

**EXECUTION VERSION**

## **SHARE TRUST DEED**

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**DATED ~~01~~ <sup>MAY</sup> APRIL 2018**

### **DECLARATION OF TRUST**

by

**INTERTRUST CORPORATE SERVICES LIMITED**  
in relation to the

**CHARTER MORTGAGE FUNDING 2018-1 TRUST**

**ALLEN & OVERY**

Allen & Overy LLP

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THIS DECLARATION OF TRUST is made by way of deed on ~~01 April~~ <sup>May</sup> 2018

**BY:**

**INTERTRUST CORPORATE SERVICES LIMITED**, a private limited company incorporated in England and Wales (registered number 3920255) whose registered office is 35 Great St. Helen's, London EC3A 6AP (the **Original Share Trustee**).

**WHEREAS:**

- (A) ~~The Share specified in the Schedule hereto has been transferred to, or purchased (out of funds provided to it for such purpose) by, the Original Share Trustee, to be held by it on the trusts hereinafter declared.~~
- (B) Further sums of money, investments or other property may be paid or transferred to or otherwise placed under the control of the Share Trustee by way of addition to the Trust Fund.

**NOW THIS DEED WITNESSES** as follows:

**1. CONSTRUCTION**

- 1.1 The following expressions have the following meanings in this Deed (including the recitals):

**Beneficiary** means a single entity that is either (a) a trust, foundation, institution, company or other body or organisation (whether or not incorporated) registered with the Charity Commission of England and Wales; or (b) an institution or other body or organisation referred to in Schedule 3 to the Inheritance Act 1984, as such Schedule may be amended or replaced from time to time;

**Corporate Services Provider** means Intertrust Management Limited, a private limited company incorporated under the laws of England and Wales (registered number 3853947), whose registered office is at 35 Great St. Helen's, London EC3A 6AP, in its capacity as corporate services provider under the Corporate Services Agreement or any other person or person for the time being acting as the corporate services provider under the Corporate Services Agreement;

**Holdings** means Charter Mortgage Holdings 2018-1 Limited (registered number 11329196), a limited company incorporated under the laws of England and Wales whose registered office is at 35 Great St. Helen's, London EC3A 6AP;

**Issuer** means Charter Mortgage Funding 2018-1 PLC, a company incorporated under the Companies Act 2006 (registered number 11329280), and having its registered office at 35 Great St. Helen's, London EC3A 6AP;

**Settlor** means any person who shall have made an addition to the Trust Fund;

**Share** means the share referred to in the Schedule hereto;

**Share Trustee** means the Original Share Trustee or any other trustee (or trustees or any of them) for the time being hereof appointed pursuant to Clause 14;

**this Deed** means this declaration of Trust as the same may stand varied or modified from time to time by any deed supplemental hereto made in accordance with the terms of this declaration of Trust;

**Trust** means the trust hereby established;

**Trust Corporation** means a corporation entitled by rules made under the Public Trustee Act 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

**Trust Fund** means:

- (a) the Share;
- (b) all money, investments or property hereafter transferred to and accepted by the Share Trustee to be held on the terms of the Trust;
- (c) all accumulations of income in accordance with this Deed; and
- (d) all investments and property from time to time representing the Share and such money, investments or property, or accumulations of income or any part or parts thereof;

**Trustee Acts** means the Trustee Act 1925, the Trustee Delegation Act 1996, and the Trustee Act 2000, as amended or replaced from time to time; and

**Vesting Day** means:

- (a) the day on which expires the period of 125 years (less one day) from the date of this Deed; or
- (b) any earlier day or days nominated by the Share Trustee by deed or deeds to be the Vesting Day for the whole or any part or parts of the Trust Fund.

1.2 In this Deed, where the context so admits or requires, the singular includes the plural and vice versa, references to any gender include all genders, and references to persons include bodies corporate.

1.3 The headings in this Deed are inserted for ease of reference only and shall not affect the construction or effect of any provision hereof.

1.4 References in this Deed to any statutory provision shall be deemed, unless the context otherwise requires, to include references to any such provisions as the same may from time to time be amended or re-enacted and to any subordinate legislation made under such provision.

1.5 The Trust Fund shall be known and referred to as the Charter Mortgage Funding 2018-1 Trust, or such other name as the Share Trustee for the time being shall decide.

## **2. TRUST OF TRUST FUND**

2.1 The Share Trustee shall stand possessed of the Trust Fund UPON TRUST to retain the Share with power at its discretion to sell the same and with and subject to such charges, powers and provisions whatever in favour or for the benefit exclusively for a Beneficiary as the Share Trustee shall in its absolute discretion appoint.

2.2 The Share Trustee shall have the power to accept and receive as additions to the Trust Fund or as income any money, investments or property of whatever nature and wherever situated and such money, investments or property shall (subject to any contrary direction) be held upon trusts and with and subject to the powers and provisions contained in this Deed.

- 2.3 The Share Trustee shall be under no obligation to become a director or officer of, or to interfere in the management or conduct of business of any company, any shares or other securities of which comprise the whole or part of the Trust Fund or any company associated with such company notwithstanding that the Share Trustee's holding of such securities (whether directly or indirectly) is substantial and sufficient to confer voting control of the company concerned.

**3. CAPITAL AND INCOME UNTIL THE VESTING DAY**

The Share Trustee shall, until the Vesting Day, hold the Trust Fund and the income thereof upon Trust and shall have the power until the Vesting Day to apply the same to or for the benefit of such Beneficiary in such manner as it shall from time to time in its absolute discretion determine.

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Notwithstanding any of the provisions contained elsewhere in this Deed, no discretion or power conferred upon the Share Trustee by this Deed shall be exercised or capable of being exercised so as to cause any part of the income or capital of the Trust Fund to become payable or lent to or applicable for the benefit of any person who shall have contributed to the Trust Fund and each trust power and provision herein contained shall be deemed subject to this qualification.

**4. POWER TO ACCUMULATE INCOME**

Notwithstanding any of the provisions of Clause 3, the Share Trustee shall, until the Vesting Day, have the power to accumulate any income of the Trust Fund as an accretion to the capital of the Trust Fund or as a separate fund thereof by investing the same and the resulting income thereof in any investments hereby authorised with power to vary the same for others similarly authorised.

**5. TRUSTS TO TAKE EFFECT ON THE VESTING DAY**

Subject to Clauses 3 and 4, the Share Trustee shall on the Vesting Day hold the Trust Fund and its income, or any part or parts which have not yet been paid, transferred or applied under any trust or power in this Deed, on trust for such Beneficiary as the Share Trustee shall determine on or before the Vesting Day.

**6. RECEIPTS FOR DISTRIBUTIONS**

Any capital or income to be paid by the Share Trustee to any Beneficiary in exercise of its powers or trusts aforesaid may be paid to the person who purports to be the treasurer or other duly authorised officer of such body or organisation whose receipt shall be a full and sufficient discharge to the Share Trustee who shall not be concerned as to the further application thereof.

**7. INVESTMENT OF TRUST MONIES**

Trust monies requiring investment under the Trusts hereof may at the discretion of the Share Trustee be deposited on any terms with any bank or other financial institution in any part of the world for any period and whether at interest or not or invested in the purchase of or subscription for or upon the security of such stocks, funds, shares, securities or other investments or property of whatsoever nature and wherever situated and whether producing income or not, including the purchase of freehold or leasehold land or other immovable property in any part of the world, as the Share Trustee shall in its absolute discretion think fit to the intent that the Share Trustee shall have the same full and unrestricted powers of investing and transposing investments of Trust monies in all respects as if it were the absolute owner thereof and in addition (but without prejudice to the generality of the foregoing) the Share Trustee may invest or keep invested the whole or any part or parts of the Trust Fund in the shares of any company without being responsible for any loss occasioned thereby

otherwise than by reason of wilful and individual fraud on the part of the Share Trustee sought to be made liable.

#### **8. SHARE TRUSTEE'S ADDITIONAL POWERS**

For the benefit of the Beneficiary and in addition to the powers vested in the Share Trustee hereby or by law or otherwise, the Share Trustee shall have the following additional powers:

- (a) power to appoint, upon such terms as it may determine, a secretary to the Trust and all such other officials and employees as it thinks fit for the purposes of the Trust and subject to the terms of the contract of service of any such secretary or other official or employee and power at any time to remove any such secretary or other official or employee;
- (b) power to pay out of the Trust Fund or the income thereof the reasonable salaries and wages of all officials and employees and all other expenses incidental to the management of the Trust Fund for any purpose connected with the Trust;
- (c) power (without prejudice to the jurisdiction of the Court) to decide what money represents income and what represents capital;
- (d) power to consent to any payment to any Beneficiary by Holdings;
- (e) power (where the Share Trustee is a company or corporation) in the discharge of its duties as such Share Trustee and in the exercise of all discretionary or other powers hereunder to act by its directors or other managing body or any officer or employee appointed by such directors or other managing body for such purpose;
- (f) power to employ solicitors, accountants, bankers, brokers or other agents to transact any business required to be done in the execution of the Trusts hereof (including the receipt and payment of money);
- (g) power from time to time as and when in its absolute discretion it may think fit to permit any monies, bonds, shares, certificates or other securities for money or documents of title to property, real or personal, for the time being subject to the Trusts hereof to be and remain deposited with any bank, Trust Corporation or other like institution in any part of the world and to permit any investments, securities or other real or personal property for the time being subject to the Trusts hereof, or any share or interest therein, to be and remain invested in the name of nominees or trustees in any part of the world instead of in the name of the Share Trustee itself with power to delegate to such banks, Trust Corporations or institutions or to such nominees or trustees such of the trusts, powers and discretions hereby or by law vested in the Share Trustee with reference to the premises so deposited or the property so invested in the names of such nominees or trustees as the Share Trustee may reasonably consider expedient so to delegate;
- (h) power to accept (or in the discretion of the Share Trustee to disclaim) donations, gifts, covenants, subscriptions, legacies and other assistance (including, but without prejudice to the generality of the foregoing, loans at interest or free of interest) whether or not subject to terms or conditions; and
- (i) power to exercise all the voting powers attaching to any securities at any time forming part of the Trust Fund as it shall in its discretion think fit and in particular (but without prejudice to the generality of the foregoing) to exercise or concur in exercising the voting and other rights attaching to any securities for the time being forming part of the Trust Fund so as to

cause any person to become a director or other officer or employee of any company; and to do all such things and to sign, seal, execute and deliver all such deeds and documents as may be requisite or as may be necessary or incidental to the due administration and control of the Trust Fund, or to the due execution or exercise of any of the trusts, powers and provisions hereof.

#### **9. BANK ACCOUNTS**

The Share Trustee may from time to time open and maintain in the name of the Trust a banking account or banking accounts at such bank or banks as the Share Trustee shall decide and may at any time pay or cause to be paid any monies forming part of the Trust Fund to the credit of any such account or accounts or cause the same to be placed on deposit with any bank or banks.

#### **10. SUPPLEMENT TO TRUSTEE ACTS**

By way of supplement to and without limiting the Trustee Acts and the other provisions of this Deed, it is expressly declared as follows:

- (a) The Share Trustee may in relation to this Deed act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, banker, broker or other expert whether obtained by the Issuer or by the Share Trustee or otherwise and shall not be responsible for any loss occasioned by so acting.
- (b) Any such advice, opinion or information may be sent or obtained by letter, facsimile transmission or other means of electronic communication and the Share Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, facsimile transmission or other means of electronic communication although the same shall contain some error or omission or shall not be authentic.
- (c) The Share Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing a certificate signed by the Issuer or of any other company responsible for the management of the Issuer from time to time under a contract of management or other agreement as the case may be, and the Share Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by the Share Trustee acting on such certificate.
- (d) The Share Trustee shall be at liberty to hold or to place this Deed and any other documents relating to this Deed in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Share Trustee to be of good repute and the Share Trustee shall not be responsible for or required to insure against any loss incurred in connection with any such deposit and may pay all sums required to be paid on account of or in respect of any such deposit.
- (e) The Share Trustee shall not be bound to give notice to any person of the execution of this Deed.
- (f) Save as expressly otherwise provided in this Deed, the Share Trustee shall, as regards all trusts, powers, authorities and discretions vested in it by this Deed, have absolute and unfettered discretion as to the exercise or non-exercise thereof (the exercise of which as between the Share Trustee and the Beneficiary shall be conclusive and binding on the Beneficiary and the Share Trustee shall be in no way responsible for any loss, costs,

damages, expenses or inconveniences that may result from the exercise or non-exercise thereof).

- (g) No Beneficiary shall be entitled:
  - (i) to compel the sale or other realisation of assets;
  - (ii) to require the distribution of any dividend by any company the shares, stock, securities, debenture stock or loan capital of which are comprised in the Trust Fund;
  - (iii) to require the Share Trustee to exercise any powers they may have of compelling such distribution; or
  - (iv) to insist on the investment of any part of the Trust Fund in assets which produce income.
- (h) Any consent or approval given by the Share Trustee for the purposes of this Deed may be given on such terms and subject to such conditions (if any) as the Share Trustee thinks fit and notwithstanding anything to the contrary contained in this Deed may be given retrospectively.
- (i) The Share Trustee shall not disclose to the Beneficiary any confidential, financial, price sensitive or other information made available to the Share Trustee in connection with the Trust (unless and to the extent required by law or if ordered so to do by a court of competent jurisdiction) and the Beneficiary shall not be entitled to take any action to obtain from the Share Trustee any such information.
- (j) Where it is necessary or desirable for any purpose in connection with this Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Deed or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be determined by the Share Trustee.
- (k) The Share Trustee as between itself and the Beneficiary shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Deed and every such determination (whether or not it shall relate in whole or in part to the acts or proceedings of the Share Trustee under this Deed) shall be conclusive and binding on the Beneficiary.

## **11. DELEGATION OF SHARE TRUSTEE'S POWERS**

- (a) The Share Trustee may whenever it reasonably thinks fit and to the extent permitted by law delegate by power of attorney or otherwise to any fit and appropriate person or persons or fluctuating body of persons (whether being a joint trustee of this Deed or not) all or any of the trusts, powers and authorities vested in the Share Trustee by this Deed or by law, and such delegation may be made upon such terms and subject to such conditions (including as to remuneration and power to sub-delegate with the approval of the Share Trustee) and subject to such regulations as the Share Trustee may reasonably think fit and the Share Trustee shall not be bound to supervise the proceedings or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.
- (b) The Share Trustee may in the conduct of the Trust and its powers instead of acting personally employ and pay an agent whether being a lawyer or other professional person to transact or concur in

transacting any business and to do or concur in doing all acts required to be done in connection with the Trust and its powers and provided that it shall have exercised reasonable care in the selection of such agent the Share Trustee shall not in any way be responsible for any loss incurred by reason of any misconduct or default on the part of any such agent appointed by it under this Deed or be bound to supervise the proceedings or acts of any such agent.

## **12. INDEMNIFICATION OF THE SHARE TRUSTEE**

- (a) **Expenses:** The Share Trustee shall be paid by the Corporate Services Provider (failing which it shall be entitled to be paid out of the Trust Fund and its income) all reasonable costs, charges, liabilities and expenses incurred by the Share Trustee in the preparation and execution of this Deed and the performance of its functions under this Deed including, but not limited to, reasonable legal and travelling expenses and any stamp, documentary or other taxes or duties paid by the Share Trustee in connection with any legal proceedings brought or contemplated by the Share Trustee to enforce any provision of this Deed.
- (b) **Indemnity:** The Share Trustee shall be entitled to be indemnified out of the Trust Fund and its income in respect of all reasonable liabilities and expenses incurred by it or by anyone appointed by it or to whom any of its functions as Share Trustee may be delegated by it in the carrying out of its functions as Share Trustee and against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) which any of them may incur or which may be made against any of them arising out of or in relation to or in connection with, its appointment or the exercise of its functions except the Share Trustee shall not be entitled to be indemnified in respect of liabilities and expenses incurred by reason of its own wilful and individual fraud or wrongdoing or wrongful omission.
- (c) **Continuing Effect:** Sub-Clauses (a) and (b) will continue in full force and effect as regards the Share Trustee even if it is no longer a Share Trustee.
- (d) The Share Trustee need not take any action hereunder if in its opinion to do so would or might result in its incurring personal liabilities payment or discharge of which is not, in its opinion, reasonably assured to it whether out of the Trust Fund or not.
- (e) Subject to the preceding provisions of this Clause 12, the Share Trustee shall acquire no interest in the Trust Fund (otherwise than as a trustee) or be interested (otherwise than as a trustee) in any contract entered into by the Share Trustee on behalf of or in connection with the Trust.

## **13. EXERCISE OF SHARE TRUSTEE'S POWER BY A MAJORITY**

If three or more persons constitute the Share Trustee hereunder, then all or any of the trusts, rights, powers, authorities and discretions vested in or exercisable by the Share Trustee under this Deed shall be capable of being performed or exercised by a majority of such persons for the time being and any action or decision of such majority shall be as valid and effectual as it would have been if done or made by all such persons for the time being.

## **14. CHANGES OF SHARE TRUSTEE**

- 14.1 The statutory powers of appointment and retirement of trustees shall be applicable hereto as extended by the provisions hereinafter contained. The power of appointing any new or additional trustee shall be vested in the Share Trustee.
- 14.2 Notwithstanding the provisions of sections 36, 37 and 39 of the Trustee Act 1925:

- (a) an appointment of new Share Trustees or a new Share Trustee may be made, and be effective, to discharge any outgoing Share Trustees or Share Trustee;
- (b) a Share Trustee (other than a sole Share Trustee) may retire without a new appointment and be effectively discharged; and
- (c) two Share Trustees may be appointed in place of one Share Trustee and one Share Trustee may be appointed in place of two Share Trustees;

if in each case following the appointment or retirement, there is a company (whether or not a Trust Corporation) or at least two persons to act as Share Trustee to carry out the trusts of this Settlement and such person or persons shall be resident for tax purposes in the United Kingdom.

- 14.3 A trustee of this Deed may retire at any time without assigning any reason and without being responsible for any costs occasioned by such retirement. The retirement of any such trustee shall not become effective until a successor trustee being a Trust Corporation is or two persons are appointed.

**15. SHARE TRUSTEE'S POWERS TO BE ADDITIONAL AND SHARE TRUSTEE LIABILITY**

The trusts, powers, rights, authorities and discretions conferred upon the Share Trustee by this Deed shall be in addition to any powers which may from time to time be vested in the Share Trustee by the general law or as a holder of any other shares or securities or indebtedness in or of Holdings.

**16. MODIFICATION**

The Share Trustee for the time being may, in its absolute discretion by deed at any time or times before the Vesting Day in relation to the Trust Fund, make any modification to this Deed which in the opinion of the Share Trustee it may be proper to make (except modification to the definition of "Beneficiary" in Clause 1.1) including modifications which are of a formal, minor or technical nature or to correct a manifest error.

**17. RELIEF OF SHARE TRUSTEE FROM LIABILITY**

No Share Trustee shall be liable for any decline in value of the Trust Fund or loss to the Trust Fund realised upon any sale or disposition pursuant to this Deed. In particular, and without limitation, no Share Trustee shall be liable for such decline or loss directly or indirectly arising from its acting or failing to act as a consequence of an opinion reached in good faith or by reason of any other matter or thing except gross negligence, wilful default or fraud on the part of the Share Trustee who is sought to be made liable.

Notwithstanding anything to the contrary in this Deed, no Share Trustee shall be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to the Trust Fund save in relation to his own gross negligence, wilful default or fraud.

**18. TRUST IRREVOCABLE**

The Trust hereby created is irrevocable and is subject to the overriding proviso that, notwithstanding anything to the contrary herein contained or implied, the Trust Fund and the income thereof shall be possessed and enjoyed to the entire exclusion of any Settlor and of any benefit to either of them by contract or otherwise. No discretion or power conferred upon the Share Trustee or any other person pursuant to this Deed or by law shall be capable of being exercised in such manner as shall cause any part of the income or capital of the Trust Fund to be paid or lent or applied for the benefit of any Settlor whether directly or indirectly in any circumstances whatever.

**19. THIRD PARTY RIGHTS**

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

**20. COUNTERPARTS**

This Deed may be executed as any number of counterparts all of which taken together shall constitute one and the same instrument.

**21. LAW AND EXCLUSIVE JURISDICTION**

This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law and the parties hereto agree that the Courts of England and Wales shall have exclusive jurisdiction in relation to this Deed, including a dispute relating to any non-contractual obligations in connection with this Deed.

**IN WITNESS** whereof this declaration of Trust has been executed as a Deed by the Original Share Trustee and delivered on the day and year first written above.

**EXECUTED as a DEED by  
INTERTRUST CORPORATE SERVICES  
LIMITED**  
by its authorised representatives

)   
) .....  
) Director  
  
)   
) .....  
) ~~Director~~ Secretary

## **SCHEDULE 1**

### **TRUST PROPERTY**

One (1) fully paid ordinary share of £1 registered in the name of the Original Share Trustee, being all the issued capital of Charter Mortgage Holdings 2018-1 Limited with company number 11329196.

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