiver and Delegate against any cost, loss or liability (together with any applicable VAT), whether or not foreseeable, incurred by any of them as a result of:

7.7.2.1 any failure by the Company to comply with its obligations under Clause 8;

7.7.2.2 acting or relying on any notice, request or instruction which it believes to be genuine, correct and appropriately authorised;

7.7.2.3 the taking, holding, protection or enforcement of the Trust Security;

7.7.2.4 the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Trustee, each Receiver and each Delegate by the Relevant Documents or by law;

7.7.2.5 any default by the Company in the performance of any of the obligations expressed to be assumed by it in the Relevant Documents;

7.7.2.6 instructing lawyers, accountants, tax advisers, surveyors, a financial adviser or other professional advisers or experts as permitted under this Deed; or

7.7.2.7 acting as Trustee, Receiver or Delegate under the Relevant Documents or which otherwise relates to any of the Secured Assets (otherwise, in each case, than by reason of the relevant Trustee's, Receiver's or Delegate's gross negligence or wilful default).

7.7.3 The Trustee and every Receiver, Delegate or delegate, attorney or agent of any Receiver or Delegate or any other person appointed by them under this Deed or any other Relevant Document may, in priority to any payment to the Secured Parties, indemnify itself out of the Secured Assets in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 7.7.3 and shall have a lien on the Secured Assets and the proceeds of the enforcement of the Secured Assets for all such moneys payable to it.

7.7.4 If any sum (a "**Sum**") due from the Company to the Trustee under this Deed or any order, judgment, decree, award or decision given or made in relation thereto has to be converted from the currency (the "**First Currency**") in which such Sum is payable into another currency (the "**Second Currency**") for the purpose of:-

7.7.4.1 making or filing a claim or proof against the Company; or

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

the Company shall indemnify the Trustee from and against any loss suffered or incurred as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert such Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to the Trustee at the time of receipt of such Sum.

7.7.5 Each indemnity given by a party to this Deed under or in connection with this Deed or any other Relevant Document to which it is a party (including, but not limited to, pursuant to this Clause 7.7) is a continuing obligation, independent of that party's other obligations under or in connection with this Deed or such other Relevant Document and shall survive after this Deed or any other Relevant Document is terminated. It is not necessary for a person to pay any amount or incur any expense before enforcing any such indemnity.

## 7.8 Disapplication

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

## **7.9 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 may 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 to this Deed.

## **8 REMUNERATION OF THE TRUSTEE**

8.1 The Company 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 Company 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 Company and the Trustee.

8.2 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 Company agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Deed, the Company 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 Company in connection with clause 7.7.2. In the event of the Trustee and the Company 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

The [redacted] proposed by the Company is [redacted] following the general meeting (on the

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

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[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Company is required to make such payment subject to the deduction or withholding of tax, in which case the sum payable by the Company 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 deduction or withholding, the person on account of whose liability to tax such deduction or withholding has been made, receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and retained had no such deduction or withholding been made (or required to be made).

**9 DELEGATION AND APPOINTMENT OF ADDITIONAL TRUSTEES**

**9.1 Delegation**

9.1.1 Without the prior written consent of the Bondholders, the Trustee, any Receiver and any Delegate may, at any time, delegate by power of attorney or otherwise to any person or persons for any period, all or any of the rights, ~~powers, authorities and discretions~~ vested in it by any of the Relevant

9.2.2 for the purposes of conforming to any legal requirements, restrictions or conditions which the Trustee deems relevant for the purposes hereof,

and the Trustee shall give notice to the Company of any such appointment. Any person so appointed shall have such powers, authorities and discretions and such duties and obligations as shall be conferred or imposed on such person by the instrument of appointment and shall have the same benefits under clause 7 (*Activities of the Trustee*) as the Trustee. The Trustee shall have the power, with the prior written consent of the Bondholders, to remove any person so appointed. The Trustee may pay to any person so appointed any remuneration which has been previously approved by the Bondholders, and any such remuneration, costs, charges and expenses incurred by such person in performing its functions pursuant to such appointment, shall for the purposes hereof be treated as costs, charges and expenses incurred by the Trustee in performing its function as trustee hereunder.

## 10 BENEFIT OF AGREEMENT AND RESIGNATION OF TRUSTEE

10.1 This Deed shall be binding on and enforce to the benefit of each party hereto and its

## 11 IDENTITY OF BONDHOLDER

- 11.1 The Trustee may rely on any information provided to it by Euroclear as to the identity of the Bondholders who hold their Bonds in Uncertificated Form.
- 11.2 The Trustee shall have the right at all reasonable times during office hours and on reasonable notice to inspect and take copies of the Register and the Trustee may rely on the Register as to the identity of the Bondholders who hold their Bonds in Certificated Form.

## 12 NOTICES

### 12.1 Communications in writing

Each communication to be made under this Deed shall be made in writing and, unless otherwise stated, may be made by email or letter.

### 12.2 Addresses

The address (and the department or officer, if any, for whose attention the communication is to be made) of each party for any communication or document to be made or delivered under or in connection with this Deed is that identified with its signature below, or any substitute details as the party may notify to the Trustee (or the Trustee may notify to the Company, if a change is made by the Trustee) by not less than five Business Days' notice and promptly upon receipt of any notification of any new or changed details, the Trustee shall notify the other parties.

### 12.3 Delivery

12.3.1 Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective if by way of letter, when it has been left at the relevant address or, as the case may be, five days after being deposited in the post postage prepaid in an envelope addressed to it at that address, and, if a particular department or officer is specified as part of its address details provided under clause 12.2 (*Addresses*), if addressed to that department or officer.

12.3.2 Any communication or document to be made or delivered to the Trustee shall be effective only when actually received by the Trustee and then only if it is expressly marked for the attention of the department or officer identified with the Trustee's signature below (or any substitute department or officer as the Trustee shall specify for this purpose).

### **13 COUNTERPARTS**

This Deed may be executed in counterparts, all of which when taken together shall constitute a single deed.

### **14 WINDING UP**

14.1 Upon the earlier of:

14.1.1 the Trustee, with the approval of the Bondholders by Bondholders Majority Group or Special Resolution, determining that all of the Secured Liabilities have been fully and finally discharged;

14.1.2 125 years from the date of this Deed being the perpetuity period under section 5 Perpetuities and Accumulations Act 2009,

the Trustee shall release, without recourse or warranty, all of the Secured Assets then held by it and the Rights, at which time each of the Trustee, the Bondholders and the Company shall be released from their respective obligations under this Deed (save for those which arose prior to the winding up) and the trusts herein created shall be wound up.

14.2 Unless otherwise specifically stated in any discharge of this Deed, the provisions of clauses 7 (*Activities of the Trustee*) and 8 (*Remuneration of the Trustee*) shall continue in full force and effect notwithstanding such discharge.

### **15 SEVERABILITY**

If a term of this Deed is or becomes illegal, invalid or unenforceable in any jurisdiction, that will not affect:



15.1 the legality, validity or enforceability in that jurisdiction of any other term of this Deed;  
or

15.2 the legality, validity or enforceability in any other jurisdiction of that or any other term of this Deed.

## **16 LAW AND JURISDICTION**

16.1 This Deed (and any non-contractual obligations arising from or in connection with it) shall be governed by, and shall be construed in accordance with, the laws of England.

16.2 The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with this Deed (including disputes relating to any non-contractual obligations in connection with this Deed and disputes regarding the existence, validity or termination of this Deed or the consequences of nullity).

16.3 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.

**IN WITNESS** whereof this Deed was executed by the parties hereto as a deed the day and year first above written

SIGNATORIES TO SECURITY TRUST DEED

**The Trustee:**

Executed as a deed by CITY  
**PARTNERSHIP TRUSTEE LIMITED**  
acting by a director in the presence of:

)  
)  
)  
)  


Director

Witness

Signature: 

Name: 

Address: 

Occupation: 

**The Company:**

Executed as a deed by MORTGAGE  
**SYNDICATE PLC** acting by a director in  
the presence of:

)  
)  
)  
)  


Director

Witness

Signature: 

Name: 

Address: 

Occupation: 