

**EXECUTION VERSION**

**MASTER DEFINITIONS AND CONSTRUCTION SCHEDULE**

**22 DECEMBER 2015**

**ALLEN & OVERY**

Allen & Overy LLP

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**THIS AGREEMENT** is made on 22 December 2015

**BETWEEN:**

- (1) **ACCORD MORTGAGES LIMITED** (registered number 02139881), a private limited company incorporated under the laws of England and Wales, whose registered office is at Yorkshire House, Yorkshire Drive, Bradford BD5 8LJ (the **Seller** and the **Class Z VFN Holder**)
- (2) **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 (the **Class Z VFN Registrar, Servicer and Cash Manager**);
- (3) **TOMBAC NO.2 PLC** (registered number 9844730) 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**);
- (4) **TOMBAC NO.2 MORTGAGE HOLDINGS LIMITED**, (registered number 9844777), a private 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 (**Holdings**);
- (5) **WILMINGTON TRUST SP SERVICES (LONDON) LIMITED** (registered number 02548079), a private limited company incorporated under the laws of England and Wales, whose registered office is at Third Floor, 1 King's Arms Yard, London EC2R 7AF (the **Corporate Services Provider, Share Trustee and Back-Up Servicer Facilitator**)
- (6) **U.S. BANK TRUSTEES LIMITED** (registered number 02379632), a private limited company incorporated under the laws of England and Wales whose principal office is 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Security Trustee and Note Trustee**);
- (7) **LLOYDS BANK PLC** (registered number 2065), a public limited company incorporated under the laws of England and Wales whose registered office is at 25 Gresham Street, London EC2V 7HN (the **Interest Rate Swap Provider**);
- (8) **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 (in its capacity as the **GIC Provider**);
- (9) **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 (in its capacity as the **Account Bank**);
- (10) **CITIBANK, N.A., LONDON BRANCH**, acting through its Agency and Trust business located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom (the **Reserve Account Bank**);
- (11) **ELAVON FINANCIAL SERVICES LIMITED, ACTING THROUGH ITS UK BRANCH**, (registered number FC027535), a private limited company incorporated under the laws of Ireland, operating in the United Kingdom under branch registration number BR009373, acting through its London branch at 125 Old Broad Street, Fifth Floor, London EC2N 1AR (the **Agent Bank, the Principal Paying Agent and the Swap Collateral Account Bank**).

## 1. DEFINITIONS

In any agreement, instrument or deed expressly and specifically incorporating by reference this Master Definitions and Construction Schedule, the undersigned hereby agree that the following words and expressions shall, unless otherwise defined therein or unless the context otherwise requires, have the following meanings:

**€, EUR or euro** means the lawful currency for the time being of the member states of the European Union that have adopted or may adopt the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty of Rome of 25 March 1957, as amended by, *inter alia*, the Single European Act of 1986 and the Treaty of European Union of 7 February 1992 and the Treaty of Amsterdam of 2 October 1997 establishing the European Community;

**1881 Act** means the Conveyancing and the Law of Property Act 1881;

**1911 Act** means the Conveyancing Act 1911;

**1925 Act** means the Law of Property Act 1925;

**1999 Regulations** means the Unfair Terms in Consumer Contracts Regulations 1999 (SI 1999/2083) as amended from time to time;

**Account Bank** means Yorkshire Building Society;

**Account Bank Rating** means a short-term issuer default rating of at least F2 by Fitch, long-term unsecured, unsubordinated and unguaranteed debt obligations rated at least Baa3 by Moody's and a long-term issuer default rating of at least BBB- by Fitch (or (i) such other rating which is consistent with the then current rating methodology of the relevant Rating Agency 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.;

**Account Bank Termination Event** has the meaning set out in Clause 9.1 (Termination Events) of the Bank Account Agreement;

**Account Mandates** means the GIC Account Mandate and/or the Transaction Account Mandate and/or the Reserve Account Mandate and/or the Swap Collateral Account Mandate;

**Accrued Interest** means in respect of a Loan as at any date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the monthly payment date in respect of that Borrower's Loan immediately preceding the relevant date to (but excluding) the relevant date;

**Advance Date** means the date that the relevant Further Advance is advanced to the relevant Borrowers by the Seller;

**Affiliate** means Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company;

**Agency Agreement** means the agency agreement entered into on the Closing Date between the Issuer, the Principal Paying Agent, the Agent Bank, the Class Z VFN Registrar, the Security Trustee and the Note Trustee which sets out the appointment of the Paying Agents, the Class Z VFN Registrar and the Agent Bank for the Notes (as the same may be amended, restated, varied, supplemented, replaced or novated from time to time);

**Agent Bank** means Elavon Financial Services Limited, acting through its UK Branch;

**Agents** means the Paying Agents, the Class Z VFN Registrar and the Agent Bank;

**Agreed Currency** means Sterling;

**AIFMR** means Regulation (EU) No. 231/2013, referred to as the Alternative Investment Fund Managers Regulation;

**Amortisation General Reserve Release Amount** shall, on any Calculation Date, be an amount equal to the General Reserve Required Amount on the immediately preceding Interest Payment Date minus the General Reserve Required Amount on the immediately following Interest Payment Date;

**Annual Review** means an interest rate review conducted annually by the Seller in relation to the Loans as more fully described in the Prospectus;

**Applicable Entity** has the meaning given to it in Clause 21 (Appointment of Servicer for Reporting under Regulation (EU) No. 2015/3) of the Servicing Agreement;

**Applicable Law** has the meaning given to it in Clause 1 (Definitions and Interpretation) of the Reserve Account Agreement;

**Appointee** means any attorney, manager, agent, delegate, nominee, Receiver, receiver and manager, custodian or other person properly appointed by the Note Trustee under the Trust Deed or the Security Trustee under the Deed of Charge (as applicable) to discharge any of its functions;

**Arranger** means Barclays Bank PLC;

**Arrears of Interest** means as at any date in respect of any Loan, the aggregate of all interest (other than Accrued Interest) on that Loan which is currently due and payable and unpaid on that date;

**Article 8b Requirements** has the meaning given to it in Clause 21 (Appointment of Servicer for Reporting under Regulation (EU) No. 2015/3) of the Servicing Agreement;

**Asset Conditions** has the meaning given in Clause 4.6 (Asset Conditions) of the Mortgage Sale Agreement;

**Assignment of Third Party Rights** means an assignment of Related Security and rights of action against third parties each substantially in the form set out in Schedule 5 (Assignment of Third Party Rights) to the Mortgage Sale Agreement;

**Auditors** means Deloitte LLP or such other internationally independent firm of auditors selected from time to time by the Cash Manager on behalf of the Issuer with the prior written approval of the Security Trustee;

**Authorised Investments** means:

- (a) Sterling gilt-edged securities; and
- (b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments (i) have a maturity date of ninety (90) days or less and mature before the next following Interest Payment Date or within

ninety (90) days, whichever is sooner, (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) before the next following Interest Payment Date or within ninety (90) days, whichever is sooner, and (iii) are rated at least F1+ by Fitch and P-1 by Moody's (and AA- (long-term) by Fitch and Aa3 by Moody's if the investments have a long-term rating);

**Authorised Signatory** means:

- (a) in relation to the Bank Account Agreement, the GIC Account Agreement, the Reserve Account Agreement and/or the Swap Collateral Account Bank Agreement, any authorised signatory referred to in, as applicable, the relevant Account Mandate or any mandate in respect of an additional account;
- (b) in relation to the Mortgage Sale Agreement, an officer(s) or director(s) of the Seller or YBS (as the case may be) authorised to act as an authorised signatory on behalf of such company; and
- (c) in all other cases, (i) an officer of the Issuer, or such other person appointed by the Issuer to act as authorised signatory or (ii) in respect of any party to the Transaction Documents, an officer of such party, or such other person appointed by such party to act as authorised signatory;

**Authority** has the meaning given to it in Clause 1 (Definitions and Interpretation) of the Reserve Account Agreement;

**Available Principal Receipts** means for any Interest Payment Date an amount equal to the aggregate of (without double counting):

- (a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date:

- (i) received by the Issuer during the immediately preceding Collection Period;

*minus*

- (A) an amount equal to the aggregate of all Further Advance Purchase Prices paid by the Issuer in such Collection Period (but excluding from this deduction any Further Advance Purchase Prices to be paid by the Issuer on that Interest Payment Date (where such Interest Payment Date is also a Monthly Pool Date); and
    - (B) an amount equal to the aggregate of all Further Advance Purchase Prices to be paid by the Issuer on that Interest Payment Date (where such Interest Payment Date is also a Monthly Pool Date),

but in an aggregate amount not exceeding all such Principal Receipts; and

- (ii) received by the Issuer from the Seller (or, as applicable, YBS or one of its subsidiaries) during the immediately preceding Collection Period in respect of any repurchases of Loans and their Related Security that were repurchased by the Seller (or, as applicable, YBS or one of its subsidiaries) pursuant to the Mortgage Sale Agreement;

- (b) the amount standing to the credit of the Liquidity Reserve Fund (if established) (to the extent not utilised on such Interest Payment Date pursuant to item (l) of the definition of Available Revenue Receipts);
- (c) (in respect of the first Interest Payment Date only) the amount paid into the GIC Account on the Closing Date from the excess of the proceeds of the Notes (excluding the proceeds of the Class Z VFN used to establish the General Reserve Fund and to pay the initial expenses of the Issuer incurred in connection with the issue of the Notes on the Closing Date) over the Initial Consideration;
- (d) following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 5.9(c) (*Determinations and Reconciliation*);

*less*

- (e) an amount equal to the aggregate of the SVR Contractual Difference Amounts in relation to the SVR Loans, which such amounts shall be deemed to be Available Revenue Receipts (and which such amounts shall not, for the avoidance of doubt, incur entries in the Principal Deficiency Ledger);

*less*

- (f) any amounts utilised to pay a Revenue Deficiency pursuant to item (m) of the definition of Available Revenue Receipts;

*plus*

- (g) the amounts (if any) calculated on that Interest Payment Date pursuant to the Pre-Acceleration Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Ledger and/or the Class Z VFN Principal Deficiency Ledger is reduced.

**Available Revenue Receipts** means, for each Interest Payment Date, an amount equal to the aggregate of (without double-counting):

- (a) Revenue Receipts received during the immediately preceding Collection Period or, if in a Determination Period, Calculated Revenue Receipts, in each case, excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date;
- (b) interest payable to the Issuer on the Bank Accounts (other than the Swap Collateral Account) and income from any Authorised Investments in each case received during the immediately preceding Collection Period;
- (c) 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 (except 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 in which case such amounts will be included in Available Revenue Receipts), (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 on such Interest Payment Date);

- (d) other net income of the Issuer received during the immediately preceding Collection Period (excluding any Principal Receipts);
- (e) amounts credited to the GIC Account on the immediately preceding Interest Payment Date in accordance with item (m) of the Pre-Acceleration Revenue Priority of Payments;
- (f) following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 5.9(c) (*Determinations and Reconciliation*);
- (g) any amounts deemed to be Available Revenue Receipts in accordance with item (e) of the definition of Available Principal Receipts;
- (h) the Amortisation General Reserve Release Amount (if any) in respect of such Interest Payment Date;

*less*

- (i) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):
  - (i) payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;
  - (ii) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;
  - (iii) payments by the Borrower of any fees (including Early Repayment Fees) and other charges which are due to the Seller; and
  - (iv) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Seller,

(items within (i) of the definition of Available Revenue Receipts being collectively referred to herein as **Third Party Amounts**). Third Party Amounts may be deducted by the Cash Manager on a daily basis from the GIC Account, to make payment to the persons entitled thereto except where such payments have already been provided for elsewhere;

*plus*

- (j) if a shortfall occurs such that the aggregate of items (a) to (h) less (i) above is insufficient to pay or provide for items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments, the General Reserve Required Debit Amount in respect of such Interest Payment Date (if any);

*plus*

- (k) on the Interest Payment Date on which the Class A Notes are fully repaid or otherwise redeemed in full, any amounts standing to the credit of the General Reserve Fund (to the extent not utilised on such Interest Payment Date pursuant to items (h) and (j) above);



*plus*

- (l) if a Revenue Deficiency occurs such that the aggregate of items (a) to (h) less (i) plus (j) and (k) above is insufficient to pay or provide for items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments the amount then standing to the credit of the Liquidity Reserve Fund (if established) and available to be drawn to the extent necessary to pay such Revenue Deficiency;

*plus*

- (m) if a Revenue Deficiency occurs such that the aggregate of items (a) to (h) less (i) plus (j), (k) and (l) above is insufficient to pay or provide for items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments, Available Principal Receipts in an aggregate amount sufficient to cover such Revenue Deficiency;

*plus*

- (n) following repayment of the Notes in full, amounts deemed to be Available Revenue Receipts in accordance with item (d) of the Pre-Acceleration Principal Priority of Payments;

**Back Swap Termination Event** means the designation of an Early Termination Date under the Back-to-Back Swap;

**Back-to-Back Swap** means in respect of the Fixed Interest Rate Swap, an agreement between the Interest Rate Swap Provider and YBS under which the Interest Rate Swap Provider hedges its exposure under the Fixed Interest Rate Swap;

**Back-Up Servicer** means a back-up servicer appointed pursuant to Clause 18 (Appointment of a Back-Up Servicer) of the Servicing Agreement;

**Back-Up Servicer Facilitator** means Wilmington Trust SP Services (London) Limited or such other person as may from time to time be appointed as Back-Up Servicer Facilitator of the relevant Loans in the Portfolio pursuant to the Servicing Agreement;

**Back-Up Servicer Facilitator Fee** has the meaning given to such term in the Servicing Agreement;

**BACS** means the Bankers' Automated Clearing Services as amended from time to time or any scheme replacing the same;

**Bank Account Agreement** means the agreement entered into on or about the Closing Date between the Account Bank, the Issuer, the Cash Manager and the Security Trustee which governs the operation of the Transaction Account and the GIC Account (as amended, restated, supplemented, replaced and/or novated from time to time);

**Bank Accounts** means:

- (a) the Transaction Account and the GIC Account and any additional accounts to be established by the Issuer pursuant to the Bank Account Agreement;
- (b) the Swap Collateral Account and any additional accounts to be established by the Issuer pursuant to the Swap Collateral Account Bank Agreement; and
- (c) the Reserve Account and any additional accounts to be established by the Issuer pursuant to the Reserve Account Agreement;

**Banking Act** means the Banking Act 2009, as amended;

**Basic Terms Modification** has the meaning given to it in paragraph 7 of Schedule 4 to the Trust Deed;

**Block Voting Instruction** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed;

**Borrower** means, in relation to a Loan, the individual or individuals specified as such in the relevant Mortgage Conditions together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it;

**Buildings Insurance Policies** means all buildings insurance policies relating to Property or Properties taken out:

- (a) in the name of the relevant Borrower; and
- (b) in the name of the landlord in the case of leasehold properties or commonhold properties where the relevant landlord is responsible for insuring the Property or Properties;

**Business Day** means a day (other than a Saturday or Sunday) on which banks are open for business in London;

**Buy to Let Loans** means Loans taken out by Borrowers in relation to the purchase or re-mortgage of properties for letting purposes;

**Calculated Principal Receipts** means the product of (a) 1 minus the Interest Determination Ratio and (b) all collections received by the Issuer during such Determination Period;

**Calculated Revenue Receipts** means the product of (a) the Interest Determination Ratio and (b) all collections received by the Issuer during such Determination Period;

**Calculation Date** means the 9th of each month of each year or if such day is not a Business Day, the next following Business Day;

**Calculation Period** means the monthly period commencing on and including each Calculation Date and ending on but excluding the immediately following Calculation Date except that the first Calculation Period will commence on the Closing Date and end on but exclude the Calculation Date falling in February 2015;

**Cash Management Agreement** means the cash management agreement entered into on or about the Closing Date between the Cash Manager, the Issuer and the Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Cash Management Services** means the cash management services set out in the Cash Management Agreement, including Schedule 1 and Schedule 5 thereto;

**Cash Manager** means YBS in its capacity as cash manager or any successor cash manager appointed from time to time as Cash Manager pursuant to the Cash Management Agreement;

**Cash Manager Termination Event** has the meaning given to it in Clause 12.1 (Cash Manager Termination Events) of the Cash Management Agreement;

**CCA and Consumer Credit Act** means the Consumer Credit Act 1974 as amended from time to time;

**Central Bank** means the Central Bank of Ireland in its capacity as competent authority in Ireland under the Prospectus Directive;

**Certificate of Title** means a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the Seller in respect of each Property substantially in the form of the pro forma set out in the Standard Documentation;

**Charged Assets** means the assets charged by the Issuer pursuant to Clause 3 (Security and Declaration of Trust) of the Deed of Charge;

**Charged Transaction Documents** means each of the Transaction Documents (other than the Subscription Agreement, Trust Deed and Deed of Charge to which the Issuer is a party and all other contracts, documents, agreements and deeds to which it is, or may become, a party);

**Citi Organisation** means Citigroup, Inc., Citibank, N.A., Citibank International PLC, their branches, subsidiaries and affiliates and anyone who succeeds them or to whom they assign their rights other than Citibank, N.A., London Branch;

**Class** in relation to the Notes means each or any of the Class A Notes and the Class Z VFN as the context may require;

**Class A Noteholders** means the holders of the Class A Notes;

**Class A Notes** means the Class A mortgage backed floating rate notes due July 2053;

**Class A Principal Deficiency Ledger** means the Principal Deficiency Ledger relating to the Class A Notes;

**Class Z Repayment Amount** means, as at an Interest Payment Date, the greater of (a) (i) the Principal Amount Outstanding of the Class Z VFN on such Interest Payment Date (taking into account any amounts to be applied to pay principal on the Class Z VFN on such Interest Payment Date in accordance with the Pre-Acceleration Principal Priority of Payments) less (ii) the Current Balance of the Loans as at such Interest Payment Date and (b) zero.

**Class Z VFN** means the Class Z variable funded note due July 2053;

**Class Z VFN Commitment Termination Date** means the date on which the commitment of the VFN Holder in respect of the Class Z VFN will be extinguished, such date being the earlier to occur of:

- (a) the Interest Payment Date falling in July 2053;
- (b) an Event of Default; and

**Class Z VFN Holder** means the holder of the Class Z VFN;

**Class Z VFN Principal Deficiency Ledger** means the Principal Deficiency Ledger relating to the Class Z VFN;

**Class Z VFN Principal Deficiency Limit** means the Principal Amount Outstanding of the subscription under the Class Z VFN used to fund the Current Balance (calculated as at such corresponding date) of the Loans;

**Class Z VFN Register** means the register for the Class Z VFN;

**Class Z VFN Registrar** means YBS acting as Class Z VFN registrar;

**Clear Days** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed;

**Clearing System** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed;

**Clearstream, Luxembourg** means Clearstream Banking, *société anonyme*;

**Client Money Rules** means the FCA Rules in relation to client money from time to time;

**Closing Date** means 22 December 2015;

**Collection Period** means the monthly period commencing on and including the Collection Period Start Date and ending on but excluding the immediately following Collection Period Start Date except that the first Collection Period will commence on (and include) the Closing Date and end on but exclude the Collection Period Start Date falling in February 2016;

**Collection Period Start Date** means the 1st of each month of each year;

**Common Safekeeper** means Elavon Financial Services Limited, or such other person as may from time to time be appointed as Common Safekeeper.

**Companies Act** has the meaning given to the term "Companies Acts" in section 2 of the Companies Act 2006, with the addition of the words "to the extent that they are in force" at the end of section 2(1)(a) (as it applies to limited liability partnerships) and any regulations made pursuant to those Acts to the extent that they are in force;

**Competent Authority** means the Central Bank in its capacity as competent authority under the Prospectus Directive and references to the **relevant Competent Authority** shall, in relation to any Note, be references to the competent authority relating to the Stock Exchange on which the Notes are from time to time, or will be, listed or admitted to trading;

**CONC** means the FCA Handbook module known as the Consumer Credit sourcebook;

**Conditions or Terms and Conditions** means the terms and conditions of the Notes set out in Schedule 3 to the Trust Deed, as any of the same may from time to time be amended, varied or restated in accordance with the provisions of the Trust Deed and any reference to a numbered Condition shall be construed accordingly;

**Consideration** means the Initial Consideration and the Deferred Consideration;

**Control** has the meaning given in Section 1124 of the Corporation Taxes Act 2010;

**Convention** means the Modified Following Business Day Convention as defined in the 2006 ISDA Definitions published by ISDA;

**Corporate Services** has the meaning given to it in Clause 7.1 of the Corporate Services Agreement;

**Corporate Services Agreement** means the agreement dated the Closing Date and made between the Corporate Services Provider, the Share Trustee, Holdings, the Issuer, the Seller and the Security Trustee for the provision by the Corporate Services Provider of certain corporate services to the Issuer and Holdings (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Corporate Services Provider** means Wilmington Trust SP Corporate Services (London) Limited (registered number 02548079), a private limited company incorporated under the laws of England and Wales, whose registered office is at Third Floor, 1 King's Arms Yard, London EC2R 7AF or such other person or persons for the time being acting as Corporate Services Provider to the Issuer and Holdings under the Corporate Services Agreement;

**Corporate Services Provider Fee Letter** has the meaning given to it in Clause 1.2 of the Corporate Services Agreement;

**CRA Regulation** means Regulation (EU) No. 1060/2009 (as amended);

**CRD** means the Capital Requirements Directive;

**CRR** means Regulation (EU) No. 575/2013 referred to as Capital Requirements Regulation;

**CTA 2009** means the Corporation Tax Act 2009;

**Current Balance** means, on any date, the aggregate balance of the Loan at such date (but avoiding double counting) including:

- (a) the original amount advanced to the relevant Borrower and any further amount (including any Further Advance) advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage;
- (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by the related Mortgage; and
- (c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by the related Mortgage,

as at the end of the Business Day immediately preceding that given date less any prepayment, repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released and any Further Advances committed to be made but not made by the end of the Business Day immediately preceding that given date;

**Customer Files** means the file or files relating to each Loan and its Related Security containing, inter alia:

- (a) all material correspondence relating to that Loan and its Related Security; and
- (b) the completed mortgage documentation applicable to the Loan and its Related Security (other than the Title Deeds) including the Valuation Report and the Certificate of Title (where applicable),

whether original documentation, in electronic form or otherwise;

**Cut-Off Date** means 30 June 2015;

**D.D. Date** means the date of delivery to the Account Bank or BACS (as the case may be) of such instructions as may be necessary from time to time for the debit of a Borrower's account in respect of which there is a direct debit mandate;

**Data Controller** means the Issuer or, where relevant, the Seller;

**Data Processor** means the Servicer;

**Data Protection Act** or **DPA** means the Data Protection Act 1998 as amended from time to time;

**Data Subject** shall have the same meaning as is assigned to it in the Data Protection Act;

**Deed of Charge** means the deed of charge to be entered into on or about the Closing Date between, inter alios, the Issuer and the Security Trustee pursuant which the Issuer grants the Security in favour of the Security Trustee for the benefit of the Secured Creditors (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Deed of Consent** means a deed whereby residents at a Property in relation to that Property agree with the Seller that any rights which they have in that Property will rank after the sums secured by the relevant Mortgage;

**Deferred Consideration** means the consideration due and payable to the Seller pursuant to the Mortgage Sale Agreement in respect of the sale of the Portfolio, which shall be an amount equal to the amount remaining after making payment of (as applicable) (a) the items described in (a) to (n) inclusive of the Pre-Acceleration Revenue Priority of Payments on each Interest Payment Date; or (b) the items described in (a) to (h) inclusive of the Post-Acceleration Priority of Payments;

**Deferred Interest** has the meaning given to it in Condition 16 (*Subordination by Deferral*) of the Notes.

**Definitive Notes** means Notes in definitive form;

**Determination Period** has the meaning given to it in paragraph 14 of Schedule 2 of the Cash Management Agreement;

**Direct Debiting Scheme** means the scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of certain members of the Association for Payment Clearing Services;

**Discretionary Rate** means the Standard Variable Rates and/or any other discretionary rates or margins applicable to any Discretionary Rate Loans;

**Discretionary Rate Loans** means loans which are subject to either the Seller Standard Variable Rates, Standard Variable Rates or to other Discretionary Rates for the life of the mortgage loan;

**Dispute Resolution Risk Mitigation Techniques** means the dispute resolution risk mitigation techniques for OTC derivative transactions set out in Article 11(1)(b) of EMIR as supplemented by Article 15 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 and published on 23 February 2013 in the Official Journal of the European Union;

**Distribution Compliance Period** means the period until and including the 40th day after the later of the commencement of the offering of the Notes and the closing of the offering of the Notes;

**Early Repayment Fee** means any fee (other than a Redemption Fee) which a Borrower is required to pay in the event that such Borrower repays all or any part of the relevant Loan before a specified date in the Mortgage Conditions;

**Early Termination Event** means certain circumstances in which the Fixed Interest Rate Swap may be terminated, as more specifically defined in the Interest Rate Swap Agreement;

**Electronic Consent** has the meaning given to it in Schedule 4 (Provisions for Meetings of Noteholders) of the Trust Deed;

**Electronic Notification of Discharge** means an electronic notification of the discharge of a mortgage or charge, sent to the Land Registry in lieu of a paper discharge;

**Eligibility Criterion** has the meaning given in Clause 2.1 of the Mortgage Sale Agreement;

**Eligible Person** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed;

**EMIR** or the **European Market Infrastructure Regulation** means Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (including, without limitation, any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators);

**Encumbrance** has the same meaning as **Security Interest**;

**Enforcement Procedures** means the procedures for the enforcement of Mortgages undertaken by the Servicer from time to time in accordance with the Seller's Policy;

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

**ESMA** has the meaning given to it in Clause 21 (Appointment of Servicer for Reporting under Regulation (EU) No. 2015/3) of the Servicing Agreement;

**Event of Default** means an Event of Default as defined in Condition 10 (*Events of Default*) of the Notes;

**Excess Swap Collateral** means, in respect of the Interest Rate Swap Agreement, an amount (which will be transferred directly to the Interest Rate Swap Provider in accordance with such Interest Rate Swap Agreement) equal to the amount by which the value of the Swap Collateral (or the applicable part of any Swap Collateral) provided by the Interest Rate Swap Provider to the Issuer pursuant to the Interest Rate Swap Agreement exceeds the Interest Rate Swap Provider's liability under the Interest Rate Swap Agreement as at the date of termination of the Interest Rate Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Interest Rate Swap Agreement;

**Extraordinary Resolution** has the meaning given to it in Schedule 4 (Provisions for Meetings of Noteholders) of the Trust Deed;

**Fast Track Loan** means a Loan where, based upon an assessment of risk, the application was underwritten without requesting the applicants to provide evidence of the declared income and such Loan was subject to a maximum LTV of 75%;

**FATCA** means Sections 1471 through 1474 of the US Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto;

**FATCA Withholding** means any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code 1986 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement);

**FCA** means the Financial Conduct Authority;

**FCA Rules** means the rules established by the FCA in the FCA's Handbook of rules and guidance from time to time;

**Final Maturity Date** means the Interest Payment Date falling in July 2053;

**Final Redemption** means the date on which all monies and other liabilities for the time being due or owing by the Issuer to the Note Trustee on behalf of the Noteholders have been paid in full;

**Fitch** means Fitch Ratings Ltd. and includes any successor to its rating business;

**Fixed Interest Period Issuer Amount** means in respect of each calendar month ending in an Interest Period the amount required to be paid by the Issuer to the Interest Rate Swap Provider in respect of such Interest Period in accordance with the terms of the Fixed Interest Rate Swap;

**Fixed Interest Period Swap Provider Amount** means in respect of each calendar month ending in an Interest Period the amount required to be paid by the Interest Rate Swap Provider to the Issuer in respect of such Interest Period in accordance with the terms of the Fixed Interest Rate Swap;

**Fixed Interest Rate Swap** means the swap transaction entered into between the Issuer and the Interest Rate Swap Provider on or about the Closing Date governed by the Interest Rate Swap Agreement pursuant to which the Issuer will hedge against the possible variance between the fixed rates of interest received on the Fixed Rate Loans in the Portfolio and the rates of interest payable on the Notes;

**Fixed Monthly Amount** means the fixed monthly payments which Borrowers are required to make during each Fixed Payment Period and which are adjusted annually during the Annual Review;

**Fixed Payment Period** means the 12 month period between each Annual Review during which time a Borrower's Monthly Payments remain fixed;

**Fixed Rate Loan** means a Loan or any sub-account(s) of such Loan to the extent that and for such time as the interest rate payable by the relevant Borrower on all or part of the outstanding balance does not vary and is fixed for a certain period of time by the Seller;

**Fixed Rate Notional Amount** means the Notional Amount (as defined in the Interest Rate Swap Agreement) of the Fixed Interest Rate Swap;

**Framework** means the "International Convergence of Capital Measurement and Capital Standards: Revised Framework (Comprehensive Version)" text published by the Basel Committee on Banking Supervision in June 2006;

**FSA** means the Financial Services Authority, known on or after 1 April 2013 as the Financial Conduct Authority;



**FSMA 2000** or **FSMA** means the Financial Services and Markets Act 2000 as amended from time to time;

**Further Advance** means, in relation to a Loan, any advance of further money to the relevant Borrower (including any commitment to fund any further amount which has not yet been advanced or any further amount advanced but not yet drawn) following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage;

**Further Advance Purchase Price** means an amount equal to the principal amount of the relevant Further Advance paid by the Issuer to the Seller on the Monthly Pool Date immediately succeeding the Monthly Period in which the relevant Advance Date occurred by using amounts standing to the credit of the Principal Ledger;

**Further Class Z VFN Funding** means the further funding made by the Class Z VFN Holder upon receipt of a notice from the Issuer or the Cash Manager (on behalf of the Issuer) prior to the Class Z VFN Commitment Termination Date requesting that the relevant Class Z VFN Holder further fund the Class Z VFN;

**GBP** together with **Pounds, Sterling** and **£** means the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;

**General Reserve Amortisation Conditions** means each of the following conditions:

- (a) no Event of Default has occurred and is continuing;
- (b) the Class A Principal Deficiency Ledger will not have a debit balance on that Interest Payment Date after applying all Available Revenue Receipts on that Interest Payment Date;
- (c) the Current Balance of the Loans comprising part of the Portfolio in respect of which the aggregate amount in arrears is more than three times the Monthly Payment then due, is less than 2 per cent. of the aggregate Current Balance of the Loans comprising the Portfolio as at such relevant date; and
- (d) cumulative Losses on the Portfolio as at such relevant date represent less than 1 per cent. of the aggregate Current Balance of the Loans comprising the Portfolio as at the Closing Date.

**General Reserve Fund** means the fund established on the Closing Date and deposited in the Reserve Account which will be funded up to the General Reserve Required Amount and which will be funded from the proceeds of the Class Z VFN Holder's subscription of the Class Z VFN;

**General Reserve Ledger** means the ledger maintained by the Cash Manager on behalf of the Issuer which records amounts credited to the General Reserve Fund from the proceeds of the VFN Holder's funding of the Class Z VFN and thereafter from Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and withdrawals of 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;

**General Reserve Required Amount** will be an amount equal to £37,715,000 on the Closing Date (being an amount at least equal to 2.70 per cent. of the Current Balance of the Portfolio as at the calendar day immediately preceding the Closing Date) (the **Initial General Reserve Required Amount**) and thereafter shall on each Interest Payment Date be an amount equal to 2.70 per cent. of the Current Balance of the Portfolio as at the calendar day immediately preceding the Closing Date,

provided that if on such date the General Reserve Amortisation Conditions are met, the General Reserve Required Amount shall be an amount equal to 3.10 per cent. of the Principal Amount Outstanding of the Class A Notes on the preceding Interest Payment Date (taking into account any redemptions of the Class A Notes on such Interest Payment Date), subject to a maximum of the Initial General Reserve Required Amount and a minimum of 1.75 per cent. of the Current Balance of the Portfolio as at the calendar day immediately preceding the Closing Date. On any Interest Payment Date on which the Class A Notes are fully repaid or otherwise redeemed in full, 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 relevant Priority of Payments;

**General Reserve Required Debit Amount** shall, on any Calculation Date, be an amount equal to any shortfall in amounts required by the Issuer to pay or provide for items (a) to (g) of the Pre-Acceleration Revenue Priority of Payments on the immediately following Interest Payment Date (taking into account any Amortisation General Reserve Release Amount to be applied as Available Revenue Receipts on such Interest Payment Date), subject to a minimum of zero and a maximum of the amount standing to the credit of the General Reserve Fund (less any Amortisation General Reserve Release Amount to be debited from the General Reserve Fund on such Interest Payment Date), as at such Calculation Date;

**GIC Account** means the account in the name of the Issuer held with the Account Bank and maintained subject to the terms of the Guaranteed Investment Contract, the Bank Account Agreement and the Deed of Charge or such additional or replacement account as may for the time being be in place pursuant to the Cash Management Agreement with the prior consent of the Security Trustee and designated as such;

**GIC Account Mandate** means the form of bank mandate relating to the GIC Account as set out in Schedule 2 (Form of GIC Account Mandate) to the Bank Account Agreement;

**GIC Balance** means amounts standing to the credit of the GIC Account from time to time;

**GIC Provider** means Yorkshire Building Society in its capacity as GIC provider or any successor GIC provider appointed from time to time;

**GIC Rate** means One-Month Sterling LIBOR less 0.35 per cent. or any other such rate agreed between any successor GIC provider and the Issuer;

**Global Note** means the Temporary Global Note and/or the Permanent Global Note as the context may require;

**Guaranteed Investment Contract** or **GIC** means the guaranteed investment contract dated the Closing Date between the Issuer, the Account Bank, the Cash Manager, the GIC Provider and the Security Trustee (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Guaranteed Obligations** means any obligation of the Seller under Clause 8 (Warranties and Repurchase by the Seller) of the Mortgage Sale Agreement to repurchase any Loan and its Related Security for the amount specified therein;

**HMRC** means Her Majesty's Revenue & Customs;

**Holding Company** means a holding company as defined in section 1159 of the Companies Act 2006;

**Holdings** means Tombac No.2 Mortgage Holdings Limited (registered number 9844777), a 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;

**Identified Person** has the meaning given to it in paragraph 3 of Schedule 4 (Provisions for Meetings of Noteholders) to the Trust Deed;

**In Arrears or in arrears** means, in respect of a Mortgage Account, that one or more Monthly Payments in respect of such Mortgage Account have become due and remain unpaid (either in whole or in part) by a Borrower;

**Indemnified Claim** has the meaning given to it in Clause 9.6 (Indemnity) of the Corporate Services Agreement;

**Indemnified Persons** means, with respect to the Corporate Services Agreement, the Corporate Services Provider and all associated persons of the Corporate Services Provider;

**Independent Director** means a duly appointed member of the board of directors of the Issuer who should not have been, at the time of such appointment, or at any time in the preceding five years, (a) a direct or indirect legal or beneficial owner in the Issuer or any of its Affiliates (excluding *de minimus* ownership interests), (b) a creditor, supplier, employee, officer, director, family member, manager, or contractor of the Issuer or its Affiliates, or (b) a person who controls (whether directly, indirectly, or otherwise) the Issuer or its Affiliates or any creditor, supplier, employee, officer, director, manager, or contractor of the Issuer or its Affiliates;

**Indexed LTV** means the ratio (expressed as a percentage) of the Current Balance of the relevant Loan divided by the indexed valuation of the relevant Property based on the average of the Halifax House Price Index and the Nationwide House Price Index, from the date of the latest recorded valuation of the Property to the Cut-Off Date;

**Initial Advance** means all amounts advanced by the Seller to a Borrower under a Loan other than a Further Advance;

**Initial Consideration** means an amount equal to the Current Balance of the Loans in the Portfolio on the calendar day immediately preceding the Closing Date;

**Initial General Reserve Required Amount** has the meaning given to it in the definition of General Reserve Required Amount;

**Insolvency Act** means the Insolvency Act 1986, as amended from time to time;

**Insolvency Event** means, in respect of the Servicer, the Account Bank, the Corporate Services Provider or the Cash Manager (each, for the purposes of this definition, a **Relevant Entity**):

- (a) an order is made or an effective resolution passed for the winding up of the Relevant Entity; or
- (b) the Relevant Entity ceases or threatens to cease to carry on the whole of its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent; or

- (c) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the Relevant Entity under any applicable liquidation, administration, reorganisation (other than a reorganisation where the Relevant Entity is solvent) or other similar laws, save where such proceedings are being contested in good faith; or an administrative or other receiver, administrator or other similar official is appointed in relation to the whole or the substantial part of the undertaking or assets of the Relevant Entity or the appointment of an administrator takes effect; or a distress, execution or diligence or other process is enforced upon the whole or the substantial part of the undertaking or assets of the Relevant Entity and in any of the foregoing cases it is not discharged within fifteen (15) Business Days; or if the Relevant Entity initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness;

**Insolvency Regulation** means European Council Regulation (EC) No.1346 of 29 May 2000 on insolvency proceedings, as amended and supplemented from time to time;

**Insurance Policies** means the Buildings Insurance Policies and the Third Party Buildings Policies;

**Interest Amount** has the meaning given in Condition 5.4 (*Determination of Rates of Interest and Interest Amounts*);

**Interest Determination Date** has the meaning set out in Condition 5.3(c) (*Rate of Interest*);

**Interest Determination Ratio** means (a) the aggregate Revenue Receipts calculated in the three previous Servicer Reports (or where there are not at least three previous such Servicer Reports, the relevant previous Servicer Reports used by the Cash Manager pursuant to Condition 5.9(b)(i)) divided by (b) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Servicer Reports;

**Interest Payment Date** means the 23rd day of each month of each year or, if such day is not a Business Day, on the immediately succeeding Business Day with the first Interest Payment Date being in February 2016;

**Interest Period** means, in relation to a Note, the period from (and including) an Interest Payment Date for that Note (except in the case of the first Interest Period for the Notes, which commence on (and include) the Closing Date) to (but excluding) the following Interest Payment Date;

**Interest Rate Swap Agreement** means an ISDA Master Agreement (including a schedule and a credit support annex thereto and one or more confirmations thereunder) entered into between the Interest Rate Swap Provider and the Issuer on or about the Closing Date;

**Interest Rate Swap Excluded Termination Amount** means the amount of any termination payment due and payable to the Interest Rate Swap Provider as a result of an Interest Rate Swap Provider Default or Interest Rate Swap Provider Downgrade Event (to the extent such payment cannot be satisfied by (a) payment by the Issuer of any Replacement Swap Premium and/or (b) any excess collateral amounts standing to the credit of the Swap Collateral Account);

**Interest Rate Swap Provider** means Lloyds Bank plc and any successor or replacement swap provider under the Interest Rate Swap Agreement;

**Interest Rate Swap Provider Default** means the occurrence of an Event of Default (as defined in the Interest Rate Swap Agreement) where the Interest Rate Swap Provider is the Defaulting Party (as defined in the Interest Rate Swap Agreement);

**Interest Rate Swap Provider Downgrade Event** means the occurrence of an Additional Termination Event (as defined in the Interest Rate Swap Agreement) following the failure by the Interest Rate Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Interest Rate Swap Agreement;

**Interest-only Loan** means a loan where the Borrower makes monthly payments of interest but not of principal so that when the Loan matures, the entire principal amount of the Loan is still outstanding and is payable in one lump sum;

**Investor Report** means the monthly report provided by the Cash Manager, with the assistance of the Servicer, to the Issuer, the Security Trustee, the Seller and the Rating Agencies in respect of the Issuer and published in accordance with the Cash Management Agreement and substantially in the form set out in **Schedule 3** (Form of Monthly Report) of the Cash Management Agreement;

**Irish Stock Exchange** means the Irish Stock Exchange Limited;

**Irrecoverable VAT** means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition, a **Relevant Party**) as part of a payment in respect of which it is entitled to be reimbursed or indemnified under the relevant Transaction Documents to the extent that the Relevant Party does not or will not receive and retain a credit or repayment of such VAT as input tax (as that expression is defined in section 24(1) of the Value Added Tax Act 1994);

**ISDA** means the International Swaps and Derivatives Association, Inc.;

**ISDA Definitions** means the 2006 ISDA Definitions, as published by ISDA;

**ISDA Master Agreement** means the 1992 ISDA Master Agreement (Multicurrency – Cross Border), as published by ISDA;

**Issuer** means Tombac No.2 PLC (registered number 9844730), 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;

**Issuer Power of Attorney** means the power of attorney granted by the Issuer in favour of the Security Trustee under the Deed of Charge on the Closing Date substantially in the form set out in Schedule 1 (Issuer Power of Attorney) to the Deed of Charge;

**Issuer's Profit** means the profit of the Issuer, retained by the Issuer as provided for in accordance with the Cash Management Agreement;

**Issuer Profit Amount** means an amount equal to £1,125 as at each Interest Payment Date (£4,500 per annum);

**Issuer Profit Ledger** means the ledger maintained by the Cash Manager to record as a credit the Issuer Profit Amount retained by the Issuer as profit in accordance with the relevant Priority of Payments;

**Issuer Standard Variable Rate** means the standard variable rate applicable to Loans in the Portfolio as set, other than in limited circumstances, by the Servicer, in accordance with Clause 4 (Issuer Standard Variable Rates) of the Servicing Agreement;

**ITA 2007** means the Income Tax Act 2007;

**Land Registry** means the body responsible for recording details of land in England and Wales;

**Law** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction and any present or future directive, regulation, guideline, practice, concession, request or requirement whether or not having the force of law issued by any governmental body, agency or department or any central bank or other fiscal, monetary, taxation, regulatory, self-regulatory or other authority or agency;

**Ledgers** means the Principal Ledger, the Revenue Ledger, the General Reserve Ledger, Principal Deficiency Ledgers, the Liquidity Reserve Ledger, the Issuer Profit Ledger and any additional ledger operated in accordance with the Cash Management Agreement (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);

**Lending Criteria** means the lending criteria contained in Schedule 8 (Lending Criteria) to the Mortgage Sale Agreement or such other lending criteria of the Seller from time to time, or such other criteria as would be acceptable to a Reasonable, Prudent Mortgage Lender;

**Lending Industry's Principles of Data Reciprocity** means the rules formulated by the Steering Committee on Reciprocity governing the sharing of data via credit reference agencies by institutions engaged in the provision of banking facilities;

**Liability** means, in respect of any person, any loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability including, but without limitation, legal costs and expenses properly incurred (including, in each case, Irrecoverable VAT in respect thereof);

**LIBOR** means the London Interbank Offered Rate;

**Liquidity Reserve Fund** means a fund to be established 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 and which will be deposited in the Reserve Account and used to fund senior expenses and interest payments on the Class A Notes;

**Liquidity Reserve Fund Required Amount** means an amount equal to the greater of (a) 4% of the Principal Amount Outstanding of the Class A Notes at the beginning of the relevant Interest Period less the amount standing to the credit of the General Reserve Fund as determined by the Cash Manager on the relevant Calculation Date after taking into account the amount of Available Revenue Receipts to be credited to the General Reserve Fund on the Interest Payment Date immediately following such Calculation Date in accordance with the Pre-Acceleration Revenue Priority of Payments and (b) zero;

**Liquidity Reserve Ledger** means the ledger maintained by the Cash Manager on behalf of the Issuer to record amounts credited to and debited from (to fund senior expenses and interest payments on the Class A Notes) the Liquidity Reserve Fund in accordance with the applicable Priority of Payments contained in the Cash Management Agreement;

**Loan or Mortgage Loan** means the residential mortgage loans, secured by a Mortgage and Related Security, in the Portfolio to be sold to the Issuer on the Closing Date together with, where the context so requires, each Further Advance sold to the Issuer by the Seller after the Closing Date and any alteration to a Loan by the Seller pursuant to a Product Switch but excluding (for the avoidance

of doubt) each Loan and its Related Security which is repurchased by the Seller (or, as applicable, YBS or one of its subsidiaries) pursuant to the Mortgage Sale Agreement or otherwise sold by the Issuer in accordance with the terms of the Transaction Documents and no longer beneficially owned by the Issuer;

**Loan Agreement** means, in relation to a Loan, the loan agreement entered into between the relevant Borrower and the Seller, as amended and/or restated from time to time;

**Loan Files** means the file or files relating to each Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing inter alia correspondence between the Borrower and the Seller and including mortgage documentation applicable to the Loan, each letter of offer for that Loan, the Valuation Report (if applicable) and, to that extent available, the solicitor's or licensed conveyancer's Certificate of Title;

**Loan Repurchase Notice** means a notice substantially in the form set out in Schedule 4 (Loan Repurchase Notice) to the Mortgage Sale Agreement;

**Loan Warranties** means the representations and warranties set out in Schedule 1 (Loan Warranties) to the Mortgage Sale Agreement;

**Losses** means all realised losses in respect of a Loan;

**LP (MP) Act** means the Law of Property (Miscellaneous Provisions) Act 1994;

**LTV, LTV ratio or loan-to-value ratio** means the ratio (expressed as a percentage) of the outstanding balance of a Loan to the value of the Property securing that Loan;

**Main Securities Market** means the regulated market of the Irish Stock Exchange;

**Markets in Financial Instruments Directive** means Markets in Financial Instruments Directive 2004/39/EC;

**Master Definitions and Construction Schedule** means this master definitions and construction schedule (as the same may be amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Maximum Class Z VFN Amount** means £500,000,000 or such other amount as may be agreed from time to time by the Issuer and the Class Z VFN Holder, and such amount to be notified to the Note Trustee;

**Member State** means a state of the European Union;

**MCOB** means the FCA Handbook module known as the Mortgages and Home Finance: Conduct of Business sourcebook;

**Monthly Payment** means the amount which the relevant Mortgage Conditions require a Borrower to pay on each monthly payment date in respect of that Borrower's Loan;

**Monthly Period** means the monthly period commencing on and including the first calendar day of each month and ending on and including the last calendar day of each month except that the first Monthly Period will commence on the Closing Date and end on the last calendar day of January 2016;

**Monthly Pool Date** means the 16th of each month;

**Monthly Test Date** means the 9th of each month;

**Moody's** means Moody's Investors Service Limited and includes any successor to its rating business;

**Mortgage** means in respect of any Loan each first fixed charge by way of legal mortgage secured over a Property located in England or Wales which is, or is to be, sold by the Seller to the Issuer pursuant to the Mortgage Sale Agreement, which secures the repayment of the relevant Loan including the Mortgage Conditions applicable to it;

**Mortgage Account** means all Loans secured on the same Property and thereby forming a single mortgage account;

**Mortgage Conditions** means all the terms and conditions applicable to a Loan, including without limitation those set out in the Seller's relevant mortgage conditions booklet and the Seller's relevant general conditions, each as varied from time to time by the relevant Loan Agreement and the relevant Mortgage Deed;

**Mortgage Deed** means, in respect of any Mortgage, the deed in written form creating that Mortgage;

**Mortgage Sale Agreement** means the mortgage sale agreement dated on or about the Closing Date and made between the Seller, the Issuer, the Security Trustee and the Servicer in relation to the sale of the Loans to the Issuer;

**Mortgaged Property** has the same meaning as Property;

**Mortgagee** means the person for the time being entitled to exercise the rights of the mortgagee under a Mortgage;

**New Build Loan** means a loan in respect of a property whose construction date is within 24 months of the mortgage application date;

**New Loan Type** means a new type of mortgage loan originated or acquired by the Seller, which the Seller intends to transfer to the Issuer, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans comprised in the Portfolio (and for the avoidance of doubt, a mortgage loan will not constitute a New Loan Type if it differs from the Loans due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate or any other interest rate or the benefit of any discounts, cash backs and/or rate guarantees or if it has flexible features);

**Non-Responsive Rating Agency** has the meaning given to it in Condition 18 (*Non-Responsive Rating Agency*);

**Note Acceleration Notice** means a notice issued by the Note Trustee to the Issuer declaring the Notes to be due and repayable pursuant to Condition 10 (Events of Default) of the Notes;

**Note Trustee** means U.S Bank Trustees Limited, acting as Note Trustee under the terms of the Trust Deed, or such other person as may from time to time be appointed as Note Trustee (or co-trustee) pursuant to the Trust Deed;

**Noteholders** means (a) the Class A Noteholders, and (b) the person(s) in whose name a Class Z VFN is registered in the Class Z VFN Register (or in the case of joint holders first named thereof)



and the words **Noteholder** and **Noteholders** and related expressions shall (where appropriate) be construed accordingly;

**Notes** means the Class A Notes, and the Class Z VFN;

**Notice of Increase** means a notice substantially in the form in Schedule 5 (Form of Notice of Increase) to the Trust Deed;

**Official List** means the official list maintained by the Irish Stock Exchange;

**Offset Loan** means a Loan which permits the Borrower to offset the amount of monies standing to the credit of specified savings account(s) against the current balance of their Loan for the purposes of reducing the interest bearing balance of their Loan;

**One-Month Sterling LIBOR** means the London Interbank Offered Rate for one-month Sterling deposits as displayed on Reuters Screen page LIBOR01;

**Option Date** means the date that the Underpayment Option or Tested Underpayment Option, as applicable, is made;

**Optional Redemption Date** has the meaning given to it in Condition 7.3(a) (*Optional Redemption of the Class A Notes in Full*) of the Notes;

**Ordinary Resolution** has the meaning given to it in paragraph 1 of Schedule 4 to the Trust Deed;

**Original LTV Ratio** means the ratio calculated by dividing the Total Debt Advanced by the Original Valuation;

**Original Valuation** means the property valuation at the time of the latest advance;

**outstanding** means, in relation to the Notes, all the Notes issued from time to time other than:

- (a) those Notes which have been redeemed in full and cancelled pursuant to the Conditions;
- (b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have been cancelled in accordance with Condition 7.8 (*Cancellation*) of the Notes;
- (d) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 9 (*Prescription*) of the Notes;
- (e) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 14 (*Replacement of Notes*) with respect to the Notes;
- (f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Note) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which

replacements have been issued pursuant to Condition 14 (*Replacement of Notes*) with respect to the Notes; and

- (g) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant Class in definitive form pursuant to its provisions,

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders of any Class or Classes, an Ordinary Resolution in writing, a Written Resolution or an Electronic Consent as envisaged by paragraph 1 of Schedule 4 (Provisions for Meetings of Noteholders) to the Trust Deed and any direction or request by the holders of Notes of any Class or Classes;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clauses 10.1 and 21.2 and Schedule 4 (Provisions for Meetings of Noteholders) to the Trust Deed and Conditions 10 (*Events of Default*), 11 (*Enforcement*) and 12.5 (*Additional Right of Modification*) of the Notes;
- (iii) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and
- (iv) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Seller, YBS, any Holding Company of any of them or any other Subsidiary of any such Holding Company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except, in the case of the Seller or YBS, any Holding Company of the Seller or YBS or any other Subsidiary of such Holding Company (the **Relevant Persons**) where all of the Notes of any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Class of Notes (the **Relevant Class of Notes**) shall be deemed to remain outstanding except that, if there is any other Class of Notes ranking *pari passu* with, or junior to, the Relevant Class of Notes (the **Pari/Junior Class**) and one or more Relevant Persons are not the beneficial owners of all the Notes of such Pari/Junior Class, then the Relevant Class of Notes shall be deemed not to remain outstanding;

**Overpayment Reserve** means a credit reserve on a Borrower's Mortgage Account relating to a Loan;

**Paying Agents** means the Principal Paying Agent and any further or other paying agents for the time being appointed under the Agency Agreement;

**Perfection** means the perfection of certain matters relating to the sale and purchase of the Portfolio as contemplated in, pursuant to and in accordance with Clause 6 (Perfection of the Sale) of the Mortgage Sale Agreement;

**Perfection Event** means each of the events set out in paragraphs (a) to (e) inclusive below:

- (a) the Seller being required to (i) perfect transfer of legal title to the Loans and their Related Security by an order of a court of competent jurisdiction or (ii) by a regulatory authority

which has jurisdiction over the Seller or (iii) by any organisation of which the Seller is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders with whose instructions it is customary for the Seller to comply;

- (b) it becoming necessary by law to perfect legal title to the Loans and their Related Security;
- (c) the Security under the Deed of Charge or any material part of that Security being, in the opinion of the Security Trustee, in jeopardy and the Security Trustee being required by the Note Trustee (on behalf of the Noteholders) so long as any Notes are outstanding or the other Secured Creditors if no Notes are then outstanding to take action to reduce that jeopardy;
- (d) the Seller calling for Perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (e) the occurrence of a Seller Insolvency Event;

**Performance Ratio** means in respect of the Fixed Interest Rate Swap and any calendar month the lesser of (a)  $X/Y$  and (b) 1, where:

X = the greater of (A) zero; and (B) the sum of all payments due in respect of the relevant Loans in the Portfolio being hedged pursuant to the Fixed Interest Rate Swap during that month less the increase in arrears (being the amount by which a Loan is in arrears for the current month less the amount by which it was in arrears during the previous month) for each relevant Loan in the Portfolio during that month.

Y = the sum of all payments due in respect of the relevant Loans in the Portfolio being hedged pursuant to the Fixed Interest Rate Swap during that month.

**Permanent Global Note** means the permanent global notes obtained by exchanging interests in a Temporary Global Note on and after the date which is forty (40) days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder;

**Permitted Product Switch** means a Product Switch where:

- (a) the relevant Borrower has made at least two Monthly Payments, in full, on its Loan;
- (b) the new loan for which the prior Loan is to be exchanged is either a Fixed Rate Loan or a SVR Loan but is not in any case an Interest-only Loan if prior to such Product Switch such Loan was not an Interest-only Loan ; and
- (c) on the Monthly Test Date immediately following the making of the Product Switch, each of the Asset Conditions are satisfied;

**Personal Data** means any information of whatever nature satisfying the definition of "personal data" in the Data Protection Act that, by whatever means, is provided to the Data Processor by the Data Controller, is accessed by the Data Processor on the authority of the Data Controller or is otherwise received by the Data Processor on the Data Controller's behalf, for the purposes of the Processing specified in the Servicing Agreement;

**Pool Factor** has the meaning given in Condition 7.2(b) of the Notes;

**Portfolio** means the portfolio of Loans, Mortgages, Related Security and all rights, interest, benefit, income and payments therein including, for the avoidance of doubt, those set out in Clause 2.3 (Sale and Purchase of the Portfolio) of the Mortgage Sale Agreement sold to the Issuer by the Seller on the Closing Date and all monies derived therefrom from time to time (and includes all Further Advances, Product Switches and Underpayment Options sold to or retained by the Issuer);

**Portfolio Notice** means a notice attaching or setting out data in respect to the Loans in the Portfolio;

**Portfolio Reconciliation Risk Mitigation Techniques** means the portfolio reconciliation risk mitigation techniques for OTC derivative transactions set out in Article 11(1)(b) of EMIR as supplemented by Article 13 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 and published on 23 February 2013 in the Official Journal of the European Union;

**Post-Acceleration Priority of Payments** means the manner and priority of payments in which amounts (other than those excluded under Clause 7.2 (Post-Acceleration Priority of Payments) of the Deed of Charge) will be applied following the service of a Note Acceleration Notice on the Issuer, as set out in **Clause 7.2** (Post-Acceleration Priority of Payments) of the Deed of Charge;

**PRA** means the Prudential Regulation Authority;

**Pre-Acceleration Principal Priority of Payments** means the manner and priority of payments in which Available Principal Receipts will be applied prior to the service on the Issuer of a Note Acceleration Notice, as set out in paragraph 8 of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement;

**Pre-Acceleration Priority of Payments** means the Pre-Acceleration Principal Priority of Payments and the Pre-Acceleration Revenue Priority of Payments;

**Pre-Acceleration Revenue Priority of Payments** means the manner and priority of payments in which the Available Revenue Receipts will be applied prior to service of a Note Acceleration Notice, as set out in paragraph 7 of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement;

**Presentation Date** has the meaning set out in Condition 6.5 (*No Payment on non-Business Day*) of the Notes;

**Principal Amount Outstanding** has the meaning set out in Condition 7.5 (*Principal Amount Outstanding*) of the Notes;

**Principal Amount Outstanding of the Class Z VFN** has the meaning set out in Condition 7.5 (Principal Amount Outstanding) of the Notes;

**Principal Deficiencies** has the meaning set out in paragraph 5.2 of Schedule 2 (Cash Management and Maintenance of Ledgers) to the Cash Management Agreement;

**Principal Deficiency Ledgers** means each of the Class A Principal Deficiency Ledger and the Class Z VFN Principal Deficiency Ledger maintained by the Cash Manager on behalf of the Issuer which records on it all deficiencies arising from Losses on the Portfolio. The Principal Deficiency Ledger will record as a debit deficiencies arising from Losses on the Portfolio and corresponding drawings from the Liquidity Reserve Fund (if established) and Principal Receipts used to pay a Revenue Deficiency and record as a credit Available Revenue Receipts applied pursuant to the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts);

**Principal Ledger** means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Principal Receipts received by the Issuer and 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);

**Principal Paying Agent** means Elavon Financial Services Limited, acting through its UK Branch, acting as Principal Paying Agent under the terms of the Agency Agreement, or such other person as may from time to time be appointed as Principal Paying Agent pursuant to the Agency Agreement;

**Principal Receipts** means (a) principal repayments under the Loans, (b) recoveries of principal from defaulting Borrowers under Loans being enforced (including the proceeds of sale of the relevant Property), (c) any payment pursuant to any insurance policy in respect of a Mortgaged Property in connection with a Loan in the Portfolio and (d) the proceeds of the repurchase of any Loan by the Seller (or, as applicable, YBS or one of its subsidiaries) from the Issuer pursuant to the Mortgage Sale Agreement (other than any amount representing Accrued Interest);

**Priority of Payments or Priorities of Payments** means the Pre-Acceleration Revenue Priority of Payments, the Pre-Acceleration Principal Priority of Payments and the Post-Acceleration Priority of Payments;

**Proceedings** has the meaning given to it in the Trust Deed;

**Processing** has the meaning given in the Data Protection Act (and Process shall be construed accordingly);

**Product Switch** means any variation in the financial terms and conditions applicable to a Loan other than any variation:

- (a) agreed with a Borrower to control or manage arrears on the Loan;
- (b) in the maturity date of the Loan (unless the maturity date would be extended to a date later than three years before the Final Maturity Date of the Notes in which case such variation will constitute a Product Switch);
- (c) imposed by statute;
- (d) in the rate of interest payable in respect of a Loan (provided that suitable hedging arrangements will be in place for such Loan for the term of such Loan, which, for Fixed Rate Loans will be compliant with the applicable Moody's and Fitch criteria at that time);
- (e) in the rate of interest payable (a) as a result of any variation in SVR or other applicable floating rates or (b) where the terms of the Mortgage change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Mortgage otherwise change the interest rate payable,

where in the case of (d) above, the notional of the Fixed Interest Rate Swap would be adjusted to take account of a change to or from a fixed or floating rate until the maturity of such Loan or Loans;

**Property** means a freehold, leasehold or commonhold property which is, in each case, subject to a Mortgage;

**Prospectus** means the prospectus dated 21 December 2015 in relation to the issue of the Notes and approved by the Central Bank;

**Prospectus Directive** means EU Directive 2003/71/EC (as amended);

**Purchase Price** means the Initial Consideration and the Deferred Consideration;

**Qualifying Noteholder** means:

- (a) a person which is beneficially entitled to interest in respect of the Class Z VFN and is:
  - (i) a company resident in the United Kingdom for United Kingdom tax purposes;
  - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account payments of interest in respect of the Notes in computing the chargeable profits (for the purposes of Section 19 of the CTA 2009) of that company; or
  - (iii) a partnership each member of which is:
    - (A) a company resident in the United Kingdom; or
    - (B) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which will bring into account in computing its chargeable profits (for the purposes of Section 19 of the CTA 2009) the whole of any share of a payment of interest in respect of the Notes that is attributable to it by reason of Part 17 of the CTA 2009; or
- (b) a person which falls within any of the other descriptions in section 935 or 936 of the ITA 2007 and satisfies any conditions set out therein in order for the interest to be an excepted payment for the purposes of section 930 of the ITA 2007;

**Rate of Interest** has the meaning given in Condition 5.3 (*Rate of Interest*) of the Notes;

**Rating Agencies** means Fitch and Moody's;

**Rating Agency Tests** means tests which satisfy each of the following conditions as at the last day of the Monthly Period immediately preceding the relevant Monthly Test Date:

- (a) for Further Advances, the weighted average Original LTV Ratio of the Loans in the Portfolio does not exceed 80 per cent.;
- (b) for Further Advances, the outstanding Current Balance of any Loans in the Portfolio (including the relevant Further Advances) with an Original LTV Ratio of more than 80 per cent. does not exceed 20 per cent.;
- (c) for Further Advances, the Original LTV Ratio of each Loan is less than 87.5 per cent.; and
- (d) in respect of any Loan which is the subject of a Tested Underpayment Option, the aggregate of the Overpayment Reserves in respect of all Loans comprising the Portfolio does not exceed 5 per cent. of the Current Balance of the Loans comprised in the Portfolio as at the relevant Monthly Test Date;

**Ratings Confirmation** means a confirmation from the Rating Agencies that certain actions proposed to be taken by the Issuer and/or the Security Trustee and/or the Note Trustee will not have an adverse effect on the then current ratings of the Class A Notes;

**Reasonable, Prudent Mortgage Lender** means a reasonably prudent residential mortgage lender lending to borrowers in England and Wales who generally satisfies the lending criteria of traditional sources of residential mortgage capital;

**Receiver** means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Charged Assets by the Security Trustee pursuant to the Deed of Charge;

**Reconciliation Amount** means in respect of any Collection Period, (a) the actual Principal Receipts as determined in accordance with the available Servicer Reports, less (b) the Calculated Principal Receipts in respect of such Collection Period, plus (c) any Reconciliation Amount not applied in previous Collection Periods;

**Redemption Fee** means the standard redemption fee charged to the Borrower by the Seller where the Borrower makes a repayment of the full outstanding principal of a Loan on the maturity date of such Loan;

**Reference Banks** means the principal London office of each of five major banks engaged in the London interbank market selected by the Agent Bank with the approval of the Issuer, provided that, once a Reference Bank has been selected by the Agent Bank, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such;

**Regulated Mortgage Contract** means a credit agreement which constitutes a "regulated mortgage contract" as defined in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended from time to time;

**Regulation S or Reg S** means Regulation S under the Securities Act;

**Regulations** means as the context may require the 1999 Regulations and/or, as applicable, the Unfair Terms in Consumer Contracts Regulations 1994 (SI 1994/3159) as amended from time to time;

**Related Security** means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all other matters applicable thereto acquired as part of any Portfolio sold to the Issuer pursuant to the Mortgage Sale Agreement including (without limitation):

- (a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, Deeds of Consent) from occupiers and other persons having an interest in or rights in connection with the relevant Property;
- (b) each right of action of the Seller against any person (including, without limitation, any solicitor, licensed conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan; and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (including, the relevant Buildings Insurance Policies) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files;

**Released Loans** has the meaning given to that term in Clause 9.1 (Guarantee) of the Mortgage Sale Agreement;

**Relevant Company** means any party to any Transaction Document;

**Relevant Date** has the meaning given to it in Condition 9 (*Prescription*) of the Notes;

**relevant entity** means a UK-incorporated institution with permission to accept deposits pursuant to Part IV of the Financial Services and Markets Act 2000;

**Relevant Margin** means:

- (a) in respect of the Class A Notes, prior to the Step-Up Date 0.78% per annum and on and after the Step-Up Date 1.56% per annum (the **Class A Margin**); and
- (b) in respect of the Class Z VFN, 0.00% per annum (the **Class Z VFN Margin**);

**Relevant Payment Date** has the meaning given to that term in Clause 11.1 (Resignation) of the Agency Agreement;

**Relevant Screen Rate** means the arithmetic mean of offered quotations for one-month Sterling deposits (or, with respect to the first Interest Period the rate which represents the linear interpolation of LIBOR for one month and two-month deposits in Sterling) in the London interbank market displayed on the Reuters Screen page LIBOR01 (or such replacement page on that service which displays the information) or, if that service ceases to display the information, such other screen service as may be determined by the Issuer with the approval of the Note Trustee;

**Replacement Swap Premium** means, in respect of the Fixed Interest Rate Swap, an amount received by the Issuer from a replacement swap provider upon entry by the Issuer into a swap transaction with such replacement swap provider to replace such Fixed Interest Rate Swap;

**Reporting Regulations** means any regulations made under section 222 of the Finance Act 2013;

**Reserve Account** means the instant access account in the name of the Issuer held with the Reserve Account Bank and maintained subject to the terms of the Reserve Account Agreement and the Deed of Charge or such additional or replacement account as may for the time being be in place pursuant to the Cash Management Agreement with the prior consent of the Security Trustee and designated as such;

**Reserve Account Agreement** means the agreement entered into on or about the Closing Date between the Reserve Account Bank, the Issuer, the Cash Manager and the Security Trustee which governs the operation of the Reserve Account (as amended, restated, supplemented, replaced and/or novated from time to time);

**Reserve Account Mandate** means the form of bank mandate relating to the Reserve Account as set out in Schedule 1 to the Reserve Account Agreement;

**Reserve Account Bank Organisation** has the meaning given to it in Clause 1 (Definitions and Interpretation) of the Reserve Account Agreement;

**Reserve Account Bank Rating** means a short-term issuer default rating of at least F1 by Fitch, long-term, unsecured, unguaranteed and unsubordinated debt obligations rated at least Baa3 by Moody's and long-term issuer default rating of at least A by Fitch (or (i) such other rating which is consistent with the then current rating methodology of the relevant Rating Agency 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);

**Reserve Account Bank Termination Event** has the meaning set out in Clause 9.1 (Termination Event) of the Reserve Account Agreement;

**Revenue Deficiency** means the shortfall between the amount required to pay items (a) to (f) of the Pre-Acceleration Revenue Priority of Payments and the aggregate of items (a) to (g) less (i) plus (j) of the definition of Available Revenue Receipts, which is calculated by the Cash Manager on each Calculation Date;

**Revenue Ledger** means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Revenue Receipts received by the Issuer and distribution of the same in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Acceleration Priority of Payments (as applicable);

**Revenue Receipts** means (a) payments of interest and other fees due from time to time under the Loans (including Early Repayment Fees and any Arrears of Interest) and other amounts received by the Issuer in respect of the Loans other than Principal Receipts, (b) recoveries of interest from defaulting Borrowers under Loans being enforced and (c) recoveries of any amounts (including any interest and principal amounts) from defaulting Borrowers under Loans in respect of which Enforcement Procedures have been completed if such recoveries are identifiable by the Seller as pertaining to a Loan in the Portfolio;

**Right to Buy Loan** or **RTB Loan** means a Loan in respect of a Property made in whole or in part to a Borrower for the purpose of enabling that Borrower to exercise his right to buy the relevant Property under the Housing Act 1985 and the Housing Act 1996 (each as amended and updated from time to time);

**Secured Creditors** means the Security Trustee, the Note Trustee, the Noteholders, the Seller, the Servicer, the Back-Up Servicer Facilitator, the Cash Manager, the Interest Rate Swap Provider and any replacement interest rate swap provider, the Account Bank, the GIC Provider, the Reserve Account Bank, the Swap Collateral Account Bank, the Corporate Services Provider, the Paying Agents, the Class Z VFN Registrar, the Agent Bank and any other person who is expressed in the Deed of Charge or any deed supplemental to the Deed of Charge to be a secured creditor;

**Secured Obligations** means any and all of the monies and liabilities which the Issuer covenants and undertakes to pay or discharge under Clause 2 (Issuer's Covenant to Pay) of the Deed of Charge and all other amounts owed by it to the Secured Creditors under and pursuant to the Transaction Documents;

**Securities Act** means the United States Securities Act of 1933, as amended;

**Securitisation Regulations** means the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296);

**Security** means the security granted by the Issuer to the Security Trustee under and pursuant to the Deed of Charge in favour of the Secured Creditors;

**Security Interest** means any mortgage, sub-mortgage, charge, sub-charge, pledge, lien (other than a lien arising in the ordinary course of business or by operation of law), or other encumbrance or security interest howsoever created or arising;

**Security Trustee** means U.S. Bank Trustees Limited acting in its capacity as the Security Trustee under the terms of the Deed of Charge, which expression shall include such company and all other persons or companies for the time being acting as security trustee (or co-trustee) pursuant to the terms of the Deed of Charge;

**Self-certified Loan** means a Loan where the application was taken on the understanding that evidence of the declared income was unavailable and would not be required in order to underwrite the case;

**Seller** means Accord Mortgages Limited acting in its capacity as seller of the Loans and their Related Security to the Issuer pursuant to the Mortgage Sale Agreement;

**Seller Arranged Policy** means any Buildings Insurance Policy arranged by the Seller for the purposes of the Borrower insuring the Property for an amount equal to the full rebuilding cost of the Property;

A **Seller Insolvency Event** will occur in the following circumstances:

- (a) an order is made or an effective resolution passed for the winding up of the Seller; or
- (b) the Seller stops or threatens to stop payment to its creditors generally or the Seller ceases or threatens to cease to carry on its business or substantially the whole of its business; or
- (c) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the Seller and, in the case of any of the foregoing events, is not discharged within thirty (30) days; or
- (d) the Seller is unable to pay its debts as they fall due;

**Seller Power of Attorney** means the power of attorney granted by the Seller in favour of the Issuer and the Security Trustee on the Closing Date substantially in the form set out in Schedule 3 (Seller Power of Attorney) to the Mortgage Sale Agreement;

**Seller Standard Variable Rate** means the relevant standard variable rate set by the Seller in relation to applicable Standard Variable Rate Loans (other than Fixed Rate Loans) beneficially owned by the Seller outside the Portfolio;

**Seller's Policy** means the originating, underwriting, administration, arrears and enforcement policy for repayment of the Loans and their Related Security which are beneficially owned solely by the Seller and applied by the Seller from time to time to such Loans and their Related Security;

**Servicer** means the YBS or such other person as may from time to time be appointed as servicer of the relevant Loans in the Portfolio pursuant to the Servicing Agreement;

**Servicer Report** means a report to be provided by the Servicer on or prior to each Monthly Pool Date and detailing the information relating to the Portfolio necessary to produce the Investor Report;

**Servicer Termination Event** means any of the events listed in Clause 19 (Termination) of the Servicing Agreement;

**Servicer Termination Notice** means a notice given by the Security Trustee to terminate the Servicer's appointment following a Servicer Termination Event;

**Services** means the services to be provided by the Servicer set out in the Servicing Agreement including **Schedule 1** (The Services) thereto;

**Servicing Agreement** means the agreement entered into on or about the Closing Date between the Servicer, the Issuer, the Security Trustee, the Back-Up Servicer Facilitator and the Seller pursuant to which the Servicer agrees to service the relevant Loans and their Related Security sold to the Issuer by the Seller in the Portfolio (as the same may be further amended, restated, varied, supplemented, replaced and/or novated from time to time);

**Servicing Fee** has the meaning given in Clause 11.1 of the Servicing Agreement;

**Share Trust Deed** means the declaration of trust dated 2 November 2015 pursuant to which the Share Trustee holds the beneficial interest in the share of Holdings on trust for certain discretionary purposes;

**Share Trustee** means Wilmington Trust SP Services (London) Limited (registered number 02548079), a private limited company incorporated under the laws of England and Wales, whose registered office is at Third Floor, 1 King's Arms Yard, London EC2R 7AF;

**Specified Office** means as the context may require, in relation to any of the Agents, the office specified against the name of such Agent in the Agency Agreement or such other specified office as may be notified to the Issuer and the Security Trustee pursuant to the Agency Agreement;

**Standard Documentation** means the standard documentation, a list of which is set out in Exhibit 1 to the Mortgage Sale Agreement, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender;

**Standard Variable Rate Loans, SVR Loans or Variable Rate Loans** means those Loans or any sub-account(s) of such Loan to the extent that and for such period that their Mortgage Conditions provide that they are subject to a rate of interest which may at any time be varied in accordance with the relevant Mortgage Conditions and referencing the Standard Variable Rate (and shall, for the avoidance of doubt, exclude Loans or any sub-account(s) of such Loan during the period that they are Fixed Rate Loans);

**Standard Variable Rates or SVR** means the Seller Standard Variable Rates and/or the Issuer Standard Variable Rates, as the context may require;

**Step-Up Date** means the Interest Payment Date falling on 23 January 2021;

**Sterling Interest Determination Date** means the first day of the Interest Period for which the rate will apply;

**Sterling LIBOR** means the London Interbank Offered Rate for Sterling deposits;

**Sterling Notes** means the Class A Notes and the Class Z VFN;

**Subscription Agreement** means the subscription agreement entered into by the Seller, YBS, the Arranger and the Issuer on 21 December 2015;

**Subsidiary** means a subsidiary as defined in section 1159 of the Companies Act 2006;

**Successor Agent** means any successor to any Agent who may be appointed by the Issuer under the Agency Agreement;

**Successor Paying Agent** means any successor to any Paying Agent who may be appointed by the Issuer under the Agency Agreement;

**Successor Principal Paying Agent** means any successor to the Principal Paying Agent who may be appointed by the Issuer under the Agency Agreement;

**SVR Accrual Amount** means the amount of interest accruing on a SVR Loan in any month calculated using the rate of interest then chargeable in relation to such SVR Loan;

**SVR Contractual Difference Amount** means, in respect of a SVR Loan and any month in relation to which the Borrower has paid the SVR Fixed Monthly Amount for such SVR Loan in such month, the amount (if any) by which the SVR Accrual Amount is greater than the SVR Fixed Monthly Amount in respect of such SVR Loan;

**SVR Fixed Monthly Amount** means the fixed monthly amount paid by a Borrower in respect of a SVR Loan;

**Swap Collateral** means an amount equal to the value of collateral (other than Excess Swap Collateral) provided by the Interest Rate Swap Provider to the Issuer in support of its obligations under the Interest Rate Swap Agreement, and includes any interest and distributions in respect thereof;

**Swap Collateral Account** means an account (including a cash and/or a securities account) opened by the Issuer with the Swap Collateral Account Bank for the purposes of depositing any collateral to be posted by the Interest Rate Swap Provider pursuant to the terms of the Interest Rate Swap Agreement;

**Swap Collateral Account Bank** means Elavon Financial Services Limited, acting through its UK Branch, and any successor or other party (if any), in each case acting in their capacity as swap collateral account bank pursuant to the Swap Collateral Account Bank Agreement;

**Swap Collateral Account Bank Rating** means a short-term issuer default rating of at least F1 by Fitch, long-term, unsecured, unguaranteed and unsubordinated debt obligations rated at least Baa3 by Moody's and long-term issuer default rating of at least A by Fitch (or (i) such other rating which is consistent with the then current rating methodology of the relevant Rating Agency 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);

**Swap Collateral Account Bank Agreement** means an agreement between the Issuer, the Security Trustee, the Cash Manager and the Swap Collateral Account Bank, pursuant to which the Issuer will open one or more Swap-Collateral Accounts with the Swap Collateral Account Bank;

**Swap Collateral Account Mandate** means the form of bank mandate relating to the Swap Collateral Account as set out in Schedule 1 (Form of Swap Collateral Account Mandate) to the Swap Collateral Account Bank Agreement;

**Swap Tax Credits** means any credit, allowance, set-off or repayment in respect of tax received by the Issuer from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Interest Rate Swap Provider to the Issuer;

**Switch Date** means the day on which the Product Switch is made;

**Tax Certificate** means the tax certificate substantially in the form set out in Schedule 1 (Form of Tax Certificate) of the Agency Agreement;

**Taxes** means all present and future taxes and any levies, imposts, duties (other than stamp duty), fees, deductions, withholdings or charges in the nature of tax wheresoever imposed, including, without limitation, income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon and **Tax** and **Taxation** shall be construed accordingly;

**Temporary Global Note** means a temporary global note in the form or substantially in the form set out in Schedule 1 (Form of Temporary Global Note) to the Trust Deed;

**Tested Underpayment Option** means any Underpayment Option in an amount greater than £25;

**Third Party Amounts** means amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):

- (a) payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;
- (b) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;
- (c) payments by the Borrower of any fees (including Early Repayment Fees) and other charges which are due to the Seller; and
- (d) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Seller;

**Third Party Buildings Policies** means the buildings insurance policies referable to each Property;

**Third Party Collection Agent** means an entity that shall act as collection agent for the Issuer under the Direct Debiting Scheme or any successor to that scheme pursuant to Clause 5.1(a)(i) of the Servicing Agreement;

**Title Deeds** means, in relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds and documents which relate to the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage;

**Title Information Documents** means the Title Deeds and any related planning documents or other local authority documents relating to the Property;

**Title Insurance Policy** means each of the title insurance policies set out in the Mortgage Sale Agreement together with, in each case, any other insurance policies in replacement, addition or substitution thereof or thereto from time to time which relate to the Loans; together with, in each case, any other insurance policies in replacement, addition or substitution thereof or thereto from time to time which relate to the Loans;

**Total Debt Advanced** means the total amount of debt outstanding immediately following the last advance;

**Transaction** means the transaction contemplated by the Transaction Documents;

**Transaction Account** means the instant access account in the name of the Issuer held with the Account Bank and maintained subject to the terms of the Bank Account Agreement and the Deed of Charge or such additional or replacement account as may for the time being be in place pursuant to the Cash Management Agreement with the prior consent of the Security Trustee and designated as such;

**Transaction Account Mandate** means the form of bank mandate relating to the Transaction Account as set out in Schedule 1 (Form of Transaction Account Mandate) to the Bank Account Agreement;

**Transaction Documents** means the following documents:

- (a) the Servicing Agreement;
- (b) the Agency Agreement;
- (c) the Reserve Account Agreement;
- (d) the Bank Account Agreement;
- (e) the Guaranteed Investment Contract;
- (f) the Cash Management Agreement;
- (g) the Corporate Services Agreement;
- (h) the Deed of Charge (and each document entered into pursuant thereto);
- (i) the Interest Rate Swap Agreement;
- (j) the Swap Collateral Account Bank Agreement;
- (k) the Issuer Power of Attorney;
- (l) this Master Definitions and Construction Schedule;
- (m) the Mortgage Sale Agreement;
- (n) the Seller Power of Attorney; and
- (o) the Trust Deed,

and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes;

**Trust Corporation** means a corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation;

**Trust Deed** means the trust deed entered into on or about the Closing Date between the Issuer and the Note Trustee constituting the Notes (as the same may be amended, restated, varied supplemented, replaced and/or novated from time to time);

**Trustee Acts** means the Trustee Act 1925 and the Trustee Act 2000;

**UK Regulator** means:

- (a) in respect of the period before 1 April 2013, the FSA; and
- (b) in respect of the period on or after 1 April 2013:
  - (i) the FCA; or
  - (ii) the PRA and the FCA,

as applicable;

**UK Regulator's Rules** means the rules made by the UK Regulator under the FSMA;

**U.S. Persons** means U.S. Persons as defined in Regulation S under the Securities Act;

**Underpayment Option** means the ability of a Borrower for as long as there is an Overpayment Reserve in respect of its Loan to make an underpayment which is less than the amount of its monthly repayment in respect of such Loan;

**Unindexed LTV** means the ratio (expressed as a percentage) of the Current Balance of the relevant Loan divided by the latest recorded valuation of the relevant Property;

**United Kingdom** or **UK** means the United Kingdom of Great Britain and Northern Ireland;

**United States** means the United States of America;

**Unpaid Amounts** means the sum of all amounts due and payable between the Interest Rate Swap Provider and the Issuer on or prior to the Early Termination Date (as defined in the Interest Rate Swap Agreement) and which remain unpaid as at such Early Termination Date;

**Valuation Report** means the valuation report or reports for mortgage purposes, in the form of one of the pro forma contained in the Standard Documentation, obtained by the Seller from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable, Prudent Mortgage Lender and which has been approved by the relevant officers of the Seller;

**Valuer** means an Associate or Fellow of the Royal Institution of Chartered Surveyors who was at the relevant time either a member of a firm which was on the list of Valuers approved by or on behalf of the Seller from time to time or an Associate or Fellow of the Royal Institution of Chartered Surveyors employed in-house by the Servicer acting for the Seller in respect of the valuation of a Property;

**VAT** or **Value Added Tax** means value added tax imposed by the United Kingdom under the Value Added Tax Act 1994 and legislation (whether delegated or otherwise) replacing the same or supplemental thereto or in any primary or subordinate legislation promulgated by the European Union or any official body or agency thereof, and any similar turnover tax replacing or introduced in addition to any of the same;

**Voting Certificate** has the meaning given to it in paragraph 1 of Schedule 4 (Provisions for Meetings of Noteholders) to the Trust Deed;

**Written Resolution** has the meaning given to it in paragraph 1 of Schedule 4 (Provisions for Meetings of Noteholders) of the Trust Deed;

**YBS** means Yorkshire Building Society, a building society incorporated under the Building Societies Act 1986; and

**YBS Group** means YBS, together with its consolidated subsidiaries undertakings from time to time.

## 2. INTERPRETATION AND CONSTRUCTION

2.1 Any reference in any Transaction Document, or in any document to which this Master Definitions and Construction Schedule is expressed to be incorporated or apply, to:

- (a) **affiliate** of any person shall be construed as a reference to the ultimate holding company of that person or an entity of which that person or its ultimate holding company (i) has direct or indirect control or (ii) owns directly or indirectly more than 50% of the share capital or similar rights of ownership;
- (b) the **assets** of any person shall be construed as a reference to the whole or any part of its business, undertakings, property, intellectual property, shares, securities, debts, accounts, revenues (including any right to receive revenues), goodwill, shareholdings and uncalled capital including premium whether now or hereafter acquired and any other assets whatsoever;
- (c) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing or registration;
- (d) a **calendar year** refers to a year from the beginning of 1 January to the end of 31 December;
- (e) **disposal** shall be construed as any sale, lease, transfer, conveyance, assignment, assignation, licence, sublicense or other disposal and **dispose** shall be construed accordingly;
- (f) a **guarantee** means any guarantee, bond, indemnity, letter of credit, third party security or other legally binding assurance against financial loss granted by one person in respect of any indebtedness of another person, or any agreement to assume any indebtedness of any other person or to supply funds or to invest in any manner whatsoever in such other person by reason of, or otherwise in relation to, indebtedness of such other person;
- (g) **indebtedness** shall be construed so as to include any obligation (whether incurred as principal or as surety or guarantor) for the payment or repayment of money, whether present or future, actual or contingent;
- (h) a **month** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month save that, where any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day, unless that day falls in the calendar month succeeding that in which it would otherwise have ended, in which case it shall end on the preceding Business Day, provided that if a period starts on the last Business Day in a calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to **months** shall be construed accordingly);



- (i) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (j) **reasonable, unreasonable**, or like references, when used herein in relation to the Note Trustee and/or Security Trustee and the exercise by it of any power, discretion, opinion, determination, or other similar matter shall be construed as meaning reasonable by reference to the interests of the Noteholders only;
- (k) **set-off** shall be deemed to include analogous rights in other relevant jurisdictions;
- (l) a **wholly owned subsidiary** of a company or corporation shall be construed as a reference to any company or corporation which has no other members except that other company or corporation and that other company's or corporation's wholly owned subsidiaries or persons acting on behalf of that other company or corporation or its wholly owned subsidiaries; and
- (m) the **winding-up, dissolution or administration** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, bankruptcy, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

2.2 In this Master Definitions and Construction Schedule and in any of the Transaction Documents in which this Master Definitions and Construction Schedule is expressed to be incorporated or to which this Master Definitions and Construction Schedule is expressed to apply:

- (a) words denoting the singular number only shall include the plural number also and vice versa;
- (b) words denoting one gender only shall include the other gender;
- (c) words denoting persons only shall include firms and corporations and vice versa;
- (d) references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment;
- (e) references to any agreement or other document (including any of the Transaction Documents) shall be deemed also to refer to such agreement or document as amended, restated, varied, replaced, supplemented and/or novated from time to time;
- (f) references to the Deed of Charge shall include all documents entered into pursuant thereto;
- (g) clause, paragraph and schedule headings are for ease of reference only;
- (h) reference to a statute shall be construed as a reference to such statute as the same may have been, or may from time to time be, amended or re-enacted to the extent such amendment or re-enactment is substantially to the same effect as such statute on the date hereof;
- (i) reference to a time of day shall be construed as a reference to London time (unless otherwise specified);

- (j) reference to a court or Court shall be construed as a reference to a court of competent jurisdiction; and
- (k) references to any person or a party shall include references to his successors, transferees and assigns and assignees and any person deriving title under or through him.

2.3 In this Master Definitions and Construction Schedule and in any of the Transaction Documents in which this Master Definitions and Construction Schedule is expressed to be incorporated or to which this Master Definitions and Construction Schedule is expressed to apply, all references involving compliance by the Note Trustee or the Security Trustee with a test of reasonableness shall be deemed to include (a) in the case of the Note Trustee, a reference to a requirement that such reasonableness shall be determined by reference solely to the interests of the Noteholders and (b) in the case of the Security Trustee, a reference to a requirement that such reasonableness shall be determined by reference (i) while there are Notes outstanding, solely to the interests of the Noteholders, and (ii) if there are no Notes outstanding, solely to the interests of the Secured Creditors.

### **3. AMENDMENTS**

Subject to Clause 24.7 (Modification to Transaction Documents) of the Deed of Charge, any amendments to this Master Definitions and Construction Schedule will be made only with the prior written consent of each party to this Master Definitions and Construction Schedule.

### **4. COUNTERPARTS**

This Master Definitions and Construction Schedule may be signed in any number of counterparts each of which, when signed, shall constitute one and the same instrument.

### **5. GOVERNING LAW**

This Master Definitions and Construction Schedule (and any non-contractual obligations arising out of or in connection with it) is governed in accordance with English law.

**SIGNATORIES**

**Seller**

**SIGNED** for and on behalf of  
**ACCORD MORTGAGES LIMITED**  
acting by its authorised signatory  
DAWN HOWARD

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**Class Z VFN Holder**

**SIGNED** for and on behalf of  
**ACCORD MORTGAGES LIMITED**  
acting by its authorised signatory  
DAWN HOWARD

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**Servicer**

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

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**Cash Manager**

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

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**Account Bank**

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

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**Class Z VFN Registrar**

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

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**GIC Provider**

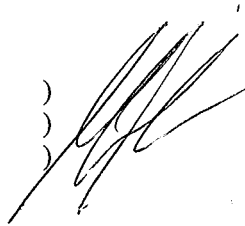
**SIGNED** for and on behalf of  
**YORKSHIRE BUILDING SOCIETY**  
acting by its duly authorised signatory  
DAWN HOWARD

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**Issuer**

**SIGNED** for and on behalf of  
**TOMBAC NO.2 PLC**  
acting by a Director

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**Mark Filer**  
**Director**

**Holdings**

**SIGNED** for and on behalf of  
**TOMBAC NO.2 MORTGAGE HOLDINGS LIMITED**  
acting by a Director

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**Mark Filer**  
**Director**

**Corporate Services Provider**

**SIGNED** for and on behalf of  
**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

acting by its authorised signatory

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**Mark Filer**  
**Director**

**Back-Up Servicer Facilitator**

**SIGNED** for and on behalf of  
**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**  
as Back-Up Servicer Facilitator

acting by its authorised signatory

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**Mark Filer**  
**Director**

**Share Trustee**

**SIGNED** for and on behalf of  
**WILMINGTON TRUST SP SERVICES (LONDON) LIMITED**

acting by its authorised signatory

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**Mark Filer**  
**Director**

**Interest Rate Swap Provider**

**SIGNED** by  
**LLOYDS BANK PLC**  
as Interest Rate Swap Provider  
acting by its duly authorised signatory

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**Issuer**

**SIGNED** for and on behalf of )  
**TOMBAC NO.2 PLC** )  
acting by a Director )

**Holdings**

**SIGNED** for and on behalf of )  
**TOMBAC NO.2 MORTGAGE HOLDINGS** )  
**LIMITED** )  
acting by a Director )

**Corporate Services Provider**

**SIGNED** for and on behalf of )  
**WILMINGTON TRUST SP SERVICES** )  
**(LONDON) LIMITED** )  
acting by its authorised signatory )

**Back-Up Servicer Facilitator**

**SIGNED** for and on behalf of )  
**WILMINGTON TRUST SP SERVICES** )  
**(LONDON) LIMITED** )  
as Back-Up Servicer Facilitator )  
acting by its authorised signatory )

**Share Trustee**

**SIGNED** for and on behalf of )  
**WILMINGTON TRUST SP SERVICES** )  
**(LONDON) LIMITED** )  
acting by its authorised signatory )

**Interest Rate Swap Provider**

**SIGNED** by )  
**LLOYDS BANK PLC** )  
as Interest Rate Swap Provider )  
acting by its duly authorised signatory )



**Security Trustee**


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

  
Chris Yates  
Authorised Signatory

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Hamyd Mazrae  
Authorised Signatory

**Note Trustee**

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

  
Chris Yates  
Authorised Signatory

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Hamyd Mazrae  
Authorised Signatory

**Principal Paying Agent**

SIGNED for and on behalf of  
**ELAVON FINANCIAL SERVICES LIMITED,**  
**ACTING THROUGH ITS UK BRANCH**  
acting by two duly authorised Attorneys:

  
Chris Yates  
Authorised Signatory

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Hamyd Mazrae  
Authorised Signatory

**Agent Bank**

SIGNED for and on behalf of  
**ELAVON FINANCIAL SERVICES LIMITED,**  
**ACTING THROUGH ITS UK BRANCH**  
acting by two duly authorised Attorneys:

  
Chris Yates  
Authorised Signatory

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Hamyd Mazrae  
Authorised Signatory

**Swap Collateral Account Bank**

SIGNED for and on behalf of  
**ELAVON FINANCIAL SERVICES LIMITED,**  
**ACTING THROUGH ITS UK BRANCH**  
acting by two duly authorised Attorneys:

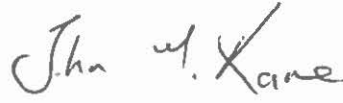
  
Chris Yates  
Authorised Signatory

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Hamyd Mazrae  
Authorised Signatory

**Reserve Account Bank**

**SIGNED by**  
**CITIBANK, N.A., LONDON BRANCH**  
as Reserve Account Bank  
acting by a delegated signatory

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**John Kane**  
**Vice President**