

**EXECUTION VERSION**

# **CASH MANAGEMENT AGREEMENT**

4 SEPTEMBER 2020

**CITIBANK, N.A., LONDON BRANCH**  
as Cash Manager

**and**

**CANTERBURY FINANCE NO.3 PLC**  
as Issuer

**and**

**CITICORP TRUSTEE COMPANY LIMITED**  
as Security Trustee

**and**

**ONESAVINGS BANK PLC**  
as Servicer and Seller

**and**

**ROYAL BANK OF CANADA**  
as Swap Provider

**ALLEN & OVERY**

**Allen & Overy LLP**

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**THIS CASH MANAGEMENT AGREEMENT** (this **Agreement**) is made on 4 September 2020

**BETWEEN:**

- (1) **CITIBANK, N.A., LONDON BRANCH**, with its registered office at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB (acting in its capacity as the **Cash Manager**);
- (2) **CANTERBURY FINANCE NO. 3 PLC** (registered number 12659114), a public limited company incorporated under the laws of England and Wales whose registered office is at 10th Floor, 5 Churchill Place, London E14 5HU (the **Issuer**);
- (3) **CITICORP TRUSTEE COMPANY LIMITED** (registered number 235914), a company incorporated under the laws of England and Wales whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB (the **Security Trustee**);
- (4) **ONESAVINGS BANK PLC** (registered number 07312896), a public limited company incorporated under the laws of England and Wales, whose registered office is at Reliance House, Sun Pier, Chatham, Kent ME4 4ET (the **Seller** and the **Servicer**); and
- (5) **ROYAL BANK OF CANADA** (registered number BR000548), incorporated in Canada with limited liability and registered in England and Wales at 100 Bishopsgate London EC2N 4AA (the **Swap Provider**).

**WHEREAS:**

- (A) On the Closing Date the Issuer will issue the Notes and the Certificates.
- (B) The Cash Manager agrees to provide Cash Management Services to the Issuer and the Security Trustee on the terms and subject to the conditions contained in this Agreement.
- (C) The Swap Provider is party to this Agreement for the purposes of protecting its rights as a Secured Creditor of the Issuer only and shall not have any obligations hereunder. No amendment may be made to the terms of this Agreement without the consent of the Swap Provider.
- (D) The Issuer is entering into this Agreement with the intention of securing that, where it receives any amounts (such amounts being in aggregate "R") during any accounting reference period (such amounts being taken to include, for this purpose, amounts which have been added to the General Reserve Fund Ledger, Class A and Class B Liquidity Reserve Fund Ledger, Swap Collateral Ledger and Swap Collateral Account in that or any previous accounting reference period and have been released in that accounting reference period from the General Reserve Fund Ledger, Class A and Class B Liquidity Reserve Fund Ledger, Swap Collateral Ledger and Swap Collateral Account) it will pay to persons other than the Issuer, during the same accounting reference period or within 18 months thereafter, amounts which are in aggregate (such aggregate amounts being ("P")) at least equal to:
  - (a) R less
  - (b) the aggregate of (i) any amount credited by the Issuer as its Issuer Profit Amount in that accounting reference period, and (ii) any amounts that have been added by the Issuer in that accounting reference period to the General Reserve Fund Ledger, Class A and Class B Liquidity Reserve Fund Ledger, Swap Collateral Ledger and Swap Collateral Account,

(and so that the reference above to payments to persons other than the Issuer shall not include (i) dividend payments made by the Issuer, (ii) payments of United Kingdom corporation tax made by the Issuer, or (iii) payments into accounts or other funds held or operated by third parties and solely owned by the Issuer itself).

**IT IS HEREBY AGREED** as follows:

## **1. DEFINITIONS AND INTERPRETATION**

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

## **2. APPOINTMENT OF CASH MANAGER**

### **2.1 Appointment**

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

### **2.2 Duties prescribed by Transaction Documents**

For the avoidance of doubt and in connection with the powers conferred under Clause 2.1 (Appointment), the Cash Manager undertakes only to perform those duties as are expressly set out herein or otherwise as set out in the Transaction Documents and, save as expressly provided elsewhere in this Agreement, nothing in this Agreement shall be construed so as to give the Cash Manager any powers, rights, authorities, directions or obligations other than as specified in this Agreement or any of the other Transaction Documents to which it is a party, except the Cash Manager shall have full power, authority and right to do or cause to be done any and all things which it considers necessary, desirable or incidental to the exercise of its rights, powers and discretions and obligations contained in this Agreement. The Cash Manager authorises those persons (or such other persons as are agreed in writing between the Cash Manager and the Issuer and notified to the Security Trustee) listed in Schedule 4 (Authorised Signatories) hereto to operate and manage the Issuer Accounts.

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

The appointment made pursuant to Clause 2.1 (Appointment) is conditional upon the issue of the Notes and the Certificates having taken place and shall take effect upon and from the Closing Date automatically without any further action on the part of any person.

### **2.4 Standard of Care**

The Cash Manager shall, at all times during the term of this Agreement, perform its obligations with all due care, skill and diligence and in good faith and exercise the level of skill, care and attention of an experienced cash manager for residential mortgage backed securities transactions in providing the Cash Management Services and performing related functions but the Cash Manager shall not be

required to do or cause to be done anything which it is prevented from doing by any regulatory direction or any requirement of law.

### 3. SERVICES

#### 3.1 General

- (a) The Cash Manager shall provide the services set out in this Agreement (including the Schedules hereto) (such services, the **Cash Management Services**).
- (b) The Cash Manager will act upon the direction of the Security Trustee (given in accordance with the terms and provisions of the Deed of Charge) upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer.

#### 3.2 Sub-Contracts

- (a) The Cash Manager may sub-contract or delegate the performance of all or any of its powers and obligations under this Agreement to any party whom it reasonably believes is capable of, and experienced in, performing the functions to be given to it **provided that** (but subject to Clause 3.2(b) below):
  - (i) where the arrangements involve or may involve the receipt by the sub-contractor or delegate of monies belonging to the Issuer which, in accordance with this Agreement, are to be paid into the Deposit Account or any other Issuer Account, the sub-contractor or delegate has executed a declaration in form and substance acceptable to the Issuer that any such monies held by it or to its order are held on trust for the Issuer or, following the service of an Enforcement Notice, the Security Trustee, and will be paid forthwith into the Deposit Account or, if applicable, any other Issuer Account, in accordance with the terms of this Agreement and the other Transaction Documents;
  - (ii) any such sub-contractor or delegate has executed a written waiver of any Security Interest arising in connection with the delegated Cash Management Services (to the extent that such Security Interest relates to the Portfolio or any amount referred to in (i) above); and
  - (iii) such sub-contracting or delegation would not cause the Issuer to become subject to tax anywhere other than the United Kingdom or result in the Issuer suffering any additional taxes which the Issuer would not have suffered absent such appointment.
- (b) The proviso in Clause 3.2(a) shall not apply to the engagement by the Cash Manager of:
  - (i) any solicitor, accountant, or other professional adviser acting as such;
  - (ii) any documentation retention service or document storage facility; or
  - (iii) any other sub-contractor or delegate not engaged in arrangements involving or which may involve the receipt by the sub-contractor or delegate of monies belonging to the Issuer which, in accordance with this Agreement, are to be paid into any Issuer Account.
- (c) The Issuer or the Security Trustee may by notice in writing require the Cash Manager to assign to the Issuer or, following the service of an Enforcement Notice, the Security Trustee (if it so requires) any rights which the Cash Manager may have against any sub-contractor or delegate arising from the performance of services by such person relating to any matter contemplated by this Agreement and the Cash Manager acknowledges that such rights assigned to the Issuer or the Security Trustee will

be exercised by the Issuer or the Security Trustee subject to the terms of this Agreement and the other Transaction Documents.

- (d) Notwithstanding any sub-contracting or delegation of the performance of its obligations under this Agreement and subject to Clause 3.4 (Reliance on advisers) below, the Cash Manager shall not thereby be released or discharged from any liability hereunder and shall remain responsible for the performance of all of the obligations of the Cash Manager under this Agreement, and the performance or non-performance or the manner of performance of any sub-contractor or delegate of any of the Cash Management Services shall not affect the Cash Manager's obligations under this Agreement and any breach in the performance of the Cash Management Services by such sub-contractor or delegate shall, subject to the Cash Manager being entitled for a period of 20 Business Days from receipt of any notice of such breach from the Issuer or, following the service of an Enforcement Notice, the Security Trustee to remedy such breach by any sub-contractor or delegate, be treated as a breach of this Agreement by the Cash Manager.
- (e) Neither the Security Trustee nor the Issuer shall have any liability for any costs, charges or expenses payable to or incurred by such sub-contractor or delegate or arising from entering into, the continuance or the termination of any such arrangement.

### **3.3 Approvals and authorisations**

The Cash Manager shall maintain, or procure the maintenance of, all approvals, authorisations, consents and licences necessary for it to perform its obligations under the Transaction Documents to which it is a party and shall, so far as it is reasonably able to do so, perform the Cash Management Services in such a way as not to prejudice the continuation of any such approvals, authorisations, consents or licences.

### **3.4 Reliance on advisers**

The Cash Manager may at the cost of the Issuer in accordance with Clause 7 (Costs and Expenses) consult with legal counsel or other professional advisers of its selection in the event of any dispute or question as to the meaning or construction of any of the provisions hereof or in connection with the performance of its duties hereunder provided that the Cash Manager has used all reasonable skill and care in the selection of such counsel or advisers and it shall incur no liability and shall be fully protected as against the Issuer in acting in accordance with the opinion and advice of such legal counsel or professional advisers.

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

- (a) The Cash Manager shall indemnify the Issuer on demand on an after tax basis for any Liabilities suffered or incurred by the Issuer in respect of the gross negligence, fraud or wilful default of the Cash Manager or any of its officers, directors or employees or any of its sub-contractors or delegates, in carrying out its functions as Cash Manager under this Agreement or the other Transaction Documents to which the Cash Manager is a party (in its capacity as such) save that in no circumstances will the Cash Manager be liable for the Issuer's own breach of regulatory obligations. This indemnity shall survive the termination or expiry of this Agreement.
- (b) The Cash Manager shall not be liable in respect of any Liabilities suffered or incurred by the Issuer or the Security Trustee and/or any other person as a result of the performance or failure in performance of the Cash Management Services by the Cash Manager or any of its officers, directors, employees, sub-contractors or delegates or of its functions as Cash Manager under this Agreement or the other Transaction Documents save where such Liability is suffered or incurred as a result of any gross negligence, fraud or wilful default of the Cash Manager or any of its officers, directors or employees or any of its sub-contractors or delegates.

- (c) The Cash Manager shall be entitled to rely upon the accuracy of any notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager by any party to the Transaction Documents in connection with the Transaction Documents and (in the absence of manifest error) no liability to the Issuer or the Security Trustee shall attach to the Cash Manager as a result of the Cash Manager having relied on any such notifications, opinions, determinations, certificates, quotations, decisions or calculations given, made or provided to the Cash Manager in connection with the Transaction Documents by any person.
- (d) The Cash Manager shall incur no liability to the Issuer or the Security Trustee or any other party for the performance or non-performance of its obligations under this Agreement or any other Transaction Document:
  - (i) as a result of any failure or delay on the part of any person in supplying any information or the supplying of incorrect, incomplete or inaccurate information under this Agreement or the provisions pursuant to which a person is required to supply information to the Cash Manager in any other Transaction Document (and the Cash Manager shall not be bound to act until such current and complete information is received by it);
  - (ii) for any action taken by the Cash Manager at the request of the Issuer or the Security Trustee; or
  - (iii) to the extent that it is prevented from performing such obligations by reason of there being insufficient funds in (or, in accordance with the Transaction Documents, available from) the Issuer Accounts to make a payment in whole or in part in accordance with this Agreement or any other Transaction Document.
- (e) The Cash Manager will not be responsible for monitoring or supervising the performance of the parties and their respective obligations under the Transaction Documents.
- (f) The Cash Manager shall not be under any fiduciary duty towards any other party to this Agreement nor under any obligations other than its express obligations under this Agreement, any agreement or letter entered into pursuant to this Agreement or any Transaction Document.
- (g) The Issuer agrees to provide the Cash Manager upon request with all the information in its possession or under its control that the Cash Manager may reasonably require in sufficient time to allow the Cash Manager to perform its duties under the Transaction Documents and the Cash Manager is hereby authorised to rely and act upon such instructions or information as it shall receive from the Issuer pursuant to this Clause 3.5(g).
- (h) Subject to Clause 3.5(i), if the Cash Manager is rendered unable to carry out its obligations under this Agreement or any other Transaction Document to which (in its capacity as such) it is a party by electricity power-cuts, failure of international or domestic clearing or payment systems (where such failure arose out of the circumstances beyond its control and other than where such failure is specific to the Cash Manager), strikes, lock-outs, sit-ins, industrial disturbances (other than strikes, lock-outs, sit-ins and industrial disturbances which are specific to the Cash Manager lasting more than five days), earthquakes, storms, fire, flood, acts of God, insurrections, riots, epidemics, war, civil disturbances, governmental directions or regulations, or any other circumstances beyond its control, the Cash Manager shall not be liable for any failure to carry out its obligations under this Agreement or any other Transaction Document to which the Cash Manager is a party (in its capacity as such) which are affected by the event in question and, for so long as such circumstances continue, shall be relieved of its obligations under this Agreement and any other such Transaction Document which are affected by the event in question without liability provided that this Clause 3.5(h) shall not apply if any such event arose as a result of the fraud, gross negligence or wilful default of the Cash Manager.

- (i) The Cash Manager shall, notwithstanding that it is relieved from its obligations pursuant to Clause 3.5(h), take all reasonable steps available to it to procure that such event in relation to it ceases to exist and take reasonable practical steps to minimise any Liabilities arising from any such event.
- (j) Notwithstanding any provision of this Agreement to the contrary, including Clause 3.5(a), neither the Issuer nor the Cash Manager shall in any event be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable, even where the likelihood of such loss or damage has been advised and regardless of whether the claim for loss or damage is made in negligence, for breach of contract or otherwise.
- (k) The Issuer shall indemnify the Cash Manager and its respective officers, directors, employees and agents against any Liability which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement or any other Transaction Document to which the Cash Manager is a party, except for any Liability resulting from the Cash Manager's own wilful default, gross negligence or fraud hereunder or that of its officers, directors, employees, agents or any of its sub-contractors or delegates. For the avoidance of doubt, the Issuer shall not be liable for any Liability arising as a result of the wilful default, gross negligence or fraud of the Cash Manager or that of its officers, directors, agents, employees or any of its sub-contractors or delegates. This indemnity shall survive the termination or expiry of this Agreement and shall continue in full force and effect notwithstanding whether or not the Cash Manager is then the Cash Manager of these presents.

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

##### **4.1 Issuer Accounts**

- (a) The Cash Manager undertakes (to the extent to which the same is within its control) that as at the Closing Date the Deposit Account will be operative and that it will not knowingly create or permit to subsist any Security Interest in relation to the Deposit Account other than as created under or permitted pursuant to the Deed of Charge.
- (b) The Cash Manager undertakes (to the extent to which the same is within its control) that as at the Closing Date the Swap Collateral Account will be operative and that it will not knowingly create or permit to subsist any Security Interest in relation to the Swap Collateral Account other than as created under or permitted pursuant to the Deed of Charge.
- (c) The Cash Manager shall procure that the following amounts are credited to the relevant Issuer Account (which shall be the Deposit Account except with respect to any Swap Collateral (other than any Swap Collateral Account Surplus), any Replacement Swap Premium received from a replacement swap provider, any termination payment received from an outgoing Swap Provider and any Swap Tax Credits which shall be credited to the relevant Swap Collateral Account) when received by the Issuer Account Bank:
  - (i) all Revenue Receipts and Swap Collateral Account Surplus;
  - (ii) all Redemption Receipts;
  - (iii) amounts received in respect of part of the subscription proceeds of the Class X Notes used to establish the General Reserve Fund;
  - (iv) amounts received by the Issuer under or in connection with the Swap Agreement other than (i) any early termination amount received by the Issuer under the Swap



Agreement; (ii) Swap Collateral; (iii) any Replacement Swap Premium paid to the Issuer; and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date other than, in each case, any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments; and

- (v) any other amounts whatsoever received by or on behalf of the Issuer after the Closing Date subject to the terms of the Transaction Documents,

and the Cash Manager shall procure that all interest earned on the Issuer Accounts and all investment proceeds, income and distributions arising from time to time in respect of Authorised Investments purchased from amounts standing to the credit of the Issuer Accounts are credited when received by it to each such account, provided that any amount representing interest or income arising in respect of Swap Collateral shall be credited solely to the Swap Collateral Account.

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

#### **4.2 Withdrawals**

- (a) The Cash Manager may make withdrawals on behalf of the Issuer from the Issuer Accounts as permitted by this Agreement, until such time as the Cash Manager receives a copy of an Enforcement Notice served by the Note Trustee on the Issuer, but shall not in carrying out its functions as Cash Manager under this Agreement otherwise make any withdrawal from any Issuer Account.
- (b) Upon receipt by the Cash Manager of a copy of an Enforcement Notice served by the Note Trustee on the Issuer, no amount shall be withdrawn from the Issuer Accounts by the Cash Manager without the prior written consent of the Security Trustee.

- 4.3 In administering the Issuer Accounts on behalf of the Issuer, the Cash Manager shall comply with the provisions of Schedule 2 (Cash Management and Maintenance of Ledgers) prior to receipt by the

Cash Manager of a copy of any Enforcement Notice served by the Note Trustee on the Issuer. Following service of an Enforcement Notice, the Security Trustee or any Appointee or Receiver appointed by the Security Trustee will direct the Cash Manager to administer the Issuer Accounts in accordance with the terms of the Deed of Charge.

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

4.5 The Cash Manager hereby confirms that if the Issuer Account Bank fails to maintain the Account Bank Ratings, it shall use all reasonable endeavours to assist the Issuer in:

- (a) closing the Issuer Accounts with the Issuer Account Bank and to open replacement Issuer Accounts with a financial institution (i) having all of the Account Bank Ratings; and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007, provided that the Cash Manager will not close the relevant account until new accounts have been opened; or
- (b) obtaining a guarantee of the obligations of the Issuer Account Bank under the Bank Account Agreement from a financial institution having all of the Account Bank Ratings,

in each case as prescribed in the Bank Account Agreement, and the terms of this Agreement, and transfer amounts standing to the credit of the relevant Issuer Accounts to the replacement Issuer Accounts.

#### **4.6 Third Party Amounts**

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

#### **4.7 Ledgers**

(a) The Cash Manager shall open and maintain in the books of the Issuer certain Ledgers to be known as:

- (i) the Redemption Ledger;
- (ii) the Revenue Ledger;
- (iii) the General Reserve Fund Ledger;
- (iv) the Principal Deficiency Ledger;
- (v) the Class A Principal Deficiency Sub-Ledger;
- (vi) the Class B Principal Deficiency Sub-Ledger;
- (vii) the Class C Principal Deficiency Sub-Ledger;
- (viii) the Class D Principal Deficiency Sub-Ledger;
- (ix) the Class E Principal Deficiency Sub-Ledger;

- (x) the Class F Principal Deficiency Sub-Ledger;
- (xi) the Class A and Class B Liquidity Reserve Fund Ledger;
- (xii) the Swap Collateral Ledger; and
- (xiii) the Issuer Profit Ledger,

and all the foregoing Ledgers (other than any Principal Deficiency Sub-Ledger) shall together reflect the aggregate of all amounts of cash and, if applicable, securities standing to the credit of the Issuer Accounts and all amounts invested in Authorised Investments purchased from amounts standing to the credit of the Issuer Accounts from time to time (taking into account that the Principal Deficiency Sub-Ledgers are sub-ledgers of the Principal Deficiency Ledger).

- (b) 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.
- (c) The Cash Manager shall make credits and debits to the Ledgers in accordance with Schedule 2 (Cash Management and Maintenance of Ledgers).

#### **4.8 Bank Account Statements**

If the Security Trustee or Issuer so requests, the Cash Manager shall take all reasonable steps to furnish a copy of the monthly bank statement in relation to each of the Issuer Accounts to the Issuer, the Seller and the Security Trustee.

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

- 5.1 The Issuer, or the Cash Manager on its behalf, will procure that on each Interest Payment Date amounts received from the Swap Provider under the Swap Agreement (other than amounts excluded pursuant to (i), (ii), (iii) and (iv) of item (c) of the definition of Available Revenue Receipts) will be included in the Available Revenue Receipts and applied by the Cash Manager, on behalf of the Issuer, in accordance with the Pre-Enforcement Revenue Priority of Payments.
- 5.2 If the Swap Agreement is terminated on or prior to the earlier of (i) the reduction of the aggregate Principal Amount Outstanding of the Collateralised Notes to zero; or (ii) the date on which the Current Balance of the Fixed Rate Loans is reduced to zero; or (iii) the service of an Enforcement Notice, the Issuer (with the assistance of the Cash Manager as to operational matters) shall use reasonable endeavours to purchase a replacement swap agreement to hedge against the possible variance between the fixed rates of interest payable on the Loans in the Portfolio and rates of interest in respect of the Collateralised Notes calculated by reference to Compounded Daily SONIA, on terms acceptable to the Issuer and the Security Trustee (acting on the direction of the Note Trustee) with a replacement swap provider the identity of which shall have been notified to the Rating Agencies and in response to which the Rating Agencies have acknowledged receipt of such notification.
- 5.3 The Cash Manager's obligations under Clause 5.2 shall be subject to the Issuer having sufficient funds to purchase the requisite replacement hedge.
- 5.4 If any Swap Collateral in the Swap Collateral Account constitutes securities, the Cash Manager (on behalf of the Issuer and only upon being made aware by the Issuer of the occurrence or designation of an Early Termination Date under (and as defined in) the Swap Agreement) or, following the

service of an Enforcement Notice, the Security Trustee shall instruct the custodian of the securities held in the relevant Swap Collateral Account to liquidate any such securities on a delivery versus payment basis promptly following the designation of an Early Termination Date under (and as defined in) the Swap Agreement.

## **6. NO LIABILITY**

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

## **7. COSTS AND EXPENSES**

Subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments, or, as the case may be, the Post-Enforcement Priority of Payments, the Issuer will on each Interest Payment Date reimburse the Cash Manager for all costs, charges, Liabilities and expenses (together with any amounts in respect of Irrecoverable VAT due thereon) properly incurred by the Cash Manager in the performance of the Cash Management Services under this Agreement and not reimbursed to the Cash Manager on any previous Interest Payment Date or reimbursed to the Cash Manager pursuant to Clause 9 (Remuneration) below. This Clause 7 shall survive the termination or expiry of this Agreement and shall continue in full force and effect notwithstanding whether or not the Cash Manager is then the Cash Manager of these presents.

## **8. INFORMATION**

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

- (a) The Cash Manager represents and warrants that at the date hereof in respect of the software which is to be used by the Cash Manager in providing the Cash Management Services under this Agreement it has in place all necessary licences and/or consents from the respective licensor or licensors (if any) of such software.
- (b) The Cash Manager undertakes that it shall for the duration of this Agreement, use reasonable endeavours to ensure that the licences and/or consents required in respect of any software used by the Cash Manager in the provision of the Cash Management Services are maintained in full force and effect.
- (c) The Cash Manager shall use reasonable endeavours to maintain in working order the information technology systems used by the Cash Manager in providing the Cash Management Services under this Agreement.

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

Subject to all applicable laws, the Cash Manager shall permit the Auditors of the Issuer and any other person nominated by the Issuer or the Security Trustee at any time during normal office hours upon reasonable notice to have access, or procure that such person or persons are granted access, to all books of record and account relating to the Cash Management Services provided by the Cash Manager and related matters in accordance with this Agreement.

### 8.3 Information Covenants

- (a) With the assistance of the Servicer (and the Servicer shall provide such assistance), the Cash Manager, shall, provided it has all the necessary information to do so, prepare and provide to the Servicer for so long as the Notes are outstanding a monthly Investor Report which shall:
- (i) as at the date of this Prospectus and prior to the relevant technical standards being prepared under the Securitisation Regulation, contain at least the information required by Annex VIII of the Delegated Regulation (EU) No 2015/3 as required by Article 43(8) of the Securitisation Regulation and shall be in the form set out in Schedule 3 (Form of Investor Report) or such other form as is reasonably acceptable by the recipients thereof; and
  - (ii) following the RTS Effective Date, be prepared in the manner required by such technical standards.
- (b) Following the RTS Effective Date, the Issuer, the Servicer and the Cash Manager shall consult in good faith regarding the reporting contemplated under Article 7 of the Securitisation Regulation and may agree in writing any changes to the form, content, method of distribution and frequency of the Investor Report and SR Data Tape to ensure compliance with the requirements of Article 7 of the Securitisation Regulation. If any changes are agreed, the Issuer, the Servicer and the Cash Manager may enter for these purposes into any amendment agreement to the Servicing Agreement and/or the Cash Management Agreement as the case may be.
- (c) The Cash Manager shall (assuming delivery by the Servicer of the Servicer Report by no later than the fifth Business Day of that month) provide the Investor Report by no later than one Business Day following each relevant Calculation Date.
- (d) The Servicer shall publish each Investor Report on the EuroABS website at <https://www.euroabs.com/IH.aspx?d=13756> (or such other website which may be available for such purpose and notified by the Servicer to the Issuer, the Cash Manager, the Security Trustee, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time), being a website which conforms with the requirements set out in Article 7(2) of the Securitisation Regulation.
- (e) The first Investor Report shall disclose the amount of Notes: (i) privately placed with investors which are not the Seller or part of the Seller's Group, (ii) retained by the Seller or by a member of the Seller's Group and (iii) publicly placed with investors which are not in the Seller's Group (and the Seller shall provide such information to the Cash Manager by no later than the fourth Business Day of the month in which the first Investor Report is due to be delivered). In relation to any Notes initially retained by a member of the Seller's Group but subsequently placed with investors which are not in the Seller's Group, the occurrence of such placement shall be disclosed in the next Investor Report to the extent possible (and, to the extent possible, the Seller shall provide such information to the Cash Manager as soon as reasonably practicable after such placement).
- (f) The Cash Manager shall provide the Rating Agencies, the Security Trustee and the Issuer, as applicable, in writing as soon as reasonably practicable with any other information relating to the Cash Manager as the Rating Agencies may reasonably request and the Issuer or Security Trustee (as applicable) may request and which the Cash Manager can reasonably obtain in connection with its obligations under this Agreement, provided that the Security Trustee shall not make such a request more than once every three months unless, in the reasonable opinion of the Issuer or Security Trustee (as applicable), an Event of Default or a Cash Manager Termination Event has occurred and is continuing, and provided further that such request does not adversely interfere with the Cash Manager's day to day provision of the Cash Management Services under the other terms of this Agreement.

- (g) The Cash Manager shall, as soon as reasonably practicable upon receiving a request from the Issuer and/or the Security Trustee and provided that it has all information necessary to enable it to do so, calculate and provide to the Issuer and the Security Trustee:
- (i) the Optional Purchase Price (or where such calculation is made prior to the Calculation Date immediately preceding the Optional Purchase Completion Date, an estimate of the Optional Purchase Price); and/or
  - (ii) (if the Optional Purchase Price provided to the Beneficial Title Transferee in the Counter Notice is an estimated Optional Purchase Price) the definitive Optional Purchase Price.

## **9. REMUNERATION**

### **9.1 Fees payable**

- (a) The Issuer shall pay to the Cash Manager for the Cash Management Services other than the items at Clause 8.3 above (the **Reporting Services**), as to which see subclause (b) below, a cash management fee of such amount as shall from time to time be agreed in a separate fee letter by the Issuer and the Cash Manager. Any sum (or other consideration) payable (or provided) by the Issuer to the Cash Manager pursuant to this Clause 9.1 shall be deemed to be exclusive of VAT, if any, chargeable on any supply or supplies for which that sum (or other consideration) is the consideration (in whole or in part) for VAT purposes. If a replacement cash manager is appointed in accordance with the terms of this Agreement, the Issuer shall pay the replacement cash manager for its services hereunder a fee to be determined at the time of such appointment in accordance with the provisions of this Agreement.
- (b) The Issuer and the Cash Manager hereby acknowledge and agree that no fee shall be payable by the Issuer to the Cash Manager in respect of the Reporting Services.

### **9.2 Payment of fee**

- (a) The cash management fee referred to in Clause 9.1 (Fees payable) shall be paid to the Cash Manager monthly in arrear on each Interest Payment Date in the manner contemplated by and in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.
- (b) Where, pursuant to the terms of this Agreement, the Cash Manager makes a supply to the Issuer for VAT purposes and VAT is or becomes chargeable on such supply, the Issuer shall, subject to the receipt of a valid VAT invoice in respect of such supply, pay to the Cash Manager (in addition to and at the same time as any other consideration for such supply) a sum equal to the amount of such VAT.

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

### **10.1 Covenants**

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

- (a) it will devote all due skill, care and diligence to the performance of its obligations and the exercise of its discretions under this Agreement in accordance with the standards and practices of a professional cash manager in the United Kingdom;

- (b) it will comply with any proper directions, orders and instructions which the Issuer or, following delivery of an Enforcement Notice, the Security Trustee may from time to time give to it in accordance with the provisions of this Agreement and, in the event of any conflict between directions from the Issuer and directions from the Security Trustee, the directions of the Security Trustee shall prevail;
- (c) it will use its reasonable endeavours to keep in force all licences, approvals, authorisations and consents which may be necessary in connection with the performance of the Cash Management Services under this Agreement and prepare and submit all necessary applications and requests for any further approval, authorisation, consent or licence required in connection with the performance of the Cash Management Services under this Agreement;
- (d) it will not knowingly fail to comply with any legal or regulatory requirements in the performance of the Cash Management Services under this Agreement;
- (e) it shall comply with all legal and regulatory obligations binding on it in its performance of its obligations under the Transaction Documents to which it is a party;
- (f) it will make all payments required to be made by it pursuant to this Agreement on the due date for payment thereof for value on such day without set-off (including in respect of any fees owed to it) or counterclaim; and
- (g) it will not, without the prior written consent of the Security Trustee, amend or terminate any of the Transaction Documents to which it is a party save in accordance with their terms.

## **10.2 Duration of covenants**

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

## **10.3 Warranties**

The Cash Manager (in such capacity) makes the following representations and warranties to each of the Issuer and the Security Trustee:

- (a) It is duly incorporated and validly existing and is capable of being sued in its own right and not subject to any immunity from any proceedings, and it has the power to own its property and assets and to carry on its business as it is being conducted.
- (b) As at the date hereof, no Insolvency Event in relation to the Cash Manager has occurred or is occurring in respect of it.
- (c) No litigation, action or administrative proceeding of or before any court or agency which is likely to have a material adverse effect on its ability to comply with its obligations under this Agreement has been started to the best of its knowledge and belief.
- (d) It has instituted and maintains policies and procedures reasonably designed to comply with the requirements of the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002 and the Terrorism Act 2000.

- (e) It has the power to enter into, perform and deliver, and has taken all necessary corporate and other action to authorise the execution, delivery and performance by it of each of the Transaction Documents to which it is or will be a party in its capacity as Cash Manager, and each such Transaction Document has been duly executed and delivered by it.
- (f) The execution by it of each of the Transaction Documents to which it is a party in its capacity as Cash Manager and the exercise by it of its rights and the performance of its obligations under such Transaction Documents will not:
  - (i) conflict, in any material regard, with any document which is binding upon it or any of its assets; or
  - (ii) conflict, in any material regard, with its constitutional documents.
- (g) All consents, licences, approvals, authorisations, exemptions and registrations required in connection with the entry into and performance by the Cash Manager of, and the transactions contemplated by, the Transaction Documents to which the Cash Manager is a party have been obtained or effected (as appropriate) and are in full force and effect.

## 11. NON-EXCLUSIVITY

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

## 12. TERMINATION

### 12.1 Cash Manager Termination Events

- (a) If any of the following events (**Cash Manager Termination Events**) shall occur:
  - (i) default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under this Agreement and such default continues unremedied for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
  - (ii) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under this Agreement, which in the opinion of the Note Trustee as notified to the Security Trustee is materially prejudicial to the interests of the Noteholders and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
  - (iii) an Insolvency Event occurs in respect of the Cash Manager; or
  - (iv) it becomes unlawful for the Cash Manager to perform its obligations under this Agreement or under any other Transaction Document,

then prior to the delivery of an Enforcement Notice, the Issuer (with the written consent of the Security Trustee), or following the delivery of an Enforcement Notice, the Security Trustee, may, at



once or at any time thereafter while such default continues, by notice in writing to the Cash Manager (with a copy to the Security Trustee if such notice is delivered by the Issuer), terminate its appointment as Cash Manager under this Agreement with effect from a date (not earlier than the date of the notice) specified in such notice. In determining whether to give or withhold consent to the termination of the Cash Manager by the Issuer, the Security Trustee will have regard to factors including, *inter alia*, the availability of a substitute cash manager.

- (b) Upon termination of the appointment of the Cash Manager pursuant to this Clause 12.1, the Issuer shall use reasonable endeavours to appoint a substitute cash manager that satisfies the conditions set forth in Clause 12.1(c) below
- (c) Any substitute cash manager:
  - (i) must agree to enter into an agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement;
  - (ii) (if Notes remain outstanding) must be a party that the Rating Agencies have previously confirmed by whatever means such Rating Agencies consider appropriate (provided that the Issuer is permitted to and does confirm in writing (including by email) to the Security Trustee that such confirmation has been obtained) the appointment of which will not cause the then current ratings of the Notes to be adversely affected unless the Security Trustee or the relevant Class or Classes of Noteholders (acting by way of an Extraordinary Resolution) otherwise agree; and
  - (iii) will be subject to the prior written approval of the Security Trustee.

## **12.2 Resignation of the Cash Manager**

The Cash Manager may resign on giving not less than 90 days' written notice (or such shorter time as may be agreed between the Cash Manager, the Issuer, the Servicer and the Security Trustee) of its resignation given by the Cash Manager to the Issuer, the Servicer, the Seller and the Security Trustee without providing any reason therefor and without being responsible for any Liability incurred by reason thereof unless such liability arises as a result of its own gross negligence, wilful default or fraud or that of its officers, directors, employees or any of its sub-contractors or delegates, provided that:

- (a) a substitute cash manager shall be appointed, such appointment to be effective not later than the date of such termination;
- (b) such substitute cash manager has the requisite cash management experience to perform the functions to be given to it under this Agreement and is approved by the Issuer and the Security Trustee;
- (c) such substitute cash manager meets the requirements set out in Clause 12.1(c).

If by the end of the notice period, a successor Cash Manager has not been appointed, the Cash Manager may itself select a successor to be appointed in accordance with this provision.

### **12.3 Effect of Termination**

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

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

Without prejudice to the provisions of Clause 3.5(e), the Cash Manager shall deliver to the Issuer, the Servicer and the Security Trustee as soon as reasonably practicable but in any event within five Business Days of becoming aware thereof, a notice of any Cash Manager Termination Event, Event of Default or any event which with the giving of notice or expiry of any grace period or certification, as specified in such Cash Manager Termination Event or Event of Default, would constitute the same.

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

- (a) Termination of this Agreement or the appointment of a substitute cash manager under this Agreement shall be without prejudice to the Liabilities of the Issuer to the Cash Manager or vice versa incurred before the date of such termination. The Cash Manager shall have no right of set-off or any lien in respect of such amounts against amounts held by it on behalf of the Issuer or the Security Trustee.
- (b) Unless terminated earlier pursuant to this Clause 12, this Agreement shall terminate automatically at such time as the Secured Obligations have been fully discharged.
- (c) On termination of the appointment of the Cash Manager under the provisions of this Clause 12, the Cash Manager shall be entitled to receive all fees and other monies accrued up to (but excluding) the date of termination but shall not be entitled to any other or further compensation. The Issuer shall pay such monies so receivable by the Cash Manager in accordance with the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments, on the dates on which they would otherwise have fallen due hereunder.
- (d) Any provision of this Agreement which is stated to continue after termination of this Agreement shall remain in full force and effect notwithstanding such termination.

## **13. FURTHER ASSURANCE**

### **13.1 Co-operation**

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

### **13.2 Powers of attorney**

Without prejudice to the generality of Clause 13.1 (Co-operation), the Issuer shall upon request by the Cash Manager forthwith give to the Cash Manager such further powers of attorney or other written authorisations, mandates or instruments as are necessary to enable the Cash Manager to perform the Cash Management Services under this Agreement.

### **13.3 Change of Security Trustee**

If there is any change in the identity of the Security Trustee or an additional security trustee is appointed in accordance with the Deed of Charge, the Cash Manager shall execute such documents with any other parties to this Agreement and take such actions as such new security trustee may require for the purposes of vesting in such new security trustee the rights of the Security Trustee under this Agreement and under the Deed of Charge and releasing the retiring Security Trustee from further obligations thereunder.

## **14. ROLE OF SECURITY TRUSTEE**

### **14.1 No responsibility for information**

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

## **14.2 No duty to monitor**

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

## **14.3 Role of the Security Trustee**

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

## **15. MERGER**

Any corporation into which the Cash Manager may be merged or converted, or any corporation with which the Cash Manager may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Cash Manager shall be a party, or any corporation, including affiliated corporations, to which the Cash Manager shall sell or otherwise transfer (i) all or substantially all of its assets; or (ii) all or substantially all of its corporate trust business shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws and subject to any credit rating requirements set out in this Agreement become the successor Cash Manager under this Agreement without the execution or filing of any paper or any further act on the part of the parties to this Agreement, and after the said effective date all references in this Agreement to the Cash Manager shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall immediately be given to the Issuer and (following delivery of an Enforcement Notice) the Security Trustee by the Cash Manager.

## **16. NO SET-OFF**

The Cash Manager agrees that it will not:

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

## **17. NON-PETITION**

17.1 Each party to this Agreement hereby agrees that it will be bound by Clause 22.1 (Non Petition in relation to the Issuer) of the Deed of Charge.

17.2 This Clause 17 shall survive the termination of this Agreement.

## **18. LIMITED RECOURSE**

18.1 The parties to this Agreement hereby acknowledge and agree that all obligations of the Issuer to the parties to this Agreement in respect of amounts owing to the parties pursuant to this Agreement are subject to the terms of Clause 22.2 (Limited Recourse) of the Deed of Charge.

18.2 This Clause 18 shall survive the termination of this Agreement.

## **19. CONFIDENTIALITY**

### **19.1 Confidentiality of Information**

Each party to this Agreement agrees that during the term of this Agreement and thereafter it shall keep confidential and it shall not disclose to any person whatsoever, any information relating to the business, finances or other matters of a confidential nature of any other party hereto of which it may have obtained as a result of the execution of this Agreement or of which it may otherwise have come into the possession of as a result of the performance of its obligations in respect of the Transaction.

### **19.2 Disapplication of confidentiality provisions**

The parties to this Agreement shall use all reasonable endeavours to prevent any such disclosure referred to in Clause 19.1 (Confidentiality of Information), provided that Clause 19.1 (Confidentiality of Information) shall not apply:

- (a) to the disclosure of any information to any person insofar as such disclosure is expressly permitted by this Agreement;
- (b) to the disclosure of any information already known to the recipient otherwise than as a result of entering into any of the Transaction Documents or as a result of a breach of this Clause 19;
- (c) to the disclosure of any information with the consent of all the parties hereto;
- (d) to the disclosure of any information which is or becomes public knowledge otherwise than disclosure being made in breach of this Clause 19 or as a result of the unauthorised or improper conduct of the recipient;
- (e) to the disclosure of any information:
  - (i) to any of the Rating Agencies;
  - (ii) in order to obtain the admission of the Notes to the Official List;
  - (iii) in connection with the admission of the Notes to trading on Euronext Dublin; or
  - (iv) which is necessary or desirable to provide to prospective investors in the Notes;

- (f) to any extent that disclosure is required pursuant to any law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory or Taxation authority (including any official bank examiners or regulators or Euronext Dublin or the Central Bank);
- (g) to the extent that the recipient needs to disclose any information to any of its employees, provided that before any such disclosure, the relevant party shall make the relevant employees aware of its obligations of confidentiality under this Agreement and shall at all times procure compliance with such obligations by such employees;
- (h) to the extent that the Cash Manager needs to disclose the same (i) so that the existence of an Event of Default or a Cash Manager Termination Event can be determined or for such an event be declared, as applicable, (ii) for the protection or enforcement of any of its rights under any of the Transaction Documents or in connection herewith or therewith or for the purpose of discharging, in such manner as it thinks fit, its duties under or in connection with such agreements, in each case to such person as is required to be informed of such information for such purposes;
- (i) to the disclosure of any information to professional advisers to, or agents of, any party to this Agreement who receive the same under a duty of confidentiality;
- (j) to the disclosure of any information to a prospective successor party and additional or successor parties on the basis that the recipient will hold such information confidential upon substantially the same terms as this Clause 19; or
- (k) in the case of the Security Trustee, to any disclosure by it to Secured Creditors or otherwise as necessary or desirable.

## **20. NOTICES**

### **20.1 In writing**

All notices and other communications to be made under or in respect of this Agreement must be in writing and, unless otherwise stated, may be given in person, by post, email or by fax and shall be sent to each relevant party using the details set out in Schedule 1 (Notices) of the Master Definitions and Construction Schedule. Unless it is agreed to the contrary, any consent or agreement required under this Agreement must be given in writing.

### **20.2 Changes**

Any party to this Agreement may change its contact details by giving five Business Days' notice to the other parties.

### **20.3 Effectiveness**

Any notice or communication given under this Clause 20 but received on a day which is not a Business Day or after 5 p.m. in the place of receipt will only be deemed to be given on the next Business Day in that place. Any notices to be given pursuant to this Agreement to any of the parties hereto shall be sufficiently served if sent by prepaid first class post, email, by hand or facsimile transmission and shall be deemed to be given (in the case of facsimile transmission) when despatched, (where delivered by hand) on the day of delivery if delivered before 5 p.m. on a Business Day or on the next Business Day if delivered thereafter or on a day which is not a Business

Day, (where delivered by email) when received or (in the case of first class post) when it would be received in the ordinary course of the post.

**21. LANGUAGE**

- (a) Any notice given in connection with this Agreement must be in English.
- (b) Any other document provided in connection with this Agreement must be:
  - (i) in English; or
  - (ii) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

**22. PARTIAL INVALIDITY**

The invalidity, illegality or unenforceability of a provision of this Agreement does not affect or impair the continuation in force of the remainder of this Agreement.

**23. WAIVER**

No waiver of this Agreement or any provision(s) of this Agreement shall be effective unless it is in writing and executed by (or by some person duly authorised by) each of the parties hereto. No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

**24. ASSIGNMENT**

Subject as provided in or contemplated by Clause 12 (Termination):

- (a) and (in the case of the Cash Manager only) Clause 3.2 and the provisions of paragraph (c), no party hereto shall be entitled to assign all or any part of its rights or obligations hereunder to any other party without the prior written consent of each of the other parties hereto (which shall not, if requested, be unreasonably withheld) save that the Issuer shall be entitled to assign whether by way of security or otherwise all or any of its rights under this Agreement without such consent to the Security Trustee pursuant to the Deed of Charge and the Security Trustee may at its sole discretion assign all or any of its rights under or in respect of this Agreement without such consent in exercise of its rights under the Deed of Charge;
- (b) the Cash Manager acknowledges that on the assignment pursuant to the Deed of Charge by the Issuer to the Security Trustee of the Issuer's rights under this Agreement, the Security Trustee may enforce such rights in the Security Trustee's own name without joining the Issuer in any such action (which right the Cash Manager hereby waives); and
- (c) if there is any change in the identity of the Security Trustee in accordance with the Deed of Charge, the Cash Manager and the Issuer shall execute such documents and take such action as the successor or additional Security Trustee and the outgoing Security Trustee may reasonably require for the purpose of vesting in the successor or additional Security Trustee the rights and obligations of the outgoing Security Trustee hereunder and releasing the outgoing Security Trustee from its future obligations under this Agreement.

**25. AMENDMENTS**

Any amendment, modification or variation to this Agreement may only be made with the prior written consent of each party to this Agreement. The Cash Manager shall not incur any increased Liability as a result of any amendment made to a Transaction Document to which it is not a party without its prior written consent.

**26. RIGHTS OF THIRD PARTIES**

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

**27. COUNTERPARTS**

This Agreement may be executed in any number of counterparts (including by facsimile), all of which, taken together, shall constitute one and the same agreement and any party to this Agreement may enter into the same by executing and delivering a counterpart (including by facsimile).

**28. GOVERNING LAW**

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

**29. SUBMISSION TO JURISDICTION**

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

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



## SCHEDULE 1

### CASH MANAGEMENT SERVICES

1. The Cash Manager's principal function will be to effect payments to and from the Issuer Accounts. In particular, the Cash Manager will:
  - (a) operate the Deposit Account, any Swap Collateral Account(s) and any additional cash and/or securities account(s) and ensure that payments are made into and from such accounts in accordance with this Agreement, the Bank Account Agreement, the Deed of Charge, the Swap Agreement and any other relevant Transaction Document, provided that nothing herein shall require the Cash Manager to make funds available to the Issuer to enable such payments to be made;
  - (b) on each Interest Payment Date prior to the delivery of an Enforcement Notice, apply, or cause to be applied, Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments, any Class A and Class B Liquidity Reserve Fund Release Amount to meet any Class A and Class B Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments and any General Reserve Fund Release Amount to meet any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments;
  - (c) if required by the Security Trustee after an Enforcement Notice has been served on the Issuer, apply, or cause to be applied, Available Revenue Receipts and Available Redemption Receipts in accordance with the Post-Enforcement Priority of Payments;
  - (d) on each Calculation Date determine if there would be a Class A and Class B Liquidity Deficit following the application of Available Revenue Receipts, any General Reserve Fund Release Amounts and any Principal Addition Amounts on the immediately following Interest Payment Date;
  - (e) on each Calculation Date determine if there would be a Revenue Deficit following the application of Available Revenue Receipts on the immediately following Interest Payment Date;
  - (f) on each Calculation Date determine if there would be a Senior Expenses Deficit following the application of Available Revenue Receipts and any General Reserve Fund Release Amounts on the immediately following Interest Payment Date;
  - (g) on each Calculation Date, determine whether the immediately following Interest Payment Date shall constitute the Final Redemption Date and/or the Class B Redemption Date and/or the Liquidity Reserve Fund IPD;
  - (h) record credits to, and debits from, the Ledgers, as and when required in accordance with the terms of this Agreement (as more particularly described in Schedule 2 (Cash Management and Maintenance of Ledgers) hereto);
  - (i) if required (i) during the Determination Period, calculate the Interest Determination Ratio, the Calculated Revenue Receipts and the Calculated Redemption Receipts; and (ii) following any Determination Period, upon receipt by the Cash Manager of the Servicer

Reports in respect of such Determination Period, reconcile the calculations to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amounts in accordance with Condition 6.9(c), Residual Certificates Condition 6.7 and this Agreement;

- (j) make withdrawals (when necessary) from the Deposit Account to pay any Third Party Amounts;
- (k) provide the Servicer the ability to review the balances of the Deposit Account, any Swap Collateral Account and any additional Issuer Accounts at any time;

in each case in accordance with the Conditions, the Residual Certificates Conditions and the other Transaction Documents.

2. The Cash Manager will also:

- (a) maintain the following Ledgers on behalf of the Issuer:
  - (i) the **Redemption Ledger**, which will record as a credit all Redemption Receipts received by the Issuer and as a debit the distribution of the Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);
  - (ii) the **Revenue Ledger**, which will record as a credit all Revenue Receipts, any Swap Collateral Account Surplus, amounts credited to the Deposit Account in accordance with the Pre-Enforcement Revenue Priority of Payments and as a debit the distribution of any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Third Party Amounts;
  - (iii) the **General Reserve Fund Ledger**, which will record amounts credited to, and debited from, the General Reserve Fund (the **General Reserve Fund**). The General Reserve Fund will be funded from part of the proceeds of the Class X Notes in an amount equal to the General Reserve Fund Required Amount on the Closing Date and on each Interest Payment Date up to and including the Final Redemption Date from amounts to be applied to the General Reserve Fund in accordance with the Pre-Enforcement Revenue Priority of Payments. On each Interest Payment Date up to and including the Final Redemption Date (prior to service of an Enforcement Notice), the Cash Manager will:
    - (A) debit an amount equal to the General Reserve Fund Excess Amount from the General Reserve Fund Ledger to be applied as Available Revenue Receipts; and
    - (B) debit an amount equal to the General Reserve Fund Release Amount (if any) from the General Reserve Fund Ledger to be applied in meeting any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order in which they appear in the Pre-Enforcement Revenue Priority of Payments;
    - (C) credit to the General Reserve Fund Ledger the amount of Available Revenue Receipts applied on such Interest Payment Date to replenish the General Reserve Fund up to the General Reserve Fund Required Amount pursuant to the Pre-Enforcement Revenue Priority of Payments.

On the Final Redemption Date only, all amounts standing to the credit of the General Reserve Fund Ledger (after first having applied any General Reserve Fund Release Amount to meet any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments, and debiting such amounts from the General Reserve Fund Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments on such Final Redemption Date) will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

- (iv) the **Principal Deficiency Ledger**, which will record on the appropriate sub-ledger (as set out in Schedule 2 (Cash Management and Maintenance of Ledgers) hereto) as a debit deficiencies arising from Losses on the Portfolio (on the date the Cash Manager is informed of such Losses by the Servicer) and Principal Addition Amounts (on the Calculation Date on which such Principal Addition Amounts are determined by the Cash Manager) and record as a credit Available Revenue Receipts applied as Available Redemption Receipts (including any amounts in respect of Enhanced Amortisation Amounts) pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date;
- (v) the **Class A and Class B Liquidity Reserve Fund Ledger**, which will record amounts credited to, and debited from, the Class A and Class B Liquidity Reserve Fund. The Class A and Class B Liquidity Reserve Fund will be credited with the Class A and Class B Liquidity Reserve Fund Required Amount from Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments on the Liquidity Reserve Fund IPD. On each Interest Payment Date from and including the Liquidity Reserve Fund IPD up to and including the Class B Redemption Date (prior to service of an Enforcement Notice), the Cash Manager will:
  - (A) debit an amount equal to the Class A and Class B Liquidity Reserve Fund Excess Amount from the Class A and Class B Liquidity Reserve Fund Ledger to be applied as Available Revenue Receipts (if any);
  - (B) debit an amount equal to the Class A and Class B Liquidity Reserve Fund Release Amount (if any) from the Class A and Class B Liquidity Reserve Fund Ledger to be applied in meeting any Class A and Class B Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order in which they appear in the Pre-Enforcement Revenue Priority of Payments;
  - (C) credit to the Class A and Class B Liquidity Reserve Fund Ledger the amount of Available Redemption Receipts applied on such Interest Payment Date to replenish the Class A and Class B Liquidity Reserve Fund up to the Class A and Class B Liquidity Reserve Fund Required Amount pursuant to the Pre-Enforcement Redemption Priority of Payments.

On the Class B Redemption Date only, all amounts standing to the credit of the Class A and Class B Liquidity Reserve Fund Ledger (after first having applied any Class A and Class B Liquidity Reserve Fund Release Amount in meeting any Class A and Class B Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amount from the Class A and Class

B Liquidity Reserve Fund Ledger) will be applied as Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments;

- (vi) the **Issuer Profit Ledger**, which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer; and
  - (vii) the **Swap Collateral Ledger**, which shall record as a credit (A) any Swap Collateral received from the Swap Provider, (B) any Replacement Swap Premium received by the Issuer from a replacement swap provider, (C) any termination payment received by the Issuer from an outgoing Swap Provider, and (D) Swap Tax Credits. Amounts and securities standing to the credit of each Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded on the Swap Collateral Ledger will be applied by the Cash Manager in accordance with the Swap Collateral Account Priority of Payments;
- (b) calculate on each Calculation Date the amount of Available Revenue Receipts and Available Redemption Receipts to be applied on the immediately following Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Redemption Priority of Payments (as applicable);
  - (c) calculate on each Calculation Date up to and including the Calculation Date immediately preceding the Class B Redemption Date (prior to the service of an Enforcement Notice) the amount of any Class A and Class B Liquidity Reserve Fund Release Amount to be applied on the immediately following Interest Payment Date (such amount to be determined after calculation of the Available Revenue Receipts, any General Reserve Fund Release Amounts to be applied to meet any Revenue Deficit and any Principal Addition Amounts applied to meet any Senior Expenses Deficit to be applied on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date);
  - (d) calculate on each Calculation Date up to and including the Calculation Date immediately preceding the Final Redemption Date (prior to the service of an Enforcement Notice) the amount of any General Reserve Fund Release Amount to be applied on the immediately following Interest Payment Date (such amount to be determined after calculation of any Available Revenue Receipts to be applied on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date);
  - (e) calculate on each Calculation Date up to and including the Calculation Date immediately preceding the Final Redemption Date (prior to the service of an Enforcement Notice) the amount of any Principal Addition Amounts to be applied on the immediately following Interest Payment Date (such amount to be determined after calculation of the Available Revenue Receipts and any General Reserve Fund Release Amounts to be applied to meet any Revenue Deficit, to be applied on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date) and drawn from Available Redemption Receipts on such Interest Payment Date;
  - (f) provide the Servicer with the Investor Report in accordance with Clause 8.3 (Information Covenants);

- (g) as soon as reasonably practicable upon receiving a request from the Issuer and/or the Security Trustee and provided that it has all information necessary to enable it to do so, calculate and provide to the Issuer and the Security Trustee:
  - (i) the Optional Purchase Price (or where such calculation is made prior to the Calculation Date immediately preceding the Optional Purchase Completion Date, an estimate of the Optional Purchase Price); and/or
  - (ii) (if the Optional Purchase Price provided to the Beneficial Title Transferee in the Counter Notice is an estimated Optional Purchase Price) the definitive Optional Purchase Price;
- (h) keep such records for all Taxation purposes (including those relating to VAT) as it is required to keep under applicable laws;
- (i) subject to any applicable law, assist the Auditors of the Issuer and provide such information to them as they may reasonably request for the purpose of carrying out their duties as auditors of the Issuer;
- (j) arrange for all payments due to be made by the Issuer under any of the Transaction Documents, provided that such monies as are necessary to meet such payments are at the relevant time available to the Issuer and the Cash Manager is aware of the requirement to make such payment of a specific amount at the relevant time (provided that the Cash Manager is deemed to be aware of all of the requirements to make such payments as set out in the Transaction Documents) and provided further that nothing herein shall constitute a guarantee by the Cash Manager of all or any of the obligations of the Issuer under any of the Transaction Documents;
- (k) on behalf of the Issuer, provided that monies are at the relevant time available to the Issuer, pay all out-of-pocket expenses of the Issuer as advised in writing to the Cash Manager or incurred by the Cash Manager on behalf of the Issuer in the performance of the Cash Manager's duties hereunder including:
  - (i) all Taxes which may be due or payable by the Issuer;
  - (ii) all necessary filing and other fees in compliance with regulatory requirements;
  - (iii) all legal and audit fees and other professional advisory fees; and
  - (iv) all communication expenses including postage, courier and telephone charges;
- (l)
  - (i) if necessary, perform all currency conversions free of charge, cost or expense at the relevant exchange rate; and
  - (ii) for the purposes of any calculations referred to in subparagraph (i) above, any currency amounts used in or resulting from such calculations will be rounded in accordance with the relevant market practice;

For the avoidance of doubt, if the currency conversions are arranged with the Cash Manager or any of its affiliates, it shall be entitled to transact in the same commercial terms as it would to clients of a similar nature.

- (m) arrange payment of all fees due to Euronext Dublin or, as applicable, the Central Bank, as advised by the Issuer in writing to the Cash Manager, pursuant to the applicable Priority of Payments;
- (n) two Business Days before each Interest Payment Date provide notification to the Issuer and the Servicer that all necessary determinations and calculations have been made in order for all necessary payments to be made in accordance with the Priorities of Payments on the forthcoming Interest Payment Date;
- (o) to the extent that there are any amounts held by the Issuer (whether in the Deposit Account or otherwise) after paying or providing for all items in the relevant Priority of Payments ranking in priority to the amounts payable on the Residual Certificates and available for such purpose (excluding, for the avoidance of doubt, any amounts in respect of Early Repayment Charges to be paid in respect of the ERC Certificates), such amounts shall be distributed by or on behalf of the Issuer to (prior to (but excluding) the Optional Redemption Date) the RC1 Certificateholders and (thereafter) the RC2 Certificateholders; and
- (p) maintain a website relating to the Transaction and publish on such website:
  - (i) each monthly Investor Report (any such Investor Report delivered in a month in which an Interest Payment Date falls, to be published by no later than one Business Day following each relevant Calculation Date (provided that the Servicer Report is provided four Business Days prior to the Calculation Date)); and
  - (ii) electronic copies of all the Transaction Documents.

3. At the written direction of the Servicer, the Cash Manager, on behalf of and in the name of the Issuer, may invest monies standing from time to time to the credit of the Deposit Account in Authorised Investments as determined by the Servicer by instructing the Issuer Account Bank to make such payments as requested by the Servicer, subject to the following provisions:

- (a) any investment in any Authorised Investments shall be made in the name of the Issuer;
- (b) any costs properly incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Cash Manager by the Issuer; and
- (c) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Deposit Account.

The Cash Manager shall not be responsible (save where any loss results from the Cash Manager's own fraud, wilful default or gross negligence or that of its directors, officers or employees) for any loss occasioned by reason of any such investment in any Authorised Investments or any purported investment in any Authorised Investments whether by depreciation in value or otherwise, provided that any such investment in any Authorised Investments was made in accordance with the terms of the Cash Management Agreement.

## SCHEDULE 2

### CASH MANAGEMENT AND MAINTENANCE OF LEDGERS

#### 1. Determination

- 1.1 As of each Calculation Date, the Cash Manager shall determine each of the following in accordance with this paragraph 1:
- (a) the amount of any Available Redemption Receipts and Available Revenue Receipts for the relevant Interest Payment Date;
  - (b) the Class A and Class B Liquidity Reserve Fund Required Amount, the Class A and Class B Liquidity Reserve Fund Excess Amount, the Class A and Class B Liquidity Reserve Fund Release Amount and the amount of any Class A and Class B Liquidity Deficit for such Interest Payment Date;
  - (c) the amount of any ERC Payments;
  - (d) the amount of any Senior Expenses Deficit for the relevant Interest Payment Date and any Principal Addition Amount;
  - (e) the General Reserve Fund Required Amount, the General Reserve Fund Excess Amount, the amount of any Revenue Deficit and any General Reserve Fund Release Amount for such Interest Payment Date;
  - (f) based on information to be supplied by the Servicer, the amount of any Losses in respect of the Loans which have been or which are to be debited to the Principal Deficiency Ledger;
  - (g) the amount of Available Revenue Receipts to be applied as Available Redemption Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments on the immediately following Interest Payment Date, all such amounts to be recorded as a credit to the Principal Deficiency Ledger;
  - (h) the amount of Available Revenue Receipts to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments as Enhanced Amortisation Amounts;
  - (i) the Principal Amount Outstanding of the Notes in accordance with the Conditions;
  - (j) such other amounts as are required to be determined by the Issuer or Cash Manager in accordance with the Conditions and the Certificates Conditions; and
  - (k) on or before each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Redemption Receipts or Available Revenue Receipts in accordance with Condition 6.9(c).
- 1.2
- (a) The Cash Manager may make all the determinations referred to in paragraph 1.1 on the basis of any reasonable and proper assumptions as the Cash Manager considers appropriate.
  - (b) The Cash Manager shall on request notify the Issuer, the Seller, the Servicer and the Security Trustee in writing of any such assumptions and shall take account of any representations made by the Issuer in relation thereto.

1.3 Each determination made in accordance with this paragraph 1 shall (in the absence of manifest error) be final and binding on all persons.

## **2. Notification of Determinations**

2.1 The Cash Manager shall cause each determination of Available Revenue Receipts, Available Redemption Receipts, any Class A and Class B Liquidity Reserve Fund Release Amounts, any General Reserve Fund Release Amounts and any Principal Addition Amounts to be applied on an Interest Payment Date and the determination (if any) that the next Interest Payment Date is the Final Redemption Date, to be notified to the Issuer and the Servicer no later than two Business Days prior to the relevant Interest Payment Date (or if later, on the relevant Calculation Date).

2.2 The Cash Manager shall procure that the determinations and notifications required to be made pursuant to Condition 6, Residual Certificates Condition 6 and ERC Certificates Condition 6 are made.

## **3. General Reserve Fund and General Reserve Fund Ledger**

3.1 On the Closing Date, the Cash Manager on behalf of the Issuer will establish the General Reserve Fund. The Cash Manager on behalf of the Issuer will fund the General Reserve Fund from part of the proceeds of the Noteholders' subscription for the Class X Notes in an amount equal to the General Reserve Fund Required Amount as at the Closing Date. Any amount representing the General Reserve Fund Required Amount on the Closing Date will be paid into the Deposit Account (with a corresponding credit recorded to the General Reserve Fund Ledger).

3.2 On each Interest Payment Date up to and including the Final Redemption Date, the Cash Manager will credit to the General Reserve Fund Ledger the amount of Available Revenue Receipts applied by the Issuer on such Interest Payment Date to replenish the General Reserve Fund up to the General Reserve Fund Required Amount pursuant to the Pre-Enforcement Revenue Priority of Payments.

3.3 Following the determination by the Cash Manager on each Calculation Date up to and including the Calculation Date immediately preceding the Final Redemption Date of the General Reserve Fund Required Amount in respect of the immediately following Interest Payment Date, the Cash Manager shall determine the General Reserve Fund Excess Amount for application as Available Revenue Receipts on the immediately following Interest Payment Date (if any).

3.4 On each Interest Payment Date up to and including the Final Redemption Date, the Cash Manager will apply as Available Revenue Receipts the General Reserve Fund Excess Amount (as determined on the immediately preceding Calculation Date).

3.5 In the event of a General Reserve Fund Amortising Trigger Event, the General Reserve Fund Required Amount will be 1.5 per cent. of the aggregate current Principal Amount Outstanding of the Class A Notes to the Class F Notes on the Interest Payment Date immediately preceding the General Reserve Fund Amortising Trigger Event occurring.

3.6 If, on a Calculation Date up to and including the Calculation Date immediately preceding the Final Redemption Date (prior to the service of an Enforcement Notice), the Cash Manager determines that there would be a Revenue Deficit on the immediately following Interest Payment Date, the Cash Manager will apply on such Interest Payment Date an amount from the General Reserve Fund equal to the lesser of:

- (a) the amount standing to the credit of the General Reserve Fund Ledger on such Interest Payment Date; and



(b) the amount of such Revenue Deficit,

(such amount being the **General Reserve Fund Release Amount**) in meeting such Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that such items appear in the Pre-Enforcement Revenue Priority of Payments (any such amount to be debited from the General Reserve Fund Ledger after the application of Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date).

3.7 On the Final Redemption Date only, all amounts standing to the credit of the General Reserve Fund Ledger (after first having applied any General Reserve Fund Release Amount to meet any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments, and debiting such amounts from the General Reserve Fund Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments on such Final Redemption Date) will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

3.8 Following service of an Enforcement Notice, monies standing to the credit of the General Reserve Fund Ledger will be applied in accordance with the Post-Enforcement Priority of Payments.

**4. Class A and Class B Liquidity Reserve Fund and Class A and Class B Liquidity Reserve Fund Ledger**

4.1 On the Closing Date, the Cash Manager will establish the Class A and Class B Liquidity Reserve Fund Ledger. The Cash Manager on behalf of the Issuer will fund the Class A and Class B Liquidity Reserve Fund Ledger from Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments on the Liquidity Reserve Fund IPD. Any amount representing the Class A and Class B Liquidity Reserve Fund Required Amount on the Liquidity Reserve Fund IPD will be paid into the Deposit Account (with a corresponding credit recorded to the Class A and Class B Liquidity Reserve Fund Ledger).

4.2 On each Interest Payment Date from and including the Liquidity Reserve Fund IPD up to and including the Class B Redemption Date, the Cash Manager will credit to the Class A and Class B Liquidity Reserve Fund Ledger the amount of Available Redemption Receipts applied by the Issuer on such Interest Payment Date to replenish the Class A and Class B Liquidity Reserve Fund up to the Class A and Class B Liquidity Reserve Fund Required Amount pursuant to the Pre-Enforcement Redemption Priority of Payments.

4.3 Following the determination by the Cash Manager on each Calculation Date from and excluding the Class A and Class B Liquidity Reserve Fund Trigger Event Date up to but excluding the Calculation Date immediately preceding the Class B Redemption Date of the Class A and Class B Liquidity Reserve Fund Required Amount in respect of the immediately following Interest Payment Date, the Cash Manager shall determine the Class A and Class B Liquidity Reserve Fund Excess Amount to be applied as Available Redemption Receipts on the immediately following Interest Payment Date (if any).

4.4 On each Interest Payment Date from and including the Liquidity Reserve Fund IPD up to but excluding the Class B Redemption Date, the Cash Manager will apply as Available Redemption Receipts the Class A and Class B Liquidity Reserve Fund Excess Amount (as determined on the immediately preceding Calculation Date).

4.5 On any Calculation Date from and including the Class A and Class B Liquidity Reserve Fund Trigger Event Date up to but excluding the Calculation Date immediately preceding the Class B Redemption Date (prior to the service of an Enforcement Notice), if the Cash Manager determines that on the immediately following Interest Payment Date, there would be a Class A and Class B

Liquidity Deficit, the Cash Manager will apply on such Interest Payment Date an amount from the Class A and Class B Liquidity Reserve Fund equal to the lesser of:

- (a) the amount standing to the credit of the Class A and Class B Liquidity Reserve Fund Ledger on such Interest Payment Date; and
- (b) the amount of such Class A and Class B Liquidity Deficit,

(such amount being the **Class A and Class B Liquidity Reserve Fund Release Amount**), in meeting such Class A and Class B Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments (any such amount to be debited from the Class A and Class B Liquidity Reserve Fund Ledger immediately after the application of any General Reserve Fund Release Amount, Principal Addition Amounts and Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date).

4.6 On the Class B Redemption Date only, all amounts standing to the credit of the Class A and Class B Liquidity Reserve Fund (after first having applied any Class A and Class B Liquidity Reserve Fund Release Amount in meeting any Class A and Class B Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amount from the Class A and Class B Liquidity Reserve Fund Ledger) will be applied as Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments.

4.7 Following service of an Enforcement Notice, monies standing to the credit of the Class A and Class B Liquidity Reserve Fund Ledger will be applied in accordance with the Post-Enforcement Priority of Payments.

## 5. **Principal Deficiency Ledger**

5.1 A Principal Deficiency Ledger will be established on the Closing Date by the Cash Manager to record any Losses affecting the Loans in the Portfolio and/or any Principal Addition Amounts.

5.2 The Principal Deficiency Ledger will comprise the following sub-ledgers:

- (a) the Class A Principal Deficiency Sub-Ledger (relating to the Class A Notes) (the **Class A Principal Deficiency Sub-Ledger**);
- (b) the Class B Principal Deficiency Sub-Ledger (relating to the Class B Notes) (the **Class B Principal Deficiency Sub-Ledger**);
- (c) the Class C Principal Deficiency Sub-Ledger (relating to the Class C Notes) (the **Class C Principal Deficiency Sub-Ledger**);
- (d) the Class D Principal Deficiency Sub-Ledger (relating to the Class D Notes) (the **Class D Principal Deficiency Sub-Ledger**);
- (e) the Class E Principal Deficiency Sub-Ledger (relating to the Class E Notes) (the **Class E Principal Deficiency Sub-Ledger**); and
- (f) the Class F Principal Deficiency Sub-Ledger (relating to the Class F Notes) (the **Class F Principal Deficiency Sub-Ledger**).

- 5.3 The Cash Manager shall record to the Principal Deficiency Ledger deficiencies arising from Losses on the Portfolio and allocated against each Class of Notes and the use of Available Redemption Receipts as Principal Addition Amounts.
- 5.4 Any Losses on the Portfolio and/or any Principal Addition Amount will be recorded as a debit (on the date that the Cash Manager is informed of such Losses by the Servicer or such Principal Addition Amounts are determined by the Cash Manager (as applicable)):
- (a) first, to the Class F Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class F Notes; then
  - (b) to the Class E Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class E Notes; then
  - (c) to the Class D Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class D Notes; then
  - (d) to the Class C Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class C Notes; then
  - (e) to the Class B Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes; then
  - (f) to the Class A Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes.
- 5.5 The Cash Manager will record as a credit to the Principal Deficiency Ledger (i) Available Revenue Receipts applied pursuant to items (g), (i), (k), (m), (o) and (q) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Redemption Receipts) and (ii) Enhanced Amortisation Amounts applied in accordance with item (t) of the Pre-Enforcement Revenue Priority of Payments (which amounts shall, for the avoidance of doubt, thereupon become Available Redemption Receipts).
- 5.6 Any amount credited to the Principal Deficiency Ledger in respect of Enhanced Amortisation Amounts will be reduced to the extent of any future Losses arising in respect of the Portfolio.

## **6. Issuer Profit Ledger**

On the Closing Date, the Cash Manager will establish the Issuer Profit Ledger which shall record as a credit amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments. Any amount standing to the credit of the Issuer Profit Ledger may be used to pay any tax liability of the Issuer and any amount so used will be debited from the Issuer Profit Ledger accordingly.

## **7. Swap Collateral Ledger**

- 7.1 On the Closing Date, the Cash Manager will establish the Swap Collateral Ledger.
- 7.2 The Cash Manager will credit to the Swap Collateral Ledger any Swap Collateral deposited by the Swap Provider, any Replacement Swap Premium received by the Issuer from a replacement swap provider, any termination payment received by the Issuer from an outgoing Swap Provider and any Swap Tax Credits, together with any income, interest and/or distributions in respect thereof in each case as instructed by the Swap Provider.

7.3 The Cash Manager will make debits from the Swap Collateral Ledger on each Business Day in accordance with the Swap Collateral Account Priority of Payments.

## **8. Use of Available Redemption Receipts to pay Senior Expenses Deficit**

8.1 On each Calculation Date prior to the service of an Enforcement Notice, and with reference to the immediately following Interest Payment Date, the Cash Manager will calculate whether there will be a shortfall of Available Revenue Receipts and any General Reserve Fund Release Amounts in meeting a Senior Expenses Deficit on such Interest Payment Date.

8.2 If the Cash Manager determines that there will be a Senior Expenses Deficit, then the Cash Manager on behalf of the Issuer pursuant to item (b) of the Pre-Enforcement Redemption Priority of Payments shall apply an amount of Available Redemption Receipts equal to the lesser of:

- (a) the amount of Available Redemption Receipts available for application pursuant to the Pre-Enforcement Redemption Priority of Payments on such Interest Payment Date; and
- (b) the amount of such Senior Expenses Deficit,

(such amount being the **Principal Addition Amounts**), in meeting such Senior Expenses Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments.

8.3 If the Cash Manager makes any payments or provisions pursuant to paragraph 8.2 above, the Cash Manager will debit the corresponding amount from the Principal Deficiency Ledger.

## **9. Application of Available Revenue Receipts prior to the service of an Enforcement Notice**

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

- (a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) any fees, costs, charges, Liabilities, expenses and all other amounts then due to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents together with (if payable) VAT thereon as provided therein; and
  - (ii) any fees, costs, charges, Liabilities, expenses and all other amounts then due to the Security Trustee and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof (in each case without double counting) of:
  - (i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agent and any fees, costs, charges, Liabilities and expenses then due to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;

- (ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;
  - (iii) any amounts then due and payable to the Servicer and any fees (including the Servicer Fee), costs, charges, Liabilities and expenses then due under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein;
  - (iv) any amounts then due and payable to the Back-Up Servicer Facilitator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;
  - (v) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;
  - (vi) any amounts then due and payable to the Issuer Account Bank and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Bank Account Agreement, together with (if applicable) VAT thereon as provided therein; and
  - (vii) if applicable, the fees, costs, liabilities and expenses of the securitisation repository or any other third-party website provider;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts required to pay or discharge any liability of the Issuer for corporation tax of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (e) below); and
  - (ii) any Transfer Costs which the Servicer has failed to pay pursuant to Clause 18.3 of the Servicing Agreement;
- (d) *fourth*, to provide for amounts due on the relevant Swap Payment Date, to pay, in or towards satisfaction of any amounts due to the Swap Provider in respect of the Swap Agreement (including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Swap Provider of any Replacement Swap Premium or from the Swap Collateral Account Priority of Payments but excluding, if applicable, any related Hedge Subordinated Amounts);
- (e) *fifth*, to pay the Issuer an amount equal to £100 to be retained by the Issuer as profit in respect of the business of the Issuer (the "**Issuer Profit Amount**");
- (f) *sixth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class A1 Notes and the Class A2 Notes;
- (g) *seventh*, (so long as the Class A1 Notes or the Class A2 Notes remain outstanding following such Interest Payment Date), to credit the Class A Principal Deficiency Sub-Ledger in an

amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);

- (h) *eighth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class B Notes;
- (i) *ninth*, (so long as the Class B Notes remain outstanding following such Interest Payment Date), to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (j) *tenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class C Notes;
- (k) *eleventh*, (so long as the Class C Notes remain outstanding following such Interest Payment Date), to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (l) *twelfth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class D Notes;
- (m) *thirteenth*, (so long as the Class D Notes remain outstanding following such Interest Payment Date), to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (n) *fourteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class E Notes;
- (o) *fifteenth*, (so long as the Class E Notes remain outstanding following such Interest Payment Date), to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (p) *sixteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class F Notes;
- (q) *seventeenth*, (so long as the Class F Notes remain outstanding following such Interest Payment Date), to credit the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (r) *eighteenth*, to credit the General Reserve Fund Ledger up to the General Reserve Fund Required Amount;
- (s) *nineteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay in accordance with the terms of the Swap Agreement to the Swap Provider in respect of any Hedge Subordinated Amounts (to the extent not satisfied by payment to the Swap Provider by the Issuer of any applicable Replacement Swap Premium or from the Swap Collateral Account Priority of Payments);
- (t) *twentieth*, on any Interest Payment Date occurring on or after the Optional Redemption Date or the Final Redemption Date an amount equal to the lesser of:

- (i) all remaining amounts (if any); and
- (ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to 10(i) (inclusive) of the Pre-Enforcement Redemption Priority of Payments, less any Available Redemption Receipts (other than item (c) of the definition thereof) otherwise available to the Issuer,

to be applied as Available Redemption Receipts;

- (u) *twenty-first*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class X Notes;
- (v) *twenty-second*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;
- (w) *twenty-third*, on any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Deposit Account to be applied on the next Interest Payment Date as Available Revenue Receipts; and
- (x) *twenty-fourth*, on any Interest Payment Date prior to (but excluding) the Optional Redemption Date any excess amounts *pro rata* and *pari passu* as RC1 Payments to the holders of the RC1 Residual Certificates and thereafter, any excess amounts *pro rata* and *pari passu* as RC2 Payments to the holders of the RC2 Residual Certificates.

**10. Application of Available Redemption Receipts prior to service of an Enforcement Notice by the Note Trustee on the Issuer**

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

- (a) *first*, subject to the Class A and Class B Liquidity Reserve Fund Trigger Event having occurred, to credit the Class A and Class B Liquidity Reserve Fund Ledger up to the Class A and Class B Liquidity Reserve Fund Required Amount;
- (b) *second*, any Principal Addition Amounts to be applied to meet any Senior Expenses Deficit;
- (c) *third*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class A1 Notes until the Principal Amount Outstanding on the Class A1 Notes has been reduced to zero;
- (d) *fourth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class A2 Notes until the Principal Amount Outstanding on the Class A2 Notes has been reduced to zero;
- (e) *fifth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;
- (f) *sixth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;

- (g) *seventh*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;
- (h) *eighth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;
- (i) *ninth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero;
- (j) *tenth*, any excess amounts as Available Revenue Receipts.

## 11. Swap Collateral

Amounts and securities standing to the credit of each Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded on the Swap Collateral Ledger will not be available for the Issuer or the Security Trustee to make payments to the Secured Creditors generally, but may be applied by the Cash Manager only in accordance with the following provisions in accordance with the instructions of the Swap Provider or the Servicer (the **Swap Collateral Account Priority of Payments**):

- (a) to pay an amount equal to any Swap Tax Credits received by the Issuer to the relevant Swap Provider;
- (b) prior to the designation of an Early Termination Date (as defined in the Swap Agreement, the **Early Termination Date**) in respect of the Swap Agreement, solely in or towards payment or discharge of any Return Amounts (as defined in the Swap Credit Support Annex), Interest Amounts and Distributions (as defined in the Swap Credit Support Annex), on any day, directly to the Swap Provider;
- (c) following the designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following a Swap Provider Default or Swap Provider Downgrade Event and (B) the Issuer enters into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (if any) payable to the Issuer has been received and the day on which a Replacement Swap Premium (if any) payable to the Issuer has been received, in the following order of priority:
  - (i) *first*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated;
  - (ii) *second*, in or towards payment of any termination payment due to the outgoing Swap Provider; and
  - (iii) *third*, the surplus (if any) on such day to be transferred to the Deposit Account to be applied as Available Revenue Receipts;
- (d) following the designation of an Early Termination Date in respect of the Swap Agreement where: (A) such Early Termination Date has been designated otherwise than as a result of one of the events specified at item (c)(A) above, and (B) the Issuer enters into a



Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (if any) payable to the Issuer has been received and the day on which a Replacement Swap Premium (if any) payable to the Issuer has been received, in the following order of priority:

- (i) *first*, in or towards payment of any termination payment due to the outgoing Swap Provider;
  - (ii) *second*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated; and
  - (iii) *third*, any surplus on such day to be transferred to the Deposit Account to be applied as Available Revenue Receipts;
- (e) following the designation of an Early Termination Date in respect of the Swap Agreement for any reason where the Issuer does not enter into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement and, on the date on which the relevant payment is due, in or towards payment of any termination payment due to the outgoing Swap Provider; and
- (f) following payments of amounts due pursuant to item (e) above, if amounts remain standing to the credit of a Swap Collateral Account, such amounts may be applied only in accordance with the following provisions:
- (i) *first*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement; and
  - (ii) *second*, any surplus remaining after payment of such Replacement Swap Premium to be transferred to the Deposit Account to be applied as Available Revenue Receipts,

*provided* that for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the Swap Agreement, on each Swap Payment Date, the Issuer (or the Cash Manager on its behalf) will be permitted to withdraw an amount from the Swap Collateral Account (which shall be debited to the Swap Collateral Ledger), equal to the excess of the Swap Provider Swap Amount over the Issuer Swap Amount which would have been paid by the Swap Provider to the Issuer on such Swap Payment Date but for the designation of an Early Termination Date under the Swap Agreement, such surplus to be transferred to the Deposit Account to be applied as Available Revenue Receipts; and

*provided further* that for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the Swap Agreement on or prior to the earlier of:

- (A) the Calculation Date immediately before the Interest Payment Date on which the Principal Amount Outstanding of all Collateralised Notes would be reduced to zero (taking into account any Swap Collateral Account Surplus to be applied as Available Revenue Receipts on such Interest Payment Date); or
- (B) the day on which an Enforcement Notice is given pursuant to Condition 11 (*Events of Default*); or

- (C) the date on which the Current Balance of the Fixed Rate Loans (excluding any Enforced Loans) is reduced to zero,

then the amount standing to the credit of such Swap Collateral Account on such day shall be transferred to the Deposit Account to be applied as Available Revenue Receipts as soon as reasonably practicable thereafter.

## **12. Estimation**

- 12.1 If the Servicer has not provided a Servicer Report in respect of a Collection Period (each such period, a **Determination Period**), the Cash Manager shall be required to estimate the amount of Redemption Receipts and Revenue Receipts for such Determination Period based on the three most recently received Servicer Reports in respect of the preceding Collection Periods or, where there are not at least three previous Servicer Reports, any previous Servicer Reports in accordance with Schedule 5 (Determinations and Reconciliation), for the purposes of complying with its obligations hereunder. The Cash Manager shall make such estimations on the basis of information available to it at such time and shall not be liable (in the absence of gross negligence, fraud and wilful default) for the accuracy of such estimations.
- 12.2 Upon receipt by the Cash Manager of the Servicer Report in relation to the Determination Period, the Cash Manager will apply the reconciliation calculations set out in Schedule 5 (Determinations and Reconciliation).

**SCHEDULE 3**

**FORM OF INVESTOR REPORT**

**Canterbury Finance No.3 PLC Monthly Report**

**Citibank N.A.**  
**CANTERBURY FINANCE NO. 3 PLC**  
**Monthly Investor Report**



**Statement Summary:**

Section		Page
1	Contents	
2	Involved Parties and Ratings Triggers	
3	Note Information	
4	Swap Details	
5	Pool Summary	
6	Portfolio Stratification Tables	

**Deal Information:**

Issuer:  
Seller:  
Servicer:  
Swap Provider:  
Note Trustee/Security Trustee:  
Cash Manager/Issuer Account Bank/  
Agent Bank/PPA/Registrar:

Closing Date:  
Current Payment Date:  
  
Next Payment Date:  
Days in the Interest Period:  
Collection Period Start Date:  
Collection Period End Date:  
Interest Period Start Date:  
Interest Period End Date:

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**CANTERBURY FINANCE NO. 3 PLC**  
**Monthly Investor Report**



**Involved Parties:**

Role	Deal Counterparty	Rated Entity	Fitch (ST / LT Rating)	Moody's (ST / LT Rating)	S&P (ST / LT Rating)

**Deal Ratings Triggers:**

Role	Deal Counterparty	Rated Entity	Trigger Event	Event Breached	Document Reference

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**CANTERBURY FINANCE NO. 3 PLC**  
**Monthly Investor Report**



**Note Details:**

Note Description	ISIN	Initial Balance	Currency	Index	Maturity Date

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**Payment Distributions (GBP) - Interest:**

Note Description	Days Accrual (1)	Method (2)	Base Rate (%) (3)	Margin (%) (4)	Interest Rate (%) (5) = (3 + 4)	Accrued Interest Current Period (6)	Prior Unpaid Interest (7)	Total Interest Due (8) = (6 + 7)	Interest Paid (9)	Current Unpaid Interest (10) = (8 - 9)

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**Payment Distributions (GBP) - Principal:**

Note Description	Original Balance (1)	Beginning Balance (2)	Principal Paid (3)	Ending Balance (4) = (2 - 3)	Ending Pool Factor (5) = (4 / 1)



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**Swap Details:**

Swap Type	Swap Notional Amount	Swap Rate (%)	Day Count Fraction	Period Start Date	Period End Date	Days in Period	Total

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**Monthly Investor Report**



**Available Revenue Receipts:**

	Total (GBP)

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Monthly Investor Report



Available Redemption Receipts:

	Total (GBP)

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**Monthly Investor Report**



**Pre-Enforcement Revenue Priority of Payments:**

	Amount Paid	Amount Remaining

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**Pre-Enforcement Principal Priority of Payments:**

	Amount Paid	Amount Remaining

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**General Reserve Fund Ledger:**

	Total (GBP)

**Redemption Ledger:**

	Total (GBP)

**Revenue Ledger:**

	Total (GBP)

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**Monthly Investor Report**



**Swap Collateral Ledger:**

	Total (GBP)

**Issuer Profit Ledger:**

	Total (GBP)

**Class A and Class B Liquidity Fund Ledger:**

	Total (GBP)

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**Portfolio Size:**

	Current Period	Prior Period

**Summary Portfolio Statistics:**

	Seasoning (months)	Remaining Term (months)	Original LTV (%)	Current LTV (%)	Interest Rate (%)



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**Properties in Possession:**

	No. Mortgage Accounts	Balance	Loss Incurred

**Net Losses:**

	Number of Accounts	Net Losses

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**Recoveries:**

	Number of Accounts	Balance of Recoveries

**Loss Severity:**

	Current Period	Prior Period

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**Monthly Investor Report**



**Prepayment Rates:**

	Current Period			Prior Period		
	1 Month	3 Month	Lifetime	1 Month	3 Month	Lifetime

**Constant Default Rates:**

	Current Period			Prior Period		
	1 Month	3 Month	Lifetime	1 Month	3 Month	Lifetime

	Current Period	Prior Period

**SCHEDULE 4**

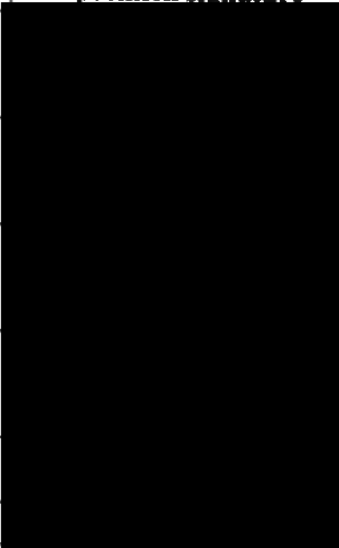
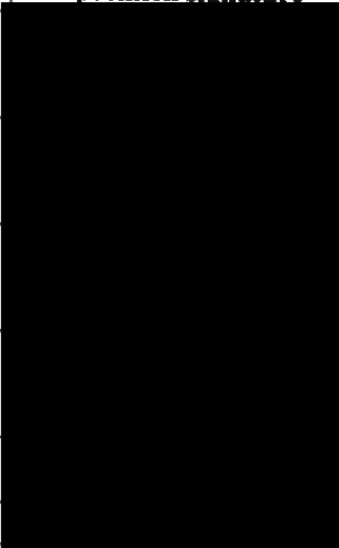
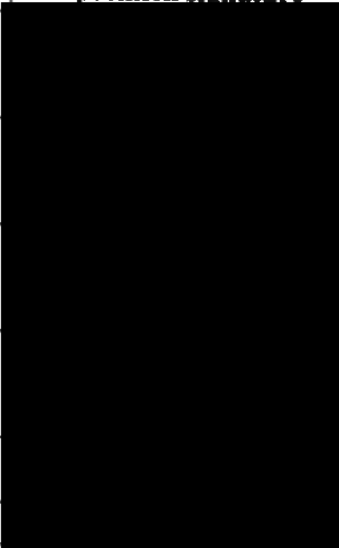
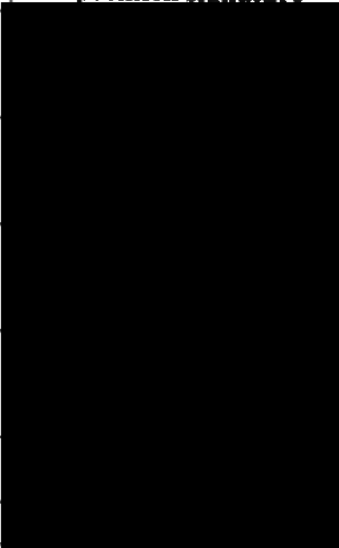
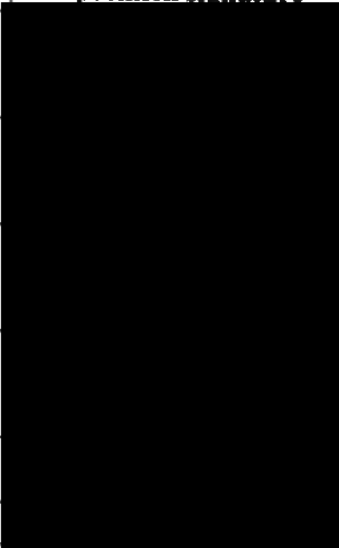
**AUTHORISED SIGNATORIES**

Name	Specimen Signature
Set forth in the mandate form attached	Set forth in the mandate form attached

**AUTHORISED REPRESENTATIVES AND CALL-BACK CONTACTS**

**PART 1**

**AUTHORISED REPRESENTATIVES**

<b>The Cash Manager</b>			
<b>Name</b>	<b>Position</b>	<b>Specimen signature</b>	<b>Telephone number</b>
Mark Elkin	Assistant Vice President		+44 (20) 7500 2010
Alicia Pike	Vice President		+44 (20) 7508 9512
Kris Chung	Vice President		+44 (20) 7500 2017
Alexandru Sturzu	Vice President		+44 (20) 7500 1505
Paul Davies	Assistant Vice President		+44 (20) 7500 2019

## SCHEDULE 5

### DETERMINATIONS AND RECONCILIATION

#### 1. Determination of Revenue Receipts and Redemption Receipts

In respect of any Determination Period the Cash Manager shall:

- (a) determine the Interest Determination Ratio by reference to the three most recently received Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) received in the preceding Collection Periods;
- (b) calculate the Revenue Receipts for such Determination Period as the product of (i) the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period (the **Calculated Revenue Receipts**); and
- (c) calculate the Redemption Receipts for such Determination Period as the product of (i) one minus the Interest Determination Ratio; and (ii) all collections received by the Issuer during such Determination Period (the **Calculated Redemption Receipts**).

#### 2. Reconciliation of Calculations

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

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

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

#### 3. Determination of Final Redemption Date

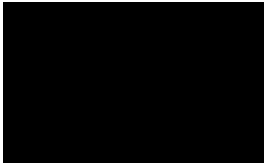
On each Calculation Date, the Cash Manager will determine if on the immediately succeeding Interest Payment Date, following the application on such Interest Payment Date of ((i) Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, (ii) any General Reserve Fund Release Amounts in meeting any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments, (iii) any Principal Addition Amounts in meeting any Senior Expenses Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments and

(iv) any Class A and Class B Liquidity Reserve Fund Release Amounts in meeting any Class A and Class B Liquidity Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments, the sum of the Available Redemption Receipts (other than, where such Interest Payment Date falls prior to the Optional Redemption Date, item (c) of the definition thereof and excluding any amounts applied as Principal Addition Amounts), all amounts standing to the credit of the General Reserve Fund Ledger and all amounts which (but for the occurrence of the Final Redemption Date) would have been available for application pursuant to items (a) to (r) (inclusive) of the Pre-Enforcement Revenue Priority of Payments would be sufficient to redeem in full the Collateralised Notes on such Interest Payment Date, including, as the case may be, as a result of the mandatory redemption of the Collateralised Notes pursuant to Conditions 8.3 (*Mandatory Redemption of the Notes in Full*) or 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), such Interest Payment Date shall comprise the Final Redemption Date.

**SIGNATORIES**

**SIGNED** for and on behalf of )  
**CITIBANK, N.A., LONDON BRANCH** )  
as Cash Manager )  
acting by its delegated signatory )

**SIGNED** by )  
**CANTERBURY FINANCE NO.3 PLC** )  
as Issuer )  
per pro CSC Directors (No. 1) Limited )



**SIGNED** for and on behalf of )  
**CITICORP TRUSTEE COMPANY LIMITED** )  
in its role as Security Trustee )  
acting by an attorney )

**SIGNED** by )  
**ONESAVINGS BANK PLC** )  
acting by its attorney )  
)  
)

**SIGNED** by )  
**ROYAL BANK OF CANADA** )  
as Swap Provider )  
acting by its duly authorised Attorney )  
)



**SIGNATORIES**

**SIGNED** for and on behalf of  
**CITIBANK, N.A., LONDON BRANCH**  
as Cash Manager  
acting by its delegated signatory

)  
)  
)  
)

*Viola Japaul  
Director*

**SIGNED** by  
**CANTERBURY FINANCE NO.3 PLC**  
as Issuer  
per pro CSC Directors (No. 1) Limited

)  
)  
)  
)

**SIGNED** for and on behalf of  
**CITICORP TRUSTEE COMPANY LIMITED**  
in its role as Security Trustee  
acting by an attorney

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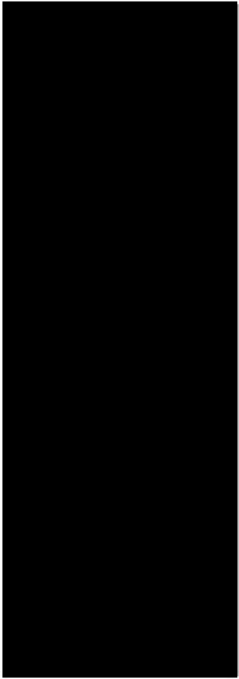
*Viola Japaul  
Attorney*

**SIGNED** by  
**ONESAVINGS BANK PLC**  
acting by its attorney

)  
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**SIGNED** by  
**ROYAL BANK OF CANADA**  
as Swap Provider  
acting by its duly authorised Attorney

)  
)  
)  
)  
)



**SIGNATORIES**

**SIGNED** for and on behalf of )  
**CITIBANK, N.A., LONDON BRANCH** )  
as Cash Manager )  
acting by its delegated signatory )

**SIGNED** by )  
**CANTERBURY FINANCE NO.3 PLC** )  
as Issuer )  
per pro CSC Directors (No. 1) Limited )

**SIGNED** for and on behalf of )  
**CITICORP TRUSTEE COMPANY LIMITED** )  
in its role as Security Trustee )  
acting by an attorney )

**SIGNED** by )  
**ONESAVINGS BANK PLC** )  
acting by its attorney )  
)  
)



**SIGNED** by )  
**ROYAL BANK OF CANADA** )  
as Swap Provider )  
acting by its duly authorised Attorney )  
)

**SIGNATORIES**

**SIGNED** for and on behalf of )  
**CITIBANK, N.A., LONDON BRANCH** )  
as Cash Manager )  
acting by its delegated signatory )

**SIGNED** by )  
**CANTERBURY FINANCE NO.3 PLC** )  
as Issuer )  
per pro CSC Directors (No. 1) Limited )

**SIGNED** for and on behalf of )  
**CITICORP TRUSTEE COMPANY LIMITED** )  
in its role as Security Trustee )  
acting by an attorney )

**SIGNED** by )  
**ONESAVINGS BANK PLC** )  
acting by its attorney )  
)  
)

**SIGNED** by )  
**ROYAL BANK OF CANADA** )  
as Swap Provider )  
acting by its duly authorised Attorney Mike )  
Sharp )

