

DATED 15 January 2015

KENSINGTON GROUP PLC
as Maturity Purchaser

CITIBANK, N.A., LONDON BRANCH
as Escrow Agent

KAYL PARENT S.À R.L
as Guarantor

MEZZ NOTE PURCHASE DEED

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PARTIES

- (1) **KENSINGTON GROUP PLC** (company no 03050321) whose registered office is at 2 Gresham Street, London EC2V 7QP ("**Maturity Purchaser**")
- (2) **CITIBANK, N.A., LONDON BRANCH**, acting through its Agency and Trust business located at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom ("**Escrow Agent**")
- (3) **KAYL PARENT S.À R.L.** (a limited liability company (*société à responsabilité limitée*) with a share capital of GBP 12,500, having its registered office at 5, rue Eugène Ruppert, L-2453 Luxembourg and registered with the *Registre de Commerce et des Sociétés* in Luxembourg with number B 190.601) (the "**Guarantor**")

BACKGROUND

- (A) The Maturity Purchaser is entering into this Deed in order to give the benefit of its obligations set out herein to the Mezz Noteholders from time to time.
- (B) The Guarantor is entering into this Deed in order to, amongst other things, guarantee the obligations of the Maturity Purchaser under this Deed and the Escrow and Custody Agreement.
- (C) It is anticipated that the Maturity Purchaser will, on or before 30 January 2015, reregister as a private limited liability company.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Additional Collateral Requirement**" means with regard to the separate classes of Mezz Notes:

- (a) with regard to the RMS 25 Class A2 Notes, an amount equal to 20% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes;
- (b) with regard to the RMS 25 Class M1 Notes, an amount equal to 20% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes;
- (c) with regard to the RMS 25 Class M2 Notes, an amount equal to 20% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes;

- (d) with regard to the RMS 25 Class B1 Notes, an amount equal to 30% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes;
- (e) with regard to the RMS 25 Class B2 Notes, an amount equal to 30% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes;
- (f) with regard to the RMS 25 Class B3 Notes, an amount equal to 30% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes;
- (g) with regard to the RMS 26 Class M1 Notes, an amount equal to 30% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes;
- (h) with regard to of the RMS 26 Class M2 Notes, an amount equal to 30% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes;
- (i) with regard to the RMS 26 Class B1 Notes, an amount equal to 30% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes; and
- (j) with regard to the RMS 26 Class B2 Notes, an amount equal to 30% of the principal amount outstanding on the original issue date of such class of notes less the amount of Collateral then deposited on the Collateral Account corresponding to such class of notes.

"Applicable Laws" means all applicable laws, regulations, regulatory requirements and codes of practice of any relevant jurisdiction, as amended and in force from time to time.

"Beneficiaries" has the meaning given in Clause 3.2.

"Business Day" means any day which is not a Saturday, Sunday or public or bank holiday in England.

"Call Date" means:

- (a) in relation to the RMS 25 Notes, 17 December 2018 (such date being the **"RMS 25 Call Date"**); and
- (b) in relation to the RMS 26 Notes, 14 November 2019 (such date being the **"RMS 26 Call Date"**),

and **"relevant Call Date"** or **"related Call Date"** means, in relation to RMS 25 or the RMS 25 Notes, the RMS 25 Call Date and, in relation to RMS 26 or the RMS 26 Notes, the RMS 26 Call Date.

"Collateral" means the Initial Collateral Amount together with any amount of Additional Collateral Requirements deposited pursuant to Clause 6 (*Increase to Collateral*) as increased or decreased in accordance with this Deed.

"Calculation Date" means the Business Day immediately following, in relation to RMS 25 Notes, 17 September 2018 (being the related interest payment date falling in September 2018) and, in relation to RMS 26 Notes, 14 August 2019 (being the related interest payment date falling in August 2019).

"Collateral Account" has the meaning given in Clause 5 (*Collateral Arrangements*).

"Collateral Payment Date" means: (i) in relation to RMS 25 Notes, the sixth Business Day of February 2019 (the **"RMS 25 Collateral Payment Date"**); or (ii) in relation to RMS 26 Notes, the 10th Business Day of January 2020 (the **"RMS 26 Collateral Payment Date"**).

"Collateral Proportion" means, with regard to a particular Mezz Noteholder and a particular class of Mezz Notes, the proportion which such Mezz Noteholder's holding of such class of Mezz Notes bears to the aggregate principal amount of such class of Mezz Notes outstanding at the relevant time.

"Collateral Requirement" means with regard to the separate classes of Mezz Notes:

- (a) with regard to the RMS 25 Class A2 Notes, £0;
- (b) with regard to the RMS 25 Class M1 Notes, £0;
- (c) with regard to the RMS 25 Class M2 Notes, £0;
- (d) with regard to the RMS 25 Class B1 Notes, £0;
- (e) with regard to the RMS 25 Class B2 Notes, £0;
- (f) with regard to the RMS 25 Class B3 Notes, £0;
- (g) with regard to the RMS 26 Class M1 Notes, £0;
- (h) with regard to the RMS 26 Class M2 Notes, £0;
- (i) with regard to the RMS 26 Class B1 Notes, £0; and
- (j) with regard to the RMS 26 Class B2 Notes, £0.

"Consolidated Tangible Net Worth" means at any time the aggregate of the amounts paid up or credited as paid up on the issued ordinary share capital of the Guarantor and the aggregated amount of the reserves of the consolidated Group (whether distributable or not distributable),

- (a) including:
 - (i) any amount credited to the share premium account;
 - (ii) any capital redemption reserve fund;

- (iii) any balance standing to the credit of the consolidated profit and loss account of the Group (to the extent not already included in reserves of the consolidated Group);
- (iv) any credit balance on any account of the consolidated Group designated as a parent capital account; and
- (v) the aggregate amount of any fully subordinated loan capital;
- (b) but deducting:
 - (i) any debit balance on the consolidated profit and loss account of the Group;
 - (ii) (to the extent included) any amount shown in respect of goodwill (including goodwill arising only on consolidation) or other intangible assets of the consolidated Group;
 - (iii) any amount in respect of any interest of any person who is not a member of the Group in any member of the Group;
 - (iv) (to the extent included) any amount set aside, provisioned or reserved for taxation, deferred taxation or bad debts;
 - (v) any amount in respect of any distributions declared recommended, made or paid by any member of the Group out of profits included within reserves as at the date of the most recent financial statements of the Guarantor, to the extent payable to any person who is not a member of the Group and to the extent such distribution is not provided for in such most recent financial statements; and
 - (vi) any financial indebtedness incurred where the net proceeds thereof are used in whole or part directly or indirectly for the making of any distribution by a member of the Group to any person who is not a member of the Group,

and so that no amount shall be included, excluded, added or deducted more than once.

"DBRS" means DBRS, Inc., DBRS Ratings Limited or any successor to its rating business.

"Deed" means this written deed, including the Schedules as varied, novated, supplemented, amended, or replaced from time to time in accordance with its terms.

"Effective Date" means the day on which the Effective Time occurs.

"Effective Time" means the later of: (i) time upon which this Deed is executed on the date of this Deed; and (ii) the time of Closing (as defined in the SPA) on the Closing Date (as defined in the SPA).

"Encumbrance" means:

- (a) a mortgage, pledge, lien, charge, hypothecation, security interest, lease, security agreement or other encumbrance securing any obligation of any person;
- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person;
- (c) any other type of preferential treatment (including any title transfer and retention arrangement) having the effect of conferring security; or
- (d) agreements to create or effect any of the foregoing

"Escrow Agent" has the meaning given in Clause 5 (*Collateral Arrangements*).

"Escrow and Custody Agreement" means an agreement in the form agreed between the Maturity Purchaser, the Guarantor and the Escrow Agent which will regulate the terms on which the Escrow Agent will hold the Collateral and assist with other matters contemplated herein.

"Finance Documents" means this Deed and the Escrow and Custody Agreement.

"Final Determination Date" means, in the case of RMS 25 Notes, 13 December 2018 and in the case of RMS 26 Notes, 12 November 2019.

"Fitch" means Fitch Ratings Limited and includes any successor to its rating business.

"Gilts" means bonds issued by the government of the United Kingdom.

"Group" means the Guarantor and its direct and indirect subsidiaries from time to time.

"Initial Collateral Amount" means the aggregate of the RMS 25 Initial Collateral Amount and the RMS 26 Initial Collateral Amount.

"Investment Grade Rating" means, in relation to any entity, a rating of its long term, unsecured, unsubordinated, unguaranteed debt obligations of:

- (a) in relation to DBRS, at least BBBL;
- (b) in relation to Fitch, at least BBB-;
- (c) in relation to Moody's, at least Baa3; and
- (d) in relation to S&P, at least BBB-.

"Mezz Notes" means all of the following:

- (a) the Class A2 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £3,700,000 and ISIN XS0552554742;
- (b) the Class M1 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £18,300,000 and ISIN XS0552555046;

- (c) the Class M2 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £10,100,000 and ISIN XS0552555558;
- (d) the Class B1 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £12,400,000 and ISIN XS0552555806;
- (e) the Class B2 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £9,500,000 and ISIN XS0552556283;
- (f) the Class B3 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £900,000 and ISIN XS0552556796;
- (g) the Class M1 Notes issued by Residential Mortgage Securities 26 plc with an original principal amount of £24,000,000 and ISIN XS0825706913;
- (h) the Class M2 Notes issued by Residential Mortgage Securities 26 plc with an original principal amount of £14,000,000 and ISIN XS0825707218;
- (i) the Class B1 Notes issued by Residential Mortgage Securities 26 plc with an original principal amount of £8,000,000 and ISIN XS0825707564; and
- (j) the Class B2 Notes issued by Residential Mortgage Securities 26 plc with an original principal amount of £4,000,000 and ISIN XS0825707648.

"Mezz Noteholder" means any holder (as defined in the related terms and conditions) of Mezz Notes from time to time.

"Mezz Noteholder DVP Request" means the schedule entitled as such and forming part of the Notice to Mezz Noteholders.

"Mezz Noteholder Return" means the schedule entitled as such and forming part of the Notice to Mezz Noteholders.

"Moody's" means Moody's Investors Service and includes any successor to its rating business.

"Notice to Mezz Noteholders" mean a notice substantially in the form set out at the Schedule (*Form of Notice to Mezz Noteholders*) hereto.

"Purchase Consideration" means, in relation to Mezz Notes to be purchased on a particular Purchase Date, an amount equal to the principal amount outstanding of such Mezz Notes as at such Purchase Date plus interest accrued but unpaid on such Purchase Date.

"Purchase Date" means either: (i) in relation to RMS 25 or the RMS 25 Call Date, the last Business Day of January 2019; and (ii) in relation to RMS 26 or the RMS 26 Call Date, the 11th Business Day of December 2019.

"Ratings Event" means the Escrow Agent does not have an Investment Grade Rating from at least two of Fitch, S&P, Moody's and DBRS.

"Relevant Clearing Systems" means, with regard to a particular class of Mezz Notes, the clearing systems through which such class of Mezz Notes are traded.

"Relevant Web-site" means www.kensingtonmbs.com (being the Maturity Purchaser's web-site as at the date hereof) or such other website used by the

Maturity Purchaser and its group (including any third party cash manager website) to notify investors of its residential mortgage backed securitisation transactions.

"Restructuring Event" means: (i) the Maturity Purchaser ceases to own, directly or indirectly, 100% of each class of issued shares of Kensington Mortgage Company Limited; (ii) the Guarantor ceases to own, directly or indirectly, 100% of each class of issued shares of the Maturity Purchaser; or (iii) the Consolidated Tangible Net Worth falls below £250 million at any time.

"RMS 25" means Residential Mortgage Securities 25 plc, a company incorporated under the laws of England and Wales with registered number 07365777.

"RMS 26" means Residential Mortgage Securities 26 plc, a company incorporated under the laws of England and Wales with registered number 8155305.

"RMS 25 Initial Collateral Amount" means the aggregate of all Collateral Requirements in relation to RMS 25 Notes.

"RMS 25 Notes" means the Mezz Notes issued by RMS 25.

"RMS 26 Initial Collateral Amount" means the aggregate of all Collateral Requirements in relation to RMS 26 Notes.

"RMS 26 Notes" means the Mezz Notes issued by RMS 26.

"S&P" means Standard & Poor's Credit Market Services Europe Limited and includes any successor to its rating business.

"SPA" means the share and asset purchase agreement dated 9 September 2014 and made between, amongst others, Investec (UK) Limited, Investec Bank Plc, Investec 1 Limited, Kayl Holdco S.a r.l., Koala Bidco Limited and Kayl NPL S.a r.l.

"SPV Issuers" means RMS 25 and RMS 26.

1.2 The terms **"holding company"**, **"subsidiary"**, **"parent undertaking"**, **"subsidiary undertaking"** and **"wholly-owned subsidiary"** shall be interpreted in accordance with the Companies Act 2006, and the term **"associated company"** shall be interpreted in accordance with section 449 of the Corporation Tax Act 2010.

1.3 In this Deed the interpretation of general words shall not be restricted by words indicating a particular class or particular examples.

2 **EFFECTIVE TIME**

The parties agree that this Deed will become effective at the Effective Time and, for the avoidance of doubt, prior to the Effective Time this Deed will not impose any obligations on, or grant any rights to, any party and any representations and warranties made hereunder will be made as at the Effective Time.

3 **OBLIGATIONS TO MEZZ NOTEHOLDERS AND DECLARATION OF TRUST**

3.1 The Maturity Purchaser and the Guarantor covenant in favour of, and undertake to the Mezz Noteholders and the Escrow Agent to perform all of their obligations set out herein.

- 3.2 The Guarantor hereby agrees that it holds its beneficial interests in the Collateral and any Collateral Account (other than any rights specified in Clause 5 (*Collateral Arrangements*)) on trust for the Mezz Noteholders, the Escrow Agent and the Guarantor as beneficiaries (the "**Beneficiaries**"). The Beneficiaries' respective rights to such interests are those set out in Clause 5 (*Collateral Arrangements*).

4 **AGREEMENT TO PURCHASE**

- 4.1 In the event that an SPV Issuer does not redeem any Mezz Notes on the related Call Date in accordance with the terms and conditions of such Mezz Notes, then:

- 4.1.1 the Maturity Purchaser will publish on the Relevant Web-site and the Escrow Agent will (subject to receipt thereof from the Maturity Purchaser) use reasonable endeavours to publish on the Relevant Clearing Systems (subject to their then current practice) a Notice to Mezz Noteholders on the following dates:

- (a) in relation to a failure to redeem the RMS 25 Notes in full pursuant to condition 5(e)(ii) of the terms and conditions of the RMS 25 Notes, each of 2 January 2019, 15 January 2019 and ten Business Days prior to the relevant Purchase Date; and
- (b) in relation to a failure to redeem the RMS 26 Notes in full pursuant to condition 5(d)(ii) of the terms and conditions of the RMS 26 Notes, each of 15 November 2019, 29 November 2019 and ten Business Days prior to the relevant Purchase Date; and

- 4.1.2 the Maturity Purchaser will, subject as otherwise provided below, on the Purchase Date in respect of such relevant Call Date, purchase such Mezz Notes from the Mezz Noteholders which hold such Mezz Notes for their related Purchase Consideration.

- 4.2 The Maturity Purchaser will only be required to effect a purchase of Mezz Notes from a Mezz Noteholder referred to above (which purchase will take place through the Relevant Clearing Systems) if such Mezz Noteholder has: (i) no later than 2pm on the seventh Business Day prior to the relevant Purchase Date delivered a properly completed Mezz Noteholder DVP Request (to include all the information required to be completed therein) to the Maturity Purchaser and the Escrow Agent at the fax number specified in the Mezz Noteholder DVP Request; and (ii) no later than 2pm on the Business Day immediately prior to the relevant Purchase Date provided such instructions to the Relevant Clearing Systems as such Relevant Clearing Systems reasonably require in order to effect the transfer of such Mezz Notes to an account of the Maturity Purchaser (or its agent) within such Relevant Clearing System(s).

- 4.3 The Maturity Purchaser will procure that completion of any purchase of Mezz Notes referred to above will occur, on a delivery versus payment basis through the Relevant Clearing Systems, on the related Purchase Date, as follows:

- 4.3.1 the Maturity Purchaser will calculate the amount of cash due to each Mezz Noteholder based on a calculation of the sterling amount due per denomination, rounded down to the nearest penny, and then multiplied by the number of denominations in each Mezz Noteholder's holding of Mezz Notes as stated in their completed Mezz Noteholder DVP Request;

- 4.3.2 the Maturity Purchaser will deposit, or procure the deposit of, the cash amount equivalent to the Maturity Purchaser's best estimation (based on latest information

available to it) of the Purchase Consideration to an account(s) of the Maturity Purchaser at the Escrow Agent;

- 4.3.3 the Maturity Purchaser will instruct the Escrow Agent, two Business Days prior to the relevant Purchase Date, to transfer from such cash amount(s) an amount equal to the Purchase Consideration to the Mezz Noteholders from whom the relevant Mezz Notes are being purchased in exchange for the transfer of such Mezz Notes from the relevant account of the Mezz Noteholders at the Relevant Clearing Systems to an account of the Maturity Purchaser (or its agent) at the Relevant Clearing Systems; and
- 4.3.4 the Maturity Purchaser will be entitled to retain (and the Escrow Agent shall, in accordance with the terms of the Escrow and Custody Agreement, transfer to such account as the Maturity Purchaser shall instruct) any amount of cash deposited by it in accordance with Clause 4.3.2 above in excess of the aggregate Purchase Consideration in respect of the relevant Purchase Date. Unless the Maturity Purchaser fails to comply with its obligations to purchase any class of Mezz Notes on their relevant Purchase Date, 3 Business Days following the relevant Purchase Date: (i) the Guarantor will instruct the Escrow Agent to deliver any relevant Collateral held in its securities accounts at the Escrow Agent to it or to its order; and (ii) the Maturity Purchaser will instruct the Escrow Agent to deliver any relevant Collateral held in its securities accounts at the Escrow Agent to it or to its order.

5 **COLLATERAL ARRANGEMENTS**

- 5.1 In the event that the Maturity Purchaser fails to comply with its obligation to purchase any class of Mezz Notes on a Purchase Date pursuant to Clause 4 (*Agreement to Purchase*) above (noting that the Maturity Purchaser is only obliged to effect such a purchase if the relevant Mezz Noteholder has complied with the provisions of Clause 4.2), in addition to any related action for breach of contract, the Mezz Noteholders in respect of which the corresponding class of Mezz Notes are not purchased by the Maturity Purchaser will each be entitled to receive their Collateral Proportion of the Collateral held in respect of the related class of Mezz Notes as further described below and provided that:
 - 5.1.1 in respect of a particular Mezz Noteholder, such Mezz Noteholder procures the deposit of its Mezz Notes into the Collateral Account specified in a notice to Mezz Noteholders no later than: (i) in relation to RMS 25 Notes, 7 February 2019; or (ii) in relation to RMS 26 Notes, 13 January 2020; and
 - 5.1.2 not later than: (i) in relation to RMS 25 Notes, two Business Days prior to the RMS 25 Collateral Payment Date; or (ii) in relation to RMS 26 Notes, three Business Days prior to the RMS 26 Collateral Payment Date, the Escrow Agent has received a properly completed Mezz Noteholder Return (to include all the information required to be completed therein) from such Mezz Noteholder at the fax number specified in the Notice to Mezz Noteholders.
- 5.2 It is noted that the deposit of Mezz Notes referred to in Clause 5.1.1 above is only required in order to verify the holding of a Mezz Noteholder. The Escrow Agent agrees that such Mezz Notes deposited with the Escrow Agent in the relevant custody account will be held in escrow by the Escrow Agent on behalf of the depositing Mezz Noteholder and will be returned (subject to the Mezz Noteholders instructing their respective custodians to take receipt of the relevant Mezz Notes) to the account from which they were transferred by no later than: (i) in relation to the RMS 25 Notes, 8 February 2019; or (ii) in relation to the RMS 26 Notes, 15 January 2020.

- 5.3 The Maturity Purchaser, the Guarantor and the Escrow Agent agree, on or about the date hereof (and, in any event, by no later than 27 January 2015), to enter into the Escrow and Custody Agreement. The Guarantor agrees, in accordance with the terms of the Escrow and Custody Agreement, on the Effective Date, to deposit, or procure that there is deposited, into accounts held by the Escrow Agent: (i) in respect of the RMS 25 Notes, Gilts with an aggregate value, as at the date of deposit, of the RMS 25 Initial Collateral Amount; and (ii) in respect of the RMS 26 Notes, Gilts with an aggregate value, as at the date of deposit, of the RMS 26 Initial Collateral Amount, both such amounts being subject to reduction or increase as set out below. The Escrow Agent agrees that any custody statement provided to the Maturity Purchaser or the Guarantor in relation to the Collateral Account will include a statement as to the market value of Gilts held. However, it is acknowledged that this statement is for information only and it is the responsibility of the Guarantor to determine the value of any relevant Gilts. The Escrow Agent agrees to procure that:
- 5.3.1 the Collateral will be held in segregated accounts (the "**Collateral Accounts**") allocated to each class of Mezz Notes, with each class of Mezz Notes entitled only to the collateral that is held in the account allocated to it;
 - 5.3.2 subject to receipt by the Escrow Agent of the relevant Collateral from the Guarantor, each account will, initially, hold the amount of collateral equal to the Collateral Requirement corresponding to the relevant class of Mezz Notes;
 - 5.3.3 any relevant amount of Collateral held as Gilts will be liquidated by the Escrow Agent and held in cash (rather than Gilts) with the Escrow Agent on the following date:
 - (a) in relation to Collateral held in relation to RMS 25 Notes, three Business Dates prior to the RMS 25 Collateral Payment Date; and
 - (b) in relation to Collateral held in relation to RMS 26 Notes, three Business Dates prior to the RMS 26 Collateral Payment Date;
 - 5.3.4 if a Mezz Noteholder becomes entitled to any amount of the Collateral pursuant to this Clause 5 (*Collateral Arrangements*), such amount shall be paid to it, by transfer to the Euroclear/Clearstream account specified in its Mezz Noteholder Return, by the Escrow Agent on the relevant Collateral Payment Date;
 - 5.3.5 on the RMS 25 Collateral Payment Date, after payment to holders of RMS 25 Notes of any Collateral to which such holders are entitled under Clause 5.1, all Collateral then held by the Escrow Agent in an account relating to the RMS 25 Mezz Notes will be returned by the Escrow Agent to the Guarantor; and
 - 5.3.6 on the RMS 26 Collateral Payment Date, after payment to holders of RMS 26 Notes of any Collateral to which such holders are entitled under Clause 5.1, all Collateral then held by the Escrow Agent in an account relating to the RMS 26 Mezz Notes will be returned by the Escrow Agent to the Guarantor.
- 5.4 The Maturity Purchaser and Guarantor acknowledge and agree that any liquidation of the Collateral or related payment to be made by the Escrow Agent under this Deed shall be subject to the terms of the Escrow and Custody Agreement. In particular, but without limitation, the Maturity Purchaser and Guarantor acknowledge and agree that the Escrow Agent is entitled (notwithstanding any scheduled dates for liquidation of the Collateral or related payments specified in this Deed) pursuant to the Escrow and Custody Agreement to delay or withhold liquidation of the Collateral or the making of any related payments if, in good faith,

it is in any doubt as to the action to be taken by it and the Escrow Agent shall have no liability to the Maturity Purchaser, the Guarantor or any Mezz Noteholder for any delay in the liquidation of the Collateral or related payment caused thereby.

6 INCREASE TO COLLATERAL

6.1 The Guarantor agrees that it will, from time to time (and no less than once per month and verified by a suitably qualified financial institution or accounting firm at least once in each financial year) or, at any time it is requested to do so by a Mezz Noteholder, determine, acting in good faith, whether or not a Restructuring Event has occurred. If a Restructuring Event does occur and is continuing, the Guarantor agrees that it will, in accordance with the terms of the Escrow and Custody Agreement:

6.1.1 by no later than five Business Days after the date of occurrence, deposit, or procure that there is deposited, into the relevant custody account of the Escrow Agent, Gilts with an aggregate value as at the date of deposit equal to the aggregate amount of the Additional Collateral Requirement for each class of Mezz Note, such amounts to be promptly credited by the Escrow Agent to the related Collateral Accounts; and

6.1.2 on the fifth Business Day of each month following the occurrence of the Restructuring Event, calculate the value of the Gilts deposited under Clause 6.1 and if such value is less than the value of the aggregate of the Additional Collateral Requirements, deposit or procure that there is deposited, into the relevant custody account of the Escrow Agent, further Gilts to ensure that the then aggregate value of Gilts deposited under this Clause 6 (*Increase to Collateral*) is equal to the aggregate amount of the Additional Collateral Requirement for each class of Mezz Note, such deposited amounts to be promptly credited by the Escrow Agent to the related Collateral Accounts.

6.2 If the value of Gilts calculated under Clause 6.1.2 is more than the value of the aggregate of the relevant Additional Collateral Requirements, the Guarantor shall be entitled to instruct the Escrow Agent to transfer such excess to it and keep the excess for its own benefit. The Escrow Agent will, accordingly, in such an event, return such excess Additional Collateral Requirement amounts to such account(s) as the Guarantor shall direct (and may rely on such direction without further enquiry).

6.3 The Escrow Agent agrees that any custody statement provided to the Maturity Purchaser or the Guarantor in relation to the Collateral Account will include a statement as to the market value of Gilts held. However, it is acknowledged that this statement is for information only and it is the responsibility of the Guarantor to determine the value of any relevant Gilts.

6.4 If, following the depositing of any Collateral pursuant to Clause 6.1, the applicable Restructuring Event ceases to be continuing, the Guarantor shall be entitled to instruct the Escrow Agent to transfer such Collateral to it and keep for its own benefit the Additional Collateral Requirement so deposited. The Escrow Agent will, accordingly, in such an event, return such Additional Collateral Requirement amounts to such account(s) as the Guarantor shall direct (and may rely on such direction without further enquiry).

7 REPLACEMENT AND TERMINATION

7.1 If a Ratings Event occurs:

7.1.1 the Maturity Purchaser will procure that a reputable financial institution which does have an Investment Grade Rating from at least two of Fitch, Moody's, S&P and DBRS accedes to this Deed and the Escrow and Custody Agreement on substantially the same terms in place of the Escrow Agent by way of a novation of the rights and obligations of the Escrow Agent hereunder; and

7.1.2 the Escrow Agent will take all such action as the Maturity Purchaser reasonably requires to effect the accession/novation referred to in Clause 7.1.1 above.

8 **WARRANTIES**

The Maturity Purchaser and the Guarantor each represent and warrant, as at the Effective Time, that:

- (a) it has the power and authority to enter into and perform the Finance Documents to which it is a party, which constitutes valid and binding obligations on it in accordance with its terms;
- (b) it is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation and it has the power to own its assets and carry on its business as it is being conducted;
- (c) the entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:
 - (i) any Applicable Laws;
 - (ii) its constitutional documents; or
 - (iii) any deed or instrument binding on it or any of its assets;
- (d) it has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents and the transactions contemplated by the Finance Documents;
- (e) any and all authorisations (of whatever kind) required or necessary to enable Maturity Purchaser to lawfully enter into, exercise its rights and comply with its obligations under the Finance Documents have been obtained or effected and are in full force and effect;
- (f) none of its assets is entitled to immunity on any grounds from any legal action or proceeding (including, without limitation, suit, attachment prior to judgment, execution or other enforcement);
- (g) its payment and delivery obligations under this Deed rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally;
- (h) other than the registration by the Maturity Purchaser of this Deed with Companies House in England, it is not necessary that this Deed be filed, recorded or enrolled with any court or other authority in England or Wales or that any stamp, registration or similar tax be paid on or in relation to this Deed or the transactions contemplated by it; and

- (i) subject to, and as otherwise provided by, the provisions of this Deed (and, in particular, but without limitation, the provisions of Clause 3 (*Obligations to Mezz Noteholders and Declaration of Trust*) and the Escrow and Custody Agreement, it will, when deposited, be the sole legal owner of, and will holds its interest in, any Collateral held on its behalf in any Collateral Account free from Encumbrances.

9 **GUARANTEE**

9.1 **Guarantee and indemnity**

The Guarantor irrevocably and unconditionally jointly and severally:

- 9.1.1 guarantees to each Mezz Noteholder and the Escrow Agent punctual performance by the Maturity Purchaser of all its obligations under the Finance Documents;
- 9.1.2 undertakes with each Mezz Noteholder and the Escrow Agent that whenever the Maturity Purchaser does not pay or deliver any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay or deliver that amount as if it was the principal obligor; and
- 9.1.3 indemnifies each Mezz Noteholder and the Escrow Agent immediately on demand against any cost, loss or liability suffered by such Mezz Noteholder or the Escrow Agent, as the case may be, if any obligations guaranteed by it under this Guarantee is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which such Mezz Noteholder or the Escrow Agent, as the case may be, would otherwise have been entitled to recover.

9.2 **Continuing guarantee**

This Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Maturity Purchaser under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

9.3 **Waiver**

The obligations of the Guarantor under this Guarantee will not be affected by any act, omission, matter or thing which, but for this Clause 9.3 (*Waiver*), would reduce, release or prejudice any of its obligations under this Guarantee (without limitation and whether or not known to it or any Mezz Noteholder) including:

- 9.3.1 any time, waiver or consent granted to, or composition with, the Maturity Purchaser or other person;
- 9.3.2 the release of the Maturity Purchaser or any other person under the terms of any composition or arrangement with any creditor of the Maturity Purchaser;
- 9.3.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Maturity Purchaser or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- 9.3.4 any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of the Maturity Purchaser or any other person;

- 9.3.5 any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security;
- 9.3.6 any assignment, transfer or novation by any Mezz Noteholder of its rights and/or obligations under the Finance Documents;
- 9.3.7 any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- 9.3.8 any insolvency or similar proceedings.

9.4 **Guarantor intent**

Without prejudice to the generality of Clause 9.3 (*Waiver*), the Guarantor expressly confirms that it intends that this Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents.

9.5 **Immediate recourse**

The Guarantor waives any right it may have of first requiring any Mezz Noteholder (or any trustee or agent on its behalf) or the Escrow Agent, as the case may be, to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

9.6 **Appropriations**

Until all amounts which may be or become payable by the Maturity Purchaser under or in connection with the Finance Documents have been irrevocably paid in full, any Mezz Noteholder (or any trustee or agent on its behalf) or the Escrow Agent, as the case may be, may:

- 9.6.1 refrain from applying or enforcing any other monies, security or rights held or received by such Mezz Noteholder (or any trustee or agent on its behalf) or the Escrow Agent, as the case may be, in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- 9.6.2 hold in an interest-bearing suspense account any monies received from the Guarantor or on account of the Guarantor's liability under this Guarantee.

9.7 **Assignment by the Guarantor**

The Guarantor may not assign, transfer or otherwise part with its rights or obligations under this Guarantee except that the Guarantor shall be permitted to grant security over its rights hereunder to secure financial indebtedness of the Group.

10 **ESCROW AGENT OBLIGATIONS AND PROTECTIONS**

- 10.1 For the avoidance of doubt, the principal operative obligations of the Escrow Agent in this Deed are those set out in the following Clauses:
- 10.1.1 Clause 4.1.1;
 - 10.1.2 Clause 4.3.4;
 - 10.1.3 Clause 5.2;
 - 10.1.4 Clause 5.3;
 - 10.1.5 Clause 6 (*Increase to Collateral*); and
 - 10.1.6 Clause 7.1.
- 10.2 The Maturity Purchaser and the Guarantor acknowledge and agree that, in acting under this Deed, the Escrow Agent shall have all of the rights, powers and protections given to it under the Escrow and Custody Agreement. The parties agree that Escrow Agent shall not have (and nothing in this Deed is intended to create) any fiduciary duty towards or any relationship of agency or trust for or with any Mezz Noteholder.

11 **NO DEDUCTIONS OR WITHHOLDINGS**

- 11.1 All monies payable by the Maturity Purchaser under or in connection with this Deed shall be paid in full without set-off, deduction or withholding, except as may be required by Applicable Law but without prejudice to the rights of the Escrow Agent to set-off, deduction or withholding under the Escrow and Custody Agreement.
- 11.2 The Maturity Purchaser shall pay the full amount of any deduction or withholding referred to in Clause 11 (*No Deductions or Withholdings*) to the appropriate governmental authority within the time required by Applicable Law.

12 **ASSIGNMENT**

- 12.1 This Deed shall enure for the benefit of the holders from time to time of the Mezz Notes (including, for the avoidance of doubt, successors and assigns of the Mezz Noteholders as at the date hereof) without the necessity for any assignment.
- 12.2 Except as specifically provided under Clause 9.7 (*Assignment by the Guarantor*), no party shall, without the written consent of the other parties and the Mezz Noteholders (such Mezz Noteholder consent being given by way of a direction given in the manner contemplated under Clause 22.1 and 22.2 on the basis that the assignment, transfer, grant or holding were deemed to be the amendment referred to in those Clauses), assign, transfer, grant any security interest over or hold on trust any of its rights or obligations under this Deed or any interest in them.

13 **THIRD PARTIES**

- 13.1 Save in respect of the Mezz Noteholders (who shall have the right to enforce any provision of this Deed expressed to be in their favour), the parties do not intend any third party to have the right to enforce any provision of this Deed under the Contracts (Rights of Third Parties) Act 1999 or otherwise, except where such third

party is an assignee of rights under this Deed and such assignment is in accordance with Clause 12 (*Assignment*).

- 13.2 The parties may, subject to the provisions of Clause 22 (*Variations*), vary this Deed.

14 **NO SUBROGATION**

Each of the Maturity Purchaser and the Guarantor hereby agrees to waive, disapply and exclude any rights, powers, privileges or remedies of subrogation, recovery and contribution which it might otherwise have at law with respect to this Deed, provided that such waiver, disapplication and exclusion shall no longer apply in relation to any Mezz Noteholder in relation to which the Maturity Purchaser or Guarantor no longer owes any obligations hereunder. The Maturity Purchaser and Guarantor each acknowledges that such waiver shall survive the expiry or termination of this Deed.

15 **NO CANCELLATION**

This Deed is not cancellable for any reason.

16 **IMMEDIATE RECOURSE**

The Maturity Purchaser waives any right it may have of first requiring any Mezz Noteholder to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Maturity Purchaser under this Deed.

17 **AVOIDED PAYMENTS**

- 17.1 Any release, discharge or settlement between the Maturity Purchaser and a Mezz Noteholder in relation to this Deed shall be conditional on no right, security, disposition or payment to the Mezz Noteholder by the Maturity Purchaser under the Finance Documents being avoided, set aside or ordered to be refunded under any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency or for any other reason.

- 17.2 If any such right, security, disposition or payment is avoided, set aside or ordered to be refunded, the relevant Mezz Noteholder shall be entitled subsequently to enforce this Deed against the Maturity Purchaser as if such release, discharge or settlement had not occurred and any such right, security, disposition or payment had not been given or made.

18 **WAIVER OF DEFENCES**

This Deed shall remain in full force and effect irrespective of the validity, regularity, legality or enforceability against the relevant SPV Issuer of, or any defence or counter-claim whatsoever, available in relation to, the Mezz Notes whether or not action has been taken to enforce the same or any judgment obtained against the relevant SPV Issuer or any other person, whether or not any time or indulgence has been granted to the relevant SPV Issuer or any other person by or on behalf of any Mezz Noteholder, whether or not there have been dealings between the relevant SPV Issuer or any other person and any of the Mezz Noteholders, whether or not the relevant SPV Issuer or any other person has been dissolved, liquidated, merged, consolidated, become bankrupt or insolvent, or has changed its status, functions, controls or ownership, whether or not the relevant SPV Issuer or any

other person has been prevented from making payment by foreign exchange restrictions and whether or not any circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor.

19 **ENTIRE AGREEMENT**

This Deed together with the Escrow and Custody Agreement and any documents ancillary thereto constitute the entire agreement between the parties in relation to the subject matter thereof, and replace all previous agreements and understandings between them, relating to such subject matter.

20 **RELATIONSHIP OF THE PARTIES**

Nothing in this Deed is intended to or shall operate to create a partnership or joint venture of any kind between the parties. No party shall have the authority to bind the other party or to contract in the name of, or create a liability against, the other party in any way or for any purpose.

21 **WAIVER**

A failure or delay in exercising any right or remedy under this Deed shall not constitute a waiver of that right or remedy. A single or partial exercise of any right or remedy shall not prevent the further exercise of that right or remedy. A waiver of a breach of this Deed shall not constitute a waiver of any other breach.

22 **VARIATIONS**

No variation of this Deed or the Escrow and Custody Agreement shall be effective unless it is in writing and signed by or on behalf of each party and either:

- 22.1 it is a variation which is agreed between the Guarantor, the Maturity Purchaser and Escrow Agent (acting in good faith) to be of a formal, minor or technical nature or is necessary to correct a manifest error; or
- 22.2 either:
 - 22.2.1 both (A): the Maturity Purchaser has, at least one calendar month prior to the date upon which it is intended that such amendments will become effective, published on the Relevant Web-site details of the proposed amendments and a request for approval for such amendments from Mezz Noteholders; and (B) two or more persons (unless the entire relevant class is held by the same person, in which case one person in relation to such class) holding or representing at least 75% of the principal amount outstanding (as at the first date of publication of the notification of the amendments) of each class of Mezz Notes (such holdings being evidenced by such means as the Maturity Purchaser shall reasonably require) provide a direction (whether approving or rejecting the proposed amendments) of which directions at least 75% thereof (in respect of each such class of Mezz Notes) approve the implementation of the proposed amendments; or
 - 22.2.2 only in the event that the necessary approval referred to in paragraph (i) above is not obtained due to a failure of two or more persons (unless the entire relevant class is held by the same person, in which case one person in relation to such class) representing at least 75% of the principal amount outstanding (as at the first date of publication of the notification of the amendments) of the relevant class or classes of Mezz Notes (such holdings being evidenced by such means as the Maturity Purchaser shall reasonably require) to provide a direction, both (A): the Maturity Purchaser has, within one calendar month after the date on which such

approval is not obtained, published on the Relevant Web-site, and the Escrow Agent has (subject to receipt thereof from the Maturity Purchaser) published on the Relevant Clearing Systems, details of the proposed amendments and a request for approval for such amendments from Mezz Noteholders; and (B) two or more persons (unless the entire relevant class is held by the same person, in which case one person in relation to such class) holding or representing at least 25% of the principal amount outstanding (as at the first date of publication of the notification of the amendments under this paragraph (ii)) of each class of Mezz Notes (such holdings being evidenced by such means as the Maturity Purchaser shall reasonably require) provide a direction (whether approving or rejecting the proposed amendments) of which directions at least 75% thereof (in respect of each such class of Mezz Notes) approve the implementation of the proposed amendments.

22.3 The Escrow Agent shall (subject to having received the same from the Maturity Purchaser) be obliged to use its reasonable endeavours to publish via the Relevant Clearing Systems (subject to their then current procedures) details of any proposed amendments referred to in Clause 22.2 above. Any failure to do so will not invalidate any approval pursuant to Clause 22.2.1. However, an approval pursuant to Clause 22.2.2 will only be effective if the Escrow Agent has made such publication.

22.4 Any directions provided by a member of the Group or the Maturity Purchaser will be ignored for the purposes of the calculations (as to percentages required to provide directions) set out in Clause 22.2.

23 **CONFLICTS**

If there is any conflict or inconsistency between this Deed (excluding any Schedules) and any of its Schedules, the provisions of this Deed (excluding the Schedules) shall prevail.

24 **INVALIDITY**

The illegality, invalidity or unenforceability of any provision of this Deed under any law of any jurisdiction shall not affect or impair the legality, validity or enforceability of the rest of this Deed, nor the legality, validity or enforceability of that provision under the law of any other jurisdiction.

25 **FURTHER ASSURANCE**

Each party shall, at its own cost (except in the case of the Escrow Agent, where costs shall be payable by the Guarantor):

- (a) execute any document and do anything else that the other party reasonably requires to give effect to this Deed and the transactions intended to be effected by it; and
- (b) procure that any relevant third party does the same.

26 **CUMULATIVE RIGHTS**

The rights and remedies expressly conferred by this Deed are cumulative and additional to any other rights or remedies a party may have.

27 **COMMUNICATIONS**

- 27.1 Communications under this Deed shall be in English in writing and delivered by hand or sent by recorded delivery post (or airmail, if the destination is outside the country of origin), in the case of the Escrow Agent, by fax or, other than in the case of the Escrow Agent, email to the relevant party at its address set out below (or as notified in accordance with Clause 27.2):

Maturity Purchaser

Prior to the Effective Date:

Address: 2 Gresham Street, London, EC2V 7QP

Attn: Group Lending Operations

Email: ICMUKMBS@investec.co.uk

On and after the Effective Date:

Address: 2 Gresham Street, London, EC2V 7QP

Attn: Treasury Operations

Email: KMCTsyOps@kmc.co.uk

Copy to: 2 Gresham Street, London, EC2V 7QP

Attn: General Counsel

Email: KMCLegalNotices@kmc.co.uk

Escrow Agent

Address: Citibank N.A., London Branch
Citigroup Centre
Canary Wharf
London E14 5LB
United Kingdom

Attn: Specialised Agency Group

Fax: +44 (0)20 7508 3883

Guarantor

Kayl Parent S.à r.l.

Address: 5, Rue Eugène Ruppert, L-2453 Luxembourg

E-mail address: mirko.dietz@intabulis.com
jckoch@pt.lu

Copy to: pneves@tpg.com

Attention: Mirko Dietz and Jean Claude Koch

Copy to: Pedro Fernandes das Neves

- 27.2 A party may notify the other party of a change to its details specified in Clause 27.1. The new address shall take effect as against the other party five Business Days after receipt of that notice or such later date as may be specified in the notice.
- 27.3 Without evidence of earlier receipt, communications complying with Clause 27.1 are deemed received:
- (a) if delivered by hand, at the time of delivery; or
 - (b) if sent by "Special Delivery 9.00 am/Next Day" "Recorded Signed For" delivery, at 9.00 am on the second, or (if sent by airmail) fifth, Business Day after posting; or
 - (c) if sent by email or fax, at the earlier of:
 - (i) the time a return receipt is generated automatically by the recipient's email server;
 - (ii) the time the recipient acknowledges receipt; and
 - (iii) 24 hours after transmission,unless the sender receives notification that the email has not been successfully delivered,
- except that if deemed receipt would occur before 9.00 am on a Business Day, it shall instead be deemed to occur at 9.00 am on that day and if deemed receipt would occur after 5.00 pm on a Business Day, or on a day which is not a Business Day, it shall instead be deemed to occur at 9.00 am on the next Business Day. References in Clause 27 (*Communications*) to a time of day are to the time of day at the location of the recipient.
- 27.4 In proving the giving of a communication, it shall be sufficient to prove that delivery was made to the appropriate address, the communication was properly addressed and posted by prepaid recorded delivery post or prepaid airmail or the email was sent to the appropriate email address and dispatch of transmission from the sender's external gateway was confirmed as specified pursuant to Clause 27.1.
- 27.5 If a person for whose attention communications must be marked or copied has been specified pursuant to Clause 27.1, a communication will be effective only if it is marked for that person's attention or copied to that person (as the case may be).
- 27.6 Clause 27 (*Communications*) does not apply to the service of any document required to be served in relation to legal proceedings.

28 **COUNTERPARTS**

This Deed may be executed in any number of counterparts, which shall each constitute an original and together constitute one agreement. If this Deed is executed in counterpart, it shall not be effective unless each party has executed at least one counterpart.

29 **GOVERNING LAW AND JURISDICTION**

29.1 This Deed and any non-contractual obligations arising in connection with it are governed by and shall be construed in accordance with English law.

29.2 The English courts have exclusive jurisdiction to determine any dispute arising in connection with this Deed, including disputes relating to any non-contractual obligations.

29.3 Each party irrevocably waives any objection which it may now or later have to proceedings being brought in the English courts (on the grounds that the English courts are not a convenient forum or otherwise).

This Deed has been executed as a deed and delivered on the date stated at the beginning of this Deed.

Schedule
Form of Notice to Mezz Noteholders

For the attention of the holders ("**Mezz Noteholders**") of the following notes:

[NOTE: include for notices issued in relation to RMS 25 Notes:][The Class A2 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £3,700,000 and ISIN XS0552554742;

The Class M1 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £18,300,000 and ISIN XS0552555046;

The Class M2 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £10,100,000 and ISIN XS0552555558;

The Class B1 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £12,400,000 and ISIN XS0552555806;

The Class B2 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £9,500,000 and ISIN XS0552556283; and

The Class B3 Notes issued by Residential Mortgage Securities 25 plc with an original principal amount of £900,000 and ISIN XS0552556796.]

[NOTE: include for notices issued in relation to RMS 26 Notes:][The Class M1 Notes issued by Residential Mortgage Securities 26 plc with an original principal amount of £22,800,000 and ISIN XS0825706913;

The Class M2 Notes issued by Residential Mortgage Securities 26 plc with an original principal amount of £13,300,000 and ISIN XS0825707218;

The Class B1 Notes issued by Residential Mortgage Securities 26 plc with an original principal amount of £7,600,000 and ISIN XS0825707564; and

The Class B2 Notes issued by Residential Mortgage Securities 26 plc with an original principal amount of £3,800,000 and ISIN XS0825707648]

(together, "**Mezz Notes**")

[Date]

Pursuant to the terms of a deed (the "**Mezz Note Purchase Deed**") entered into by Kensington Group plc (the "**Maturity Purchaser**"), Kayl Parent S.à r.l. (the "**Guarantor**") and Citibank, N.A., London Branch on [●] January 2015, the Maturity Purchaser agreed, for the benefit of all Mezz Noteholders, that in the event that the issuer of Mezz Notes does not redeem the Mezz Notes in accordance with their terms and conditions on [17 December 2018][NOTE: for the RMS 25 notes][14 November 2019][NOTE: for the RMS 26 Notes] (the "**Call Date**") it will, subject as otherwise provided below, purchase such Mezz Notes from the Mezz Noteholders which hold such Mezz Notes on [31 January 2019][NOTE: for the RMS 25 notes][16 December 2019][NOTE: for the RMS 26 Notes] (the "**Purchase Date**") for purchase consideration equal to the principal amount outstanding of such Mezz Notes as at such Purchase Date plus interest accrued but unpaid on such Purchase Date, as calculated by the Maturity Purchaser.

The Maturity Purchaser will only be required to effect a purchase of Mezz Notes from a Mezz Noteholder (which purchase will take place on a delivery versus payment basis through the Relevant Clearing Systems) if such Mezz Noteholder has: (i) no later than 2pm on the seventh Business Day prior to the relevant Purchase Date delivered a copy of the request form below entitled "Mezz Noteholder DVP Request" (the "**Mezz Noteholder DVP Request**") properly completed (to include all the information required to be completed therein) to the Maturity Purchaser and the Escrow Agent; and (ii) no later than 2pm on the Business Day immediately prior to the relevant Purchase Date provided such instructions to the clearing system through which the relevant Mezz Notes are held as such clearing system reasonably requires in order to effect the transfer of such Mezz Noteholder's Mezz Notes to the accounts of the Maturity Purchaser (or its agent) (the "**Maturity Purchaser's Securities Accounts**") within such clearing system specified below in return for payment of the purchase consideration. Accordingly, if a Mezz Noteholder wishes the Maturity Purchaser to effect such a purchase of its Mezz Notes, the Mezz Noteholder should procure that such instructions are given by such date.

The custody account details of the Maturity Purchaser's Securities Accounts are as follows:

Relevant Class of Mezz Notes	Maturity Purchaser's Securities Accounts held with the Escrow Agent
with regard to the RMS 25 Class A2 Notes	[●]
with regard to the RMS 25 Class M1 Notes	[●]
with regard to the RMS 25 Class M2 Notes	[●]
with regard to the RMS 25 Class B1 Notes	[●]
with regard to the RMS 25 Class B2 Notes	[●]
with regard to the RMS 25 Class B3 Notes	[●]
with regard to the RMS 26 Class M1 Notes	[●]
with regard to the RMS 26 Class M2 Notes	[●]
with regard to the RMS 26 Class B1 Notes	[●]
with regard to the RMS 26 Class B2 Notes	[●]

In the event that the Maturity Purchaser fails to comply with its obligation to purchase any class of Mezz Notes on the relevant date, as referred to above, Mezz Noteholders in respect of which the corresponding class of Mezz Notes are not purchased by the Maturity Purchaser will each be entitled to receive a cash payment equal to the cash proceeds generated by the liquidation of any bonds issued by the UK government ("**Gilts**") held for the benefit of the relevant Mezz Noteholders divided by the relevant number of denominations in each Mezz Noteholder's holding of the class of Mezz Notes as stated in their completed Mezz Noteholder Return, rounding down to the nearest penny and then multiplying by the number of denominations held by each Mezz Noteholder (the "**Relevant Collateral**"). Any such Gilts will, prior to such distribution, be held in escrow by Citibank, N.A., London Branch (the "**Escrow Agent**") pursuant to the terms of an escrow and custody agreement (the "**Escrow**").

and Custody Agreement") entered into between the Maturity Purchaser, the Guarantor and the Escrow Agent on [●] 2015). Such amount will be paid to relevant Mezz Noteholders (to their Euroclear/Clearstream account) on [8 February 2019][NOTE: for the RMS 25 Notes][14 January 2020][NOTE: for the RMS 26 Notes] subject to the following. In order to receive such Relevant Collateral, a Mezz Noteholder must:

- procure the temporary deposit of its Mezz Notes into the relevant account of the Escrow Agent as specified above (the "**Custody Account**") no later than [7 February 2019][NOTE: for the RMS 25 Notes][13 January 2020][NOTE: for the RMS 26 Notes]; and
- complete and return to the Escrow Agent, not later than [the fourth Business Day of February 2019][NOTE: for the RMS 25 Notes][the 7th Business Day of January 2020][NOTE: for the RMS 26 Notes] the notice set out below and entitled "Mezz Noteholder Return" (the "**Mezz Noteholder Return**") in accordance with the instructions set out in such notice.

Note that the deposit of Mezz Notes referred to above is only required in order to verify the holding of a Mezz Noteholder. Any such Mezz Notes deposited with the Escrow Agent in the Custody Account will be held in escrow by the Escrow Agent on behalf of the depositing Mezz Noteholder and, if they are not purchased, will be returned to the account from which they were transferred by no later than [8 February 2019][NOTE: for the RMS 25 Notes][15 January 2020][NOTE: for the RMS 26 Notes].

If a Mezz Noteholder does not affect the deposit mentioned above or does not properly complete (to the satisfaction of the Escrow Agent, acting reasonably) and return the Mezz Noteholder Return by the date mentioned above, it will not be entitled to receive any of the Relevant Collateral.

Mezz Noteholders should note that the Escrow Agent does not have any fiduciary duty or other obligation towards or any relationship of agency or trust for or with any Mezz Noteholder. Accordingly, Mezz Noteholders' recourse for payment of any part of the Relevant Collateral owing to them will be solely against the Guarantor. In addition, Mezz Noteholders should be aware that in acting under the Mezz Note Purchase Deed, the Escrow Agent shall have all the rights, powers and protections given to it under the Escrow and Custody Agreement including the right (notwithstanding any scheduled dates for liquidation of the Collateral or related payments specified in the Mezz Note Purchase Deed) to delay or withhold liquidation of the Relevant Collateral or the making of any related payments if, in good faith, the Escrow Agent is in any doubt as to what action it should take and the right to set-off and deduct from the Relevant Collateral held by it any sum due to it from the Maturity Purchaser or the Guarantor under the Escrow and Custody Agreement.

Form of Mezz Noteholder DVP Request

To: Citibank, N.A., London branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Fax: +44 20 7508 3883

Attention: Agency & Trust, Specialised Agency Desk

And

Kensington Group plc
2 Gresham Street
London EC2V 7QP

FAX

Date: [●]

Dear Sirs

We refer to the escrow and custody agreement between Citibank, N.A., London branch, Kayl Parent S.à r.l. and Kensington Group plc dated [●] 2015.

We would like to submit the following Mezz Notes to Kensington to be exchanged by delivery versus payment as per Clause 3 of the escrow and custody agreement

Please receive the following Securities into the relevant custody account as detailed below in reference to Notice to Mezz Noteholders as a delivery versus payment settlement.

Issuer name:	[Residential Mortgage Securities 25 plc] [Residential Mortgage Securities 26 plc]
Description of Securities:	
ISIN:	
Trade Date:	
Settlement Date:	
Nominal amount of holding to be received:	
Counterparty:	
Euroclear/Clearstream account into which	

Securities are to be received:	
Custody account number:	
Counterparty from whom Securities are to be delivered:	
Counterparty's Euroclear/Clearstream account number:	
Contact name, telephone number, email address :	

Please pay any cash amounts which are due to be paid to us to the same Euroclear / Clearstream account from which we delivered our Mezz Notes (as detailed above):

By delivering this request, we acknowledge that the Escrow Agent acts as agent of Kensington Group plc, and owes no fiduciary or other obligations towards us.

Yours sincerely

[MEZZ NOTEHOLDER]

Form of Mezz Noteholder Return

To: Citibank, N.A., London branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Fax: +44 20 7508 3883

Attention: Agency & Trust, Specialised Agency Desk

Date: [●]

BY FAX

Dear Sirs

We refer to the escrow and custody agreement between Citibank, N.A., London branch, Kayl Parent S.à r.l. and Kensington Group plc dated [●] 2015.

Please receive the following Securities into the relevant custody account as detailed below in reference to Notice to Mezz Noteholders as a free of payment settlement.

Issuer name:	[Residential Mortgage Securities 25 plc] [Residential Mortgage Securities 26 plc]
Description of Securities:	
ISIN number:	
Trade Date:	
Settlement Date:	
Nominal amount of holding to be received:	
Counterparty:	
Euroclear/Clearstream account into which Securities are to be received:	
Custody account number:	
Counterparty from whom Securities are to be delivered:	
Counterparty's Euroclear/Clearstream account number:	

Contact name, telephone number and email address:	
SWIFT Reference number from the Free of Payment delivery instruction to the Escrow Agent:	

Please pay any cash amounts which are due to be paid to us to the same Euroclear / Clearstream account from which we delivered our Mezz Notes (as detailed above):

We acknowledge and agree that, upon payment of such cash amounts and return to us of the Securities, we shall have no further claim against Kensington Group plc, Kayl Parent S.à r.l. or Citibank, N.A., London Branch.

Yours sincerely

[MEZZ NOTEHOLDER]

EXECUTION PAGE

EXECUTED as a **DEED** for and on behalf)
of **KENSINGTON GROUP PLC** acting by)
two authorised attorneys)

Authorised attorney: Natasha Harris
Authorised Signatory

in the presence of:

Witness signature:

Name: Paul Meyer

Address 2 Gresham Street, London EC2V 7QP

Authorised attorney: Derek Lloyd
Authorised Signatory

in the presence of:

Witness signature:

Name: Paul Meyer

Address 2 Gresham Street, London EC2V 7QP

Executed as a deed by **CITIBANK, N.A.,**)
LONDON BRANCH acting by a Delegated)
Signatory)

Name: Les Hayes
Vice President

EXECUTED as a **DEED** for and on behalf)
of **KAYL PARENT S.à r.l.** acting by two)
managers)

Manager: Mirko Dietz
Manager

Manager: JC Koch
Manager B