

**25 September 2017**

**GOSFORTH FUNDING 2017-1 PLC**  
(as *Issuer*)

**VIRGIN MONEY PLC**  
(as *Subordinated Loan Provider* and *Issuer Cash Manager*)

**CITICORP TRUSTEE COMPANY LIMITED**  
(as *Security Trustee*)

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**SUBORDINATED LOAN AGREEMENT**

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**Freshfields Bruckhaus Deringer**

Freshfields Bruckhaus Deringer LLP  
65 Fleet Street  
London EC4Y 1HA

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**THIS AGREEMENT** is made as a Deed and dated 25 September 2017.

**BETWEEN:**

- (1) **GOSFORTH FUNDING 2017-1 PLC** a public limited company incorporated under the laws of England and Wales (registered number 10887005) whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX (the *Issuer*);
- (2) **VIRGIN MONEY PLC**, a public limited company incorporated under the laws of England and Wales (registered number 6952311) whose registered office is at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (the *Issuer Cash Manager*, which expression shall include such other person as may from time to time be appointed as cash manager for the Issuer pursuant to the Issuer Cash Management Agreement);
- (3) **VIRGIN MONEY PLC**, a public limited company incorporated under the laws of England and Wales (registered number 6952311) whose registered office is at Jubilee House, Gosforth, Newcastle upon Tyne NE3 4PL (the *Subordinated Loan Provider*); and
- (4) **CITICORP TRUSTEE COMPANY LIMITED** a private limited company incorporated in England and Wales with limited liability (registered number 00235914) whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB (the *Security Trustee* which expression shall include such person and all other persons for the time being acting as security trustee or security trustees under the Deed of Charge).

**WHEREAS:**

- (A) By and on the terms of the Trust Deed, the Issuer has agreed to issue the Notes.
- (B) The parties have agreed to enter into this Deed in order to fund set-up costs in relation to the issue of the Notes and the Liquidity Reserve Fund on the Closing Date and from time to time.
- (C) The Subordinated Loan Provider has also agreed to make a Further Subordinated Loan available, in its sole discretion, to the Issuer upon the terms of this Deed.

**IT IS AGREED** as follows:

**1. DEFINITIONS AND INTERPRETATION**

**Incorporation of Definitions**

- 1.1 The Master Definitions and Construction Schedule signed for the purposes of identification by Clifford Chance LLP and Freshfields Bruckhaus Deringer LLP on the date of this Deed is expressly and specifically incorporated into this Deed 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 Deed, including the recitals hereto, and this Deed shall be construed in

accordance with the interpretation provisions set out in clause 2 (*Principles of Interpretation and Construction*) of that Master Definitions and Construction Schedule. In the event of a conflict between the Master Definitions and Construction Schedule and this Deed, this Deed shall prevail.

1.2 In this Deed the following terms shall have the following meanings:

**Commitment** means £23,878,275 to the extent not cancelled, reduced or increased, subject to a maximum of 10 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes on the Closing Date;

**Further Subordinated Loan** means each further Sterling denominated subordinated loan provided by the Subordinated Loan Provider under the Subordinated Loan pursuant to this Deed;

**Further Subordinated Loan Request** means a request from the Issuer to the Subordinated Loan Provider in the form set out in Schedule 2 (*Form of Further Subordinated Loan Request*) for a Further Subordinated Loan to be provided pursuant to the terms of this Deed;

**Increase Request** means a request from the Issuer to the Subordinated Loan Provider in the form set out in Schedule 1 (*Increase Request*) requesting an increase to the Commitment.

**Initial Subordinated Loan** means the Sterling denominated loan made to the Issuer by the Subordinated Loan Provider on the Closing Date pursuant to the terms of this Deed, in an amount not exceeding the Commitment;

**Interest Period** means each period determined in accordance with Clause 8 (*Interest Periods*); and

**Subordinated Loan** means the Initial Subordinated Loan and any Further Subordinated Loan provided to the Issuer by the Subordinated Loan Provider.

### **This Deed**

1.3 This is the Subordinated Loan Agreement referred to in the Master Definitions and Construction Schedule.

### **Security Trustee**

1.4 The Security Trustee has agreed to become a party to this Deed for the purpose of taking the benefit of Clauses 12 (*Enforcement and Subordination*), 14 (*Disclosure*), 15 (*Transfers*), 20 (*Amendments*) and 21 (*Waivers*) and for the purpose of receiving copies of notices under Clause 22 (*Notices*), and for the better preservation and enforcement of its rights and the rights of the Secured Creditors under the Deed of Charge and hereunder but shall have no responsibility for any of the obligations of, nor assume any liability to, any other party to this Deed. The parties to this Deed acknowledge that the rights and obligations of the Security Trustee under this Deed are governed by the Deed of Charge and the provisions for indemnifying the Security Trustee contained therein shall apply *mutatis mutandis* to this Deed.

## 2. THE FACILITY

### Initial Subordinated Loan

- 2.1 Subject to the terms of this Deed, the Subordinated Loan Provider agrees to make available to the Issuer the Initial Subordinated Loan on the Closing Date up to an aggregate principal amount not exceeding the Commitment.

### Increase in the Commitment

- 2.2 (a) The Issuer may (from time to time and on more than one occasion) request the Subordinated Loan Provider to increase the Commitment (subject to the cap of 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes on the Closing Date) by giving a notice in writing in the form set out in Schedule 1 (*Form of Increase Request*) to the Subordinated Loan Provider specifying the amount of the proposed increase in the Commitment and the date on which such increase is proposed to take effect.
- (b) Following receipt of an Increase Request, the Subordinated Loan Provider may (in its absolute and sole discretion) agree to increase the Commitment in an amount not exceeding the amount requested by the Issuer (or the Issuer Cash Manager on the Issuer's behalf) in such Increase Request but shall be under no obligation to do so. If the Subordinated Loan Provider agrees to increase the Commitment, it shall sign the Increase Request and the Commitment shall be increased with effect from the date specified in the Increase Request (the *Increase Date*).

### Further Subordinated Loans

- 2.3 At any time following an Increase Date, the Subordinated Loan Provider agrees to make available a Further Subordinated Loan to the Issuer in an amount equal to the amount by which the Commitment increased on such Increase Date upon receipt from the Issuer of a Further Subordinated Loan Request in the form set out in Schedule 2 (*Form of Further Subordinated Loan Request*).

## 3. PURPOSE

- 3.1 The Issuer shall apply the Initial Subordinated Loan towards (i) payment of the sum of £2,800,000 towards set-up costs in relation to the issue of the Notes (including towards payment of fees to the Joint Lead Managers, and any of the Transaction Account Banks on the Closing Date in respect of the First Interest Period), and (ii) crediting the sum of £21,078,275 to the Issuer Transaction Account in order to fund the Liquidity Reserve Fund on the Closing Date.
- 3.2 The Issuer shall apply Further Subordinated Loans towards increasing the Liquidity Reserve Fund up to the Liquidity Reserve Required Amount, where the Liquidity Reserve Required Amount is required to be increased either at the option of the Seller or where a Seller Share Event has occurred and is continuing.

- 3.3 The Issuer may apply Further Subordinated Loans in an amount equal to any deficit of Issuer Available Revenue Receipts to pay items (i) to (xiii) of the Issuer Pre-Acceleration Revenue Priority of Payments where the Issuer Cash Manager has calculated on the Closing Date or on any Payment Calculation Date that there will be such a deficit, towards such deficit.
- 3.4 Without affecting the obligations of the Issuer in any way, the Subordinated Loan Provider is not bound to monitor or verify the application of any part of the Subordinated Loan, nor shall it be responsible for, or for the consequences of, such application.

#### **4. CONDITIONS PRECEDENT**

The Subordinated Loan Provider shall not be obliged:

- (a) to make the Initial Subordinated Loan available to the Issuer until the Issuer has confirmed to the Subordinated Loan Provider that closing of the issue of the Notes has taken place and the issue of the Notes shall take effect upon and from such closing automatically without further action on the part of any person. If such closing has not occurred on or before 9 October 2017 or by such later date as the Issuer and the Subordinated Loan Provider may agree, this Deed shall cease to be of further effect; and
- (b) to make any Further Subordinated Loan available to the Issuer unless the Issuer has satisfied the requirements set out in Clauses 2.2 (*Increase in the Commitment*) and 2.3 (*Further Subordinated Loans*) and the Issuer has confirmed that no Note Event of Default or Potential Note Event of Default has occurred and is continuing as at the date of the proposed drawdown.

#### **5. ADVANCE OF SUBORDINATED LOAN**

- 5.1 Subject to paragraph (a) of Clause 4 (*Conditions Precedent*), the Subordinated Loan Provider shall advance such amounts as the Issuer shall notify in writing to the Subordinated Loan Provider on the Closing Date. The undrawn amount of the Commitment (the *Undrawn Commitment*) shall automatically be cancelled at close of business on the Closing Date and the Subordinated Loan Provider shall have no further obligation to advance the Undrawn Commitment to the Issuer.
- 5.2 Subject to paragraph (b) of Clause 4 (*Conditions Precedent*) and Clause 2.2 (*Increase in the Commitment*), the Subordinated Loan Provider shall advance such amounts as the Issuer shall notify to the Subordinated Loan Provider in the relevant Further Subordinated Loan Request on the date specified therein.

#### **6. REPAYMENT**

Subject to the terms of the Issuer Cash Management Agreement, the Deed of Charge and this Deed permitting earlier repayment, the Issuer shall repay the principal balance outstanding of the Subordinated Loan and any interest thereon in accordance with the then applicable Priority of Payments.

## 7. PREPAYMENT

The Issuer may not prepay all or any part of the Subordinated Loan other than in accordance with Clause 6 (*Repayment*).

## 8. INTEREST PERIODS

The first Interest Period shall commence on (and include) the Closing Date and shall be of such duration as to end on (but exclude) the Payment Date falling in December 2017. Subsequent Interest Periods (a) in respect of the Initial Subordinated Loan shall commence on (and include) a Payment Date (b) in respect of each Further Subordinated Loan, shall commence on the date of the relevant advance and shall, in either case, be of such duration as to end on (but exclude) the next succeeding Payment Date, with the final Interest Period ending on the Final Discharge Date.

## 9. INTEREST

### Interest Rate

- 9.1 The rate of interest on the Subordinated Loan for each Interest Period is the rate per annum determined by the Subordinated Loan Provider to be the aggregate of     per cent. per annum plus 3 month GBP LIBOR as calculated on the Interest Determination Date, or in respect of the first Interest Period only, the rate obtained by the linear interpolation of the rates for 1 month and 3 month GBP LIBOR as calculated on the Closing Date.

### Due Dates

- 9.2 (a) Subject to paragraph (b) below, accrued interest on the Subordinated Loan is payable by the Issuer on each Payment Date.
- (b) Notwithstanding paragraph (a) above, the Issuer shall only be obliged to pay interest on a Payment Date to the extent that it is permitted to do so pursuant to the terms of the Issuer Cash Management Agreement and the Deed of Charge. The amount of any interest due but not paid on a Payment Date (including any interest due but not paid on any previous Payment Date as a result of the operation of this paragraph (b)) shall, subject to the terms of this paragraph (b), be paid on the next succeeding Payment Date. Any interest due but remaining unpaid by the Issuer as a result of the operation of this paragraph (b) shall not bear interest.

### Notification and Certification

- 9.3 The Subordinated Loan Provider shall promptly notify the Issuer of the determination of the rate of interest under this Deed. Any certification or determination by the Subordinated Loan Provider of a rate or amount under this Deed shall constitute *prima facie* evidence of the matter to which it relates.

## **Calculations**

- 9.4 Interest payable under this Deed accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 or (in the case of a leap year) 366 days.

## **10. PAYMENTS**

### **Place and Currency of Funds**

- 10.1 All payments under this Deed shall be made to the relevant party to its account at such office or bank as it may notify to the other party for this purpose. Payments under this Deed shall be made for value on the due date at such times and in such funds as the Subordinated Loan Provider may specify as being customary at the time for the settlement of transactions in Sterling. All amounts payable under this Deed are payable in Sterling.

### **Taxes**

- 10.2 All payments by the Issuer under this Deed shall be made free and clear of and without any deduction or withholding for or on account of any Taxes, except to the extent that the Issuer is required by law to make payment subject to any Taxes.

### **Tax Receipts**

- 10.3 All taxes required by law to be deducted by the Issuer from any amount paid or payable under this Deed shall be paid by the Issuer to the relevant taxation authority when due and the Issuer shall, as soon as is reasonably practicable, deliver to the Subordinated Loan Provider evidence satisfactory to the Subordinated Loan Provider (including all relevant Tax receipts) that the payment has been duly remitted to the appropriate authority. The Issuer shall not be required to pay any additional amount to the Subordinated Loan Provider in respect of any Tax which it has been required by law to deduct or withhold from amounts paid or payable under this Deed.

### **Set-off and Counterclaim**

- 10.4 All payments made by the Issuer under this Deed shall be made without set-off or counterclaim.

### **Non-Business Days**

- 10.5 If a payment under this Deed is due on a day which is not a Business Day, the due date for that payment shall instead be the next Business Day.

### **Subordinated Loan Provider Representation**

- 10.6 The Subordinated Loan Provider represents and warrants as at the date of this Deed that it is:
- (a) a bank within the meaning of Section 991 of the Income Tax Act 2007 as at the date hereof;



- (b) beneficially entitled to the interest arising on the Subordinated Loan and within the charge to corporation tax with respect to such interest as at the date hereof; and
- (c) at all relevant times a person acting in the course of carrying on a business consisting wholly or to a significant extent of lending money or is otherwise a person of a kind specified in article 6 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

## **11. EVENTS OF DEFAULT**

If a Note Acceleration Notice is given by the Note Trustee, then the Subordinated Loan Provider may, by written notice given to the Issuer, declare the advances made hereunder to be immediately due and payable, whereupon the Subordinated Loan and all other sums due hereunder shall be deemed to have become due and payable as of the date of such service without further demand, subject however to the provisions of Clause 12 (*Enforcement and Subordination*).

## **12. ENFORCEMENT AND SUBORDINATION**

### **Enforcement of Security**

- 12.1 The Subordinated Loan Provider covenants and agrees with the Issuer and the Security Trustee that (a) only the Security Trustee may enforce the Issuer Security in accordance with the provisions of the Deed of Charge and (b) it will not in relation to the matters contemplated in this Deed take any step for the purpose of recovering any sum due hereunder or enforcing any right arising out of this Deed or institute against the Issuer or join any other person in instituting against the Issuer any winding-up, arrangement, reorganisation, liquidation, bankruptcy, insolvency or other proceedings under any similar law in respect of any of its liabilities whatsoever except to the extent expressly permitted by the provisions of the Deed of Charge.

### **Subordination of Claims**

- 12.2 Notwithstanding any other provision of this Deed, the Subordinated Loan Provider agrees to be bound by the provisions of the Deed of Charge and the Issuer Cash Management Agreement and in particular confirms that no sum due hereunder will be due and payable by the Issuer except in accordance with relevant Priority of Payments, unless and until all sums thereby required to be paid in priority thereto have been paid or discharged in full.

### **Receipt of Proceeds**

- 12.3 Without prejudice to Clause 12.2 (*Subordination of Claims*), the Subordinated Loan Provider hereby undertakes with the Security Trustee and the Issuer that if, whether in the liquidation of the Issuer or otherwise (and notwithstanding the provisions of this Clause 12.3 (*Receipt of Proceeds*)), any payment is made to or amount recovered by the Subordinated Loan Provider other than in accordance with the relevant Priority of Payments or Clause 6 (*Repayment*) of this Deed, the amount so paid or recovered shall be received and held by the

Subordinated Loan Provider upon trust for the Security Trustee and shall be paid by the Subordinated Loan Provider to, or to the order of, the Security Trustee forthwith upon receipt, **provided however that**, this Clause 12.3 (*Receipt of Proceeds*) shall have effect only to the extent it does not create and is not deemed to create or constitute a mortgage, charge or other Security Interest of any kind.

### **Set-Off**

- 12.4 The Subordinated Loan Provider hereby covenants with the Security Trustee that it will not, at any time, whether before or after a Note Acceleration Notice has been served, set-off or purport to set-off the Subordinated Loan or any interest thereon or any part of either thereof against any liability owed by it to the Issuer (whether in its capacity as borrower under this Deed or otherwise) or claim any lien or other rights over any property held by it on behalf of the Issuer (including, without limitation, any document) on any account whatsoever save in accordance with any express provisions of the Deed of Charge or Administration Agreement entitling it to do so. In the event that the Subordinated Loan Provider does make a payment subject to any such set-off in breach of this Clause 12.4 (*Set-Off*), it will immediately pay to the Issuer or as the Security Trustee may direct an amount equal to the amount so set-off.

### **Actions and Proceedings**

- 12.5 The Subordinated Loan Provider agrees to defer taking any action or proceedings against the Issuer to recover any amount payable by the Issuer to the Subordinated Loan Provider under this Deed except to the extent expressly permitted by the provisions of the Deed of Charge unless and until (and then only to the extent that) the Issuer has assets sufficient to meet such claim in full having taken into account all other liabilities (actual, contingent or prospective) of the Issuer under the Deed of Charge which rank *pari passu* with, or in priority to, its liabilities to the Subordinated Loan Provider under this Deed; **provided that**, nothing in this Clause 12.5 (*Actions and Proceedings*) shall prevent the Subordinated Loan Provider from proving for the full amount owed to it by the Issuer hereunder in the liquidation of the Issuer. Any amount due hereunder which is not paid by virtue of this Clause 12 (*Enforcement and Subordination*) shall become payable on the Business Day following the Payment Date falling in December 2059.

## **13. DESCRIPTIVE HEADINGS**

The descriptive headings in this Deed are for convenience of reference only and shall not define or limit the provisions hereof.

## **14. DISCLOSURE**

The Subordinated Loan Provider shall provide to the Security Trustee such information and evidence in respect of any dealing between the Issuer and the Subordinated Loan Provider under this Deed as the Security Trustee may request for the purpose of discharging the rights, duties, trusts, powers, authorities and discretions vested in the Security Trustee in or under the

Transaction Documents or by operation of law. The Issuer hereby waives any right or duty of confidentiality which may be owed to it by the Subordinated Loan Provider in respect of such information and evidence.

## 15. TRANSFERS

None of the parties hereto may assign or transfer their rights or obligations hereunder, except the Issuer may assign its rights to the Security Trustee under the Deed of Charge.

## 16. CONFIDENTIALITY

Each party to this Deed agrees at all times, including after the Final Discharge Date, that it shall keep confidential and will not disclose to any person, firm or company whatsoever any information relating to the business, finances or other matters of a confidential nature of any party to the Transaction Documents, which it may have obtained as a result of the execution or performance of any Transaction Document, **provided however that**, the provisions of this Clause 16 (*Confidentiality*) shall not apply:

- (a) to the disclosure of any information to the Security Trustee or the Note Trustee or to any other person who is a party to any of the Transaction Documents as expressly permitted by the Transaction Documents;
- (b) to the disclosure of any information by such party to any of its Affiliates, **provided that**, before any such disclosure, the party shall make the relevant employees of the Affiliate aware of their obligations of confidentiality under the relevant Transaction Document and shall at all times procure compliance with such obligations by such employees;
- (c) to the disclosure of any information which is or becomes public knowledge otherwise than as a result of the wrongful conduct of the recipient;
- (d) to the extent that such disclosure is required pursuant to any law or order of any court or pursuant to any direction or requirement (whether or not having the force of law) of any central bank or any governmental or other regulatory or taxation authority or is desirable pursuant to any industry guidelines or industry best practice adopted by issuers of residential mortgage backed securities;
- (e) to the disclosure of any information to professional advisers (including, without prejudice to the generality of the foregoing, consultants, auditors or lawyers) who receive the same under a duty of confidentiality;
- (f) to the disclosure of any information with the consent of the parties hereto;
- (g) to the disclosure to the Rating Agencies (or any of them) of such information as may be requested by any of them for the purposes of setting or reviewing the rating assigned to the Notes (or any of them)

and the corresponding disclosure of such information to those persons who are entitled to view the 17g-5 Information Provider's Website;

- (h) to any disclosure for the purposes of collecting in or enforcing the Trust Property or any of it;
- (i) in the case of the Security Trustee or the Note Trustee, in connection with transferring or purporting to transfer its rights and obligations to a successor Security Trustee or Note Trustee, respectively; and
- (j) to the extent that the recipient needs to disclose the same to any of the employees of the Seller, **provided that**, before any such disclosure the Seller shall make the relevant employees of the Seller aware of its obligations of confidentiality under the relevant Transaction Document and shall at all times procure compliance with such obligations by such employees.

## **17. ENTIRE AGREEMENT**

This Deed and the schedules together constitute the entire agreement and understanding between the parties in relation to the subject matter of this Deed and cancel and replace any other agreement or understanding in relation to such subject matter.

### 17.1 Each party to this Deed agrees that:

- (a) it has not entered into this Deed in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Deed; and
- (b) except in respect of an express representation or warranty under any of the Transaction Documents, it shall not have any claim or remedy (whether in equity, contract or tort, under the Misrepresentation Act 1967 or in any other way) in respect of any misrepresentation or breach of warranty by any other party or in respect of any untrue statement by any other party, regardless of whether such misrepresentation, breach or untrue statement was made, occurred or was given prior to the execution of any of the Transaction Documents.

17.2 This Clause 17 (*Entire Agreement*) shall not exclude any liability for fraudulent misrepresentation.

17.3 Nothing in this Clause shall have the effect of limiting or restricting any liability of a Transaction Party arising as a result of any wilful default, fraud, illegal dealing, negligence or material breach of this Deed or breach of trust by such person.

## **18. OBLIGATIONS AS CORPORATE OBLIGATIONS**

No party shall have any recourse against nor shall any personal liability attach to any shareholder, officer, agent, employee or director of the Issuer in his capacity as such, by any Proceedings or otherwise, in respect of any obligation, covenant, or agreement of the Issuer contained in this Deed.

## **19. CONTINUATION OF OBLIGATIONS**

Except to the extent that they have been performed and except where specifically provided otherwise, the warranties, representations, indemnities, and obligations contained in this Deed remain in force from the date on which they were expressed to take effect and thereafter until the Final Discharge Date.

## **20. AMENDMENTS**

No amendment or waiver of any provision of this Deed nor consent to any departure by any of the parties shall in any event be effective unless the same shall be in writing and signed by each of the parties to this Deed. In the case of a waiver or consent, such waiver or consent shall be effective only in the specific instance and as against the party or parties giving it for the specific purpose for which it is given.

## **21. WAIVERS**

The respective rights of each of the parties to this Deed are cumulative and may be exercised as often as each considers appropriate and are in addition to their respective rights under the general law. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies in this Deed are cumulative and not exclusive of any remedies provided by law.

## **22. NOTICES**

The provisions of Clause 22 (*Notices*) of the Deed of Charge shall apply to this Deed in respect of the parties hereto as if set out in this Deed in full, *mutatis mutandis*.

## **23. THIRD PARTY RIGHTS**

A person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy of a third party which exists or is available apart from that Act.

## **24. SEVERABILITY**

Where any provision in or obligation under this Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations under this Deed, or of such provision or obligation in any other jurisdiction, shall not be affected or impaired thereby.

## **25. COUNTERPARTS**

This Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

## **26. GOVERNING LAW**

This Deed and any non-contractual obligation arising out of or in relation to this Deed shall be governed by, and interpreted in accordance with, English law.

## **27. JURISDICTION**

### **Submission to Jurisdiction**

27.1 Each party agrees that the English courts (except if otherwise set out in this Deed) shall have exclusive jurisdiction in relation to all disputes arising out of or in connection with this Deed (including claims for set-off and counterclaims), including, without limitation, disputes arising out of or in connection with: (a) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Deed; and (b) any non-contractual obligation arising out of or in connection with this Deed. For such purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

### **Inconvenient Forum and Enforcement Abroad**

27.2 Each party:

- (a) waives any objection to the choice of or submission to the English courts on the grounds of inconvenient forum or otherwise as regards proceedings in connection with this Deed or any non-contractual obligation arising out of or in connection with this Deed; and
- (b) agrees that a judgment, declaration or order (whether interim or final) of an English court in connection with this Deed or any non-contractual obligation arising out of or in connection with this Deed is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

**Schedule 1**  
**Form of Increase Request**

From: **GOSFORTH FUNDING 2017-1 PLC** (the *Issuer*)  
Fifth Floor  
100 Wood Street  
London EC2V 7EX

To: **VIRGIN MONEY PLC** (the *Subordinated Loan Provider*)  
Jubilee House  
Gosforth  
Newcastle upon Tyne  
NE3 4PL

Copy to:

**VIRGIN MONEY PLC** (the *Issuer Cash Manager*)  
Jubilee House  
Gosforth  
Newcastle upon Tyne  
NE3 4PL

Date: [ ]

Dear Sirs

**Subordinated Loan Agreement dated on or about 25 September 2017** (the *Agreement*)

1. We refer to the Agreement. This is an Increase Request. Terms defined in the Agreement have the same meaning in this Increase Request unless given a different meaning in this request.
2. We hereby provide written notice that we wish to request an increase to the Commitment on the following terms:  

Amount of Increase	£[•]
Date of Increase	[•] (or, if that is not a Business Day, the next Business Day)
3. We confirm that this increase in the Commitment is subject to a cap of 10 per cent. of the aggregate Sterling Equivalent Principal Amount Outstanding of the Notes on the Closing Date.
4. We would be grateful if the Subordinated Loan Provider would confirm its agreement to increase the Commitment in accordance with the terms of this Increase Request by signing where indicated below.

Yours sincerely

**SIGNED** by )  
a duly authorised representative of )  
**GOSFORTH FUNDING 2017-1 PLC** )  
)

Signature

We acknowledge receipt of the above Increase Request and agree to the terms of such request.

**SIGNED** by )  
a duly authorised representative of )  
**VIRGIN MONEY PLC** )  
)

Signature



**Schedule 2**  
**Form of Further Subordinated Loan Request**

From: **GOSFORTH FUNDING 2017-1 PLC** (the *Issuer*)  
Fifth Floor  
100 Wood Street  
London EC2V 7EX

To: **VIRGIN MONEY PLC** (the *Subordinated Loan Provider*)  
Jubilee House  
Gosforth  
Newcastle upon Tyne  
NE3 4PL

Copy to:

**VIRGIN MONEY PLC TRADING AS VIRGIN MONEY** (the *Issuer Cash Manager*)  
Jubilee House  
Gosforth  
Newcastle upon Tyne  
NE3 4PL

Date: [•]

Dear Sirs

**Subordinated Loan Agreement dated on or about 25 September 2017** (the *Agreement*)

1. We refer to the Agreement. This is a Further Subordinated Loan Request. Terms defined in the Agreement have the same meaning in this Further Subordinated Loan Request unless given a different meaning in this request.
2. We wish to drawdown a Further Subordinated Loan on the following terms:  

Proposed Drawdown Date:	[•] (or, if that is not a Business Day, the next Business Day)
Amount:	£[•]
Interest Rate:	[•]/[interest rate to be applied in accordance with the Agreement]
Final Repayment Date:	[•]
3. We confirm that this Further Subordinated Loan when aggregated with the initial principal amount of each other Subordinated Loan advanced under the Subordinated Loan Agreement will not exceed the cap of 10 per cent. of the Sterling Equivalent Principal Amount Outstanding of the Notes on the Closing Date.
4. We confirm that the Issuer is required to increase the Liquidity Reserve Required Amount [at the option of the Seller]/[as a result of the occurrence of a Seller Share Event which is continuing] and the Issuer has made this Further Subordinated Loan Request for the sole purpose of using the proceeds of the

Further Subordinated Loan to increase the Liquidity Reserve Fund up to the Liquidity Reserve Required Amount.

5. We hereby confirm that no Note Event of Default or Potential Note Event of Default has occurred and is continuing as at the date of this Further Subordinated Loan Request.
6. The proceeds of this Further Subordinated Loan should be credited to the Issuer Transaction Account number [•], sort code [•], opened in the name of the Issuer and held with [•] at [•].

Yours sincerely,

**SIGNED** by )  
a duly authorised representative of )  
**GOSFORTH FUNDING 2017-1 PLC** )  
)

Signature

We acknowledge receipt of the above Further Subordinated Loan Request and agree to the terms of such request.

**SIGNED** by )  
a duly authorised representative of )  
**VIRGIN MONEY PLC** )  
)

Signature

**IN WITNESS WHEREOF** of which this Subordinated Loan Agreement has been executed by the parties hereto as a Deed which has been delivered on the date first appearing on page one.

**EXECUTED as a DEED by** )  
**GOSFORTH 2017-1 PLC** )  
)

Signature of director

Name of director

\_\_\_\_\_

)  
)  
)

Signature of director/Secretary

Name of director/Secretary

\_\_\_\_\_

**EXECUTED as a DEED by** )  
**VIRGIN MONEY PLC** )

)  
)  
)  
)

Signature of Authorised  
Signatory

\_\_\_\_\_

Name of Authorised Signatory

in the presence of:

\_\_\_\_\_

Signature of witness

\_\_\_\_\_

Name of witness

\_\_\_\_\_

Address of witness

\_\_\_\_\_

Occupation of witness

**EXECUTED as a DEED by** )  
**CITICORP TRUSTEE** )  
**COMPANY LIMITED** )

)  
)  
)  
)

Signature of Authorised Attorney

\_\_\_\_\_

Name of Authorised Attorney

in the presence of:

\_\_\_\_\_

Signature of witness

\_\_\_\_\_

Name of witness

\_\_\_\_\_

Address of witness

\_\_\_\_\_

Occupation of witness