

**EXECUTION VERSION**

**CASH MANAGEMENT AGREEMENT**

**27 OCTOBER 2014**

**YORKSHIRE BUILDING SOCIETY**  
as **Cash Manager**

and

**BRASS NO.4 PLC**  
as **Issuer**

and

**U.S. BANK TRUSTEES LIMITED**  
as **Security Trustee**

**ALLEN & OVERY**

Allen & Overy LLP

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**THIS CASH MANAGEMENT AGREEMENT** is made on 27 October 2014

**BETWEEN:**

- (1) **YORKSHIRE BUILDING SOCIETY**, a building society incorporated under the Building Societies Act 1986 (as amended) of England and Wales, whose registered address is at Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ (**YBS** and acting in its capacity as the **Cash Manager** pursuant to this Agreement);
- (2) **BRASS NO.4 PLC**, (registered number 09182355), a public limited company incorporated under the laws of England and Wales whose registered office is at c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Issuer**); and
- (3) **U.S. BANK TRUSTEES LIMITED** (registered number 02379632), a private limited company incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (acting in its capacity as the **Security Trustee**, which expression shall include such persons and all other persons for the time being acting as security trustee (or co-trustee) under the Deed of Charge).

**WHEREAS:**

- (A) On the Closing Date the Issuer will issue the Notes.
- (B) The Cash Manager agrees to provide cash management services to the Issuer and the Security Trustee on the terms and subject to the conditions contained in this Agreement.

**IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

The master definitions and construction schedule made between, amongst others, the parties hereto and dated on or about the date hereof (as the same may be amended, varied or supplemented from time to time with the consent of the parties thereto) (the **Master Definitions and Construction Schedule**) is expressly and specifically incorporated into this Agreement and, accordingly, the expressions defined in the Master Definitions and Construction Schedule shall, except where the context otherwise requires and save where otherwise defined herein, have the same meanings in this Agreement, including the Recitals hereto and this Agreement shall be construed in accordance with the interpretation provisions set out in **Clause 2** (Interpretation And Construction) of the Master Definitions and Construction Schedule.

**2. APPOINTMENT OF CASH MANAGER**

**2.1 Appointment**

Until termination of the appointment of the Cash Manager pursuant to **Clause 12** (Termination), the Issuer hereby appoints the Cash Manager as its lawful agent to provide the Cash Management Services set out in this Agreement. The Cash Manager hereby accepts such appointment on the terms and subject to the conditions of this Agreement.

**2.2 Duties prescribed by Transaction Documents**

For the avoidance of doubt and in connection with the powers conferred under **Clause 2.1** (Appointment), save as expressly provided elsewhere in this Agreement nothing in this Agreement

shall be construed so as to give the Cash Manager any powers, rights, authorities, directions or obligations other than as specified in this Agreement or any of the other Transaction Documents to which it is a party, except the Cash Manager shall have full power, authority and right to do or cause to be done any and all things which it considers necessary, desirable or incidental to the exercise of its rights, powers and discretions and obligations contained in this Agreement. The Cash Manager authorises those persons (or such other persons as are agreed in writing between the Cash Manager and the Issuer and notified to the Security Trustee) listed in **Schedule 4** (Authorised Signatories) hereto to operate and manage the Bank Accounts.

### **2.3 Appointment conditional upon issuance of Notes**

The appointment made pursuant to **Clause 2.1** (Appointment) is conditional upon the issue of the Notes having taken place and shall take effect upon and from the Closing Date automatically without any further action on the part of any person provided that if the issue of the Notes has not occurred by 31 December 2014, or such later date as the Issuer and the Arranger may agree, this Agreement shall cease to be of further effect.

## **3. SERVICES**

### **3.1 General**

- (a) The Cash Manager shall provide the services set out in this Agreement (including the Schedules hereto) (such services, the **Cash Management Services**).
- (b) The Cash Manager will act upon the direction of the Security Trustee (given in accordance with the terms and provisions of the Deed of Charge) upon the earliest to occur of (i) service of a Note Acceleration Notice on the Issuer; (ii) enforcement or realisation of the Security; and (iii) the commencement of winding-up proceedings against the Issuer.

### **3.2 Sub-Contracts**

- (a) The Cash Manager may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement to any party whom it reasonably believes is capable of, and experienced in, performing the functions to be given to it provided that (but subject to **Clause 3.2(b)** below):
  - (i) where the arrangements involve or may involve the receipt by the sub-contractor or delegate of monies belonging to the Issuer which, in accordance with this Agreement, are to be paid into the GIC Account or the Swap Collateral Account(s) (if any), the sub-contractor or delegate has executed a declaration in form and substance acceptable to the Issuer that any such monies held by it or to its order are held on trust for the Issuer or, following the service of a Note Acceleration Notice, the Security Trustee and will be paid forthwith into the GIC Account or the Swap Collateral Account(s) (if any) in accordance with the terms of this Agreement and the other Transaction Documents; and
  - (ii) any such sub-contractor or delegate has executed a written waiver of any Security Interest arising in connection with such delegated Cash Management Services (to the extent that such Security Interest relates to the Portfolio or any amount referred to in (i) above).
- (b) The proviso in **Clause 3.2(a)(i)** shall not apply:
  - (i) to the engagement by the Cash Manager of:

- (A) any receiver, solicitor, insurance broker, valuer, surveyor, accountant, estate agent, insolvency practitioner, auctioneer, bailiff, sheriff officer, debt counsellor, tracing agent, property management agent, licensed conveyancer, qualified conveyancer or other professional adviser acting as such;
- (B) any documentation retention service or document storage facility;
- (C) any locksmith, builder or other contractor acting as such in relation to a Property; or
- (D) any other sub-contractor or delegate not engaged in arrangements involving or which may involve the receipt by the sub-contractor or delegate of monies belonging to the Issuer which, in accordance with this Agreement, are to be paid into the GIC Account,

in any such case being a person or persons whom the Cash Manager would be willing to appoint in respect of its own loans or any other loans owned by the Seller in connection with the performance by the Cash Manager of any of its obligations or functions or in connection with the exercise of its powers under this Agreement; or

- (ii) to any delegation to or appointment of any company within the YBS Group.
- (c) The Issuer and the Security Trustee may by notice in writing require the Cash Manager to assign to the Issuer or, following the service of a Note Acceleration Notice, the Security Trustee (if it so requires) any rights which the Cash Manager may have against any sub-contractor or delegate arising from the performance of services by such person relating to any matter contemplated by this Agreement and the Cash Manager acknowledges that such rights assigned to the Issuer or the Security Trustee, as applicable, will be exercised by the Issuer or the Security Trustee, as applicable, subject to the terms of this Agreement and the other Transaction Documents.
- (d) Notwithstanding any sub-contracting or delegation of the performance of its obligations under this Agreement, the Cash Manager shall not thereby be released or discharged from any liability hereunder and shall remain responsible for the performance of all of the obligations of the Cash Manager under this Agreement, and the performance or non-performance or the manner of performance of any sub-contractor or delegate of any of the Cash Management Services shall not affect the Cash Manager's obligations under this Agreement and any breach in the performance of the Cash Management Services by such sub-contractor or delegate shall, subject to the Cash Manager being entitled for a period of twenty (20) Business Days from receipt of any notice of such breach from the Issuer or the Security Trustee to remedy such breach by any sub-contractor or delegate, be treated as a breach of this Agreement by the Cash Manager.
- (e) Neither the Security Trustee nor the Issuer shall have any liability for any costs, charges or expenses payable to or incurred by such sub-contractor or delegate or arising from the entering into, the continuance or the termination of any such arrangement.

### **3.3 Approvals and authorisations**

The Cash Manager shall maintain, or procure the maintenance of, all approvals, authorisations, consents and licences required in connection with the business of the Issuer that is the subject of this Agreement and shall prepare and submit, or procure the preparation and submission of, on behalf of the Issuer, all necessary applications and requests for any further approvals, authorisations, consents or licences which may be required in connection with the business of the Issuer that is the subject of this Agreement and shall, so far as it is reasonably able to do so, perform the Cash Management

Services in such a way as not to prejudice the continuation of any such approvals, authorisations, consents or licences.

### **3.4 Compliance with Transaction Documents, etc.**

The Cash Management Services shall include procuring compliance (so far as the Cash Manager, using its reasonable endeavours, is able so to do) by the Issuer with all applicable legal and regulatory requirements and with the terms of the Transaction Documents, provided that the Cash Manager shall not lend or provide any sum to the Issuer and that the Cash Manager shall have no liability whatsoever to the Issuer, the Security Trustee or any other person for any failure by the Issuer to make any payment due under any of the Transaction Documents (other than to the extent arising from any failure by the Cash Manager to perform any of its obligations under any of the Transaction Documents).

### **3.5 Liability of Cash Manager**

- (a) The Cash Manager shall indemnify each of the Issuer and the Security Trustee on demand on an after Tax basis for any losses, liabilities, claims, expenses (including any amounts in respect of applicable VAT (including Irrecoverable VAT) in relation thereto) or damages (for the purposes of this **Clause 3.5**, a **Loss**) suffered or incurred by any of them in respect of the negligence, fraud or wilful default of the Cash Manager or any of its sub-contractors or delegates, in carrying out its functions as Cash Manager under this Agreement or the other Transaction Documents to which the Cash Manager is a party (in its capacity as such), or as a result of a breach by the Cash Manager of the terms and provisions of this Agreement or such other Transaction Documents to which the Cash Manager is a party (in its capacity as such) in relation to such functions.
- (b) For the avoidance of doubt, the Cash Manager shall not be liable in respect of any Loss suffered or incurred by the Issuer or the Security Trustee and/or any other person as a result of the proper performance of the Cash Management Services by the Cash Manager or any of its sub-contractors or delegates, in carrying out its functions as Cash Manager under this Agreement or the other Transaction Documents save where such Loss is suffered or incurred as a result of any negligence, fraud or wilful default of the Cash Manager or any of its sub-contractors or delegates, or as a result of a breach by the Cash Manager of, the terms and provisions of this Agreement or any of the other Transaction Documents to which the Cash Manager is a party in relation to such functions (in its capacity as such).
- (c) The Cash Manager shall (in the absence of manifest error) be entitled to rely upon the accuracy of any notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager by any party to the Transaction Documents in connection with the Transaction Documents and (in the absence of manifest error) no liability to the Issuer or the Security Trustee shall attach to the Cash Manager as a result of the Cash Manager having relied on any such notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager in connection with the Transaction Documents by any person.
- (d) Subject to **Clause 3.5(e)**, in the event that the Cash Manager is rendered unable to carry out its obligations under this Agreement or any other Transaction Document to which (in its capacity as such) it is a party by electricity power-cuts, computer software, hardware or system failure, strikes, lock-outs, sit-ins, industrial disturbances (other than strikes, lock-outs, sit-ins and industrial disturbances which are specific to the Cash Manager lasting more than thirty (30) days), earthquakes, storms, fire, flood, acts of God, insurrections, riots, epidemics, war, civil disturbances, governmental directions or regulations, or any other circumstances beyond its control, the Cash Manager shall not be liable for any failure to carry out its obligations under this Agreement or any other Transaction Document to which the Cash Manager is a party (in its capacity as such) which are

affected by the event in question and, for so long as such circumstances continue, shall be relieved of its obligations under this Agreement and any other such Transaction Document which are affected by the event in question without liability provided that this **Clause 3.5(d)** shall not apply:

- (i) if any such event arose as a result of the fraud, negligence or wilful default of the Cash Manager;
  - (ii) if the event in question is an electricity power-cut and at the time of such electricity power cut, the Cash Manager does not have a back-up generator in place (provided that the Cash Manager shall not be liable if it does have such a back-up generator in place but there is a failure of such back-up generator); or
  - (iii) if the event in question is a computer software, hardware or systems failure and at the time of such failure, the Cash Manager does not have equivalent back-up computer software, hardware or systems in place (provided that the Cash Manager shall not be liable if it does have such equivalent back-up computer software, hardware and systems in place but there is a failure of such equivalent back-up computer software, hardware or systems).
- (e) The Cash Manager shall, notwithstanding that it is relieved from its obligations pursuant to **Clause 3.5(d)**, take all reasonable steps available to it to procure that such event in relation to it ceases to exist and take reasonable practical steps to minimise any loss resulting from any such event.

#### **4. PAYMENTS, ACCOUNTS, LEDGERS**

##### **4.1 Bank Accounts**

- (a) The Cash Manager hereby confirms that the Transaction Account, the GIC Account, the Reserve Account and the Swap Collateral Account have been established on or before the date hereof and that the related Account Mandates will apply thereto respectively as at the Closing Date. The Cash Manager undertakes (to the extent to which the same is within its control) that as at the Closing Date the Transaction Account, the GIC Account, the Reserve Account and the Swap Collateral Account will be operative and that the Cash Manager will not create or permit to subsist any Security Interest in relation to the Transaction Account, the GIC Account, the Reserve Account or the Swap Collateral Account other than as created under or permitted pursuant to the Deed of Charge.
- (b) The Cash Manager shall procure that the following amounts are transferred into the Transaction Account and the GIC Account (as applicable):
- (i) all Revenue Receipts;
  - (ii) all Principal Receipts;
  - (iii) amounts received by the Issuer under the Interest Rate Swap Agreement (other than (i) any early termination amount received by the Issuer under the Interest Rate Swap Agreement which is to be applied in acquiring a replacement swap, (ii) Excess Swap Collateral or Swap Collateral (including to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap Agreement, to reduce the amount that would otherwise be payable by the Interest Rate Swap Provider to the Issuer on early termination of the Fixed Interest Rate Swap under the Interest Rate Swap Agreement and, to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Swap Provider such Swap Collateral is not to be applied in acquiring a replacement swap), (iii) any Replacement Swap Premium but only to the extent applied directly to pay any termination payment due and payable by the Issuer to the Interest Rate Swap Provider and (iv) amounts in respect of Swap Tax Credits; and

- (iv) any other amounts whatsoever received by or on behalf of the Issuer after the Closing Date (other than any amounts which are required to be paid into any Swap Collateral Account), subject to the terms of the Transaction Documents,

and the Cash Manager shall procure that all interest earned on the Transaction Account and GIC Account and all investment proceeds, income and distributions arising from time to time in respect of Authorised Investments purchased from amounts standing to the credit of the Transaction Account and GIC Account are credited to each such account.

- (c) The Cash Manager shall procure that the following amounts are transferred into the Reserve Account:

- (i) the General Reserve Fund; and
- (ii) the Liquidity Reserve Fund,

and the Cash Manager shall procure that all interest earned on the Reserve Account and all investment proceeds, income and distributions arising from time to time in respect of Authorised Investments purchased from amounts standing to the credit of the Reserve Account are credited to the Reserve Account.

- (d) Each of the payments into the Transaction Account and GIC Account referred to in **Clause 4.1(b)** and each of the payments into the Reserve Account referred to in **Clause 4.1(c)** shall be made forthwith upon receipt by the Issuer or the Cash Manager, as the case may be, of the amount in question.
- (e) For the avoidance of doubt, as soon as reasonably practicable after becoming aware of the same, the Cash Manager shall withdraw monies from, as the case may be, any Bank Account if and to the extent that such monies were credited thereto in error and shall use its reasonable endeavours to ensure that such monies are applied correctly thereafter.
- (f) Each of the Cash Manager and the Issuer undertakes that, so far as it is able to procure the same, each of the Bank Accounts and the Swap Collateral Account and all instructions and mandates in relation thereto will continue to be operative and will not, save as permitted pursuant to the Bank Account Agreement (in the case of the Transaction Account and the GIC Account), the Reserve Account Agreement (in the case of the Reserve Account) and the Swap Collateral Bank Account Agreement (in the case of the Swap Collateral Account), be changed without the prior written consent of the Security Trustee provided that, where any Bank Accounts or the Swap Collateral Account are to be changed, such replacement account is subject to security in favour of the Security Trustee on substantially the same terms as the security over the Bank Accounts and the Swap Collateral Account granted to the Security Trustee pursuant to the Deed of Charge. For the avoidance of doubt, the Cash Manager may change the authorised signatories in respect of any instructions or mandates without the prior written consent of the Security Trustee, in accordance with the terms of the Bank Account Agreement (in the case of the Transaction Account and the GIC Account), the Reserve Account Agreement (in the case of the Reserve Account) or the Swap Collateral Bank Account Agreement (in the case of the Swap Collateral Account).
- (g) The Cash Manager hereby undertakes to open one or more Swap Collateral Accounts with the Swap Collateral Account Bank (which shall be a financial institution (A) having all of the Swap Collateral Account Bank Ratings and (B) which is a bank for the purposes of Section 991 of the ITA 2007)
- (h) The Cash Manager shall procure that all Swap Collateral (if any) will be credited to the relevant Swap Collateral Account.



- (i) The Cash Manager shall procure that all interest earned on the Swap Collateral and all investment proceeds from Authorised Investments acquired using the proceeds of any Swap Collateral, are credited to the Swap Collateral Account(s).

#### **4.2 Withdrawals**

- (a) The Cash Manager may make withdrawals on behalf of the Issuer from a Bank Account as permitted by this Agreement (including, without limitation, any withdrawals of Principal Receipts from the GIC Account to fund Further Advances by the Issuer in accordance with the Mortgage Sale Agreement), until such time as the Cash Manager receives a copy of a Note Acceleration Notice served by the Note Trustee on the Issuer, but shall not in carrying out its functions as Cash Manager under this Agreement otherwise make any withdrawal from any Bank Account.
- (b) Upon receipt of a copy of a Note Acceleration Notice served by the Note Trustee on the Issuer, no amount shall be withdrawn from the Bank Accounts by the Cash Manager without the prior written consent of the Security Trustee.

4.3 In administering the Bank Accounts on behalf of the Issuer and/or (following service of a Note Acceleration Notice) the Security Trustee, the Cash Manager shall comply with the provisions of **Schedule 2** (Cash Management and Maintenance of Ledgers). Following service of a Note Acceleration Notice, the Security Trustee or any Appointee appointed by the Security Trustee will have the right to administer or direct the administration of the Bank Accounts in accordance with the terms of the Deed of Charge and, in the case of amounts standing to the credit of the Swap Collateral Account(s) (other than amounts representing the value of Swap Collateral following a termination payment to the Interest Rate Swap Provider by the Issuer on early termination of the Interest Rate Swap Agreement), in accordance with the Interest Rate Swap Agreement.

4.4 Upon receipt of a copy of a Note Acceleration Notice served on the Issuer by the Note Trustee, the Cash Manager will act solely on the instructions of the Security Trustee or any Appointee appointed by the Security Trustee under the Deed of Charge.

4.5 The Cash Manager hereby confirms that if (a) the Account Bank fails to maintain any Account Bank Rating, (b) the Reserve Account Bank fails to maintain any Reserve Account Bank Rating or (c) the Swap Collateral Account Bank fails to maintain any Swap Collateral Account Bank Rating, then, unless the Account Bank or Reserve Account Bank (as applicable) within thirty (30) calendar days of such occurrence:

- (a)
  - (i) in the case of the Account Bank closes the Bank Accounts opened with the Account Bank under the Bank Account Agreement (including, for the avoidance of doubt, the GIC Account);
  - (ii) in the case of the Reserve Account Bank closes the Reserve Account opened with the Reserve Account Bank under the Reserve Account Agreement; or
  - (iii) in the case of the Swap Collateral Account Bank closes the Swap Collateral Account opened with the Swap Collateral Account Bank under the Swap Collateral Account Bank,

and in each case, opens replacement accounts with a financial institution (x) having the Account Bank Rating, the Reserve Account Bank Rating or the Swap Collateral Account Bank Rating, (as applicable) and (y) which is a bank for the purposes of Section 991 of the ITA 2007; or

- (b) obtains a guarantee of its obligations under the Bank Account Agreement (in the case of the Bank Accounts opened under the Bank Account Agreement), the Reserve Account Agreement (in the case of the Reserve Account opened under the Reserve Account Agreement) or the Swap Collateral Bank Account Agreement (in the case of the Swap Collateral Account opened under the Swap Collateral Bank Account Agreement) from a financial institution having the Account Bank Rating (in the case of the Bank Accounts opened under the Bank Account Agreement), the Reserve Account Bank Rating (in the case of the Reserve Account opened under the Reserve Account Agreement) or the Swap Collateral Account Bank Rating (in the case of the Swap Collateral Account opened under the Swap Collateral Bank Account Agreement); or
- (c) takes such other action (which may, for the avoidance of doubt include taking no action) (as notified to the Rating Agencies) as would ensure that the then current rating of the Class A Notes is not adversely affected by it ceasing to have the Account Bank Rating, the Reserve Account Bank Rating or the Swap Collateral Account Bank Rating (as the case may be),

and, in the case of each of (a) to (c) above, the Cash Manager (on behalf of the Issuer) receives a Ratings Confirmation confirming that the then current rating of the Class A Notes would not be adversely affected thereby, the Cash Manager shall, on behalf of the Issuer and at the Issuer's cost, in accordance with **Clause 9** (Termination) of the Bank Account Agreement (in the case of the Transaction Account and the GIC Account), **Clause 9** (Termination) of the Reserve Account Agreement (in the case of the Reserve Account) or **Clause 9** (Termination) of the Swap Collateral Bank Account Agreement:

- (i) (with the written consent of the Security Trustee) terminate the Bank Account Agreement (in the case of the Bank Accounts opened under the Bank Account Agreement), the Reserve Account Agreement (in the case of the Reserve Account opened under the Reserve Account Agreement) or the Swap Collateral Bank Account Agreement (in the case of the Swap Collateral Account opened under the Swap Collateral Bank Account Agreement) by giving thirty (30) days prior written notice to the Account Bank, the Reserve Account Bank or the Swap Collateral Account Bank (as applicable) (with a copy to the Issuer, the GIC Provider and the Security Trustee);
- (ii) at the end of the notice period following service of written notice terminating the Bank Account Agreement, the Reserve Account Agreement or the Swap Collateral Bank Account Agreement (as applicable),
  - (A) immediately close the relevant Bank Accounts and/or Swap Collateral Account and open replacement accounts with a financial institution having (a) the Account Bank Rating, the Reserve Account Bank Rating or the Swap Collateral Account Bank Rating (as applicable) and (b) which is a bank for the purposes of Section 991 of the ITA 2007; and/or
  - (B) (I) immediately transfer amounts standing to the credit of all Ledgers on the GIC Account to the replacement GIC Account and all amounts standing to the credit of the Transaction Account to the replacement Transaction Account (II) immediately transfer all amounts standing to the credit of the Reserve Account to the replacement Reserve Account or (III) immediately transfer all amounts standing to the credit of the Swap Collateral Account to the replacement Swap Collateral Account (as applicable).

#### 4.6 Third Party Amounts

The Cash Manager shall withdraw any Third Party Amounts (to the extent identified) on a daily basis from the GIC Account (provided that there are sufficient funds standing to the credit of the GIC Account to meet such payment) to make payment to the persons entitled thereto except where such payments have already been provided for elsewhere.

#### 4.7 Ledgers

- (a) The Cash Manager shall open and maintain in the books of the Issuer certain Ledgers to be known as:
- (i) the Principal Ledger;
  - (ii) the Revenue Ledger;
  - (iii) the General Reserve Ledger;
  - (iv) (upon the establishment of the Liquidity Reserve Fund) the Liquidity Reserve Ledger; and
  - (v) the Issuer Profit Ledger,

and all the foregoing Ledgers shall together reflect the aggregate of all amounts of cash standing to the credit of the GIC Account and the Reserve Account and all amounts invested in Authorised Investments purchased from amounts standing to the credit of the GIC Account or the Reserve Account from time to time.

- (b) The Cash Manager shall also open and maintain in the books of the Issuer the **Principal Deficiency Ledgers**, which record deficiencies arising from Losses on the Portfolio and allocated against each Class of Notes and corresponding drawings from the Liquidity Reserve Fund (if established) and Principal Receipts used to pay a Revenue Deficiency. The Principal Deficiency Ledgers will record as a credit Available Revenue Receipts applied pursuant to items (g) and (i) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).
- (c) For the avoidance of doubt, the Ledgers will not be required to be kept in physical form and where it is expressed in the Transaction Documents that amounts are standing to the credit of the relevant Ledger this means that amounts can be identified as being of the particular nature to be recorded on such Ledger.
- (d) The Cash Manager shall make credits and debits to the Ledgers in accordance with **Schedule 2** (Cash Management and Maintenance of Ledgers).

#### 4.8 Transfers to the Transaction Account

On each Interest Payment Date, the Cash Manager will transfer (i) each of the Amortisation General Reserve Release Amount and the General Reserve Required Debit Amount in respect of such Interest Payment Date (if any), (ii) amounts standing to the credit of the Liquidity Reserve Fund on the Reserve Account and (iii) amounts standing to the credit of the GIC Account (in the case of (ii) and (iii), to the extent required to constitute Available Revenue Receipts and Available Principal Receipts on such Interest Payment Date) for application by the Issuer (or the Cash Manager on its behalf) in accordance with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments on such Interest Payment Date. The Cash Manager may only transfer funds from the Reserve Account or the GIC Account to the Transaction Account on an

Interest Payment Date for such purpose and no amounts may remain standing to the credit of the Transaction Account following the application of Available Revenue Receipts and Available Principal Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments on any Interest Payment Date.

#### **4.9 Use of the Reserve Account**

On the occurrence of an Account Bank Termination Event (other than an Account Bank Termination Event arising under **Clause 9.1(ii)** of the Bank Account Agreement), the Cash Manager shall consider taking appropriate steps to move any money standing to the credit of the GIC Account and (if applicable) the Transaction Account to the Reserve Account or such other account to be opened in the name of the Issuer with an institution that has the Account Bank Rating. If amounts standing to the credit of the GIC Account and/or the Transaction Account are transferred to the Reserve Account all references in this Cash Management Agreement and the Transaction Documents to the GIC Account and the Transaction Account shall be construed as a reference to the Reserve Account, provided that (A) any monies transferred to the Reserve Account in accordance with this **Clause 4.9**, shall not be credited to the General Reserve Ledger or the Liquidity Reserve Ledger on the Reserve Account; (B) nothing herein shall require the Reserve Account Bank to pay any guaranteed rate of interest on amounts standing to the credit of the Reserve Account other than in accordance with the provisions of the Reserve Account Agreement and (C) the provisions of **Clause 4.8** (Transfers to the Transaction Account) shall not apply to any monies transferred from the GIC Account and/or the Transaction Accounts to the Reserve Account in accordance with this **Clause 4.9**. For the avoidance of doubt where the Cash Manager, has elected to move money standing to the credit of the GIC Account and/or the Transaction Account to the Reserve Account in accordance with this **Clause 4.9** then on and from the date on which monies standing to the credit of the GIC Account and the Transaction Account are transferred to the Reserve Account, until directed otherwise by the Cash Manager, all money to be transferred from the Collection Account shall be paid directly to the Reserve Account and Available Revenue Receipts and Available Principal Receipts to be applied in accordance with the Priority of Payments on each Interest Payment Date shall be paid directly from the Reserve Account, in each case until determined otherwise by the Cash Manager.

### **5. PAYMENTS UNDER AND TERMINATION OF THE INTEREST RATE SWAP AGREEMENT**

- 5.1 The Issuer, or the Cash Manager on its behalf, will procure that on each relevant Interest Payment Date amounts received from the Interest Rate Swap Provider under the Interest Rate Swap Agreement (other than amounts excluded pursuant to (i), (ii), (iii) and (iv) of paragraph (c) of the definition of Available Revenue Receipts) will be included in the Available Revenue Receipts and applied by the Cash Manager, on behalf of the Issuer, in accordance with the Pre-Acceleration Revenue Priority of Payments.
- 5.2 If on or prior to the date of the earlier of (a) the reduction of the aggregate Principal Amount Outstanding of the Notes to zero or (b) the service of a Note Acceleration Notice, the Interest Rate Swap Agreement is terminated, the Cash Manager (on behalf of the Issuer) shall use reasonable endeavours to purchase a replacement swap (taking into account any early termination payment received from or payable to the Interest Rate Swap Provider) against fluctuations in the fixed rates of interest payable on the Loans in the Portfolio and a rate of interest calculated by reference to One-Month Sterling LIBOR, on terms acceptable to the Issuer and the Security Trustee (acting on the direction of the Note Trustee) and which are acceptable to the relevant Rating Agencies with a swap provider whom the Issuer shall have notified the Rating Agencies and the Rating Agencies have acknowledged receipt of such notification. Any replacement swap premium will be paid to the Interest Rate Swap Provider to the extent required to satisfy any termination payment obligation.

- 5.3 The Cash Manager's obligations under **Clause 5.2** shall be subject to the Issuer having sufficient funds (taking into account any early termination payment received from the Interest Rate Swap Provider) to purchase the requisite replacement swap.

## **6. NO LIABILITY**

Save as otherwise provided in **Clause 3** (Services) of this Agreement and the other Transaction Documents, the Cash Manager shall have no liability for the obligations of either the Security Trustee or the Issuer under any of the Transaction Documents or otherwise and nothing in this Agreement shall constitute a guarantee, or similar obligation, by the Cash Manager of either the Security Trustee or the Issuer in respect of any of such obligations.

## **7. COSTS AND EXPENSES**

Subject to and in accordance with the Pre-Acceleration Revenue Priority of Payments, or, as the case may be, the Post-Acceleration Priority of Payments, the Issuer will on each Interest Payment Date reimburse the Cash Manager for all out-of-pocket costs, expenses and charges (together with any amounts in respect of Irrecoverable VAT due thereon) properly incurred by the Cash Manager in the performance of the Cash Management Services under this Agreement including any such costs, expenses or charges not reimbursed to the Cash Manager on any previous Interest Payment Date and the Cash Manager shall supply the Issuer with a valid VAT invoice issued by the Cash Manager or, if the Cash Manager has treated the relevant cost, expense or charge as a disbursement for VAT purposes, by the person making the supply.

## **8. INFORMATION**

### **8.1 Use of I.T. systems**

- (a) The Cash Manager represents and warrants that at the date hereof in respect of the software which is to be used by the Cash Manager in providing the Cash Management Services under this Agreement it has in place all necessary licences and/or consents from the respective licensor or licensors (if any) of such software.
- (b) The Cash Manager undertakes that it shall for the duration of this Agreement, use reasonable endeavours to:
- (i) ensure that the licences and/or consents required in respect of any software used by the Cash Manager in the provision of the Cash Management Services are maintained in full force and effect; and
  - (ii) except in so far as it would breach any other of its legal obligations, grant to any person to whom it may subcontract or delegate the performance of all or any of its powers and obligations under this Agreement and/or to such person as the Issuer elects as a substitute cash manager in accordance with the terms of this Agreement a licence to use any proprietary software together with any updates which may be made thereto from time to time or use all reasonable endeavours to ensure that such sub-contractor or delegate can access the Cash Manager's software and/or data files insofar as it is necessary for the sub-contractor or delegate to carry out the relevant services.
- (c) The Cash Manager shall use reasonable endeavours to maintain in working order the information technology systems used by the Cash Manager in providing the Cash Management Services under this Agreement.

- (d) The Cash Manager shall pass to any person to whom it may subcontract or delegate the performance of all or any of its powers and obligations under this Agreement and/or to such person as the Issuer elects as a substitute cash manager in accordance with the terms of this Agreement the benefit of any warranties in relation to the software insofar as the same are capable of assignment.

## **8.2 Access to Books and Records**

Subject to all applicable laws, the Cash Manager shall permit the Auditors of the Issuer and any other person nominated by the Security Trustee (to whom the Cash Manager has no reasonable objection) at any time during normal office hours upon reasonable notice to have access, or procure that such person or persons are granted access, to all books of record and account relating to the Cash Management Services provided by the Cash Manager and related matters in accordance with this Agreement.

## **8.3 Statutory Obligations**

Without prejudice to the role of and in conjunction with the Corporate Services Provider under the Corporate Services Agreement, the Cash Manager will use its reasonable endeavours, on behalf of the Issuer, to prepare or procure the preparation of and file all reports, annual returns, financial statements, statutory forms and other returns which the Issuer is required by law to prepare and file. Subject to approval thereof by the directors of the Issuer, the Cash Manager shall cause such accounts to be audited by the Auditors and shall procure so far as it is able so to do that the Auditors shall make a report thereon as required by law and copies of all such documents shall be delivered to the Security Trustee, the Issuer and the Rating Agencies as soon as practicable after the end of each accounting reference period of the Issuer.

## **8.4 Information Covenants**

- (a) With the assistance of the Servicer, the Cash Manager shall provide the Issuer, the Security Trustee, the Seller and the Rating Agencies with a monthly Investor Report in respect of the Issuer and substantially in the form set out in **Schedule 3** (Form of Monthly Report), or in such other form reasonably acceptable to the recipients thereof. Each such monthly report shall be delivered to the Issuer, the Security Trustee, the Seller and the Rating Agencies within ten (10) Business Days of each Monthly Pool Date and posted on the following website: [www.ybs.co.uk](http://www.ybs.co.uk) on or around the end of each calendar month and as such the Investor Report will be available to, amongst others, the Class A Noteholders and the Interest Rate Swap Provider.
- (b) The Cash Manager shall provide, or procure the provision of, to the Issuer, the Security Trustee and the Rating Agencies copies of any annual returns or financial statements referred to in **Clause 8.3** (Statutory Obligations) as soon as reasonably practicable after the preparation thereof upon the request of any such person.
- (c) The Cash Manager shall notify the Rating Agencies and the Security Trustee in writing as soon as reasonably practicable of the details of:
  - (i) any material amendment to the Transaction Documents to which it is a party; and
  - (ii) any other information relating to the Cash Manager as the Rating Agencies may reasonably request and the Security Trustee may request and which the Cash Manager can reasonably obtain in connection with its obligations under this Agreement, provided that the Security Trustee shall not make such a request more than once every three months unless the Security Trustee, acting on the instructions of the Note Trustee (the Note Trustee acting in the interests of the Noteholders), considers it reasonable to do so or an Event of Default or a Cash Manager Termination Event has occurred and is continuing, and provided further that

such request does not adversely interfere with the Cash Manager's day to day provision of the Cash Management Services under the other terms of this Agreement.

## **9. REMUNERATION**

### **9.1 Fees payable**

So long as YBS or any member of the YBS Group is acting as Cash Manager, the Issuer shall pay to the Cash Manager for the Cash Management Services a cash management fee of 0.01 per cent. per annum on the aggregate Current Balance of the Loans in the Portfolio as determined on the preceding Calculation Date. Any sum (or other consideration) payable (or provided) by the Issuer to YBS (or any member of the YBS Group) acting as Cash Manager pursuant to this Agreement shall be deemed to be inclusive of VAT, if any, chargeable on any supply for which the cash management fee is the consideration (in whole or part) for VAT purposes. Section 89 of the Value Added Tax Act 1994 shall not apply to affect the amount of the cash management fee paid by the Issuer to the Cash Manager pursuant to this **Clause 9.1** (Fees payable). If a replacement cash manager from outside the YBS Group is appointed in accordance with the terms of this Agreement, the Issuer shall pay the replacement cash manager for its services hereunder a fee to be determined at the time of such appointment in accordance with the provisions of this Agreement.

### **9.2 Payment of fee**

The relevant portion of the cash management fee referred to in **Clause 9.1** (Fees payable) shall be paid to the Cash Manager in arrears on each Interest Payment Date in the manner contemplated by and in accordance with the provisions of the Pre-Acceleration Revenue Priority of Payments or, as the case may be, the Post-Acceleration Priority of Payments.

## **10. COVENANTS OF CASH MANAGER**

### **10.1 Covenants**

The Cash Manager hereby covenants with and undertakes to each of the Issuer and the Security Trustee that without prejudice to any of its specific obligations under this Agreement:

- (a) it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions under this Agreement;
- (b) it will comply with any proper directions, orders and instructions which the Issuer or, following delivery of a Note Acceleration Notice, the Security Trustee may from time to time give to it in accordance with the provisions of this Agreement and, in the event of any conflict between directions from the Issuer and directions from the Security Trustee, the directions of the Security Trustee shall prevail;
- (c) it will use its reasonable endeavours to keep in force all licences, approvals, authorisations and consents which may be necessary in connection with the performance of the Cash Management Services under this Agreement and prepare and submit all necessary applications and requests for any further approval, authorisation, consent or licence required in connection with the performance of the Cash Management Services under this Agreement;
- (d) save as otherwise agreed with the Issuer and the Security Trustee, it will provide free of charge to the Issuer during normal office hours office space, facilities, equipment and staff sufficient to enable the Issuer to perform its obligations under this Agreement;

- (e) it will not knowingly fail to comply with any legal requirements in the performance of the Cash Management Services under this Agreement;
- (f) it will make all payments required to be made by it pursuant to this Agreement on the due date for payment thereof for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim; and
- (g) it will not, without the prior written consent of the Security Trustee, amend or terminate any of the Transaction Documents to which it is a party save in accordance with their terms.

## **10.2 Duration of covenants**

The covenants of the Cash Manager in **Clause 10.1** (Covenants) shall remain in force until this Agreement is terminated but without prejudice to any right or remedy of the Issuer and/or the Security Trustee arising from breach of any such covenant prior to the date of termination of this Agreement.

## **11. NON-EXCLUSIVITY**

Nothing in this Agreement shall prevent the Cash Manager from rendering or performing services similar to those provided for in this Agreement to or for itself or other persons, firms or companies or from carrying on business similar to or in competition with the business of the Issuer or the Security Trustee.

## **12. TERMINATION**

### **12.1 Cash Manager Termination Events**

- (a) If any of the following events (**Cash Manager Termination Events**) shall occur:
  - (i) default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under this Agreement and such default continues unremedied for a period of seven (7) Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of a Note Acceleration Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
  - (ii) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under this Agreement, which in the reasonable opinion of the Note Trustee as notified to the Security Trustee is materially prejudicial to the interests of the Noteholders (subject to **Clause 24.6** (Interests of Secured Creditors) of the Deed of Charge) and such default continues unremedied for a period of thirty (30) Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of a Note Acceleration Notice) the Security Trustee, as the case may be, requiring the same to be remedied;
  - (iii) an Insolvency Event occurs in respect of the Cash Manager; or
  - (iv) a third party has commenced providing cash management services pursuant to any back-up cash management agreement as contemplated in **Clause 13** (Appointment of a Replacement Cash Manager on Downgrade),



then the Issuer, prior to the delivery of a Note Acceleration Notice (with the written consent of the Security Trustee) or, following the delivery of a Note Acceleration Notice, the Security Trustee may, at once or at any time thereafter while such default continues by notice in writing to the Cash Manager terminate its appointment as Cash Manager under this Agreement with effect from a date (not earlier than the date of the notice) specified in the notice.

- (b) The Cash Manager shall notify the Issuer and Security Trustee as soon as reasonably practicable but in any event within seven (7) Business Days of becoming aware of a Cash Manager Termination Event.
- (c) Upon termination of the appointment of the Cash Manager pursuant to this **Clause 12.1**, the Issuer shall use reasonable endeavours to appoint a substitute cash manager (but shall have no liability to any person in the event that, having used reasonable endeavours, it is unable to appoint a substitute cash manager).
- (d) Any substitute cash manager:
  - (i) must agree to enter into an agreement substantially on the same terms as the relevant provisions of this Agreement or on such terms as are satisfactory to the Issuer and the Security Trustee; and
  - (ii) must be a party that the Rating Agencies have previously confirmed in writing to the Issuer and the Security Trustee will not cause the then current ratings of the Class A Notes to be adversely affected; and
  - (iii) will be subject to the prior written approval of the Security Trustee.

## **12.2 Resignation of Cash Manager**

The appointment of the Cash Manager under this Agreement may be terminated upon the expiry of not less than 12 months' written notice of termination given by the Cash Manager to the Issuer, the Seller and the Security Trustee without providing any reason therefor and without being responsible for any liability incurred by reason thereof unless such liability arises as a result of its own negligence, wilful default or fraud or from any breach by the Cash Manager of its obligations under this Agreement (or such shorter time as may be agreed between the Cash Manager, the Issuer, the Seller and the Security Trustee) provided that:

- (a) a substitute cash manager shall be appointed, such appointment to be effective not later than the date of such termination;
- (b) such substitute cash manager has the requisite cash management experience to perform the functions to be given to it under this Agreement and is approved in writing by the Issuer and the Security Trustee;
- (c) such substitute cash manager enters into an agreement substantially on the same terms as the relevant provisions of this Agreement (or on such terms as are satisfactory to the Issuer and the Security Trustee) and the Cash Manager shall not be released from its obligations under the relevant provisions of this Agreement until such substitute cash manager has entered into such new agreement and the rights of the Issuer under such agreement are charged in favour of the Security Trustee on terms satisfactory to the Security Trustee; and
- (d) (if Notes remain outstanding) the then current ratings of the Class A Notes are not adversely affected as a result thereof, unless the Noteholders otherwise agree by an Extraordinary Resolution.

### **12.3 Effect of Termination**

- (a) Subject to the provisions of **Clause 12.2(c)**, on and after termination of the appointment of the Cash Manager under this Agreement pursuant to this **Clause 12**, all authority and power of the Cash Manager under this Agreement shall be terminated and be of no further effect and the Cash Manager shall not thereafter hold itself out in any way as the agent of the Issuer pursuant to this Agreement.
- (b) Upon termination of the appointment of the Cash Manager under this Agreement pursuant to this **Clause 12**, the Cash Manager shall:
  - (i) forthwith deliver (and in the meantime hold on trust for, and to the order of, the Issuer or, following the delivery of a Note Acceleration Notice, the Security Trustee, as the case may be) to the Issuer or the Security Trustee, as the case may be, or as the Issuer or the Security Trustee shall direct (and in the event of a conflict between directions from the Issuer and directions from the Security Trustee, the directions of the Security Trustee shall prevail) in writing, all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belongings of the Issuer (if practicable, on the date of receipt) any monies then held by the Cash Manager on behalf of the Issuer, the Security Trustee and any other assets of the Issuer and the Security Trustee;
  - (ii) take such further action as the Issuer or the Security Trustee, as the case may be, may reasonably direct (and in the event of a conflict between directions from the Issuer and directions from the Security Trustee, the directions of the Security Trustee shall prevail), in each case at the expense of the Issuer (including in relation to the appointment of a substitute cash manager), provided that the Issuer or the Security Trustee, as the case may be, shall not be required to take or direct to be taken such further action unless it has been indemnified and/or secured to its satisfaction;
  - (iii) provide all relevant information contained on computer records in the form of CD-ROM, DVD or other suitable electronic medium together with details of the layout of the files encoded on such relevant electronic medium; and
  - (iv) co-operate and consult with and assist the Issuer or the Security Trustee or its nominee, as the case may be, (which shall, for the avoidance of doubt, include any Receiver appointed by it) for the purposes of explaining the file layouts and the format of the CD-ROM, DVD or other suitable relevant electronic medium generally containing such computer records on the computer system of the Issuer or the Security Trustee or such nominee, as the case may be.

### **12.4 Notice of Cash Manager Termination Event, Event of Default**

The Cash Manager shall deliver to the Issuer and the Security Trustee as soon as reasonably practicable but in any event within seven (7) Business Days of becoming aware thereof a notice of any Cash Manager Termination Event, Event of Default or any event which with the giving of notice or expiry of any grace period or certification, as specified in such Cash Manager Termination Event would constitute the same.

### **12.5 General provisions relating to termination**

- (a) Termination of this Agreement or the appointment of a substitute cash manager under this Agreement shall be without prejudice to the liabilities of the Issuer to the Cash Manager or vice versa incurred before the date of such termination. The Cash Manager shall have no right of set-off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer or the Security Trustee.

- (b) Unless terminated earlier pursuant to this **Clause 12**, this Agreement shall terminate automatically at such time as the Secured Obligations have been fully discharged.
- (c) On termination of the appointment of the Cash Manager under the provisions of this **Clause 12**, the Cash Manager shall be entitled to receive all fees and other monies accrued up to (but excluding) the date of termination but shall not be entitled to any other or further compensation. The Issuer shall pay such monies so receivable by the Cash Manager in accordance with the Pre-Acceleration Revenue Priority of Payments or, as the case may be, the Post-Acceleration Priority of Payments, on the dates on which they would otherwise have fallen due hereunder. Such termination shall not affect YBS's rights to receive payment of all amounts (if any) due to it from the Issuer other than in its capacity as Cash Manager under this Agreement.
- (d) Any provision of this Agreement which is stated to continue after termination of this Agreement shall remain in full force and effect notwithstanding termination.

### **13. APPOINTMENT OF A REPLACEMENT CASH MANAGER ON DOWNGRADE**

The Cash Manager undertakes that, on the Cash Manager ceasing to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Baa3 (or (i) such other lower rating which is consistent with the then current rating methodology of Moody's or (ii) such other lower rating that the Cash Manager certifies in writing to the Note Trustee and the Security Trustee would not have an adverse effect on the ratings of the Class A Notes or (iii) such other lower rating as the Note Trustee may (but shall not be obliged to) agree it will use best efforts to enter into a back-up cash management agreement with a suitably experienced third party acceptable to the Issuer within sixty (60) days of the Cash Manager ceasing to be assigned such ratings. The Cash Manager shall, on behalf of the Issuer, make a draft of the back-up cash management agreement available to the Rating Agencies prior to its execution.

For the avoidance of doubt, if after using best efforts to enter into such a back-up cash management agreement, the Cash Manager is unable to find a suitable third party willing to act as a back-up cash manager, this shall not constitute any breach of the provision above.

### **14. FURTHER ASSURANCE**

#### **14.1 Co-operation, etc.**

The parties to this Agreement agree that they will co-operate fully to provide all such information and to do all such further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Agreement or any Transaction Document.

#### **14.2 Powers of attorney**

Without prejudice to the generality of **Clause 14.1** (Co-operation, etc.), the Issuer shall upon request by the Cash Manager forthwith give to the Cash Manager such further powers of attorney or other written authorisations, mandates or instruments as are necessary to enable the Cash Manager to perform the Cash Management Services under this Agreement.

#### **14.3 Change of Security Trustee**

In the event that there is any change in the identity of the Security Trustee or an additional security trustee is appointed in accordance with the Deed of Charge, the Cash Manager shall execute such documents with any other parties to this Agreement and take such actions as such new security trustee may require for the purposes of vesting in such new security trustee the rights of the Security

Trustee under this Agreement and under the Deed of Charge and releasing the retiring Security Trustee from further obligations thereunder.

## **15. MISCELLANEOUS**

### **15.1 No set-off**

The Cash Manager agrees that it will not:

- (a) set-off or purport to set-off any amount which either the Issuer is or will become obliged to pay to it under this Agreement against any amount from time to time standing to the credit of or to be credited to any Bank Account or any replacement or additional bank account of the Issuer; or
- (b) make or exercise any claims or demands, any rights of counterclaim or any other equities against or withhold payment of any and all sums of money which may at any time and from time to time be standing to the credit of any Bank Account or any replacement or additional bank account of the Issuer.

### **15.2 No Petition**

- (a) The Cash Manager hereby, in addition to and without prejudice to its rights and obligations as a Secured Creditor (including, without limitation, pursuant to **Clause 21.1** (No Enforcement by Secured Creditors) of the Deed of Charge), agrees that it shall not take any steps whatsoever to recover any amount due or owing to it pursuant to this Agreement or any other debts whatsoever owing to it by the Issuer, or procure the winding-up or liquidation of the Issuer or the making of an administration order in relation to the Issuer or the filing of documents with the court in relation to the Issuer or the service of a notice of intention to appoint an administrator in relation to the Issuer in respect of any of the liabilities of the Issuer whatsoever other than to the extent expressly permitted under the Deed of Charge.
- (b) This **Clause 15.2** shall survive the termination of this Agreement.

### **15.3 No recourse**

- (a) The Cash Manager hereby acknowledges and agrees that all obligations of the Issuer to the Cash Manager in respect of amounts owing to the Cash Manager pursuant to this Agreement are subject to the terms of **Clause 21.2** (Limited Recourse) of the Deed of Charge.
- (b) For the avoidance of doubt, the Security Trustee shall not be liable to pay any amounts due under **Clauses 7** (Costs and Expenses) and **9** (Remuneration) and without prejudice to the obligations of the Issuer, nor shall it be liable to pay any amounts due to any Receiver appointed pursuant to the Deed of Charge in respect of such amounts.
- (c) This **Clause 15.3** shall survive the termination of this Agreement.

## **16. CONFIDENTIALITY**

During the continuance of this Agreement or after its termination, each of the Issuer, the Cash Manager and the Security Trustee shall use its best endeavours not to disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any other party to this Agreement of which it may exclusively by virtue of being party to the Transaction Documents have become possessed and shall use all reasonable

endeavours to prevent any such disclosure as aforesaid, provided that the provisions of this **Clause 16** shall not apply:

- (a) to any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents;
- (b) to any information subsequently received by the recipient which it would otherwise be free to disclose;
- (c) to any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient;
- (d) to any extent that the recipient is required to disclose the same pursuant to any law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other authority (including, without limitation, any official bank examiners or regulators);
- (e) to the extent that the recipient needs to disclose the same for determining the existence of, or declaring, an Event of Default or a Cash Manager Termination Event, the protection or enforcement of any of its rights under any of the Transaction Documents or in connection herewith or therewith or for the purpose of discharging, in such manner as it thinks fit, its duties or functions under or in connection with such agreements in each case to such person as is required to be informed of such information for such purposes; or
- (f) in relation to any information disclosed to the professional advisers of the recipient or (in connection with a prospective rating of any debt to be issued by the Issuer) to any Rating Agency or any prospective new cash manager or prospective new security trustee under the Deed of Charge.

## **17. NOTICES**

Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 5.00 p.m. (London time) on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business Day or (in the case of first class post) when it would be received in the ordinary course of the post and shall be sent:

- (a) in the case of the Cash Manager to: Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, BD5 8LJ (facsimile number +44 (0)1 2743 91858) for the attention of Treasury Operations Manager;
- (b) in the case of the Issuer to: Brass No.4 PLC, Fifth Floor, c/o Wilmington Trust SP Services (London) Limited, Third Floor, 1 King's Arms Yard, London EC2R 7AF (facsimile number +44 (0)20 7397 3601) for the attention of The Directors, with a copy to Accord Mortgages Limited, c/o Yorkshire Building Society, Yorkshire House, Yorkshire Drive, Bradford, West Yorkshire BD5 8LJ for the attention of Treasury Operations Manager; and
- (c) in the case of the Security Trustee to: U.S. Bank Trustees Limited, 125 Old Broad Street, Fifth Floor, London EC2N 1AR for the attention of Structured Finance Relationship Management (facsimile number +44 (0)20 7365 2577),

or to such other address or facsimile number or for the attention of such other person or entity as may from time to time be notified by any party to the others by written notice in accordance with the provisions of this **Clause 17**.

## **18. AMENDMENT, VARIATION AND WAIVER**

Subject to **Clauses 24.7** (Modification to Transaction Documents) and **24.8** (Additional right of modification) of the Deed of Charge, no amendment to, or variation or waiver or novation of, this Agreement or any provision(s) shall be effective unless it is in writing and signed by (or by some person duly authorised by) each of the parties hereto. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right. The parties hereto agree that variations shall be made to this Agreement in accordance with **Clauses 24.7** (Modification to Transaction Documents) and **24.8** (Additional right of modification) of the Deed of Charge.

## **19. ASSIGNMENT**

### **19.1 Assignment by the Issuer**

The Issuer may not assign or transfer any of its rights and obligations under this Agreement without the prior written consent of each of the Security Trustee and the Cash Manager, except that the Issuer may assign its rights hereunder without such consent pursuant to the Deed of Charge.

### **19.2 No assignment by Cash Manager**

Subject to **Clause 3.2** (Sub-Contracts), the Cash Manager may not assign or transfer any of its rights and obligations under this Agreement without the prior written consent of the Issuer and the Security Trustee, such consent not to be unreasonably withheld.

### **19.3 Assignment by the Security Trustee**

The Security Trustee may assign or transfer its rights under this Agreement to any additional or successor Security Trustee appointed pursuant to the terms of the Deed of Charge.

## **20. ROLE OF SECURITY TRUSTEE**

### **20.1 No responsibility for information**

The Security Trustee shall not have any responsibility for the accuracy and/or completeness of any information supplied in connection with this Agreement other than information supplied directly by the Security Trustee.

### **20.2 No duty to monitor**

The Security Trustee shall not have any duty to monitor or supervise the performance by the Cash Manager of its duties and obligations under this Agreement or any other Transaction Document (and the Security Trustee shall be entitled to assume that the Cash Manager is performing its duties and obligations thereunder until it has actual knowledge to the contrary) nor shall the Security Trustee be in any way liable for any Liability suffered by any party hereto or any other party resulting from the acts or omissions of the Cash Manager or any of its agents, sub-contractors, representatives or delegates in the discharge of any of the duties and obligations the Cash Manager is obliged to perform as the agent of, among others, the Security Trustee.

### **20.3 Role of the Security Trustee**

- (a) The Security Trustee has agreed to become a party to this Agreement only for the purpose of taking the benefit of contractual provisions expressed to be given in its favour, enabling better preservation and enforcement of its rights under this Agreement and the Deed of Charge and for administrative ease associated with matters where its consent is required. The Security Trustee shall not assume any liabilities or obligations under this Agreement.
- (b) All the provisions of the Deed of Charge and the Trust Deed relating to the exercise by the Security Trustee of its powers, trusts, authorities, duties, rights and discretions shall apply, *mutatis mutandis*, to the discharge by the Security Trustee of its powers, trusts, authorities, duties, rights and discretions under this Agreement.

### **21. EXCLUSION OF THIRD PARTY RIGHTS**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

### **22. COUNTERPARTS**

This Agreement may be executed in any number of counterparts (manually or by facsimile) each of which, when executed and delivered, shall constitute an original, but all the counterparts shall together constitute but one and the same instrument provided, however, that this Agreement shall have no force or effect until it is executed by the last party to execute the same and shall be deemed to have been executed and delivered in the place where such last party executed this Agreement.

### **23. GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, the laws of England.

### **24. SUBMISSION TO JURISDICTION**

Each party to this Agreement hereby irrevocably submits to the exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Agreement (including a dispute relating to any non-contractual obligations in connection with this Agreement), and hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined by such courts. Each party to this Agreement hereby irrevocably waives, to the fullest extent it may possibly do so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

**IN WITNESS WHEREOF** the parties have caused this Agreement to be executed the day and year first before written.

## SCHEDULE 1

### CASH MANAGEMENT SERVICES

1. The Cash Manager's principal function will be to effect payments to and from the Bank Accounts. In particular, the Cash Manager will:
  - (a) operate the GIC Account, the Transaction Account, the Swap Collateral Account(s), the Reserve Account and any additional account(s) and ensure that payments are made into and from such accounts in accordance with this Agreement, the Bank Account Agreement, the Reserve Account Agreement, the Deed of Charge, the Interest Rate Swap Agreement and any other relevant Transaction Documents, provided that nothing herein shall require the Cash Manager to make funds available to the Issuer to enable such payments to be made other than as expressly required by the provisions of this Agreement;
  - (b) apply, or cause to be applied, Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments;
  - (c) if required by the Security Trustee, apply, or cause to be applied, Available Revenue Receipts and Available Principal Receipts in accordance with the Post-Acceleration Priority of Payments;
  - (d) record credits to, and debits from, the General Reserve Ledger, the Principal Ledger, the Revenue Ledger, the Liquidity Reserve Ledger (if any), the Principal Deficiency Ledgers, and the Issuer Profit Ledger as and when required; and
  - (e) make withdrawals (when necessary) from the GIC Account to pay any amounts which properly belong to third parties,

in each case in accordance with the Conditions and the other Transaction Documents.
2. The Cash Manager shall also:
  - (a) maintain the following ledgers on behalf of the Issuer:
    - (i) the **Principal Ledger**, which shall record (i) as a credit, all Principal Receipts received by the Issuer and (ii) as a debit, the distribution of the Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments or the Post-Acceleration Priority of Payments (as applicable);
    - (ii) the **Revenue Ledger**, which shall record (i) as a credit, all Revenue Receipts received by the Issuer and (ii) as a debit, the payment of the distribution of the same in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Acceleration Priority of Payments (as applicable);
    - (iii) the **General Reserve Ledger**, which shall record (i) all amounts credited to the General Reserve Fund from the proceeds of the Class Z VFN Holder's funding of the Class Z VFN and (ii) as a debit, withdrawals of each of the Amortisation General Reserve Release Amount and the General Reserve Required Debit Amount in relation to an Interest Payment Date (if any) from the General Reserve Ledger on such Interest Payment Date;



- (iv) the **Principal Deficiency Ledger** (comprising two sub-ledgers), which shall record on the Class A Principal Deficiency Ledger and the Class Z VFN Principal Deficiency Ledger (as the case may be) (i) as a debit, deficiencies arising from Losses on the Portfolio, amounts drawn from the Liquidity Reserve Fund (if established) and Principal Receipts used to pay a Revenue Deficiency and (ii) as a credit Available Revenue Receipts applied pursuant to items (g) and (i) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon be applied as Available Principal Receipts); and
  - (v) the **Liquidity Reserve Ledger** which shall record (i) amounts credited to the Liquidity Reserve Fund (if established) from Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments and (ii) as debits, amounts drawn from the Liquidity Reserve Fund (if established) to fund senior expenses and interest payments on the Class A Notes in accordance with the Pre-Acceleration Revenue Priority of Payments; and
  - (vi) the **Issuer Profit Ledger** which shall record as a credit the Issuer Profit Amount retained by the Issuer as profit in accordance with the relevant Priority of Payments.
- (b) provide the Issuer, the Seller, the Security Trustee, the Class A Noteholders, the Interest Rate Swap Provider and the Rating Agencies with the Investor Report and to publish the Investor Report in accordance with **Clause 8.4** (Information Covenants);
  - (c) keep records for all Taxation purposes (including, without limitation, those relating to VAT);
  - (d) subject to any applicable law, assist the Auditors of the Issuer and provide such information to them as they may reasonably request for the purpose of carrying out their duties as auditors of the Issuer;
  - (e) arrange for all payments due to be made by the Issuer under any of the Transaction Documents, provided that such monies are at the relevant time available to the Issuer and provided further that nothing herein shall constitute a guarantee by the Cash Manager of all or any of the obligations of the Issuer under any of the Transaction Documents;
  - (f) on behalf of the Issuer, provided that monies are at the relevant time available to the Issuer, pay all out-of-pocket expenses of the Issuer incurred by the Cash Manager on behalf of the Issuer in the performance of the Cash Manager's duties hereunder including without limitation:
    - (i) all Taxes which may be due or payable by the Issuer;
    - (ii) all necessary filing and other fees in compliance with regulatory requirements;
    - (iii) all legal and audit fees and other professional advisory fees; and
    - (iv) all communication expenses including postage, courier and telephone charges;
  - (g) at its option, invest monies standing to the credit of a Bank Account (other than any Swap Collateral unless with the consent of the Interest Rate Swap Provider) in seven (7) day time deposits (or such longer time periods as may be agreed by the Security Trustee and the Secured Creditors) provided that such seven (7) day period does not include an Interest Payment Date on which such amounts will be required to be applied in accordance with the relevant Priority of Payments;

- (h) invest monies standing from time to time to the credit of a Bank Account (other than any Swap Collateral unless with the consent of the Interest Rate Swap Provider) in Authorised Investments as determined by the Cash Manager in its sole discretion, subject to the following provisions:
  - (i) any such Authorised Investment shall be made in the name of the Issuer;
  - (ii) any costs properly and reasonably incurred in making and changing Authorised Investments will be reimbursed to the Cash Manager by the Issuer; and
  - (iii) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the relevant Bank Account.

The Cash Manager shall not be responsible (save where any loss results from the Cash Manager's own fraud, wilful default or negligence or that of its officers or employees) for any loss occasioned by reason of any such Authorised Investments whether by depreciation in value or otherwise provided that such Authorised Investments were made in accordance with the above provisions;

- (i) (i) if necessary, perform all currency conversions free of charge, cost or expense at the relevant exchange rate; and
  - (ii) for the purposes of any calculations referred to in **subparagraph (i)** above, any currency amounts used in or resulting from such calculations will be rounded in accordance with the relevant market practice;
- (j) arrange payment of all fees to the Irish Stock Exchange or, as applicable, the Central Bank;
- (k) without prejudice to the role of and in conjunction with the Corporate Services Provider under the Corporate Services Agreement, keep general books of account and records of the Issuer, provide accounting services, including reviewing receipts and payments, supervising and assisting in the preparation of interim statements and final accounts, providing such information as is required for the Issuer to comply with its obligations under the Reporting Regulations or any other legislation or regulations implementing any present or future international arrangements of a similar nature for the exchange of financial information between jurisdictions and supervising and assisting in the preparation of or, if requested by the Issuer, preparing tax returns;
- (l) make all filings, give all notices, provide all such information and make all registrations and other notifications required in the day-to-day operation of the business of the Issuer or required to be given by the Issuer pursuant to the Transaction Documents or any statutory obligations;
- (m) make any determinations required to be made under the Interest Rate Swap Agreement, including, without limitation, in relation to a transfer of any rights and obligations of a party to the Interest Rate Swap Agreement to a third party;
- (n) make any determinations and calculations in respect of the Reconciliation Amount, if necessary;
- (o) reallocate any SVR Contractual Difference Amounts from Available Principal Receipts to Available Revenue Receipts;

- (p) if, in relation to any proposed action, it is required to certify to the Note Trustee and the Security Trustee that such action would not have an adverse effect on the rating of the Class A Notes, it will promptly notify the Rating Agencies of such action and put itself in a position to provide the necessary certification; and
- (q) on behalf of the Issuer:
  - (i) perform any Portfolio Reconciliation Risk Mitigation Techniques as may be required in accordance with the requirements of article 11(1) of EMIR;
  - (ii) carry out the reporting requirements set out in article 9 of EMIR in relation to the Interest Rate Swap Agreement and any swap transaction entered into by the Issuer and any ancillary activities to such reporting requirements (in relation to which, the Issuer hereby permits the Cash Manager to delegate all or any part of any such reporting requirements to the Interest Rate Swap Provider or the counterparty to such other swap transaction); and
  - (iii) perform any Dispute Resolution Risk Mitigation Techniques as may be required in accordance with the requirements of article 11(1) of EMIR and the terms of the Interest Rate Swap Agreement and any other relevant swap transaction.

## SCHEDULE 2

### CASH MANAGEMENT AND MAINTENANCE OF LEDGERS

#### 1. Determination

- 1.1 As of each Calculation Date, the Cash Manager shall determine each of the following in accordance with this **paragraph 1**:
- (a) the amount of any Available Principal Receipts, Available Revenue Receipts and Revenue Deficiency for the relevant Interest Payment Date;
  - (b) the Maximum Class Z VFN Amount;
  - (c) the Principal Amount Outstanding of the Notes in accordance with the Conditions;
  - (d) the General Reserve Required Amount, the Amortisation General Reserve Release Amount, the General Reserve Required Debit Amount and, if the Liquidity Reserve Fund has been established, the Liquidity Reserve Fund Required Amount;
  - (e) such other amounts as are required to be determined by the Issuer or Cash Manager in accordance with the Conditions; and
  - (f) certain amounts in relation to the Interest Rate Swap Agreement including, but not limited to, the Fixed Rate Notional Amount.
- 1.2
- (a) On or prior to the Monthly Test Date following the Monthly Period in which an Advance Date occurred, the Cash Manager shall determine whether the Issuer has sufficient funds to pay in full the relevant Further Advance Purchase Price and in the event that the Cash Manager determines that the Issuer has insufficient funds, the Cash Manager will record the amount of such shortfall.
  - (b) The Cash Manager will notify the Issuer and the Servicer on the date falling three (3) Business Days prior to each Interest Payment Date, of the results of any determination made under **paragraph 1.2(a)** above.
- 1.3
- (a) The Cash Manager may make all the determinations referred to in **paragraphs 1.1** and **1.2** on the basis of any reasonable and proper assumptions as the Cash Manager considers appropriate.
  - (b) The Cash Manager shall on request notify the Issuer and the Security Trustee in writing of any such other assumptions and shall take account of any representations made by the Issuer in relation thereto.
  - (c) The Cash Manager shall notify the Interest Rate Swap Provider of the Pool Factor (which shall be determined under **paragraph 1.1(e)** above) at the same time as it notifies the Issuer of the same in accordance with the Conditions.
- 1.4 The Cash Manager will make any other determinations and calculations required to be made by the Issuer under the Interest Rate Swap Agreement.
- 1.5 Each determination made in accordance with this **paragraph 1** shall (in the absence of fraud, wilful default, negligence and/or manifest error) be final and binding on all persons.

## 2. Notification of Determinations

- 2.1 The Cash Manager will cause each determination of Available Revenue Receipts and Available Principal Receipts to be notified three (3) Business Days prior to each Interest Payment Date to the Issuer, and, in relation to any calculations under **paragraph 1.1(f)** above, to be notified three (3) Business Days prior to each Interest Payment Date to the Issuer, the Security Trustee, and the Interest Rate Swap Provider.
- 2.2 The Cash Manager shall procure that the determinations and notifications required to be made pursuant to Condition 5 (*Interest*) of the Notes are made.
- 2.3 If on a Calculation Date, it is determined that the Available Revenue Receipts applied in accordance with the Pre-Acceleration Revenue Priority of Payments would have been insufficient to satisfy in full the charges due to the Reserve Account Bank and debited in accordance with **Clause 3.3(a)** (Bank Charges) of the Reserve Account Agreement or, following service of a Note Acceleration Notice, there are insufficient funds available to the Issuer to satisfy in full the charges due to the Reserve Account Bank and debited in accordance with **Clause 3.3(a)** (Bank Charges) of the Reserve Account Agreement, the Cash Manager shall notify the Reserve Account Bank of the occurrence of such event.

## 3. General Reserve Fund and General Reserve Ledger

- 3.1 On the Closing Date, the Issuer will establish the General Reserve Fund. The Cash Manager on behalf of the Issuer will fund the General Reserve Fund from the proceeds of the Class Z VFN in the sum of £29,840,000 as at the Closing Date. The General Reserve Fund will be deposited in the Reserve Account (with a corresponding credit recorded to the General Reserve Ledger).
- 3.2 Following the Closing Date, to the extent required to ensure that the Asset Conditions are satisfied from time to time and to the extent that amounts standing to the credit of the General Reserve Fund are less than the General Reserve Required Amount, the Cash Manager on behalf of the Issuer will fund the General Reserve Fund up to the General Reserve Required Amount from the proceeds of a further funding by the Class Z VFN Holder's under the Class Z VFN.
- 3.3 On each Interest Payment Date, the Cash Manager will replenish the General Reserve Fund from Available Revenue Receipts in accordance with the provisions of the Pre-Acceleration Revenue Priority of Payments up to the General Reserve Required Amount.
- 3.4 On each Interest Payment Date and prior to the transfer of monies from the Issuer to the Principal Paying Agent in relation to, *inter alia*, the payment of principal and interest in respect of the Notes pursuant to **clause 5.2 (Manner and time of payment)** of the Agency Agreement, the Cash Manager will transfer each of the Amortisation General Reserve Release Amount and the General Reserve Required Debit Amount in respect of such Interest Payment Date (if any) from the Reserve Account to the Transaction Account to be applied in accordance with the relevant Priority of Payments. Amounts standing to the credit of the Liquidity Reserve Fund will be withdrawn from the Reserve Account as required.
- 3.5 On and from the Interest Payment Date that all amounts in respect of the Class A Notes have been fully repaid or otherwise redeemed in full, the Issuer shall not be required to maintain the General Reserve Fund, the General Reserve Required Amount will be reduced to zero and any amounts held in the General Reserve Fund will form part of Available Revenue Receipts and will be applied in accordance with the Pre-Acceleration Revenue Priority of Payments.

3.6 Following service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the General Reserve Ledger will be applied in accordance with the Post-Acceleration Priority of Payments.

#### **4. Liquidity Reserve Fund and Liquidity Reserve Ledger**

4.1 On the date on which YBS ceases to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Baa2 or a long-term issuer default rating by Fitch of at least BBB or a short-term issuer default rating by Fitch of at least F2, the Cash Manager on behalf of the Issuer will establish the Liquidity Reserve Fund.

4.2 Following the establishment of the Liquidity Reserve Fund, the Cash Manager on behalf of the Issuer will apply Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments to fund the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount.

4.3 Following the establishment of the Liquidity Reserve Fund but prior to service of a Note Acceleration Notice on the Issuer, on each Interest Payment Date, if following the application of the amounts standing to the credit of the Principal Ledger there remains a Revenue Deficiency then the Cash Manager on behalf of the Issuer will apply monies standing to the credit of the Liquidity Reserve Fund as at the end of the immediately preceding Collection Period to make payments of items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments to the extent required.

4.4 On any Interest Payment Date where the Cash Manager on behalf of the Issuer draws an amount from the Liquidity Reserve Fund (if established), the Cash Manager shall record a corresponding debit to the Principal Deficiency Ledger in an amount equal to such amount drawn from the Liquidity Reserve Fund (if established).

4.5 Following the establishment of the Liquidity Reserve Fund and the service of a Note Acceleration Notice on the Issuer, the Cash Manager on behalf of the Issuer will apply monies standing to the credit of the Liquidity Reserve Ledger in accordance with the Post-Acceleration Priority of Payments.

#### **5. Principal Deficiency Ledger**

5.1 On the Closing Date, the Cash Manager will establish a Principal Deficiency Ledger with the following sub-ledgers:

- (a) the Class A Principal Deficiency Ledger (the **Class A Principal Deficiency Ledger**); and
- (b) the Class Z VFN Principal Deficiency Ledger (the **Class Z VFN Principal Deficiency Ledger**).

5.2 The Cash Manager will use the Principal Deficiency Ledger to record (i) Losses on the Portfolio, (ii) drawings made on the Liquidity Reserve Fund (if established) with Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments and (iii) the use of any Principal Receipts as Available Revenue Receipts (together, the **Principal Deficiencies**).

5.3 Any Principal Deficiency shall be debited:

- (a) *first*, to the Class Z VFN Principal Deficiency Ledger up to a maximum of the Class Z VFN Principal Deficiency Limit; and

(b) *second*, to the Class A Principal Deficiency Ledger so long as the debit balance on such ledger is less than the Principal Amount Outstanding of the Class A Notes.

5.4 If the Cash Manager makes any payments or provisions pursuant to **paragraph 6.2** below, the Cash Manager will debit the corresponding amount from the relevant Principal Deficiency Ledger. The Cash Manager shall make such debit prior to the application of Available Principal Receipts on the relevant Interest Payment Date.

5.5 The Cash Manager shall reduce amounts allocated to each Principal Deficiency Ledger to the extent of Available Revenue Receipts available therefor on any Interest Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments. The Cash Manager will apply such amounts in repayment of principal as Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments.

## **6. Use of Principal Receipts to pay Revenue Deficiency**

6.1 On each Calculation Date, the Cash Manager will calculate whether there will be an excess or a deficit of Available Revenue Receipts to pay items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments.

6.2 If the Cash Manager determines that there will be a Revenue Deficiency, then the Cash Manager on behalf of the Issuer will pay or provide for that Revenue Deficiency by the application of amounts standing to the credit of the Principal Ledger.

6.3 If the Cash Manager makes any payments or provisions pursuant to **paragraph 6.2** above, the Cash Manager will debit the corresponding amount from the relevant Principal Deficiency Ledger and will debit the Principal Ledger. Any such entry and debit shall be made and taken into account prior to the application of Available Principal Receipts on the relevant Interest Payment Date.

## **7. Application of Revenue Receipts prior to the service of a Note Acceleration Notice**

On each relevant Interest Payment Date prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Cash Manager, on behalf of the Issuer, shall apply or provide for the application of the Available Revenue Receipts in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Pre-Acceleration Revenue Priority of Payments**):

(a) *first*, in or towards satisfaction pro rata and pari passu according to the respective amounts thereof of:

(i) any fees, costs, charges, liabilities, expenses and all other amounts then due or to become due and payable prior to the immediately following Interest Payment Date to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents together with (if payable) VAT thereon as provided therein; and

(ii) any fees, costs, charges, liabilities, expenses and all other amounts then due or to become due and payable prior to the immediately following Interest Payment Date to the Security Trustee and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;

(b) *second*, in or towards satisfaction pro rata and pari passu according to the respective amounts thereof of:

- (i) any remuneration then due and payable to the Agent Bank and the Paying Agents and any fees, costs, charges, liabilities, expenses and all other amounts then due or to become due and payable prior to the immediately following Interest Payment Date to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
  - (ii) any amounts then due and payable to the Swap Collateral Account Bank and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Swap Collateral Account Bank prior to the immediately following Interest Payment Date under the provisions of the Swap Collateral Bank Account Agreement, together with (if applicable) VAT thereon as provided therein;
  - (iii) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Corporate Services Provider in the immediately succeeding Interest Period under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;
  - (iv) any amounts then due and payable to the Class Z VFN Registrar and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Class Z VFN Registrar in the immediately succeeding Interest Period under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
  - (v) any amounts then due and payable to the Account Bank for itself and on behalf of the GIC Provider and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Account Bank for itself and on behalf of the GIC Provider prior to the immediately following Interest Payment Date under the provisions of the Bank Account Agreement, together with (if applicable) VAT thereon as provided therein; and
  - (vi) any amounts then due and payable to the Reserve Account Bank and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Reserve Account Bank for itself prior to the immediately following Interest Payment Date under the provisions of the Reserve Account Agreement, together with (if applicable) VAT thereon as provided therein;
- (c) *third*, in or towards satisfaction of any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer prior to the immediately following Interest Payment Date and any amounts required to pay or discharge any liability of the Issuer for corporation tax on any income or chargeable gain of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (k) below);
- (d) *fourth*, to provide for amounts due on the relevant Interest Payment Date, to pay, in or towards satisfaction pro rata and pari passu according to the respective amounts thereof of:
- (i) any amounts then due and payable to the Servicer and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Servicer prior to the immediately following Interest Payment Date under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein;



- (ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, liabilities and expenses then due or to become due and payable to the Cash Manager prior to the immediately following Interest Payment Date under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein; and
  - (iii) any amounts then due and payable to the Back-Up Servicer Facilitator and any costs, charges, liabilities and expenses then due and payable to the Back-Up Servicer Facilitator under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;
- (e) *fifth*, to provide for amounts due on the relevant Interest Payment Date, to pay, in or towards satisfaction pro rata and pari passu according to the respective amounts thereof, any amounts due to the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Interest Rate Swap Provider of any Replacement Swap Premium or any excess collateral amounts standing to the credit of the Swap Collateral Account but excluding, if applicable, any related Interest Rate Swap Excluded Termination Amount;
  - (f) *sixth*, to provide for amounts due on the relevant Interest Payment Date, to pay *pro rata* and *pari passu* according to the respective Principal Amount Outstanding thereof interest due and payable on the Class A Notes;
  - (g) *seventh*, to credit (so long as any Class A Notes will remain outstanding following such Interest Payment Date) the Class A Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied in repayment of principal as Available Principal Receipts);
  - (h) *eighth*, provided such Interest Payment Date is not the final interest payment date of the transaction, to credit the General Reserve Ledger up to the General Reserve Required Amount;
  - (i) *ninth*, (so long as the Notes will remain outstanding following such Interest Payment Date), to credit the Class Z VFN Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied in repayment of principal as Available Principal Receipts);
  - (j) *tenth*, to provide for amounts due on the relevant Interest Payment Date to pay interest (including any Deferred Interest) due and payable on the Class Z VFN according to the respective Principal Amount Outstanding thereof;
  - (k) *eleventh*, to pay the Issuer the Issuer Profit Amount to be retained by the Issuer as profit in respect of the business of the Issuer;
  - (l) *twelfth*, to pay pro rata and pari passu according to the amount thereof and in accordance with the terms of the Interest Rate Swap Agreement to the Interest Rate Swap Provider in respect of the Interest Rate Swap Excluded Termination Amount;
  - (m) *thirteenth*, (so long as any Class A Notes will remain outstanding following such Interest Payment Date), if such Interest Payment Date falls within a Determination Period, then the excess (if any) to the GIC Account to be applied as Available Revenue Receipts on the next following Interest Payment Date;

- (n) *fourteenth*, (so long as no Class A Notes remain outstanding following such Interest Payment Date), to pay principal due and payable on the Class Z VFN in an amount equal to the Class Z Repayment Amount; and
- (o) *fifteenth*, any Deferred Consideration due and payable under the Mortgage Sale Agreement to the Seller.

**8. Application of Available Principal Receipts prior to service of a Note Acceleration Notice by the Note Trustee on the Issuer**

Prior to the service of a Note Acceleration Notice on the Issuer, the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Principal Receipts on each Interest Payment Date in the following order of priority (the **Pre-Acceleration Principal Priority of Payments**) (in each case only if and to the extent that payments or provisions of higher priority have been paid in full):

- (a) *first*, following the date on which YBS ceases to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Baa2 or a long-term issuer default rating by Fitch of at least BBB or a short-term issuer default rating by Fitch of at least F2 and provided such Interest Payment Date is not the final Interest Payment Date in respect of the Class A Notes, to credit the Liquidity Reserve Fund to the Liquidity Reserve Fund Required Amount;
- (b) *second*, in or towards repayment of the principal amounts outstanding on the Class A Notes, until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;
- (c) *third*, in or towards repayment of the principal amounts outstanding on the Class Z VFN until the Principal Amount Outstanding of the subscription under the Class Z VFN used to fund the Current Balance of the Loans has been reduced to zero; and
- (d) *fourth*, the excess (if any) to be applied as Available Revenue Receipts.

**9. Application of Available Revenue Receipts prior to Available Principal Receipts**

The Cash Manager shall pay or provide for amounts due under the Pre-Acceleration Revenue Priority of Payments before paying amounts due under the Pre-Acceleration Principal Priority of Payments.

**10. Closing Costs**

On the Closing Date, the Cash Manager on behalf of the Issuer will pay the proceeds of the Class Z VFN Holder's funding under the Class Z VFN into the GIC Account.

**11. Application of Monies following redemption of the Notes in full**

On any Optional Redemption Date (which is not an Interest Payment Date) on which the Notes are repaid or provided for in full, the Issuer (or the Cash Manager on its behalf) may, or if directed by the Seller, shall, apply all amounts standing to the credit of any Bank Account of the Issuer to repay any liabilities of the Issuer and to discharge all other amounts required to be paid by the Issuer in accordance with the order of priority set out in the Post-Acceleration Priority of Payments.

**12. Application of Amounts in respect of Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium**

Amounts received or held by the Issuer in respect of Excess Swap Collateral, Swap Collateral (except to the extent that (i) the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap Agreement to reduce the amount that would otherwise be payable by the Interest Rate Swap Provider to the Issuer on early termination of the Fixed Interest Rate Swap under the Interest Rate Swap Agreement or (ii) any such Swap Collateral is required to be returned to the Interest Rate Swap Provider pursuant to the Interest Rate Swap Agreement, and, in each case to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Swap Provider such Swap Collateral is not to be applied in acquiring a replacement swap), Swap Tax Credits and Replacement Swap Premium (only to the extent it is applied directly to pay a termination payment due and payable by the Issuer to the Interest Rate Swap Provider) shall, to the extent due and payable under the terms of the Interest Rate Swap Agreement, be paid directly to the Interest Rate Swap Provider, without regard to the Priority of Payments and in accordance with the terms of the Deed of Charge.

**13. Variable Funded Notes**

13.1 The Cash Manager on behalf of the Issuer will arrange for funding under the Class Z VFN pursuant to Condition 17 (*Increasing the Principal Amount Outstanding of the Class Z VFN and adjusting the Maximum Class Z VFN Amount*) and this **paragraph 13**.

13.2 Prior to the Class Z VFN Commitment Termination Date, upon receipt of a notice from the Issuer and determination by the Cash Manager:

- (a) that a Further Advance has been made, there are insufficient funds standing to the credit of the Principal Ledger to fund the purchase of the Further Advance Purchase Price and of the amount of the Further Advance Purchase Price;
- (b) that amounts standing to the credit of the General Reserve Fund are less than the General Reserve Required Amount required to satisfy the Asset Conditions for Further Advances, Product Switches and/or Underpayment Options; or
- (c) of any premiums due under the Interest Rate Swap Agreement,

not later than 2.00 p.m. four (4) Business Days prior to the date on which a Further Class Z VFN Funding is required (or such lesser time as may be agreed by the relevant Class Z VFN Holder), the Cash Manager on behalf of the Issuer will serve a Notice of Increase on the relevant Class Z VFN Holder requesting that such Class Z VFN Holder further funding its obligations under the Class Z VFN on the next following Monthly Pool Date or other Business Day specified in the Notice of Increase in an amount as calculated by the Cash Manager pursuant to **paragraph 13.3** below and confirming in such Notice of Increase that no Event of Default has occurred or will occur as a result of the Further Class Z VFN Funding.

13.3 Prior to the delivery of the notice specified in **paragraph 13.1** above, the Cash Manager on behalf of the Issuer will calculate the amounts to be specified in the Notice of Increase in an amount equal to the lower of:

- (i) (A) in respect of **paragraph 13.2(a)** above, the Further Advance Purchase Price less amounts standing to the credit of the Principal Ledger available to pay such Further Advance Purchase Price; or

- (B) in respect of **paragraph 13.2(b)** above, the General Reserve Required Amount less all amounts standing to the credit of the General Reserve Fund; and
  - (C) in respect of **paragraph 13.2(c)** above, the amount of any premium payable under the Interest Rate Swap Agreement; and
- (ii) the Maximum Class Z VFN Amount less the current Principal Amount Outstanding of the Class Z VFN (taking into account any likely reductions to the Principal Amount Outstanding of the Class Z VFN on the following Interest Payment Date).
- 13.4 The Cash Manager on behalf of the Issuer will apply the proceeds of any Further Class Z VFN Funding to fund:
- (a) the payment of the Further Advance Purchase Price; and/or
  - (b) the General Reserve Fund up to and including an amount equal to the General Reserve Required Amount required to satisfy the Asset Conditions for Further Advances, Product Switches and/or Underpayment Options; and/or
  - (c) any premium payable under the Interest Rate Swap Agreement.

#### **14. Estimation**

- 14.1 In the event that the Servicer has not provided any Servicer Report due during a Collection Period (the **Determination Period**), then the Cash Manager shall be required to estimate the amount of Principal Receipts and Revenue Receipts for such Determination Period based on the Servicer Reports in respect of the three preceding Collection Periods for which all relevant Servicer Reports are available (or, where there are not at least three such Collection Periods, any previous such Collection Periods) in accordance with **Schedule 5** (Determinations and Reconciliation), for the purposes of complying with its obligations hereunder. The Cash Manager shall make such estimations on the basis of information available to it at such time and shall not be liable (in the absence of negligence, bad faith and wilful default) for the accuracy of such estimations.
- 14.2 Upon receipt by the Cash Manager of all Servicer Reports in relation to the Determination Period, the Cash Manager will apply the reconciliation calculations set out in **Schedule 5** (Determinations and Reconciliation).
- 14.3 If a Servicer Report or any other information or data upon which the amounts due under a Swap Transaction could ordinarily be determined has not been provided or is otherwise unavailable, the Cash Manager shall calculate the amounts due under the Fixed Interest Rate Swap in accordance with the terms of the Fixed Interest Rate Swap and, following any such period if such data becomes available, the Cash Manager shall perform any reconciliation calculations required in accordance with the provisions of the Fixed Interest Rate Swap.

**SCHEDULE 3**

**FORM OF MONTHLY REPORT**

**Brass No.4 PLC Monthly Report**

**BRASS NO. 4 PLC**

Report Date:  
Interest Payment Date:

Reporting Period Start:  
Interest Period Start:

Reporting Period End:  
Interest Period End:

**ASSET SUMMARY (for reporting period)**

<b>Pool Summary</b>	<b>Number</b>	<b>Current Balance</b>	<b>Issuer Purchases</b>	<b>Number</b>	<b>Balance</b>
Start of Period			Further Advances by Seller		
End of Period			Further Advances purchased by Issuer		
<b>Mortgage Collections</b>			<b>Seller Repurchases</b>	<b>Number</b>	<b>Balance</b>
Scheduled Principal:			Breach of Loan Warranties or Eligibility Criteria		
Unscheduled Principal:			Insufficient Funds to fund Further Advance		
Interest:			Breach of Asset Conditions - Further Advances		
			Breach of Asset Conditions - Product Switches		
			Breach of Asset Conditions - Underpayment Options		
<b>Period End stats</b>					
WA Seasoning (months):			WA remaining term (years):		WA pre-swap yield:
<b>General Reserve at Period End</b>					
General Reserve Required Amount:			General Reserve Fund:		General Reserve Status:

**LOSSES/REPOSSESSIONS**

**Properties in Possession**

	Aggregate No. of Properties	No. Accounts in			
	Current Balance	in Possession	Period	Value in Period	Cumulative Totals
Brought Forwards			N/A	N/A	N/A
Reposessed					
Sold					
Relinquished to Borrower					
Losses					
Carried Forwards			N/A	N/A	N/A
Average time from possession to sale (No. of Days)					

**PERFORMANCE RATIOS**

<b>Pool CPRs (annualised)</b>	<b>Reporting Period</b>	<b>Latest 3 months</b>	<b>Issuance Assumption</b>
Constant Prepayment Rate			
Principal Payment Rate			
Constant Default Rate			

**ISSUANCE DETAILS**

<b>Issuer: Brass No. 4 plc</b>	<b>Class A Notes</b>			<b>Class Z VFN</b>		
ISIN						
Stock Exchange Listing						
Original Ratings (Fitch/Moody's)						
Step-Up Date						
Final Maturity Date						
Currency						
Reference Rate						
Relevant Margin						
Interest Payment Date						
Day Count Convention						
Coupon Reference Rate						
Current Coupon						
Previous Factor						
Current Factor						
Principal Amount Outstanding	<u>Current</u>	<u>Previous</u>	<u>Original</u>	<u>Current</u>	<u>Previous</u>	<u>Original</u>
Subordination						
Reserve Fund						
Total Credit Enhancement						
<b>Latest Distribution</b>			<b>Total</b>			<b>Total</b>
Principal Payment						
Interest Payment						
Excess Spread						

**SWAP DETAILS**

Swap Provider:								
	<u>Accrual start</u>	<u>Accrual end</u>	<u>Payment date</u>	<u>Libor fixing date</u>	<u>Libor fixing</u>	<u>notional Amount</u>	<u>Rate payable</u>	<u>Rate receivable</u>
Fixed Rate Swap:								







>95  
Total

Maximum:  
Weighted Ave.:

Minimum:

Maximum:  
Weighted Ave.:

Minimum:

**Indexed LTVs**

**Current**

**at Cut-Off Date**

Range (%)

Aggregate  
Current Balance      % of Total      Number of  
Accounts      % of Total

Aggregate  
Current Balance      % of Total      Number of  
Accounts      % of Total

< 45  
45 - 55  
55 - 65  
65 - 75  
75 - 85  
85 - 95

>95  
Total

Maximum:  
Weighted Ave.:

Minimum:

Maximum:  
Weighted Ave.:

Minimum:





**Product Type****Current****at Cut-Off Date**

Type	Aggregate		Number of		Aggregate		Number of	
	Current Balance	% of Total	Sub-Accounts	% of Total	Current Balance	% of Total	Sub-Accounts	% of Total
Fixed								
SVR								
BBR								
Total								

**Fixed Rate Split****Current****at Cut-Off Date**

Interest Rate (%)	Aggregate		Number of		Aggregate		Number of	
	Current Balance	% of Total	Sub-Accounts	% of Total	Current Balance	% of Total	Sub-Accounts	% of Total
0-1								
1-2								
2-3								
3-4								
4-5								
5-6								
6-7								
7-8								
Total								

**Fixed Rate Reversion Date****Current****at Cut-Off Date**

Year	Aggregate		Number of		Aggregate		Number of	
	Current Balance	% of Total	Sub-Accounts	% of Total	Current Balance	% of Total	Sub-Accounts	% of Total
2012								
2013								
2014								
2015								
2016								
2017								
2018								
2019								
2020								
2020+								
Total								

**BBR Rate Split****Current****at Cut-Off Date**

Interest Rate (%)	Aggregate		Number of		Aggregate		Number of	
	Current Balance	% of Total	Sub-Accounts	% of Total	Current Balance	% of Total	Sub-Accounts	% of Total
0-1								
1-2								
2-3								
3-4								
4-5								
5-6								
6-7								
7-8								
Total								

**BBR Rate Reversion Date****Current****at Cut-Off Date**

Year	Aggregate		Number of		Aggregate		Number of	
	Current Balance	% of Total	Sub-Accounts	% of Total	Current Balance	% of Total	Sub-Accounts	% of Total
2012								
2013								
2014								
2015								
2016								
2017								
2018								
2019								
2020								
2020+								
Total								

**SVR Rate Split****Current****at Cut-Off Date**

Interest Rate (%)	Aggregate		Number of		Aggregate		Number of	
	Current Balance	% of Total	Sub-Accounts	% of Total	Current Balance	% of Total	Sub-Accounts	% of Total
0-1								
1-2								
2-3								
3-4								
4-5								
5-6								
6-7								
7-8								
Total								

CONTACT DETAILS

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[www.ybs.co.uk](http://www.ybs.co.uk)

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Chris Parrish Group Treasurer

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[cparrish@ybs.co.uk](mailto:cparrish@ybs.co.uk)

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Treasury Department

01274 730157

[treasury\\_dealers@ybs.co.uk](mailto:treasury_dealers@ybs.co.uk)

Securisation Reporting

[http://www.ybs.co.uk/your-society/treasury/wholesale\\_funding/securitisation.html](http://www.ybs.co.uk/your-society/treasury/wholesale_funding/securitisation.html)

#### NOTES

#### POOL RECONCILIATION

Opening Balance	Reporting Period start	_____		<u>Distribution</u>
Further Advances	Including Advances yet to be purchased by Issuer or Repurchased by Seller	_____	Principal Receipts subject to Asset Conditions and sufficient Principal Ledger	N/A
Interest Charged	Daily interest added to Account balance			N/A
ERCs	Early Repayment Charges			N/A
Sundry DRs/CRs	Capitalised fees (excluding ERCs) less specific payments received in settlement of those fees			N/A
Interest Received	Interest portion of borrower payment			Revenue Receipts
Capital Received	Capital portion of borrower payment			Principal Receipts
ERC payments	Payments received in settlement of ERCs			Third Party Amounts
Repurchases	Seller Repurchases of ineligible loans	_____		Principal Receipts
Closing Balance	Reporting Period end	_____		

**SCHEDULE 4**  
**AUTHORISED SIGNATORIES**

Name

Specimen Signature

Set forth on following page

Set forth on following page

Effective from 15<sup>th</sup> July 2014

The signatories appended below are authorised to instruct funds transfers, trade settlements and changes to standard settlement instructions on behalf of Yorkshire Building Society as noted in the following extract from the Statement of Policy on Financial Risk Management

**Appendix B: Treasury Instruments & Permissions**

**Treasury Authorised Signature List For Funds Transfer, Trade Settlement and Documentation.**

**Where one signature is required this must be a Signatory A. Where two signatures are required at least one must be a Signatory A.**

**Signatory A**

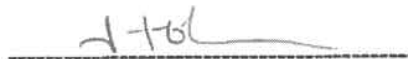
S M ELSWORTH  
Head of Finance – Finance Management



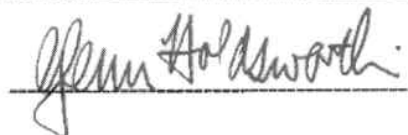
J BROWN  
Financial Operations Manager



J B A HOBSON  
Treasury Operations Manager



G HOLDSWORTH  
Assistant Treasury Operations Manager

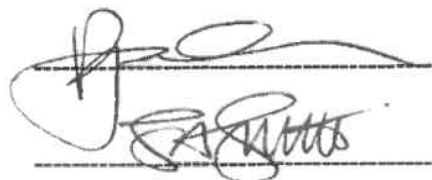


**Signatory B**

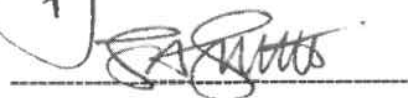
C NEWTON  
Treasury Officer



P JACKSON  
Treasury Officer



J SMITH  
Treasury Officer



D BULLAS  
Treasury Officer



H WILKINSON  
Treasury Officer



## SCHEDULE 5

### DETERMINATIONS AND RECONCILIATION

#### 1. **Determination of Revenue Receipts and Principal Receipts**

Where, in respect of any Collection Period the Cash Manager does not receive any Servicer Report due during such Collection Period (a **Determination Period**) the Cash Manager shall:

- (a) determine the Interest Determination Ratio by reference to the three most recent Collection Periods in respect of which all relevant Servicer Reports are available (or, where there are not at least three such previous Collection Periods, any previous such Collection Periods);
- (b) calculate the Revenue Receipts for such Determination Period as the product of (i) the Interest Determination Ratio and (ii) the Calculated Revenue Receipts; and
- (c) calculate the Principal Receipts for such Determination Period as the product of (i) 1 minus the Interest Determination Ratio and (ii) the Calculated Principal Receipts).

#### 2. **Reconciliation of Calculations**

Following any Determination Period, upon receipt by the Cash Manager of all Servicer Reports in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with paragraph 1 (Determination of Revenue Receipts and Principal Receipts) above to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount as follows:

- (a) if the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (i) the absolute value of the Reconciliation Amount and (ii) the amount standing to the credit of the Revenue Ledger, as Principal Receipts (with a corresponding debit of the Revenue Ledger);
- (b) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (i) the absolute value of the Reconciliation Amount and (ii) the amount standing to the credit of the Principal Ledger, as Revenue Receipts (with a corresponding debit of the Principal Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Collection Period in accordance with the terms of this Agreement and the Cash Manager shall promptly notify the Issuer, the Note Trustee and the Security Trustee of such Reconciliation Amount.



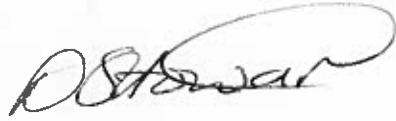
**SIGNATORIES**

**Cash Manager**

**SIGNED** for and on behalf of  
**YORKSHIRE BUILDING SOCIETY**  
acting by its authorised signatory

DAWN HOWARD

)  
)  
)



**Issuer**

**SIGNED** for and on behalf of  
**BRASS NO.4 PLC**  
acting by a Director

)  
)  
)

**Security Trustee**

**SIGNED** for and on behalf of  
**U.S. BANK TRUSTEES LIMITED**  
acting by two duly authorised Attorneys:

)  
)  
)  
)  
)  
)

**SIGNATORIES**

**Cash Manager**

**SIGNED** for and on behalf of )  
**YORKSHIRE BUILDING SOCIETY** )  
acting by its authorised signatory )

**Issuer**

**SIGNED** for and on behalf of )  
**BRASS NO.4 PLC** )  
acting by a Director )



**Mark Filer**  
**Director**

**Security Trustee**

**SIGNED** for and on behalf of )  
**U.S. BANK TRUSTEES LIMITED** )  
acting by two duly authorised Attorneys: )  
)  
)  
)  
)

**SIGNATORIES**

**Cash Manager**

SIGNED for and on behalf of )  
**YORKSHIRE BUILDING SOCIETY** )  
acting by its authorised signatory )

**Issuer**

SIGNED for and on behalf of )  
**BRASS NO.4 PLC** )  
acting by a Director )

**Security Trustee**

SIGNED for and on behalf of )  
**U.S. BANK TRUSTEES LIMITED** )  
acting by two duly authorised Attorneys: )  
)  
)  
)  
)  
)

*C. Yates*  


**Chris Yates**  
Authorised Signatory

**JAMES HOUNSLOW**  
Authorised Signatory