

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED BELOW).**

**IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING.** THE FOLLOWING APPLIES TO THE PROSPECTUS FOLLOWING THIS PAGE, AND YOU ARE THEREFORE ADVISED TO READ THIS CAREFULLY BEFORE READING, ACCESSING OR MAKING ANY OTHER USE OF THE PROSPECTUS. IN ACCESSING THE PROSPECTUS, YOU AGREE TO BE BOUND BY THE FOLLOWING TERMS AND CONDITIONS, INCLUDING ANY MODIFICATIONS TO THEM ANY TIME YOU RECEIVE ANY INFORMATION FROM US AS A RESULT OF SUCH ACCESS. YOU ACKNOWLEDGE THAT YOU WILL NOT FORWARD THIS ELECTRONIC FORM OF THE PROSPECTUS TO ANY OTHER PERSON.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN INVITATION OR OFFER TO SELL, OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY, SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**), AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

CERTAIN OF THE SECURITIES WILL BE OFFERED AND SOLD IN THE UNITED STATES TO A LIMITED NUMBER OF QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A OF THE SECURITIES ACT) IN RELIANCE ON RULE 144A OF THE SECURITIES ACT.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE PROSPECTUS FOLLOWING THIS PAGE HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THE PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED AND YOU MAY NOT, NOR ARE YOU AUTHORISED TO, DELIVER THE PROSPECTUS TO ANY OTHER PERSON. THIS PROSPECTUS IS BEING SENT AT YOUR REQUEST AND, BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (A) YOU HAVE UNDERSTOOD AND AGREED TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE EITHER (I) NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATIONS UNDER THE SECURITIES ACT) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (WITHIN THE MEANING OF REGULATIONS UNDER THE SECURITIES ACT), AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS EMAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES OR ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR THE DISTRICT OF COLUMBIA, OR (II) A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER

THE SECURITIES ACT) IN EACH CASE ACTING FOR YOUR OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS, AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLES 49(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005 OR A CERTIFIED HIGH NET WORTH INDIVIDUAL WITHIN ARTICLE 48 OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Arima Mortgages PLC (the **Issuer**), Isle of Wight Home Loans Limited (the **Seller**), Barclays Bank PLC (**Barclays**, the Arranger and Lead Manager) nor any person who controls any such person nor any director, officer, employee or agent of any such person or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Lead Manager.

This Prospectus has been prepared by the Issuer solely for use in connection with the sale of the Notes offered pursuant to the Prospectus. The Prospectus is personal to each offeree to whom it has been delivered by the Issuer and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of the Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Each prospective investor in the United States, by accepting delivery of the prospectus, agrees to the foregoing and to make no photocopies of the prospectus or any documents related hereto and, if the offeree does not purchase any note or the offering is terminated, to return the prospectus and all documents attached hereto to the Lead Manager.

The Notes are offered subject to prior sale or withdrawal, cancellation or modification of this offering without notice. The Issuer and the Lead Manager also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason and to allot to any prospective purchaser less than the full amount of Notes sought by such investor.

You acknowledge that you have been afforded an opportunity to request from the Issuer, and have received and reviewed, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in the Prospectus. You also acknowledge that you have not relied on the Lead Manager or any person affiliated with the Lead Manager in connection with the investigation of the accuracy of such information or your investment decision. The contents of the Prospectus are not to be construed as legal, business or tax advice. Each prospective purchaser should consult its own attorney, business adviser and tax adviser for legal, business and tax advice relating to an investment in the Notes.

The terms of the issue, the transactions and the Transaction Documents described in this Prospectus are not yet final and, without limitation, are subject to updating, further detailed negotiation, amendment, verification and completion. This Prospectus has not been reviewed by the transaction parties.

Once finalised, we will send you a copy of the final form of the Prospectus. You are reminded that any investment decision as to any purchase of securities must be made solely on the basis of information contained in the final form of the Prospectus and that no reliance may be placed on the completeness or accuracy of the information contained in the Prospectus or any other documents. No representation, warranty or undertaking is made hereby or to be implied by any person as to the completeness, accuracy or fairness of the information contained in the Prospectus and none of the Issuer or Barclays (or any affiliate of any such person) or any other person accepts any liability or responsibility whatsoever in respect hereof. No representation or warranty is made by the Lead Manager, the Issuer or any other person as to the legality under legal investment or similar laws of an investment in the Notes or the classification or treatment of the Notes under any risk-weighting, securities valuation, regulatory accounting or other financial institution regulatory regimes of the National

Association of Insurance Commissioners, any state insurance commissioner, any federal or state banking authority, or any other regulatory body. You should obtain your own legal, accounting, tax and financial advice as to the desirability of an investment in the Notes, and the consequences of such an investment.

**ARIMA MORTGAGES PLC**  
(Incorporated in England and Wales with limited liability, registered number 15063556)  
Legal Entity Identifier: 2138001SMUUR36BSID82  
Securitisation Transaction Unique Identifier: 2138001SMUUR36BSID82N202301

| Class                                    | Initial Class Principal Amount | Issue Price        | Reference Rate <sup>(2)</sup> | Initial Margin (per annum)       | Step-Up Margin (per annum) | First Optional Redemption Date <sup>(3)</sup> | Final Redemption Date                      |
|--|--------------------------------|--------------------|-------------------------------|----------------------------------|----------------------------|---|--|
| Class A1 Notes                           | £54,021,000                    | 100 per cent.      | Compounded Daily SONIA        | 1.5 per cent.                    | 2.5 per cent.              | Interest Payment Date falling in October 2025 | Interest Payment Date falling in July 2056 |
| Class A2 Notes <sup>(1)</sup>            | £2,844,000                     | 100 per cent.      | Compounded Daily SONIA        | 1.5 per cent.                    | 2.5 per cent.              | Interest Payment Date falling in October 2025 | Interest Payment Date falling in July 2056 |
| Class Z Notes                            | £24,371,000                    | 91.57586 per cent. | N/A (Zero Coupon)             | N/A (Zero Coupon) <sup>(5)</sup> | N/A (Zero Coupon)          | Interest Payment Date falling in October 2025 | Interest Payment Date falling in July 2056 |
| Class R Notes                            | £2,000,000                     | 40.61840 per cent. | N/A (Zero Coupon)             | N/A (Zero Coupon) <sup>(5)</sup> | N/A (Zero Coupon)          | Interest Payment Date falling in October 2025 | Interest Payment Date falling in July 2056 |
| Class X1 Certificates <sup>(6) (7)</sup> | N/A <sup>(4)</sup>             | N/A                | Class X1 Certificate Payment  | N/A <sup>(5)</sup>               | N/A                        | N/A   | N/A  |
| Class X2 Certificates <sup>(6) (7)</sup> | N/A <sup>(4)</sup>             | N/A                | Class X2 Certificate Payment  | N/A <sup>(5)</sup>               | N/A                        | N/A   | N/A  |
| Class Y Certificates <sup>(6)</sup>      | N/A <sup>(4)</sup>             | N/A                | Class Y Certificate Payment   | N/A <sup>(5)</sup>               | N/A                        | N/A   | N/A  |

The Class A1 Notes, the Class A2 Notes (the Class A2 Notes and the Class A1 Notes together, the **Class A Notes**), the Class Z Notes and the Class R Notes are collectively the **Notes**.

- (1) The Issuer may issue Further Class A2 Notes in accordance with the Conditions. The Par Proceeds of such further issuance will be used solely to redeem (in full or part) the Class A1 Notes. A new prospectus will be issued in respect of any Further Class A2 Notes and an application will be made to Euronext Dublin in relation to the listing of any Further Class A2 Notes.
- (2) The rate of interest payable on the Class A Notes for each accrual period will be based on a per annum rate equal to the SONIA Reference Rate plus the Initial Margin or the Step-Up Margin as described above.
- (3) The First Optional Redemption Date is the Interest Payment Date in October 2025. The first Interest Payment Date will occur in January 2024, and thereafter, will occur on the Interest Payment Dates falling in April, July, October and January in each year (save that in respect of the Further Class A2 Notes, the first Interest Payment Date will be the date so specified in the supplemental trust deed).
- (4) The Certificates do not have a principal amount outstanding. See "*Description of the Terms and Conditions of the Notes and the Certificates*".
- (5) No rate of interest is earned on the Class Z Notes, the Class R Notes or the Certificates.
- (6) The Certificates are not being offered by this Prospectus.
- (7) Any reference in this Prospectus to a Class of Class X Certificate shall be a reference to either, or both, of the Class X1 Certificate and the Class X2 Certificate, as the case may be. The holders of the Class X Certificates are referred to in this Prospectus as Class X Certificateholders.

The Notes and the Certificates will not be rated by any Rating Agency.

The Certificates are not being offered by Prospectus and will be issued on the Closing Date to the Seller and represent a right to deferred consideration for the sale of the Portfolio by the Seller to the Issuer. The Seller will transfer the Certificates to Barclays Bank PLC (**Barclays**) immediately following the issue of the Certificates to the Seller on the Closing Date. Barclays will transfer 95 per cent. of the Class Y Certificates to one fund, or related funds, managed or advised by the same investment manager pursuant to a private placement transaction. Barclays will be required to retain no less than 5 per cent. of the nominal value of each Class of Notes and of each of the Class X1 Certificates, the Class X2 Certificates and the Class Y Certificates for as long as required under the U.S. Credit Risk Retention Requirements (as defined below) and no less than 5 per cent. of the nominal value of each Class of Notes and of each of the Class X1 Certificates and the Class X2 Certificates for as long as required under the UK Securitisation Regulation and pursuant to the Risk Retention Undertaking. See "*Certain Regulatory Disclosures – U.S. Credit Risk Retention*" and "*Certain Regulatory Disclosures – UK Securitisation Regulation and EU Securitisation Regulation*".

Any transferee or purchaser of any Certificate is prohibited from relying on this Prospectus in connection with any such transaction.

## ARRANGER AND LEAD MANAGER

BARCLAYS

The date of this Prospectus is 16 October 2023.

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## OVERVIEW

|  |   |
|--|---|
| <b>Issue Date</b>  | The Issuer will issue the Notes (in the classes set out above) on or about 17 October 2023 (the <b>Closing Date</b> ) and may issue Further Class A2 Notes on any future Interest Payment Date from time to time subject to certain conditions being met. The Par Proceeds of such further issuance will be used solely to repay (in full or part) the Class A1 Notes. A new prospectus will be issued in respect of any Further Class A2 Notes.  |
| <b>Standalone/<br/>programme issuance</b>                                | Standalone issuance.  |
| <b>Simple, Transparent<br/>and Standardised<br/>(STS) Securitisation</b> | The Notes are not intended to be designated as a UK STS securitisation or an EU STS securitisation for the purposes of the UK Securitisation Regulation or the EU Securitisation Regulation.  |
| <b>Listing</b>   | <p>This document comprises a prospectus (the <b>Prospectus</b>) for the purposes of Regulation (EU) 2017/1129 (as amended or superseded) (the <b>EU Prospectus Regulation</b>). This Prospectus has been approved as a prospectus by the Central Bank of Ireland (the <b>Central Bank</b>) as the competent authority under the EU Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Approval by the Central Bank should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. This document does not comprise a prospectus for the purposes of the UK Prospectus Regulation (where the <b>UK Prospectus Regulation</b> means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the <b>EUWA</b>)).</p> <p>Such approval relates to the Class A1 Notes, the Class A2 Notes (the Class A1 Notes and the Class A2 Notes together, the <b>Class A Notes</b>), the Class R Notes and the Class Z Notes, and, together with the Class A Notes, the <b>Notes</b>) which are to be admitted to trading on an EU regulated market for the purposes of Directive 2014/65/EU (<b>EU MiFID II</b>) and/or are to be offered to the public in any Member State of the European Economic Area.</p> <p>Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (<b>Euronext Dublin</b>) for the Notes to be admitted to the official list (the <b>Official List</b>) and traded on its regulated market (the <b>Regulated Market</b>). The Regulated Market of Euronext Dublin is a regulated market for the purposes of EU MiFID II. Each of the Class X Certificates and Class Y Certificates (the <b>Certificates</b>) are not and will not be listed or admitted to trading.</p> <p>The Certificates are not being offered by this Prospectus. Information contained in this Prospectus relating to the Certificates is included herein for completeness.</p> <p>The Class A1 Notes will be repaid (in whole or in part) from the Par Proceeds of the issuance of Further Class A2 Notes, if issued. On the Interest Payment Date that the Further Class A2 Notes are issued, the Priority of Payments shall be run, and then the Par Proceeds will be applied, after application of the</p> |

Priority of Payments, in or towards the repayment of the Class A1 Notes. The issuance by the Issuer of such Further Class A2 Notes will be conditional on (among other things) the Issuer making an application for such Further Class A2 Notes to be admitted to trading on Euronext Dublin's Regulated Market and listed on the Official List of Euronext Dublin (or its replacement at the time of issue of the Further Class A2 Notes). There can be no assurance that any Further Class A2 Notes will be issued at any time.

The Prospectus is valid for 12 months from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply once the Notes are admitted to the Official List and trading on Euronext Dublin's Regulated Market. A new Prospectus will be issued in respect of any Further Class A2 Notes.

### **UK Benchmarks Regulation**

Amounts payable on the Class A Notes are calculated by reference to the Sterling Overnight Index Average (**SONIA**). As at the date of this Prospectus, the administrator of SONIA is not included in the FCA's register of administrators under Article 36 of Regulation (EU) No 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**). The Bank of England, as administrator of SONIA, is exempt under Article 2 of the UK Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organization of Securities Commissions.

### **The Notes**

The Notes have not been and will not be registered under the United States Securities Act 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and any applicable state or local securities laws. Accordingly, the Notes are being offered and sold only (i) in the United States, to persons that are "qualified institutional buyers" (**QIBs**) as defined in Rule 144A under the Securities Act (**Rule 144A**) acting for their own account or for the account of one or more other QIBs in reliance on Rule 144A, or (ii) in transactions outside the United States to persons other than U.S. persons in reliance on Regulation S and, in each case, in compliance with any applicable state or local securities laws. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of certain further restrictions on offers, sales and transfers of Notes in this Prospectus, see "*Subscription, Sale and Selling Restrictions*" and "*Transfer Restrictions and Investor Representations*".

The Notes offered pursuant to Rule 144A are referred to herein as **Rule 144A Notes** and the Notes offered pursuant to Regulation S are referred to herein as **Regulation S Notes**. Rule 144A Notes issued in global form are referred to herein as **Rule 144A Global Notes** and Regulation S Notes issued in global form are referred to herein as **Regulation S Global Notes**. Collectively, Rule 144A Global Notes and Regulation S Global Notes are referred to herein as **Global Notes**.

### **The Volcker Rule**

The Issuer is not now, and immediately after giving effect to any offering and sale of Notes and the application of the proceeds thereof will not be, a "covered

fund" as defined in the regulations adopted under Section 13 of the U.S. Bank Holding Company Act of 1956, as amended (commonly known as the **Volcker Rule**). In reaching this conclusion, although other statutory or regulatory exemptions under the U.S. Investment Company Act of 1940, as amended (the **Investment Company Act**), and under the Volcker Rule may be available, the Issuer has relied on the determinations that (i) it may rely on an exemption from the definition of "investment company" under Section 3(c)(5)(C) of the Investment Company Act. and (ii) it was structured so as not to constitute a "covered fund" for the purposes of the Volcker Rule. Any prospective investor in the Notes or Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule. See the risk factor "*Effects of the Volcker Rule on the Issuer, the Notes and the holders of the Notes*".

## **Underlying Assets**

The Issuer will make payments on the Notes from, *inter alia*, payments of principal and revenue received from a portfolio comprising owner-occupied, buy-to let, commercial and semi-commercial Loans which are secured over residential and commercial properties located in England and Wales (the **Portfolio** or **Mortgage Portfolio**), the equitable interest in which will be sold to the Issuer by Isle of Wight Home Loans Limited (referred to in this Prospectus as the **Seller**) on the relevant Sale Date (as described below).

On the Trinidad Sale Date, the Seller will purchase a portfolio of loans from Trinidad Mortgage Securities 2018-1 (the **Trinidad Vendor**) originated by Mars Capital Finance Limited (trading as Magellan Homeloans), Magellan Homeloans Limited, Heritable Bank PLC (in administration) and Cyprus Popular Bank Public Co Ltd (formerly Marfin Popular Bank Public Co. Ltd and trading as Laiki Bank or Marfin Popular Bank) (the **Trinidad Originators**) (such portfolio, the **Trinidad Portfolio**).

The **Trinidad Sale Date** means the Closing Date or such later date as the Trinidad Vendor and the Issuer may agree.

The Seller intends to purchase a portfolio of loans from Farringdon Mortgages No. 2 Plc (the **Farringdon Vendor** and, together with the Trinidad Vendor, the **Vendors**) originated by Rooftop Mortgages Limited (the **Farringdon Originator** and, together with the Trinidad Originators, the **Originators**) (such portfolio, the **Farringdon Portfolio** and together with the Trinidad Portfolio, the **Mortgage Portfolio**).

As at the date of this Prospectus, the Seller is negotiating the terms of the Farringdon Vendor Mortgage Sale Agreement with the Farringdon Vendor and the Issuer is negotiating the terms of the Mortgage Sale Agreement (Farringdon) with the Seller, and the Interim Servicing and Legal Title Holder Deed and Migration Deed with BCMGlobal Mortgage Services Limited as interim servicer. It is expected that the terms of the Farringdon Vendor Mortgage Sale Agreement and the Interim Servicing and Legal Title Holder Deed will be substantially the same as the descriptions of the Farringdon Vendor Mortgage Sale Agreement and Interim Servicing and Legal Title Holder Deed described in this Prospectus. However, the Seller may, with the consent of the Issuer (acting solely on the instructions of the Committee) agree to terms in the Farringdon Vendor Mortgage Sale Agreement that are different to those described in this Prospectus and the Issuer (acting solely on the instructions of the Committee) may agree to terms in the Interim Servicing and Legal Title



Holder Deed that are different to those described in this Prospectus. The Mortgage Sale Agreement (Farringdon) will be approved by the Committee.

On the earlier of (i) the date that the Seller agrees with the Issuer (acting solely on the instructions of the Committee) that it will not proceed with the acquisition of the Farringdon Portfolio as satisfactory terms of sale and/or the servicing of the Farringdon Portfolio have not been agreed with the Farringdon Vendor and/or BCMGlobal Mortgage Services Limited and (ii) 29 December 2023 (if the sale of the Farringdon Portfolio to the Issuer has not completed by close of business on that day), the Issuer will notify the Note Trustee that the acquisition of the Farringdon Portfolio is not proceeding and the Farringdon Excess Proceeds will be applied, on the immediately following Interest Payment Date, in or towards redemption of the Class A Notes and Class Z Notes in an amount equal to (A) with respect to the Class A Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class A Notes and (ii) the Class A Notes and Class Z Notes, and (B) with respect to the Class Z Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class Z Notes and (ii) the Class A Notes and the Class Z Notes (in each case, as at the Closing Date).

A description of the Farringdon Portfolio has been included in this Prospectus on the assumption that the Issuer will acquire the Farringdon Portfolio, however, if the sale of the Farringdon Portfolio does not proceed, as described above, the Portfolio will be comprised solely of the Loans in the Trinidad Portfolio.

The **Farringdon Sale Date** means the Closing Date or such later date as is agreed between the Seller (with the consent of the Issuer (acting solely on the instructions of the Committee)) and the Farringdon Vendor, but no later than 29 December 2023.

**Sale Date** means, in respect of the Loans in the Trinidad Portfolio, the Trinidad Sale Date and, in respect of the Loans in the Farringdon Portfolio, the Farringdon Sale Date.

See the sections entitled "*Description of the Portfolio and Servicing*", "*The Loans*" and "*Characteristics of the Provisional Portfolio*" for further details.

## **Credit Enhancement**

Credit enhancement of the Notes is provided in the following manner:

- over-collateralisation funded by the Notes ranking junior to such Class of Notes in the Priority of Payments;
- Available Revenue Receipts applied to reduce any debit balance on the Principal Deficiency Ledger;
- following service of an Enforcement Notice, the amounts standing to the credit of the General Reserve Fund (if any) will be applied as Available Principal Receipts in accordance with the Post-Enforcement Priority of Payments; and
- in respect of the Class Z Notes and the Class R Notes only, prior to the service of an Enforcement Notice, and provided that the Class A Notes have been redeemed in full, amounts standing to the credit of the

General Reserve Fund (if any) will be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

See the sections entitled "*Description of the Credit Structure and Cashflow*" and "*Credit Structure*" for further details. In relation to the General Reserve Fund, see the section entitled "*Credit Structure – General Reserve Fund*" for further details.

## **Liquidity Support**

Liquidity support for each Class of Notes or Certificates (as applicable) is provided in the following manner:

- the subordination in payment of those Classes of Notes and Certificates ranking junior in the Priority of Payments;
- in respect of the Class A Notes and the Class X Certificates only, prior to the service of an Enforcement Notice all amounts standing to the credit of the General Reserve Fund (if any) will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments; and
- in respect of the Class A Notes only, the Principal Addition Amounts to cure any Revenue Shortfall.

See the sections entitled "*Description of the Credit Structure and Cashflow*" and "*Credit Structure*" for further details.

## **Redemption Provisions**

Information on any optional and mandatory redemption of the Notes is summarised in the section "*Description of the Characteristics of the Notes and Certificates – Redemption of the Notes and Cancellation of Certificates*" and set out in full in Condition 8 (*Redemption*) of the Terms and Conditions of the Notes (the **Conditions**).

## **Credit Ratings**

Neither the Notes nor the Certificates will be rated

## **Obligations**

The Notes and the Certificates will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity named in this Prospectus.

## **UK and EU Risk Retention**

On the Closing Date, Barclays Bank PLC (the **Retention Holder**) will retain, as originator (as such term is defined in Article 2(3) of the UK Securitisation Regulation and Article 2(3) of the EU Securitisation Regulation), on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation.

As at the Closing Date, the retention will comprise the Retention Holder holding not less than 5 per cent. of the nominal value of each Class of Notes (including, for the avoidance of doubt, the nominal value of any Further Class A2 Notes), the Class X1 Certificates and the Class X2 Certificates in accordance with Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation (together with the interest retained pursuant to the U.S. Credit Risk Retention Requirements (as defined below), the **Retained Interest**).

Any change in the manner in which the Retained Interest is held may only be made in accordance with applicable laws and regulations and will be notified to the Noteholders and Certificateholders in accordance with the Terms and Conditions of the Notes and the Terms and Conditions of the Certificates. See the section entitled "*Certain Regulatory Disclosures*" for further information.

### **U.S. Credit Risk Retention Requirements**

The Retention Holder as "sponsor" under the U.S. Credit Risk Retention Requirements (in such capacity, the **Sponsor**) is required under Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), and the final rules related thereto published on 24 December 2014 in the Federal Register by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the SEC and the Department of Housing and Urban Development (the **U.S. Credit Risk Retention Requirements**), to ensure that it (or a majority-owned affiliate of the Sponsor) acquires and retains (as described in the section entitled "*Certain Regulatory Disclosures – U.S. Credit Risk Retention*") an economic interest in the credit risk of the assets collateralising the issuance of "asset backed securities" on the Closing Date in an amount of not less than 5 per cent. The Retention Holder intends to satisfy the U.S. Credit Risk Retention Requirements by acquiring and retaining, directly, an eligible vertical interest (an **EVI**) equal to a minimum of 5 per cent. of the nominal value of each Class of Notes (including, for the avoidance of doubt, the nominal value of any Further Class A2 Notes if and when issued), and of each Class of Certificates issued by the Issuer on the Closing Date.

For further information regarding the U.S. Credit Risk Retention Requirements and the Retention Holder's compliance with respect thereto, see "*Certain Regulatory Disclosures – U.S. Credit Risk Retention*".

### **Certificates**

In addition to the Notes, the Issuer will issue the Certificates to the Seller on the Closing Date.

The Certificates represent a right to deferred consideration for the sale of the Portfolio by the Seller to the Issuer on the Closing Date, comprising the Class X1 Certificate Payment (in respect of the Class X1 Certificates), the Class X2 Certificate Payment (in respect of the Class X2 Certificates) and the Class Y Certificate Payment (in respect of the Class Y Certificates), in accordance with the Terms and Conditions of the Certificates.

In addition, the Class Y Certificates represent the right of the Portfolio Option Holder to exercise the Portfolio Purchase Option and the right to request the Issuer to issue Further Class A2 Notes (subject to the terms of Condition 18 (*Further Class A2 Notes Issue*)).

The Certificates will be issued on the Closing Date to the Seller and the Seller will transfer 100 per cent. of the Certificates to the Retention Holder. The Retention Holder will transfer 95 per cent. of the Class Y Certificates to one or more third party investors pursuant to a private placement transaction. See the section entitled "*Terms and Conditions of the Certificates*" for further details.

The Certificates are not being offered by this Prospectus. Any transferee of any Certificate is prohibited from relying on this Prospectus in connection with any such transaction.

The Certificates are not and will not be listed or rated.

**Significant Investors**

Significant investors in the Notes on the Closing Date:

- The Lead Manager will preplace up to 95 per cent. of the Class Z Notes and Class R Notes with one fund, or related funds, managed or advised by the same investment manager.
- The Retention Holder will hold 5 per cent. of the Class A Notes and 5 per cent. of each other Class of Notes.
- Barclays Bank Plc will hold 95 per cent of the Class A Notes.

Significant investors in the Certificates:

- As at the Closing Date (i) the Retention Holder will hold 100 per cent. of the Class X Certificates and 5 per cent. of the Class Y Certificates and (ii) up to 95 per cent. of the Class Y Certificates will be held by one fund, or related funds, managed or advised by the same investment manager.

A 95 per cent. holding of any Class of Notes or the Class Y Certificates will be sufficient to pass or block Noteholder or Certificateholder resolutions in respect of Basic Terms Modifications or resolutions in respect of such Classes of Notes and Certificates. Therefore, no assurance can be given that any other Noteholder or Certificateholder will have influence to block or pass certain Noteholder or Certificateholder resolutions in respect of such Classes.]

**THE "RISK FACTORS" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED IN THE SECTION.**

## AVAILABLE INFORMATION

The Issuer has agreed that, for so long as any of the Rule 144A Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish, upon the request of a holder or of any beneficial owner of such a Note or of any prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), or is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

## UNITED STATES DISTRIBUTION RESTRICTIONS

THE NOTES AND THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THEREFORE MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. ACCORDINGLY, (A) THE RULE 144A NOTES ARE BEING OFFERED AND SOLD IN THE UNITED STATES ONLY TO QUALIFIED INSTITUTIONAL BUYERS (**QIBS**) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT IN EACH CASE ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS, AND (B) THE REGULATION S NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON RESALES OR TRANSFERS, SEE "*SUBSCRIPTION, SALE AND SELLING RESTRICTIONS*" AND "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR ANY OTHER U.S. REGULATORY AUTHORITY AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH PURCHASER OR TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**) WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (EACH OF THE FOREGOING, A **BENEFIT PLAN INVESTOR**), AND (B) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY

SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW. SEE "*ERISA CONSIDERATIONS FOR INVESTORS*".

THIS PROSPECTUS IS NOT A PROSPECTUS FOR THE PURPOSES OF SECTION 12(A)(2) OR ANY OTHER PROVISION OF, OR RULE UNDER, THE SECURITIES ACT.

## IMPORTANT NOTICES

**THE NOTES AND THE CERTIFICATES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES AND THE CERTIFICATES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE SELLER, THE RETENTION HOLDER, THE LEGAL TITLE HOLDERS, THE ORIGINATORS, THE ARRANGER, THE LEAD MANAGER, THE PAYING AGENTS, THE SERVICER ADMINISTRATOR, THE SERVICERS, THE CASH MANAGER, THE ISSUER ACCOUNT BANK, THE INTERIM COLLECTION ACCOUNT BANK, THE LONG TERM COLLECTION ACCOUNT BANK, THE CORPORATE SERVICES PROVIDER, THE AGENT BANK, THE REGISTRAR, THE NOTE TRUSTEE, THE SECURITY TRUSTEE (EACH AS DEFINED HEREIN), ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY SUCH ENTITIES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (TOGETHER, THE "RELEVANT PARTIES"). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES AND THE CERTIFICATES SHALL BE ACCEPTED BY ANY OF THE RELEVANT PARTIES OR BY ANY PERSON OTHER THAN THE ISSUER.**

Each Class of Notes will each be represented on issue by a global certificate in registered form (a **Global Note**). Each Class of Notes may be issued in definitive registered form under certain circumstances.

The Certificates are represented by a global certificate in registered form (a **Global Certificate**). The Certificates may be issued in definitive registered form in certain circumstances. The Certificates are not being offered pursuant to this Prospectus and references to the Certificates are included in this Prospectus for information purposes only.

The Notes and the Certificates are intended to be held in a manner which would allow European System of Central Banks (as the term is used in the Governing Council of the European Central Bank (the **ECB**)) (**Eurosystem**) eligibility. The Notes will be (and the Certificates have been) deposited with one of Euroclear and/or Clearstream, Luxembourg (each an **ICSD** and together the **ICSDs**) as common safekeeper (**Common Safekeeper**) and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (the **New Safekeeping Structure**). Notwithstanding that the Notes and Certificates are intended to be held in accordance with the New Safekeeping Structure, this does not mean that any of the Notes or the Certificates will be recognised as eligible collateral for the Eurosystem monetary policy and intra-day operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that all Eurosystem eligibility has been met.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER OR ANY RELEVANT PARTY TO SUBSCRIBE FOR OR PURCHASE ANY OF THE CERTIFICATES, AND NONE OF THE ISSUER OR ANY OF THE RELEVANT PARTIES MAKE ANY REPRESENTATION, WARRANTY OR OTHER ASSURANCE, EXPRESSED OR IMPLIED, TO ANY INVESTOR IN THE CERTIFICATES (AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS, A REPRESENTATION, WHETHER AS TO THE PAST, THE PRESENT OR THE FUTURE).

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. OTHER THAN OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS REGULATION BY THE CENTRAL BANK OF IRELAND, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER OR BY ANY RELEVANT PARTY WHICH WOULD PERMIT A PUBLIC OFFERING OF THE NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY PART HEREOF NOR ANY OTHER OFFERING DOCUMENT, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT

OR OTHER OFFERING MATERIAL OR INFORMATION MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION (INCLUDING THE UNITED KINGDOM), EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER AND THE ARRANGER TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

**UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES ARE ONLY ELIGIBLE COUNTERPARTIES, AS DEFINED IN THE FCA HANDBOOK CONDUCT OF BUSINESS SOURCEBOOK (**COBS**), AND PROFESSIONAL CLIENTS, AS DEFINED IN REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (**UK MIFIR**); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A **DISTRIBUTOR**) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK (THE **UK MIFIR PRODUCT GOVERNANCE RULES**) IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM (**UK**). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018; (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE **UK PRIIPS REGULATION**) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (**EEA**). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF EU MIFID II; OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE **EU INSURANCE MEDIATION DIRECTIVE**), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF EU MIFID II. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE **EU PRIIPS REGULATION**) FOR OFFERING OR SELLING THE



NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

THE LEAD MANAGER, THE RETENTION HOLDER AND EACH PURCHASER AND SUBSEQUENT PURCHASER OF THE NOTES WILL BE DEEMED BY ITS ACCEPTANCE OF SUCH NOTES TO HAVE MADE CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS INTENDED TO RESTRICT THE RESALE OR OTHER TRANSFER OF THE NOTES AS SET OUT IN THE SUBSCRIPTION AGREEMENT AND DESCRIBED IN THIS PROSPECTUS AND, IN CONNECTION THEREWITH, MAY BE REQUIRED TO PROVIDE CONFIRMATION OF ITS COMPLIANCE WITH SUCH RESALE AND OTHER TRANSFER RESTRICTIONS IN CERTAIN CASES. SEE "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*". NEITHER OF THE ISSUER NOR ANY RELEVANT PARTY MAKES ANY REPRESENTATION TO ANY PROSPECTIVE INVESTOR OR PURCHASER OF THE NOTES REGARDING THE LEGALITY OF INVESTMENT THEREIN BY SUCH PROSPECTIVE INVESTOR OR PURCHASER UNDER APPLICABLE LEGAL INVESTMENT OR SIMILAR LAWS OR REGULATIONS.

NEITHER THE ARRANGER NOR THE LEAD MANAGER IS RESPONSIBLE FOR ANY OBLIGATION OF THE RETENTION HOLDER, THE SELLER OR THE ISSUER FOR COMPLIANCE WITH THE REQUIREMENTS (INCLUDING EXISTING OR ONGOING REPORTING REQUIREMENTS) OF ARTICLE 7 OF THE UK SECURITISATION REGULATION OR ARTICLE 7 OF THE EU SECURITISATION REGULATION.

THE ISSUER ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. TO THE BEST OF THE KNOWLEDGE OF THE ISSUER, THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. ANY INFORMATION SOURCED FROM THIRD PARTIES CONTAINED IN THIS PROSPECTUS HAS BEEN ACCURATELY REPRODUCED (AND IS CLEARLY SOURCED WHERE IT APPEARS IN THIS PROSPECTUS) AND, AS FAR AS THE ISSUER IS AWARE AND IS ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE SELLER ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE SELLER*". TO THE BEST OF THE KNOWLEDGE OF THE SELLER, THE INFORMATION CONTAINED IN THE SECTIONS REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE SELLER AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION HEADED "*THE SELLER*" AND NOT EXCLUDED THEREIN) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

THE RETENTION HOLDER, THE SPONSOR, THE SERVICER ADMINISTRATOR AND THE ISSUER ACCOUNT BANK ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTIONS HEADED "*THE RETENTION HOLDER, THE SPONSOR, AND THE SERVICER ADMINISTRATOR*", "*THE ISSUER ACCOUNT BANK, THE BARCLAYS BANK GROUP AND THE GROUP*", "*CERTAIN REGULATORY DISCLOSURES – UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION*" AND "*CERTAIN REGULATORY DISCLOSURES – U.S. CREDIT RISK RETENTION*". TO THE BEST OF THE KNOWLEDGE OF THE RETENTION HOLDER, THE SPONSOR AND THE SERVICER ADMINISTRATOR, THE INFORMATION CONTAINED IN THE SECTIONS REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE RETENTION HOLDER, THE SPONSOR AND THE SERVICER ADMINISTRATOR AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTIONS REFERRED TO ABOVE) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

THE CASH MANAGER ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE ORIGINATORS*". TO THE BEST OF THE KNOWLEDGE OF THE CASH MANAGER, THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE CASH MANAGER AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE IN THIS PARAGRAPH) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

THE NOTE TRUSTEE AND THE SECURITY TRUSTEE ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE NOTE TRUSTEE AND THE SECURITY TRUSTEE*". TO THE BEST OF THE KNOWLEDGE OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE NOTE TRUSTEE AND THE SECURITY TRUSTEE AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTIONS REFERRED TO ABOVE IN THIS PARAGRAPH) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

THE LONG TERM SERVICER AND THE LONG TERM LEGAL TITLE HOLDER ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE LONG TERM SERVICER AND THE LONG TERM LEGAL TITLE HOLDER*". TO THE BEST OF THE KNOWLEDGE OF THE LONG TERM SERVICER AND THE LONG TERM LEGAL TITLE HOLDER, THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE LONG TERM SERVICER OR THE LONG TERM LEGAL TITLE HOLDER AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE IN THIS PARAGRAPH) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

THE INTERIM SERVICER AND THE INTERIM LEGAL TITLE HOLDER ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE INTERIM SERVICER AND THE INTERIM LEGAL TITLE HOLDER*". TO THE BEST OF THE KNOWLEDGE OF THE INTERIM SERVICER AND THE INTERIM LEGAL TITLE HOLDER, THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE INTERIM SERVICER OR THE INTERIM LEGAL TITLE HOLDER AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED

TO ABOVE IN THIS PARAGRAPH) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

THE CORPORATE SERVICES PROVIDER ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE CORPORATE SERVICES PROVIDER*". TO THE BEST OF THE KNOWLEDGE OF THE CORPORATE SERVICES PROVIDER, THE INFORMATION CONTAINED IN THE SECTION REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE CORPORATE SERVICES PROVIDER AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION REFERRED TO ABOVE IN THIS PARAGRAPH) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

THE INFORMATION ON THE WEBSITES TO WHICH THIS PROSPECTUS REFERS DOES NOT FORM PART OF THIS PROSPECTUS.

NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFERING OR SALE OF THE NOTES OTHER THAN THOSE CONTAINED IN OR CONSISTENT WITH THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ANY OTHER RELEVANT PARTY OR ANY OF THEIR RESPECTIVE AFFILIATES OR ADVISERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE OR ALLOTMENT MADE IN CONNECTION WITH THE OFFERING OF THE NOTES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION OR CONSTITUTE A REPRESENTATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR ANY OTHER RELEVANT PARTY IN THE OTHER INFORMATION CONTAINED HEREIN SINCE THE DATE HEREOF. THE INFORMATION CONTAINED IN THIS PROSPECTUS WAS OBTAINED FROM THE ISSUER OR FROM OTHER SOURCES IDENTIFIED HEREIN (SUCH SOURCES OTHER THAN FROM THE ISSUER, THE **THIRD PARTY INFORMATION**), BUT NO ASSURANCE CAN BE GIVEN BY THE ISSUER AS TO THE ACCURACY OR COMPLETENESS OF SUCH THIRD PARTY INFORMATION. THE ISSUER HAS NOT SEPARATELY VERIFIED ANY SUCH THIRD PARTY INFORMATION. NO RELEVANT PARTY HAS VERIFIED THE INFORMATION CONTAINED HEREIN EXCEPT WHERE THAT PARTY HAS PROVIDED SUCH RELEVANT INFORMATION. ACCORDINGLY, NONE OF THE APPROPRIATE RELEVANT PARTIES MAKES ANY REPRESENTATION, EXPRESS OR IMPLIED, OR ACCEPTS ANY RESPONSIBILITY, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION IN THIS PROSPECTUS (OTHER THAN THE CASH MANAGER, THE ISSUER ACCOUNT BANK, THE NOTE TRUSTEE AND THE SECURITY TRUSTEE, THE LONG TERM SERVICER, THE LONG TERM LEGAL TITLE HOLDER, THE INTERIM SERVICER, THE INTERIM LEGAL TITLE HOLDER, THE SELLER AND THE CORPORATE SERVICES PROVIDER IN THE SECTIONS HEADED "*THE ORIGINATORS*", "*THE NOTE TRUSTEE AND THE SECURITY TRUSTEE*", "*THE LONG TERM SERVICER AND THE LONG TERM LEGAL TITLE HOLDER*", "*THE INTERIM SERVICER AND THE INTERIM LEGAL TITLE HOLDER*", "*THE SELLER*" AND "*THE CORPORATE SERVICES PROVIDER*" RESPECTIVELY). NONE OF THE ARRANGER NOR THE LEAD MANAGER ASSUME RESPONSIBILITY FOR AND SHALL NOT BE LIABLE TO INVESTORS FOR THE ACTS OR OMISSIONS OF THE PARTIES TO THE TRANSACTION. THE ISSUER DOES NOT MAKE ANY REPRESENTATION, EXPRESS OR IMPLIED, OR ACCEPT ANY RESPONSIBILITY, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE THIRD PARTY INFORMATION INCLUDED IN THIS PROSPECTUS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE CONTENTS OF THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS PROVIDING LEGAL, BUSINESS, ACCOUNTING, REGULATORY OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD

CONSULT ITS OWN LEGAL, BUSINESS, ACCOUNTING, REGULATORY AND TAX ADVISERS PRIOR TO MAKING A DECISION TO INVEST IN THE NOTES.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, ANY RELEVANT PARTY OR ANY OF THEM TO SUBSCRIBE FOR OR PURCHASE ANY OF THE NOTES OR CERTIFICATES IN ANY JURISDICTION WHERE SUCH ACTION WOULD BE UNLAWFUL AND NEITHER THIS PROSPECTUS, NOR ANY PART HEREOF, MAY BE USED FOR OR IN CONNECTION WITH ANY OFFER TO, OR SOLICITATION BY, ANY PERSON IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

PAYMENTS OF INTEREST AND PRINCIPAL AND OTHER PAYMENT AMOUNTS IN RESPECT OF THE NOTES AND PAYMENTS ON THE CERTIFICATES WILL BE SUBJECT TO ANY APPLICABLE WITHHOLDING TAXES WITHOUT THE ISSUER OR ANY OTHER PERSON BEING OBLIGED TO PAY ADDITIONAL AMOUNTS THEREFOR.

Capitalised terms used but not defined in certain sections of this Prospectus may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is set out at the end of this Prospectus.

In this Prospectus all references to **Sterling, GBP and £** are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland (the **United Kingdom** or **UK**).

In this Prospectus all references to the **FCA** are to the United Kingdom Financial Conduct Authority and all references to the **PRA** are to the United Kingdom Prudential Regulation Authority.

In this Prospectus, words denoting the singular number only shall include the plural number and vice versa and words denoting one gender shall include the other genders, as the context may require. A defined term in the plural which refers to a number of different items or matters may be used in the singular or plural to refer to any (or any set) of those items or matters.

### **Enforceability of Judgments**

The Issuer is a public limited company registered in England and Wales. All of the Issuer's assets are located outside the United States. None of the officers and directors of the Issuer is a resident of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or any such person not residing in the United States with respect to matters arising under the federal securities laws of the United States, or to enforce against them judgments of courts of the United States predicated upon the civil liability provisions of such securities laws. There is doubt as to the enforceability in England and Wales, in original actions or in actions for the enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon the federal securities laws of the United States.

### **Forward-Looking Statements**

Certain matters contained herein are statements which constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements appear in a number of places in this Prospectus, including, but not limited to, statements made under the caption "*Risk Factors*" with respect to assumptions on prepayment and certain other characteristics of the Loans, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the residential mortgage industry in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such

statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. None of the Relevant Parties has attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Relevant Parties assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

## RISK FACTORS

The following is a description of the principal risks associated with an investment in the Notes and the Certificates. These risk factors are material to an investment in the Notes and the Certificates and in the Issuer. Prospective Noteholders and Certificateholders should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.

*An investment in the Notes and the Certificates involves substantial risks and is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to suffer any potential loss stemming therefrom.*

*For the avoidance of doubt, the Certificates are not being offered under this Prospectus and, accordingly, the following risk factors are not intended to address risks relevant to any prospective holder of the Certificates. Any risks set out herein which refer or apply to the Certificates are incidental and have been included for the benefit of prospective investors insofar as such risks may be relevant to any investment decision in respect of the Notes.*

The Issuer believes that the risks described below are the material risks inherent in the transaction for the Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes and the Certificates may occur for other reasons and this section of the Prospectus is not intended to be exhaustive, and prospective holders of Notes should also read the detailed information set out elsewhere in this Prospectus prior to making any investment decision. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Notes and the Certificates.

Before making an investment decision, prospective purchasers of the Notes should (i) ensure that they understand the nature of the Notes and the extent of their exposure to risk, (ii) consider carefully, in the light of their own financial circumstances and investment objectives (and those of any accounts for which they are acting) and in consultation with such legal, financial, regulatory and tax advisers as it deems appropriate, all the information set out in this Prospectus so as to arrive at their own independent evaluation of the investment and (iii) confirm that an investment in the Notes is fully consistent with their respective financial needs, objectives and any applicable investment restrictions and is suitable for them. The Notes are not a conventional investment and carry various unique investment risks, which prospective investors should understand clearly before investing in them. Where more than one significant risk factor is present, the risk of loss to any such investor may be significantly increased. In any of such cases, the value of the Notes could decline, and the Issuer may not be able to pay all or part of the interest, principal or other amounts payable on the Notes and investors may lose all or part of their investment. Prospective Noteholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of an investment in such instruments. As a result, an investment in the Notes involves substantial risks and uncertainties and should be considered only by sophisticated institutional investors with substantial investment experience with similar types of securities and who have conducted appropriate due diligence on the Portfolio.

### **1. Risks Related to the availability of funds to pay the Notes**

***The Issuer has a limited source of funds which may be insufficient to allow for repayment in full of the Notes and Certificates***

The ability of the Issuer to meet its obligations to pay principal and interest on the Notes, amounts due in respect of the Certificates and its operating and administrative expenses will be dependent solely on receipts from or in connection with the Loans in the Portfolio, interest earned on the Issuer Accounts,

income from any Authorised Investments and amounts available in respect of the General Reserve Fund (applied in accordance with the terms of the Cash Management Agreement). Other than the foregoing (and any claims the Issuer has under the Mortgage Sale Agreement (Trinidad)), the Issuer is not expected to have any other significant funds available to it to meet its obligations under the Notes, the Certificates and/or any other payment obligation of the Issuer under the applicable Priority of Payments. If such funds are insufficient, any such insufficiency will be borne by the Noteholders, the Certificateholders and the other Secured Creditors, subject to the applicable Priority of Payments. The recourse of the Noteholders and Certificateholders to the Charged Assets following service of an Enforcement Notice is described below (see further "*Legal and Regulatory Risks – Security and insolvency considerations*" below).

***The Notes and Certificates are limited recourse obligations of the Issuer***

The Notes and the Certificates will be limited recourse obligations of the Issuer. The ability of the Issuer to meet its obligations under the Notes and the Certificates will be dependent upon the receipt by it in full of (i) principal, interest and fees from the Borrowers under the Loans and their Related Security in the Portfolio, (ii) interest earned on the Issuer Accounts and (iii) other sources of funds as described in the foregoing paragraph. Other than the source of funds referred to in the foregoing paragraph, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and the Certificates. Upon enforcement of the Security by the Security Trustee, if:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal and interest) and amounts due in respect of the Certificates,

then the Secured Creditors (which include the Noteholders and the Certificateholders) shall have no further claim against the Issuer or its directors, shareholders, officers or successors in respect of any amounts owing to them which remain unpaid (in the case of the Noteholders, principally payments of principal and interest in respect of the Notes and, in the case of the Certificates, amounts due in respect of the Certificate Payments) and such unpaid amounts shall be deemed to be discharged in full and the Issuer's payment obligations shall be deemed to cease.

There are limitations on enforcement and therefore the proceeds of that enforcement may not be enough to make all the payments due on the Notes and the Certificates. No Noteholder or Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless (i) the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing or (ii) the Note Trustee or, as the case may be, the Security Trustee is unable to do so and such inability is continuing, provided that no Noteholder or Certificateholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer in any circumstances.

***Credit and liquidity risk arising from any delay or default in payment by Borrowers may impact timely and full payment of amounts due under the Notes and Certificates***

The Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Servicers, on behalf of the Issuer, to realise or recover sufficient funds under the arrears and default procedures in respect of any Loan and its Related Security in order to discharge all amounts due and owing by the relevant Borrower(s) under such Loan, which may adversely affect payments on the Notes and the Certificates. This risk is mitigated to some extent by certain credit enhancement features which are described in the section entitled "*Credit Structure*". However, no assurance can be made as to the effectiveness of such credit enhancement features, or that such credit enhancement features will protect the Noteholders or the Certificateholders from all risk of loss. Should there be credit losses arising in respect of the Loans, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes and payments due in respect of the Certificates.

The Issuer is subject to the risk of insufficiency of funds on any Interest Payment Date as a result of payments being made late by Borrowers (if, for example, such payment is made after the end of the Collection Period immediately preceding the Interest Payment Date). This risk is addressed in respect of the Notes and the Certificates by the provision of liquidity from alternative sources as more fully described in the section entitled "*Credit Structure*". However, no assurance can be made as to the effectiveness of such liquidity support features, or that such features will protect the Noteholders or the Certificateholders from all risk of delayed payment and/or loss.

***Subordination of other Note classes may not protect Noteholders or Certificateholders from all risk of loss***

The Class A1 Notes and the Class A2 Notes will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times while the Class A1 Notes and the Class A2 Notes are outstanding. However, for the avoidance of doubt, the Par Proceeds from the issuance of Further Class A2 Notes will be used to repay the Class A1 Notes only.

The Class A Notes and the Class X Certificates rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest (in respect of the Class A Notes), the Class X1 Certificate Payments (in respect of the Class X1 Certificates), and the Class X2 Certificate Payments (in respect of the Class X2 Certificates).

The Class Z Notes are subordinated in right of payment of principal to the Class A Notes at all times.

The Class R Notes are subordinated in right of payment of principal to the Class A Notes and the Class Z Notes at all times.

The Class Y Certificates will rank *pari passu* without preference or priority among themselves in relation to payment of the Class Y Certificate Payment, but subordinate in right of payment of interest on all of the Notes and to payments on the Class X Certificates.

In addition to the above, payments on the Notes and the Certificates are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors and certain third parties. For further information on the likely costs payable to such Secured Creditors, see "*Description of the Credit Structure and Cashflow*".

Payments of principal in respect of all Classes of Notes will be subordinate to payments of any Principal Addition Amounts.

Details of the terms of the subordination of the Notes and the Certificates are further set out in "*Cashflows – Application of Available Revenue Receipts prior to the service of an Enforcement Notice*".



on the Issuer" and "Cashflows – Distributions following the service of an Enforcement Notice on the Issuer".

There is no assurance that these subordination rules will protect the holders of Notes or the Certificates from all risk of loss.

***There may be insufficient funds available to repay the Noteholders and Certificateholders as a result of income or principal deficiencies***

If, on any Interest Payment Date prior to the service of an Enforcement Notice or the redemption in full of the Class A Notes as a result of shortfalls in Available Revenue Receipts there would be a Revenue Shortfall, the Issuer shall apply Available Principal Receipts (if any) in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments to cure such Revenue Shortfall (such reapplied amounts, which for the avoidance of doubt, shall not be applied in respect of any Class X Certificate Payments due on the Class X Certificates, **Principal Addition Amounts**).

The application of any Available Principal Receipts as Principal Addition Amounts together with the aggregate of (for the avoidance of doubt, excluding any losses or non-recoveries in respect of the Shortfall Loans): (a) all realised losses on the Loans which are not recovered from the proceeds following the sale of the Properties to which such Loans relate; (b) any losses realised by the Issuer on the Loans as a result of a failure by the Collection Account Bank to remit funds to the Issuer; (c) any losses to the Issuer as a result of an exercise of any set-off by any Borrower in respect of its Loans unless these are fully compensated for under the provisions of the Servicing and Legal Title Holder Deeds or the Mortgage Sale Agreement (Trinidad); (d) (without double counting with item (c) above) the amount of any outstanding MSA Relevant Liabilities of the Seller as at the relevant Calculation Date; and (e) any other non-recovery of the full principal balance outstanding of a Loan other than where the same has been compensated for by an indemnity by the Seller under the Mortgage Sale Agreement (Trinidad) or the provisions of the Servicing and Legal Title Holder Deeds items (a) to (e) above each a **Loss** and together, the **Losses** (excluding any losses or non-recoveries in respect of Shortfall Loans) will be recorded as a debit to the Principal Deficiency Ledger.

Such debits will be recorded in sequential order to the Class Z Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class Z Notes then outstanding and the Class A Notes Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class A Notes then outstanding.

During the course of the life of the Notes, some but not necessarily all principal deficiencies (should they arise) recorded to the Principal Deficiency Ledger will be recouped from Available Revenue Receipts. Available Revenue Receipts will be applied, after meeting prior ranking obligations as set out under the Pre-Enforcement Revenue Priority of Payments, to credit *first* the Class A Notes Principal Deficiency Sub-Ledger and *second* the Class Z Principal Deficiency Sub-Ledger.

If there are insufficient funds available as a result of such income or principal deficiencies, then one or more of the following consequences may ensue:

- (a) the Available Revenue Receipts and Available Principal Receipts may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on the Notes; and
- (b) there may be insufficient Available Revenue Receipts and Available Principal Receipts to repay the Notes on or prior to the Final Redemption Date of the Notes.

***If the Issuer has insufficient funds on an Interest Payment Date, there will be a deferral of Class X Certificate Payments***

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of the Class X Certificate Payments in respect of the Class X Certificates that would otherwise be payable after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer will be entitled under Certificate Condition 18 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as the Certificates becomes due and repayable in full in accordance with the Certificate Conditions.

In the event that such amounts of the Class X Certificate Payments are not made as a result of the deferral provisions in Certificate Condition 18 (*Subordination by Deferral*), such failure will not constitute an Event of Default until the Final Redemption Date or such earlier date on which the Notes are redeemed in accordance with Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) and the Note Trustee and the Security Trustee will not be able to accelerate the Notes or payments due in respect of the Certificates or take any action to enforce the Security or to effect a sale or disposal of the Portfolio.

Failure to pay interest on the Class A Notes then outstanding within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes, which may result in the Notes being accelerated and the Security Trustee enforcing the Security.

***The General Reserve Fund may not be available to cover all losses and at all times***

The General Reserve Fund will be established on the Closing Date from the proceeds of the Notes and the amount required, from time to time, to be standing to the credit of the General Reserve Fund Ledger shall be an amount equal to the General Reserve Fund Required Amount. Available Revenue Receipts will be available (in accordance with the Pre-Enforcement Revenue Priority of Payments) to fund and replenish the General Reserve Fund in accordance with the requirements described herein. On and from the first Interest Payment Date, the General Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay a General Reserve Fund Payment (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts) or in accordance with the Post-Enforcement Priority of Payments (as applicable). Any General Reserve Fund Excess Amounts on an Interest Payment Date will be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments. See further "*Credit Structure*".

***Significant investor***

Significant concentrations of holdings of the Notes and/or Certificates will occur on the Closing Date and may occur in the future. In holding some or all of the Notes, any investor holding such concentrations may have a majority holding and therefore be able to pass, or hold a sufficient minority to block, Noteholder resolutions (but, if applicable, having regard to and subject always to the Class X Certificates Entrenched Rights, the Class Y Certificates Entrenched Rights, and the Retained Interest Entrenched Rights).

In addition, on the Closing Date, the Retention Holder will acquire 100% of the Class X Certificates, 5% of the Class A Notes, 5% of all other Classes of Notes and 5% of the Class Y Certificates. In addition, on the Closing Date, Barclays Bank PLC will acquire 95% of the Class A Notes.

One or more related funds will acquire up to 95% of the Class Z Notes and the Class R Notes and the Class Y Certificates. Therefore, no assurance can be given that any subsequent Noteholder or Certificateholder will have influence to block or pass certain Noteholder and/or Certificateholder resolutions.

For so long as one or more investors collectively hold all (or a significant majority) of the Class A Notes (or such other Class of Notes which constitutes the Most Senior Class), such Class of Noteholders (or their transferee(s)) will have the ability to pass or for so long as one or more investors collectively hold 25 per cent or more of the Class A Notes (or such other Class of Notes which constitutes the Most Senior Class), such Class of Noteholders (or their transferee(s)) will have the ability to block any Ordinary Resolutions and Extraordinary Resolutions affecting the interests of such Noteholders (other than Basic Terms Modification, Class X Certificates Entrenched Rights, the Class Y Certificates Entrenched Rights, and the Retained Interest Entrenched Rights). Therefore, no assurance can be given that any holder (unless it is (or comprises part of) the Most Senior Class of Notes) will at any time have the power to block or pass Ordinary Resolutions or Extraordinary Resolutions affecting the interests of the Noteholders of the Most Senior Class.

### ***Considerations relating to interest rate mismatches***

The Issuer is subject to the risk of a mismatch between the rate of interest (including margin) payable in respect of the Loans and the rate of interest (including margin) payable in respect of the Notes. In addition, amounts due in respect of the Class X Certificates are based on a percentage of the Current Balance of the Loans as set out in the Certificate Conditions.

Some of the Loans in the Portfolio pay a rate set by reference to the base rate from time to time of the Bank of England (the **BBR** or **Bank of England Base Rate**), or by reference to a standard variable rate (**SVR** or a **Standard Variable Rate**) or a rate of interest set by reference to Synthetic LIBOR, while the Issuer's liabilities under the Class A Notes are calculated by reference to SONIA for the relevant period. As at the date of this Prospectus, the Issuer has not entered into any interest rate swap or other hedging transaction in relation to any of the Loans, and as a result there is no hedge in respect of the risk of any variance in the rates charges on any Loans, which in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Noteholders, Certificateholders and the other Secured Creditors.

Subject to the terms of the relevant Servicing and Legal Title Holder Deeds and the restrictions set out therein (including, without limitation, the SVR Floor) each Legal Title Holder shall have full right, liberty and authority from time to time, in accordance with the relevant Loan Conditions, to determine, set and change the interest rate(s) applicable to the respective Loans held by that Legal Title Holder in and subject to the terms of the relevant Loan Conditions, Applicable Law, the relevant Legal Title Holder's Rate Setting Policies and as a Reasonable Prudent Mortgage Lender. In exercising such rights, neither Legal Title Holder is under any obligation to consider the interests of the Noteholders or the Certificateholders and may exercise its rights in a manner that would be prejudicial to the Noteholders or the Certificateholders.

For more information please see the section titled "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed – Setting of Interest Rates on the Loans*".

### ***Considerations relating to yield, prepayments, mandatory redemption and optional redemption***

The yield to maturity of each Class of Notes will depend on, among other things, the amount and timing of payment of principal and interest (including prepayments, sale proceeds arising on enforcement of a Loan and payments of indemnity amounts required to be made under the Mortgage Sale Agreement (Trinidad)) on the Loans and the price paid by the holders of the Notes of each Class. Such yield may

be adversely affected by, among other things, a higher or lower than anticipated rate of prepayments on the Loans.

On the earlier of (i) the date that the Seller agrees with the Issuer (acting solely on the instructions of the Committee) that it will not proceed with the acquisition of the Farringdon Portfolio as satisfactory terms of sale and/or the servicing of the Farringdon Portfolio have not been agreed with the Farringdon Vendor and/or BCMGlobal Mortgage Services Limited and (ii) 29 December 2023 (if the sale of the Farringdon Portfolio to the Issuer has not completed by close of business on that day), the Issuer will notify the Note Trustee that the acquisition of the Farringdon Portfolio is not proceeding and the Farringdon Excess Proceeds will be applied, on the immediately following Interest Payment Date, in or towards redemption of the Class A Notes and Class Z Notes in an amount equal to (A) with respect to the Class A Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class A Notes and (ii) the Class A Notes and Class Z Notes, and (B) with respect to the Class Z Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class Z Notes and (ii) the Class A Notes and the Class Z Notes (in each case, as at the Closing Date).

The rate of prepayment of Loans is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing programmes, local and regional economic conditions, and homeowner mobility. However, the rate of payment cannot be predicted. Subject to the terms and conditions of the Loans, a Borrower may "overpay" or prepay principal at any time.

No assurance can be given as to the level of prepayments that the Portfolio will experience. In addition, the Borrowers will not be charged any early repayment charges arising as a result of prepayments. Accelerated prepayments will lead to a reduction in the weighted average life of the Notes. Generally, when market interest rates increase, Borrowers are less likely to prepay their Loans, while conversely, when market interest rates decrease, Borrowers are generally more likely to prepay their Loans. Borrowers may prepay Loans when they refinance their loans or sell their properties (either voluntarily or as a result of enforcement action taken). If the Seller is required to make an indemnity payment to the Issuer in relation to a Loan and its Related Security because, for example, one of the Loans in the Trinidad Portfolio does not comply with the Loan Warranties, then the payment received by the Issuer will have the same effect as a prepayment of all or part of the relevant Loan.

Payments and prepayments of principal on the Loans will be applied, *inter alia*, to reduce the Principal Amount Outstanding of the Notes on a pass-through basis on each Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments (see "*Cashflows*"). All payments of principal in respect of the Notes will be made subordinate to amounts applied as Principal Addition Amounts.

On and from the First Optional Redemption Date or the date on which on which the aggregate Principal Amount Outstanding of the Notes as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the original aggregate Principal Amount Outstanding of the Notes on the Closing Date, the Issuer shall, following the exercise of the Portfolio Purchase Option, redeem all of the Notes and cancel the Certificates.

Pursuant to the Portfolio Purchase Option, the Portfolio Option Holder has the option, pursuant to the Portfolio Option Deed Poll, to elect to purchase the Loans from the Issuer subject to certain restrictions and the Class Y Right to Match, as detailed in the section "*Early Redemption of the Notes Pursuant to the Portfolio Purchase Option, Regulatory Change Event or Optional Redemption for Tax and Other Reasons*" and there are otherwise no conditions or restrictions (whether by reference to time period or otherwise) on the exercise by the Portfolio Option Holder of the Portfolio Purchase Option.

The Portfolio Option Holder is not obliged to exercise its rights in respect of the Portfolio Purchase Option on the First Optional Redemption Date or at any time thereafter and, as such, no assurance can

be given that the Notes will be redeemed in full on or following the First Optional Redemption Date as a result of such a refinancing or a purchase or sale of the Portfolio. No make whole amount or other early repayment fee will be paid to the Noteholders if any such option is exercised by the Portfolio Option Holder.

Pursuant to the Risk Retention Regulatory Change Option (i) the Retention Holder (or any of its delegates) and (ii) provided that the Retention Holder has not exercised the Risk Retention Regulatory Change Option, the Seller (or any of its delegates) have the right (but not any obligation) pursuant to the Retention Holder Deed Poll to acquire or re-acquire (or procure the acquisition or re-acquisition of), as applicable, the entire beneficial interest of the Issuer in the Portfolio and thereby effect a redemption of the Notes following the occurrence of a Risk Retention Regulatory Change Event (subject to the Portfolio Option Holder's right to exercise the Portfolio Purchase Option in such situation and the Class Y Right to Match). The Notes are subject to mandatory redemption following the occurrence of a Risk Retention Regulatory Change Event if the Retention Holder or the Seller (or any of their delegates) exercises its Risk Retention Regulatory Change Option in accordance with Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*). A Risk Retention Regulatory Change Event may occur in the following circumstances: any change in or the adoption of any new law, rule, technical standards or regulations or any determination made by a relevant regulator, which: (i) as a matter of law, has a binding effect on the Retention Holder or the Seller after the Closing Date and which would impose a positive obligation on any of them to subscribe for any additional Notes (other than the Notes issued on the Closing Date and any Further Class A2 Notes) in order to comply with the Risk Retention Undertaking or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Risk Retention Requirements (as determined by them, acting reasonably); (ii) as a matter of law, in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer for purposes of the Risk Retention Requirements; and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case as determined by the Retention Holder, in its sole discretion; or (iii) by virtue of the Retention Holder's obligation to comply with the Risk Retention Undertaking or the U.S. Credit Risk Retention Requirements, would, in respect of the Retention Holder, have an analogous effect or result to those specified in paragraphs (i) and (ii) above.

In addition, the Issuer may, subject to the Conditions and the Portfolio Option Holder's right to exercise the Portfolio Purchase Option and the Class Y Right to Match, redeem all of the Notes (A) if a change in Tax law results in the Issuer being required to make a deduction or withholding for or on account of Tax or (B) as a result of certain illegality events. See further "*Terms and Conditions of the Notes*".

There is no obligation on any party to the transaction to purchase or repurchase the Portfolio and (other than a purchase pursuant to the Portfolio Purchase Option or the Risk Retention Regulatory Change Option) the Issuer is not required to accept any such offer to repurchase. As such, no assurance can be given that the Notes will be redeemed in full on or following the occurrence of the circumstances described above.

Any redemption of the Notes and cancellation of the Certificates following such matters, in particular where such an event occurs within a short time of the Closing Date, may adversely affect the yield to maturity of the Notes and/or the Certificates. There is no assurance that Noteholders or Certificateholders will be able to reinvest the proceeds of such redemption or cancellation at the same or a higher rate than the return they would have earned on the Notes and/or the Certificates had they not been redeemed or cancelled, as applicable. In particular, there is no assurance that the Certificateholders would receive any amounts on such an early redemption.

## 2. Risks Relating to the Underlying Assets

### *Mortgage prisoners and Standard Variable Rates*

The FCA are aware that there are some consumers, particularly those on standard variable rates, who would like to switch to a more affordable mortgage despite being up to date with their mortgage payments. These include those who cannot switch because of changes to lending practices during and after the 2008 financial crisis and subsequent regulation that tightened lending standards. These customers are often called '**mortgage prisoners**'.

The FCA has considered how it can assist customers in these circumstances. Under Policy Statement PS19/27, which came into effect on 28 October 2019, the FCA amended their responsible lending rules and guidance to help remove potential barriers to consumers switching to a more affordable mortgage and to reduce the time and costs of switching for all relevant consumers. Mortgage lenders were given the option to carry out a modified affordability assessment where a consumer has a current mortgage, is up-to-date with their mortgage payments (and has been for the last 12 months), does not want to borrow more, other than to finance any relevant product, arrangement or intermediary fee for that mortgage, and is looking to switch to a new mortgage deal on their current property. Further, inactive lenders and administrators acting for unregulated entities were required by 15 January 2021 to review their customer books and develop and implement a communication strategy for contacting relevant consumers to tell them it could be simpler for them to re-mortgage.

In November 2021 the FCA published the "Mortgage Prisoners Review" in which it reviewed its regulatory interventions in relation to mortgage prisoners and reported on characteristics of mortgage prisoners in closed books with inactive firms, but set out no additional regulatory steps to be taken.

A claims management company is currently bringing a claim in the courts against TSB Bank plc on behalf of mortgage prisoners in relation to mortgage loans originated by members of the Northern Rock group on the grounds, among others, that the standard variable rate applied, including in relation to mortgage loans held by mortgage prisoners, are too high. Claims and/or complaints brought by consumers and/or claims management companies in relation to the setting of standard variable rates are increasing in both the courts and via the Financial Ombudsman Services, particularly in relation to claims that changes to standard variable rates may not have been made in accordance with the parameters of customer loan terms and conditions or are unfair. A successful claim could result in compensation needing to be paid to the relevant Borrower, a balance adjustment to the Borrower's mortgages or set-off of payment by Borrower, and/or the existing standard variable interest rate being lowered where so directed by a court or regulatory authority. The Seller has made enquiries of the Servicers, who have confirmed that they have not received a material number of claims and complaints regarding setting of standard variable rates in relation to Loans in the Mortgage Portfolio.

### *The Legal Title Holders to retain legal title to the Loans and risks relating to set-off*

The sale by each of the Vendors to the Seller of the Loans and their Related Security will take effect in equity only pursuant to the relevant Vendor Mortgage Sale Agreement.

The sale by the Seller to the Issuer of the Loans and their Related Security (until legal title is conveyed) will also take effect in equity only.

The legal title to the Loans and their Related Security in the Trinidad Portfolio will remain in the name of the Long Term Legal Title Holder until the occurrence of a Perfection Event pursuant to the Long Term Servicing and Legal Title Holder Deed and the Administration Agreement (see "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed*" below).

The legal title to the Loans and their Related Security in the Farringdon Portfolio will be transferred to the Long Term Legal Title Holder on the earlier to occur of the Farringdon Transfer Date or the occurrence of a Perfection Event prior to the end of the Interim Period (provided that there has been no Perfection Event in respect of the Long Term Legal Title Holder), and, after the Interim Period, to the Issuer (or a nominee of the Issuer) as soon as reasonably practicable following the occurrence of a Perfection Event (see "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed*" below).

The Issuer has not applied, and prior to the occurrence of a Perfection Event will not apply, to the Land Registry of England and Wales (the **Land Registry**) to register or record its equitable interest in the English Mortgages.

Following a Perfection Event notice of the transfer of legal title to the Loans to the Issuer or a nominee of the Issuer will be given to the Borrowers in respect of the Loans and their Related Security.

Until the time such notice is given to the relevant Borrowers, equitable or independent set-off rights may accrue in favour of any Borrower against his or her obligation to make payments to the relevant Legal Title Holder under the relevant Loan. Loans and their Related Security will continue to be subject to any prior rights any applicable Borrower may become entitled to after the transfer. However, following notice of the assignment to the Issuer or its nominee being given to the Borrowers, some rights of set-off (being those rights that are not connected with or related to the relevant Loan) may not arise after the date notice is given. For further information on the effects of set-off in relation to the Portfolio, see below under "*Set-off and claims against legal title holders may adversely affect the value of the Portfolio or any part thereof*".

As a consequence of the Issuer not obtaining legal title to the Loans and their Related Security or the Properties secured thereby, a bona fide purchaser from the relevant Legal Title Holder for value of any of such Loans and their Related Security without notice of any of the interests of the Issuer might obtain a good title free of any such interest. If this occurred, then the Issuer would not have good title to the affected Loan and its Related Security, and it would not be entitled to payments by a Borrower in respect of that Loan. However, the risk of third party claims obtaining priority to the interests of the Issuer in this way would be likely to be limited to circumstances arising from a breach by the relevant Legal Title Holder of its contractual obligations or from fraud, negligence or mistake on the part of the relevant Legal Title Holder or any of its respective personnel or agents.

Neither the Seller nor the Issuer would be able to enforce any Borrower's obligations under a Loan or its Related Security itself but, to the extent that the relevant Servicer failed to take any or appropriate enforcement action against the relevant Borrower (in accordance with the Enforcement Procedures of the relevant Legal Title Holder), the Issuer or the Security Trustee would be able to take action (under the power of attorney entered into pursuant to the relevant Servicing and Legal Title Holder Deeds) or would have to join the relevant Legal Title Holder as a party to any legal proceedings. Borrowers will also have the right to redeem their Loans by repaying the relevant Loan directly to the relevant Legal Title Holder. However, each of the Legal Title Holders and the relevant Servicers have undertaken, pursuant to the Servicing and Legal Title Holder Deeds, to hold any money repaid to it in respect of relevant Loans on trust for the Issuer. If any of the risks described above were to occur, then the realisable value of the Portfolio or any part thereof may be affected.

See further the section entitled "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed*" below.

***Set-off and claims against legal title holders may adversely affect the value of the Portfolio or any part thereof***

As described above, the sale by each of the Vendors to the Seller and the sale by the Seller to the Issuer of the Loans and their Related Security will be given effect by an equitable assignment.

Upon notice being given to the Borrowers of the transfer of legal title of the Loans and their Related Security to a new lender, independent set-off rights which a Borrower had against the prior lender crystallised and further rights of independent set-off against the prior lender ceased to accrue from that date and no new rights of independent set-off against the prior lender could be asserted following that notice. Set-off rights arising under "transaction set-off" (being those set-off claims arising out of a transaction connected with the Loan) were not affected by that notice and will continue to exist.

Similarly, until such time as notice is given to the Borrowers of the assignment of the Loans and their Related Security to the Issuer or its nominee, independent set-off rights which a Borrower has against the relevant Legal Title Holder will accrue and will only crystallise once such notice has been given and set-off rights arising under "transaction set-off" will not be affected by that notice and will continue to exist.

The relevant Borrower may set off any claim for damages arising from the relevant Originators', Vendor's or the relevant Legal Title Holder's acts or omissions during the period such entity held legal title to the Loans, including breach of contract (such as breach of Applicable Law) against the relevant Legal Title Holder's (and therefore, as equitable assignee of or holder of the beneficial interest in the Loans and their Related Security, the Issuer's) claim for payment of principal and/or interest under the relevant Loan as and when it becomes due.

The amount of any such claim against the relevant Legal Title Holder for equitable set-off as a result of failure to advance funds will, in many cases, be the cost to the Borrower of finding an alternative source of funds. A Borrower may also attempt to set off an amount greater than the amount of his or her damages claim against his or her mortgage payments. In that case, the relevant Servicer will be entitled to take enforcement proceedings against the Borrower, although the period of non-payment by the Borrower is likely to continue until a judgment is obtained.

The effect of the exercise of set-off rights by Borrowers or addressing Borrower complaints (even if these are in respect of a small amount, but applicable to a large number of Borrowers in the Portfolio) may adversely affect the timing of receipt and the ultimate amount received by the Issuer in respect of the relevant Loans and the realisable value of the Portfolio and/or the ability of the Issuer to make payments under the Notes.

***Limited remedies available to the Issuer in respect of any breach of representation or warranty made by the Seller under the relevant Mortgage Sale Agreement***

On the Farringdon Sale Date, the Seller will give certain Loan Warranties in respect of the Farringdon Portfolio. However, those warranties will be given for information purposes only and there will be no obligation on the Seller to indemnify the Issuer or repurchase any Loan in the Farringdon Portfolio if there is a breach of Loan Warranties in respect of the Farringdon Portfolio and the Seller has no resources available to it to fund any such indemnity claims.

The Seller gives certain Loan Warranties in respect of the Trinidad Portfolio. If any of the Loan Warranties (which, for the avoidance of doubt, do not address all of the potential risks that may arise in relation to the Loans) in respect of the Trinidad Portfolio prove to have been untrue on the Closing Date and if such breach is not capable of remedy or, if capable of remedy, is not remedied within a 30 Business Day period as specified in the Mortgage Sale Agreement (Trinidad), then notice will be served on the Seller (a **Loan Remedy Notice**) requiring the Seller to indemnify the Issuer against all liabilities



relating to the breach of Loan Warranty which gave rise to the notice (such liabilities of the Seller under the Mortgage Sale Agreement (Trinidad) in respect of the Trinidad Portfolio as remain outstanding from time to time being, the **MSA Relevant Liabilities**). There are certain matters that have been disclosed by the Seller in the Mortgage Sale Agreement (Trinidad) in respect of the Trinidad Portfolio and the Issuer will not be able to claim against the Seller for any losses caused by such disclosed matters. In addition, the right of the Issuer to claim for breach of the Loan Warranties in respect of the Trinidad Portfolio are subject to certain limitations under the terms of the Mortgage Sale Agreement (Trinidad), including a time limit for bringing claims, a liability cap per claim, an aggregate liability cap, *de minimis* threshold amounts per claim and an aggregate minimum claim threshold. See section “*Limitations on liability in relation to a breach of Loan Warranty*” in *Summary of the Key Transaction Documents – Mortgage Sale Agreement* for more detail.

As the amount of any MSA Relevant Liabilities is based in part upon the amount of, *inter alia*, actual costs, damages or loss suffered by the Issuer, such MSA Relevant Liabilities may not be known at the time at which the breach of Loan Warranty is discovered and further additional time (which could be months or years) may be required before such actual loss can be determined. Accordingly, any indemnity payment required to be made by the Seller in respect of any breach of a Loan Warranty in respect of Loans in the Trinidad Portfolio may be significantly delayed, which may impact the ability of the Issuer to meet its payment obligations under the Notes.

Further, investors should note that, pursuant to the Mortgage Sale Agreement (Trinidad), the Issuer and the Seller have agreed and acknowledged that the obligations of the Seller arising under the Mortgage Sale Agreement (Trinidad) for breach of warranty in respect of Loans in the Trinidad Portfolio are limited recourse obligations (being limited in recourse to the amounts received by the Seller in respect of warranty claims under or in respect of the Trinidad Vendor Mortgage Sale Agreement (as described below)).

The Seller is the beneficiary of certain warranties in respect of the Loans in the Trinidad Portfolio from Magellan Funding No2 DAC in the Trinidad Vendor Mortgage Sale Agreement, but the liability of Magellan Funding No2 DAC for any breach of representation or warranty is subject to a liability package, including time limit for bringing claims, monetary caps on claims and certain *de minimis* threshold amounts under the terms of the Trinidad Vendor Mortgage Sale Agreement. There is no repurchase obligation on Magellan Funding No2 DAC in the event of a breach of any loan warranties given thereunder. The terms of the Trinidad Vendor Mortgage Sale Agreement were negotiated on an arms’ length basis; however, the terms are subject to confidentiality restrictions and, therefore, the Seller has not disclosed the scope of warranties and the liability package in the Trinidad Vendor Mortgage Sale Agreement to the Issuer. Therefore, there can be no assurance that the scope of the warranties and the liability package in respect of the Loans in the Trinidad Portfolio provided to the Seller in the Trinidad Vendor Mortgage Sale Agreement matches the scope of the Loan Warranties provided by the Seller to the Issuer in respect of the Trinidad Portfolio or the liability package in the Mortgage Sale Agreement (Trinidad).

In the event that there is a mismatch in the scope of warranties or the liability package in the Trinidad Vendor Mortgage Sale Agreement and the Mortgage Sale Agreement (Trinidad) or the Seller fails to be fully indemnified for a breach of warranty made under the Trinidad Vendor Mortgage Sale Agreement, then the Seller will not have sufficient funds to satisfy its obligation to make an indemnity payment in respect of any corresponding breach of Loan Warranty in the Mortgage Sale Agreement (Trinidad). If the Seller has insufficient funds available to satisfy in full any obligations under the Mortgage Sale Agreement (Trinidad) for breach of warranty in respect of any Loans in the Trinidad Portfolio after the Arima Trust Property (being amounts received in respect of warranty claims under the Trinidad Vendor Mortgage Sale Agreement) has been exhausted, the Issuer (or the Security Trustee following the service of an Enforcement Notice) will have no further claim against the Seller or its directors, shareholders, officers or successors in respect of any amounts owing to it which remain

unpaid, and such unpaid claims against the Seller shall be deemed to be discharged in full and any relevant rights to payment by the Seller shall be extinguished.

There can therefore be no assurance that the Seller will have the financial resources to make any indemnity payment in respect of any MSA Relevant Liabilities (see "*The Seller*"). Barclays Bank PLC will have no obligation to advance any amounts or to provide any financial or other support of any nature to the Seller, and neither Barclays Bank PLC nor any other person will guarantee or act as surety for any obligations of the Seller. The Seller is a thinly capitalised special purpose vehicle. Therefore, other than amounts that the Seller receives under the Trinidad Vendor Sale Agreement in respect of warranties given in respect of the Loans in the Trinidad Portfolio, the Seller is not expected to have any other sources of funds. There can be no assurance that the Seller will have the financial resources to make any such indemnity payment in respect of any Loan and its Related Security in the Trinidad Portfolio.

### ***Remediation***

The Seller has made enquiries of the Servicers, who have confirmed that there are no Loans within the Portfolio which are subject to ongoing remediation action as a result of conduct issues in respect of the Loans or otherwise. There can be no assurance that the Loan Warranties in the Mortgage Sale Agreements will provide protection in respect of remediation liabilities that may arise in the future as a result of remediation action that may arise from time to time in respect of the Loans. In addition, as mentioned above, the Issuer may potentially have claims against the Seller under the Mortgage Sale Agreement (Trinidad) for breach of Loan Warranty in respect of the Trinidad Portfolio; however, such claims are subject to a time limit and to financial limits on the amount that can be claimed. In addition, the Issuer has no claim against the Seller under the Mortgage Sale Agreement (Farringdon) for breach of Loan Warranty in respect of the Farringdon Portfolio. To the extent that a remediation exercise is conducted in the future and the costs of such exercise are not recoverable from the Seller under the relevant Mortgage Sale Agreement, it would have an adverse effect on the amounts available to the Issuer to effect payments on the Notes and the Certificates.

### ***Provisional Portfolio***

The information in the section entitled "*Characteristics of the Provisional Portfolio*" has been extracted from the systems of the Servicers as at 31 August 2023 (the **Portfolio Reference Date**) and in each case excludes any Shortfall Loans. The pool of Loans (with a Current Balance greater than zero and excluding the Shortfall Loans) held by the Issuer from which the Mortgage Portfolio will be comprised of as at the Portfolio Reference Date (the **Provisional Portfolio**) comprises 624 Loans with an aggregate Current Balance of £83,707,405.23 (£69,470,690.27 in respect of the Trinidad Portfolio and £14,236,714.96 in respect of the Farringdon Portfolio). The characteristics of the Mortgage Portfolio as at the Closing Date will vary from those of the Provisional Portfolio as a result of Loans which redeem prior to the Closing Date. Accordingly, there may be material changes in the characteristics of the Mortgage Portfolio between the Portfolio Reference Date and the Closing Date, which may adversely affect the quality of the Loans and their Related Security in the Mortgage Portfolio and accordingly the ability of the Issuer to make payments on the Notes. See sections "*The Loans*" and "*Characteristics of the Provisional Portfolio*" for more detail.

### ***Delinquencies or default by Borrowers in paying amounts due on their Loans***

As at the Portfolio Reference Date, 26.23 per cent. of the Provisional Portfolio (calculated by reference to the Current Balance of the Loans at the main account level) are in arrears (meaning the relevant Borrower is in arrears by an amount equal to at least one monthly payment past due on the relevant Loan), (27.53 per cent. of the Trinidad Portfolio and 19.85 per cent. of the Farringdon Portfolio), 17.97 per cent. of the Provisional Portfolio by Current Balance at the main-account level are three months or more in arrears, (19.00 per cent. in of the Trinidad Portfolio and 12.95 per cent. of the Farringdon

Portfolio) and in the case of 1.52 per cent. of the Provisional Portfolio by Current Balance, the relevant Properties have been repossessed or are in receivership (and in respect of each portfolio, 1.83% of the Trinidad Portfolio are in receivership, 0 per cent. have been repossessed, and 0 per cent. of the Farringdon Portfolio have been repossessed or are in receivership (in each case, excluding any Shortfall Loans)).

Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in Tax laws, interest rates, inflation, costs of living, the availability of financing, yields on alternative investments, political developments and government policies (including geopolitical risks around Russia's invasion of Ukraine which could impact the UK economy, in particular by pushing up energy and oil prices and increasing inflation (and the cost of living) further), natural disasters and widespread health crises, pandemics or epidemics or the fear of such crises, pandemics or epidemics (such as coronavirus, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu or other epidemic diseases) and pre-emptive measures taken in respect of such crises.

In addition, the UK economy is experiencing a range of economic effects, partly associated with Covid-19, with uneven impacts. Developments such as consumer energy price inflation and disruption to global supply chains alongside elevated global demand for goods and supply shortages of specific goods have led to recent inflationary pressure and rising costs of living. In response to such pressure, the Bank of England's Monetary Policy Committee has increased the Bank Rate several times since December 2021. Interest rates may further change in the future and the existing increases and any further increases in interest rates may adversely affect Borrowers' ability to pay interest or repay principal on their Loans. The recent, and any future, cost of living increases could also adversely affect Borrowers' disposable income and ability to pay interest or repay principal on their Loans, particularly against a background of price rises for essential goods and services. If inflationary pressure on prices combines with suppressed wage growth, there is the potential for stagflation. Widespread economic impacts have the potential to create contagion effects. A deflationary environment may negatively affect property values (please see the section entitled "*Declining property values*" for further detail).

In response to a deterioration in economic conditions, the UK Government may take austerity measures (for example cuts in public benefits or public sector employment), private businesses may freeze or reduce hiring, make redundancies or reduce hours of work, and self-employed workers may see a reduction in their volume of work and/or income, each of which may reduce the personal income, business income or rental income received by Borrowers. A reduction in the income received by Borrowers could impact their ability to make payments under the Loans when due and result in losses on the Notes and the Certificates.

Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Unemployment, loss of earnings, illness (including any illness arising in connection with an epidemic or pandemic), widespread health crises or the fear of such crises (such as coronavirus, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu or other epidemic diseases), divorce and other similar factors may lead to an increase in delinquencies by, and bankruptcies (and analogous arrangements) of, Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time.

In order to exercise a power of sale in respect of a mortgaged property, the relevant mortgagee may (but not necessarily will) first need to obtain vacant possession of the relevant property in order to maximise the price received for the property. Vacant possession of a tenanted property under a buy-to-let property

is usually obtained by way of a court order or decree. This can be a lengthy and costly process and will involve the mortgagee assuming certain risks. The court has a wide discretion and may adopt a sympathetic attitude towards a tenant faced with eviction. Any possession order given in favour of the lender may be suspended or postponed to allow the tenant more time to find another residence. In addition, if possession has been obtained, a reasonable period must be allowed for marketing the property and for discharging the obligation to take reasonable care to obtain a proper price. If obtaining possession of a property and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Notes or the Certificates may be reduced. The Issuer's ability to make such payments may be reduced further if the powers of a mortgagee in relation to obtaining possession of a property permitted by law are restricted in the future. There can be no assurance that the level of Loans in arrears will remain at their current levels and not increase.

Investors should note, as at the date of this Prospectus, the Tailored Support Guidance, as described below in the section entitled "*Certain Regulatory Considerations in respect of the Loans – Mortgage Repossession*", in response to the COVID-19 outbreak in the UK states that from 1 April 2021, subject to any relevant government restrictions on repossessions, firms may enforce repossession provided they act in accordance with (as applicable) the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Tailored Support Guidance provides that action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed. The FCA makes clear in the guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with these requirements.

The COVID-19 pandemic continues to cause disruption in the global supply chain, capital markets and economies, and those disruptions have since intensified and may continue for some time. In addition, concern about the timing and method of removal or certain measures previously put into place by global governmental bodies as well as by private enterprises to contain and mitigate its spread have adversely affected economic conditions and capital markets globally, and have led to increased volatility and declines in financial markets and severe economic downturns in many countries, including the United Kingdom. Such downturns may reduce the market value of affected properties in such regions, the ability to sell a property in a timely manner and/or negatively impact the ability of a Borrower to make timely payment of interest and repayments of principal on their Loans. In addition, governmental action or inaction (including, without limitation, the availability or termination of government support schemes) in respect of, or responses to, any widespread health crises, whether in the United Kingdom or in any other jurisdiction, may lead to a further deterioration of economic conditions both globally and also within the United Kingdom. This may have an adverse impact on the ability of Borrowers to make timely payment of interest and repayments of principal on their Loans.

As a result of such factors, a mortgage lender may offer, or be required through government regulation to offer, a range of forbearance options (which in themselves may be temporary or permanent in nature and may include, without limitation, the suspension of monthly payments due under Loans) to support Borrowers who are facing financial difficulty or may potentially face financial difficulties.

Despite the existence of certain government support schemes, such as the Coronavirus Job Retention Scheme and the Self-Employment Support Scheme, unemployment may rise substantially as a result of the impact of COVID-19 on the UK economy. There is a further risk that unemployment will increase substantially once these schemes, along with other government support or furlough measures, are phased out or reduced, with resulting reductions in consumer spending. These pressures may in turn negatively impact the ability of a Borrower to make timely payment of interest and repayments of principal on their Loans.

### ***Non-conforming Borrowers***

The Provisional Portfolio includes loans made to Borrowers in respect of which income and employment details of the relevant Borrower are not substantiated by supporting documentation (such

loans being **Self-Certified Loans**) or other "non-conforming" Borrowers who are otherwise considered by banks and building societies to be non prime borrowers or are applying the mortgage loan to purchase buy to let properties and includes mortgage loans made to Borrowers who are individuals and who may previously have been subject to a county court judgment, an individual voluntary arrangement, debt arrangement scheme or bankruptcy or sequestration order.

Self-Certified Loans and Loans made to Borrowers with credit impairments and other types of non-conforming Borrower may experience higher rates of delinquency write-offs and enforcement than have historically been experienced by Loans made to Borrowers without credit impairments or Loans in respect of which supporting documentation has been provided in respect of the income or employment details of the Borrower or who are regarded as being "prime" Borrowers. Such delinquencies, enforcements and losses may lead to a reduction in amounts available to the Issuer and, ultimately, affect its ability to make payment of interest and/or principal in respect of the Notes and payments due in respect of the Certificates.

In addition, while the underwriting standards of originators generally consider, among other things, a Borrower's credit history, employment history and status, repayment ability and debt service-to-income ratio, as well as the value of the property, and those underwriting standards are used with a view, in part, to mitigating the risks in lending to Borrowers, the Seller was not the originator of the Loans and therefore has limited knowledge as to the origination and lending policies used by the originator in relation to the Loans. These matters, alone or in combination, may contribute to higher delinquency rates, slower prepayment rates and higher losses on the Portfolio, which in turn may affect the ability of the Issuer to make payments of interest and/or principal on the Notes and payments of any amounts under the Certificates.

#### ***Increases in prevailing market interest rates may adversely affect the performance of the Portfolio***

Borrowers with a Loan subject to a variable rate of interest may be exposed to increased monthly payments if the related mortgage interest rate adjusts upward. This increase in Borrowers' monthly payments may ultimately result in higher delinquency rates and losses in the future.

Borrowers seeking to avoid increased monthly payments (caused by, for example, a rise in the related variable interest rates) by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. Any decline in housing prices may also leave Borrowers with insufficient equity in their properties to permit them to refinance. These events, alone or in combination, may contribute to higher delinquency rates, slower prepayment rates and higher losses on the Portfolio, which in turn may affect the ability of the Issuer to make payments of interest and/or principal on the Notes and payments of any amounts under the Certificates.

#### ***Declining property values***

The value of the Related Security in respect of the Loans may be affected by, among other things, a decline in residential or commercial property values in the United Kingdom. If the residential or commercial property market in the United Kingdom should experience an overall decline in property values (including as a result of widespread health crises, pandemics or epidemics or the fear of such crises, pandemics or epidemics), such a decline could in certain circumstances result in the value of the Related Security being significantly reduced and, in the event that the Related Security is required to be enforced, may result in an adverse effect on payments on the Notes and Certificates.

The Issuer cannot guarantee that the value of a property will remain at the same level as on the date of origination of the related Loan. A fall in property prices resulting from the deterioration in the housing market could result in losses being incurred by lenders where the net recovery proceeds are insufficient to redeem any outstanding loan secured on such property. If the value of the Related Security backing the Loans is reduced this may ultimately result in losses to Noteholders and no payments being made

to Certificateholders if the Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes and in respect of all Certificates.

Borrowers may have insufficient equity in their Properties to refinance their Loans with lenders other than the relevant Legal Title Holder and may (as a result of the circumstances described in "*Delinquencies or default by Borrowers in paying amounts due on their Loans*" or otherwise) have insufficient resources to pay amounts in respect of their Loans as and when they fall due. This could lead to higher delinquency rates and to losses, which in turn may adversely affect payments on the Notes and the Certificates.

### ***Geographic concentration risks***

Loans in the Portfolio may also be subject to geographic concentration risks within certain regions of the United Kingdom. To the extent that specific geographic regions within the United Kingdom have experienced, or may experience in the future, weaker regional economic conditions (due to local, national and/or global macroeconomic factors) and weaker housing markets than other regions in the United Kingdom, a concentration of the Loans in such a region may be expected to exacerbate the risks relating to the Loans described in this section. Certain geographic regions within the United Kingdom rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the Borrowers in that region or in the region that relies most heavily on that industry. For an overview of the geographical distribution of the Loans in the Provisional Portfolio, see "*Characteristics of the Provisional Portfolio*".

In addition, any natural disasters or widespread health crises, pandemics or epidemics or the fear of such crises, pandemics or epidemics (such as coronavirus, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu or other epidemic diseases) in a particular region may reduce the value of affected Properties and/or negatively impact the ability of affected Borrowers to make timely payments on the Loans. Governmental action or inaction in respect of, or responses to, any widespread health crises or potential crises (such as those mentioned previously), whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration of economic conditions both globally and also within the United Kingdom. This may result in a loss being incurred upon the sale of such Properties and/or otherwise affect receipts on the Loans. If the timing and payment of amounts due in respect of the Loans are adversely affected by any of the risks described in this paragraph, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes and no payments being made on the Certificates. Given the unpredictable effect such factors may have on the local, national or global economy, no assurance can be given as to the impact of any of the matters described in this paragraph and, in particular, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes.

### ***Commercial Property Market***

As of the Cut-Off Date, approximately 25.73 per cent. of the Loans in the Provisional Portfolio by Current Balance (30.96% of the Trinidad Portfolio and 0.19% of the Farringdon Portfolio (based on the available data in respect of Farringdon)) are secured by properties occupied by a person or entity other than the Borrower for residential purposes and approximately 7.27% of the Loans in the Provisional Portfolio by Current Balance (all within the Trinidad Portfolio) are secured by properties occupied for commercial purposes.

A Borrower's ability to service such Loans, is likely to depend (at least in part) on the Borrower's ability to lease the relevant Properties (or the part of the relevant Properties which are not occupied by the Borrower) on appropriate terms and on rent being paid by the tenants of those Properties (or the relevant part of any such Property).

There can be no assurance that each Property will be the subject of an existing tenancy when the relevant Loan is acquired by the Issuer or that any tenancy which is granted will subsist throughout the life of the relevant Loan. There can be no assurance that the rental income from the tenancies of those Properties will be sufficient (whether or not there is any default of payment in rent) to provide the Borrower with sufficient income to meet the Borrower's interest obligations or capital repayments in respect of the relevant Loan, particularly where the interest rate applicable to the Loan is variable.

Rental incomes and market values are likely to be affected by factors which are specific to the commercial and residential property markets, such as: competition from other commercial or residential property owners; the perceptions of prospective tenants as to the attractiveness, convenience and safety of properties; the presence or absence of anchor tenants; and the cost of maintenance, insurance and operating costs of properties. In addition, certain significant expenditures, including operating expenses, must be met by the Borrower even when the property is vacant, which may affect the ability of the Borrower to make payments under the Loans and result in a reduction of amounts available to the Issuer to make payments under the Notes.

The performance of each business operated by a tenant or the income of a tenant is likely to affect the tenant's ability to pay rent to the Borrower. The performance of such tenant's businesses or their income may be affected by, amongst other things, (i) national, regional or local economic conditions (including any local or national lockdown as a result of an epidemic or pandemic, including but not limited to COVID-19); (ii) demographic factors; (iii) customer confidence, tastes and preferences; (iv) changes in applicable law or regulation (including in relation to taxes); (v) availability of financing; (vi) changes in interest rates; and (vii) changes to inflation and the cost of living. For a tenant operating a business from the Borrower's property, poor performance of the businesses operated by the Borrower's tenants may lead to increases in delinquencies by Borrowers and could have an adverse impact on the ability of such Borrowers to repay the Loans. Similarly, for a residential tenant, unemployment resulting in loss of earnings of the Borrower's tenants may lead to increases in delinquencies by Borrowers which could have an adverse impact on the ability of such Borrowers to repay the Loans.

The ability of relevant Borrowers to service such Loans (as well as to cover any difference between (i) the rental income from the tenancies of the relevant Properties; and (ii) the amounts due under the relevant Loans) is likely also to depend on the performance of the relevant Borrower's own business.

Poor performance of the Borrowers' businesses may lead to increased delinquencies by Borrowers and could have an adverse impact on the ability of Borrowers to repay the Loans. Borrowers who are self-employed, run a business through a limited company or who operate as independent contractors may have an income stream which is susceptible to change (including but not limited to the reduction or loss of future earnings due to illness, loss of business, tax laws or general economic conditions).

In certain exceptional circumstances (including as a result of illness, a loss of earnings arising from or in connection with an epidemic or a pandemic) following or in anticipation of payment shortfalls on the Loan of a relevant Borrower, the relevant Borrower may be offered some degree of forbearance arrangement on the Loan for a period of time (including, without limitation, a payment deferral) in accordance with the relevant Servicer's forbearance policy, industry guidance and where appropriate the FCA's rules and guidance. As a result of any such arrangement, the overall receipts on such Loans could be adversely affected which could in turn lead to an adverse effect on the timing of payments on the Notes and/or a reduction in the amounts paid on the Notes.

Upon enforcement of a Mortgage in respect of a Property which is the subject of an existing tenancy, the relevant Servicer may not be able to obtain vacant possession of the Property, in which case the relevant Servicer will only be able to sell the Property as an investment property with one or more sitting tenants. This may affect the amount which the relevant Servicer could realise upon enforcement of the Mortgage and the sale of the Property.

### ***Risk of losses associated with Buy-to-Let Loans***

As of the Cut-Off Date, approximately 25.73 per cent. of the Loans in the Portfolio (30.96 per cent. of the Trinidad Portfolio and 0.19 per cent. of the Farringdon Portfolio) are residential loans intended to be taken out by a Borrower in relation to the purchase or re-mortgage of a Property for residential letting purposes (**Buy-to-Let Loans**). The Borrower's ability to service such Loans is likely to depend on the Borrower's ability to lease the relevant Properties on appropriate terms.

There can be no assurance that each such Property will be the subject of an existing tenancy when the relevant Loan is acquired by the Issuer or that any tenancy which is granted will subsist throughout the life of the Loan and/or that the rental income from such tenancy will be sufficient (whether or not there is any default of payment in rent) to provide the Borrower with sufficient income to meet the Borrower's interest obligations or principal repayments in respect of the Loan.

Upon enforcement of a Buy-to-Let Loan in respect of a Property which is the subject of an existing tenancy, the relevant Servicer (or the relevant Legal Title Holder) may not be able to obtain vacant possession of that Property until the end of the tenancy, in which case the Servicer or the relevant Legal Title Holder will only be able to sell the Property as an investment with one or more sitting tenants. If such Servicer enforces whilst the tenancy is continuing and sells the Property as an investment property with one or more tenants in situ, this may affect the amount which may be realised in the sale and amounts received in rent may not be sufficient to cover all amounts due in respect of the Loan, although the existence of any such tenant paying rent in full on a timely basis may not have an adverse effect on the amount of such realisation. However, in the UK it is common for tenancies to be only for six or 12 months, so a tenanted property will often be vacated sooner than an owner-occupied property. However, enforcement procedures in relation to such Buy-to-Let Loans include appointing a receiver of rent, in which case such a receiver must collect any rents payable in respect of the Property and apply them accordingly in payment of any interest and arrears accruing under the Loan.

There have been various tax related changes to United Kingdom legislation in recent years which may affect the ability of the Borrowers to repay their Buy-to-Let Loans due to the increased tax costs associated with buy-to-let mortgages and there may be further changes in the future which further impact the Borrowers' ability to meet their obligations under such Loans.

Further, a higher rate of stamp duty land tax (**SDLT**) and Welsh land transactions tax (**WLTT**) applies to the purchase of additional residential properties (such as buy-to-let properties) in England and Wales, respectively. The current additional tax rates are as follows: (i) in England the higher rate is 3 per cent. above the current SDLT rates; and (ii) in Wales, the additional residential rate is 4% higher than the main WLTT rate for the first band of purchase price; for subsequent bands of purchase price, the additional rates remain higher than the main WLTT rates (by differing percentages) and the bands of purchase price to which the additional rates are applied are structured differently to the main WLTT bands.

In addition, from 1 April 2021, a 2 per cent. SDLT surcharge applies to non-UK residents purchasing residential property in England. This applies in addition to the 3 per cent. additional rate that applies to the purchase of additional residential properties in England described above.

With effect from 6 April 2020 there is no deduction available for finance costs from rental income and instead all rental income is only eligible for a tax credit at the basic rate of income tax (20%).

The introduction of these measures may adversely affect the private residential rental market in the United Kingdom in general and (in the case of the restriction of income tax relief) the ability of individual Borrowers of Buy-to-Let Loans to meet their obligations under those Loans. Further, such measures may prompt Borrowers to re-finance their loan or sell the underlying Property, which in turn may adversely affect the yield to maturity of the Notes. See further the "*Risks Related to the availability*



*of funds to pay the Notes – Considerations relating to yield, prepayments, mandatory redemption and optional redemption" section above.*

Investors should note the UK Government introduced the Renters (Reform) Bill to the UK Parliament on 17 May 2023. This proposes certain changes to housing laws as they relate to the private rental sector in England and Wales, including a proposal to abolish "no fault" evictions by landlords. As at the date of this Prospectus the impact of the proposed legislation is uncertain but may adversely affect the private residential rental market in England and Wales and the ability of individual Borrowers of buy-to-let loans to meet their obligations under those loans.

### ***Risk of losses associated with Interest-only Loans and Part-and-Part Loans***

As at the Provisional Cut-Off Date, approximately 61.76 per cent. (by Current Balance) of the Loans in the Portfolio constitute interest only loans (**Interest-only Loans**), (56.51 per cent. of the Trinidad Portfolio and 87.40 per cent. of the Farringdon Portfolio) being Loans that are originated with a requirement that the Borrower pay scheduled interest payments only and the principal amount is not repayable before maturity. There is no scheduled amortisation of principal.

Approximately 0.09 per cent. (by Current Balance) of the Loans in the Portfolio (0 per cent. of the Trinidad Portfolio and 0.55 per cent. of the Farringdon Portfolio) constitute part-and-part loans where the Borrower makes monthly payments of both interest and principal in respect of part of the Loan, and makes monthly payments of interest but not of principal in respect of the remainder of the Loan (**Part-and-Part Loans**) as further described in the section entitled "*The Loans*" below. Consequently, upon the maturity of an Interest-only Loan, the relevant Borrower will be required to make a "bullet" payment that will represent the entirety of the principal amount outstanding and, upon the maturity of a Part-and-Part Loan, the relevant Borrower will be required to make a "bullet" payment that will represent the entirety of the principal amount outstanding in respect of the portion of the relevant Part-and-Part Loan that was interest only.

Where Borrowers are only required to pay interest during the term of the Loan, with the capital being repaid in a lump sum at the end of the term, it is generally recommended that Borrowers ensure that some repayment mechanism such as an investment policy is put in place to ensure that funds will be available to repay the capital at the end of the term. The ability of such a Borrower to repay an Interest-only Loan or a Part-and-Part Loan at maturity frequently may depend on such Borrower's ability to sell or refinance the associated Property or obtain funds from another source such as savings accounts, a pension policy, investment plans, a repayment vehicle or an endowment policy. Borrowers of Interest-only Loans may not make payment of the premia due on any relevant Policy taken out in relation to repayment of the relevant interest-only mortgages in full or on time, which Policies may therefore lapse, and/or no further benefits may accrue thereunder. In certain cases, the Policy may be surrendered but not necessarily in return for a cash payment and any cash received by the Borrower may not be applied in paying amounts due under the Loan. Thus the ability of such a Borrower to repay an Interest-only Loan, at maturity, without resorting to the sale of the underlying Property depends on such Borrower's responsibility in ensuring that sufficient funds are available from a given source such as pension policies, Personal Equity Plans, Individual Savings Accounts (ISAs) or endowment policies, as well as the financial condition of the Borrower, Tax laws and general economic conditions at the time.

None of the Issuer, the Security Trustee, the Note Trustee, the Seller or the Servicers can provide any assurance that the Borrower has any such other source of funds and none of them has obtained security over the Borrower's right in respect of any such other source of funds. The ability of a Borrower to sell or refinance the Property will be affected by a number of factors, including the value of the Property, the Borrower's equity in the Property, the financial condition of the Borrower, tax laws and general economic conditions at the time. Because of the greater risk relating to refinancing of Interest-only Loans or Part-and-Part Loans, a significant downturn in the property market or the economy could lead to a greater increase in defaults or the repayment of principal on Interest-only Loans or Part-and-Part

Loans than on repayment loans. Moreover, the Loan Conditions in respect of Interest-only Loans and Part-and-Part Loans do not require a Borrower to put in place alternative funding arrangements.

The Portfolio is made up of a large proportion of seasoned Loans. As such a large proportion of Borrowers in the Portfolio have passed the point at which most Borrowers either refinance their borrowing or switch to a repayment loan, a large number of Borrowers who currently have Interest-only Loans may not switch to a repayment loan prior to the final maturity date of the relevant Mortgage. If a large number of Borrowers are unable to repay their Interest-only Loan at maturity and there is a high concentration of such Borrowers within a short period of time, the ability of the Issuer to make repayments on the Notes could be adversely affected.

As a result of recent UK government attention, borrowers with interest-only loans which are mortgages have been encouraged to switch to a repayment loan, whereby the principal of the loan is repaid over its term. Should a Borrower elect, subject to the consent of the relevant Legal Title Holder and the relevant Servicer, to amend the terms of its Loan from an Interest-only Loan to a Repayment Loan, the relevant Loan would remain with the Issuer as part of the Portfolio, resulting in the Issuer and Noteholders receiving redemption payments on the relevant Loan and the relevant Notes respectively, earlier than would otherwise be the case. See further "*Risks Related to the availability of funds to pay the Notes – Considerations relating to yield, prepayments, mandatory redemption and optional redemption*" above.

### ***Mixed use Property***

Residential tenants within mixed use properties in England and Wales benefit from a number of statutory rights where certain conditions are satisfied, including: (i) a right of first refusal when the landlord disposes of the premises; (ii) a collective enfranchisement claim (giving qualifying tenants with long leases the right to purchase the freehold of the property where a sufficient number of them act together); and (iii) the right collectively to take over the management of the property without having to acquire the freehold. In addition (i) residential tenants under long leases may claim a new long lease of their property (or in some cases a right to acquire the freehold), for a premium, once they have held their lease for at least two years; and (ii) where the property is mixed residential and commercial use, a landlord can only forfeit a lease by taking legal proceedings.

The additional protections afforded to residential tenants may affect the Borrower's ability to manage mixed use assets freely, to develop the relevant Property and to repossess the relevant Property. However, these matters should have been taken into account by the valuer in the Valuation.

### ***No assurance that Issuer will receive benefit of any claims under insurance contracts***

At origination, either the relevant Loan Conditions or the applicable Lending Criteria required Borrowers to have buildings insurance in place in respect of the relevant Property. However, it will be difficult in practice for the Servicers and/or the Issuer to determine whether the relevant Borrower has valid insurance in place at any time and the Servicers do not conduct checks to ensure that such insurance is in place at any time. The Issuer does not have the benefit of any contingent insurance to cover the risks of a Borrower failing to have buildings insurance but will have the benefit of a policy, which will give the Issuer certain protection in respect of the risks associated with repossessed properties. However, no assurance can be given that the Issuer will always receive the benefit of any claims made under this insurance contract or that the amounts received in respect of a successful claim will be sufficient to reinstate the affected property or otherwise cover the losses of the Issuer. This could adversely affect the Issuer's ability to make payments of interest and/or principal in respect of the Notes and payments due in respect of the Certificates.

### ***Knowledge of matters represented in Loan Warranties***

Neither the Seller nor the Retention Holder were originators of any of the Loans comprised in the Portfolio. The Loans were originated by the Originators.

The Seller has acquired its interest in the Loans and their Related Security in respect of the Trinidad Portfolio under a mortgage sale agreement entered into on or before the Closing Date as between the Trinidad Vendor and the Seller in respect of the Trinidad Portfolio (the **Trinidad Vendor Mortgage Sale Agreement**). The Seller intends to acquire its interest in the Loans and their Related Security in respect of the Farringdon Portfolio under a mortgage sale agreement to be entered into on or around the Farringdon Sale Date between the Farringdon Vendor and the Seller (the **Farringdon Vendor Mortgage Sale Agreement**, and, together with the Trinidad Vendor Mortgage Sale Agreement, the **Vendor Mortgage Sale Agreements**, and each a **Vendor Mortgage Sale Agreement**).

The Trinidad Vendor acquired its interest in the Loans and the Related Security in respect of the Trinidad Portfolio under an asset purchase agreement dated 12 July 2018 (the **Original Trinidad Loan Sale Agreement**) from the Trinidad Originators.

The Farringdon Vendor acquired its interest in the Loans and the Related Security in respect of the Farringdon Portfolio under an asset purchase agreement dated 27 September 2005 (the **Original Farringdon Loan Sale Agreement**) from the Farringdon Originator.

The Original Trinidad Loan Sale Agreement and the Original Farringdon Loan Sale Agreement are together referred to as the **Original Loan Sale Agreements**.

While the Seller has made certain enquiries of the Servicers, neither the Seller nor the Retention Holder has direct knowledge as to the manner in which the Loans were originated, whether the Lending Criteria were applied at the time of origination of the Loans (or whether different criteria were applied), or as to the accuracy and/or completeness of certain Loan Warranties.

Neither the Seller nor the Retention Holder has direct knowledge as to matters relating to, among other things, the actual origination of the Loans, therefore, certain warranties relating to, among other things, the origination process are necessarily qualified by reference to the awareness of the Seller. Further, the Seller has no direct knowledge as to whether certain Loan Warranties (including the Loan Warranties which relate to the origination process) are correct or not, and no assurance can be given that the applicable policies and procedures were followed by the relevant Originator or the applicable servicer(s) prior to the Seller's acquisition of its interest in the Loans. It will be practically difficult for the Seller to detect a breach of warranty in respect of the Loans to the extent that the same relates to a matter outside of the immediate knowledge of the Seller, as there is no ongoing active involvement of the Seller or the Retention Holder in monitoring or notifying any defect in relation to the circumstances of the Loans and the Seller may only detect a breach of Loan Warranty if that is evident from the face of the Servicer Report or it otherwise becomes aware of a breach.

There can be no assurance that the Seller will have the financial resources to honour the obligation to indemnify the Issuer in respect of breach of Loan Warranties in respect of the Trinidad Portfolio pursuant to the Mortgage Sale Agreement (Trinidad) given that the Seller's assets and funds that are available to fund such claims are limited to the Arima Trust Property (being amounts received by the Seller in respect of claims under the Trinidad Vendor Mortgage Sale Agreement), as to which see "*Limited remedies available to the Issuer in respect of any breach of representation or warranty made by the Seller under the relevant Mortgage Sale Agreement*" and "*Counterparty Risks – Limited remedies available to the Issuer and limited resources of the Seller*". In addition, liability of the Seller for any breach of representation or warranty in respect of the Trinidad Portfolio are time limited, capped and subject to certain *de minimis* threshold amounts under the terms of the Mortgage Sale Agreement

(Trinidad). The Issuer will have no indemnity claim against the Seller for breach of Loan Warranties in respect of the Farringdon Portfolio.

The obligations of the Seller are not guaranteed by, nor will they be the responsibility of, any person other than the Seller and neither the Issuer nor the Security Trustee will have recourse to any other person in the event that the Seller, for whatever reason, fails to meet its indemnity obligations.

### ***Non-disclosure of broker commissions***

Certain of the Loans were originated through intermediaries, including mortgage brokers and mortgage advisers. In line with market practice, some of the Originators paid commission to such intermediaries in consideration for such activities in the form of a procurator fee. As part of the legal due diligence exercise that was undertaken on behalf of the Originators with respect to the Loans which involved a review of a sample of the loan offer documents, it was confirmed that a number of these sample loan offer documents specified the fact and amount of commission, however two of the offer letters were silent regarding the amount of any commission but did disclose the fact and amount of commission may in fact have been disclosed to the Borrowers even where this was not evident from the loan offer documents, however it was not possible to verify this from the due diligence undertaken.

Where only the existence but not the amount of the commission was disclosed to a Borrower then, depending on the circumstances of the case, that Borrower may have a claim against the relevant Legal Title Holder who has title to the affected Loan. If such claim was successful, it is likely that a court would order payment to such Borrower of the amount of commission paid in respect of the affected Loan together with interest on that amount (although the court does have discretion as to the remedy that it would award the Borrower in the circumstances), whereas the award is likely to be greater where there was a failure to disclose the existence of the commission to a Borrower. If a claim were successful this may adversely affect the Issuer's ability to make payments on the Notes.

### ***Loans are subject to certain legal and regulatory risks***

Certain additional regulatory risks exist in relation to the Loans, including in relation to the legal and regulatory considerations relating to the Loans and their Related Security, changes in law, regulation, the possibility of complaints by Borrowers in relation to terms of the Loans and in relation to the policies and procedures of the relevant Legal Title Holder. If any of these risks materialise they could have an adverse effect on the ability of the Issuer to satisfy its obligations under the Notes. Further detail on certain considerations in relation to the regulation of mortgages in the UK is set out in the section headed "*Certain Regulatory Considerations in respect of the Loans*" below and certain specific risks are set out below:

*Regulated Mortgage Contracts.* A Borrower who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an authorised person of the FCA or PRA rules, and may set off the amount of the claim against the amount owing by the Borrower under the loan or any other loan that the Borrower has taken with that authorised person. Any such set-off in respect of the Loans may adversely affect the ability of the Issuer to satisfy its obligations under the Notes. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Regulated Mortgage Contracts*" below.

*Regulation of buy-to-let Mortgages.* The exercise of supervisory and enforcement powers by the FCA may adversely affect the Issuer's ability to make payment on the Notes when due, particularly if the FCA orders remedial action in respect of past conduct. This may adversely affect the ability of the Issuer to satisfy its obligations under the Notes. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Regulation of residential secured lending (other than Regulated Mortgage Contracts)*" below.

*Guidance Issued by the Regulators.* Guidance issued by the regulators has changed over time and it is possible that it may change in the future. No assurance can be given that any changes in legislation, guidance or case law as it relates to the Portfolio will not have a material adverse effect on the group and its businesses and operations. This may adversely affect the Issuer's ability to make payments in full when due on the Notes. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the Loans. Any such changes (including changes in regulators' responsibilities) may also adversely affect the Issuer's operating results, financial condition and prospects. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Potential effects of any additional regulatory changes*" below.

*Unfair Relationships.* If a court determined that there was an unfair relationship between the relevant Lender and the Borrowers in respect of the Loans, except in relation to Regulated Mortgage Contracts, and ordered that financial redress was made in respect of such Loans, such redress may adversely affect the ultimate amount received by the Issuer in respect of the relevant Loans and/or the ability of the Issuer to make payments on the Notes and the Certificates. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Unfair relationships*" below.

*Distance Marketing.* The Financial Services (Distance Marketing) Regulations 2004 allow, in certain specified circumstances, a borrower to cancel a credit agreement it has entered into with lenders. If a significant proportion of the Loans are treated as being cancellable under these regulations, there could be an adverse effect on the Issuer's receipts in respect of the Loans affecting the Issuer's ability to make payments under the Notes. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Distance Marketing*" below.

*UTCCR and CRA.* The UTCCR and the Consumer Rights Act 2015 (**CRA**) provide that a consumer may, in certain circumstances, challenge a term in an agreement on the basis that it is unfair. The broad and general wording of the UTCCR and CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Loans which have been made to Borrowers covered by the UTCCR or CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans. If any term of the Loans entered into between 1 July 1995 and 30 September 2015 is found to be unfair for the purpose of the UTCCR or entered into from 1 October 2015 is found to be unfair for the purpose of the CRA, this may reduce the amounts available to meet the payments due in respect of the Notes, including by way of non-recovery of a Loan, a claim made by the Borrower or the exercise by the Borrower of a right of set-off arising as a result of a term of a loan being found to be unfair (and therefore not binding on the consumer).

No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the Legal Title Holders, the Issuer and/or the Servicers and their respective businesses and operations. No assurance can be given that any such changes in guidance on the UTCCR or the CRA, or reform of the UTCCR or the CRA, will not affect the Loans and will not have a material adverse effect on the Issuer's ability to make payments on the Notes. Further detail in relation to the UTCCR and the CRA is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Unfair Terms in Consumer Contracts Regulations and the Consumer Rights Act 2015*" below.

*Consumer Protection from Unfair Trading Regulations 2008.* The CPUTR prohibits certain practices which are deemed unfair within the terms of the CPUTR. Breach of the CPUTR may lead to liability for misrepresentation or breach of contract in relation to the underlying credit agreements, which may result in irrecoverable losses on amounts to which such agreements apply and which may adversely affect the ability of the Issuer to satisfy its obligations under the Notes. Further detail in relation to the CPUTR is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Consumer Protection from Unfair Trading Regulations 2008*" below.

*Financial Ombudsman Service.* Under the FSMA, the Financial Ombudsman Service (the **Ombudsman**) is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction. The Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a money award to a borrower. Given the way the Ombudsman makes its decisions, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments on the Notes and the Certificates. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Financial Ombudsman Service*" below.

*Mortgage repossessions.* The protocols for mortgage repossession and the Mortgage Repossessions (Protection of Tenants etc) Act 2010 may have adverse effects in relation to the ability of the Legal Title Holders to repossess properties in markets in England and Wales experiencing above average levels of possession claims. Delays in the initiation of responsive action in respect of the Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments on the Notes and the Certificates. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – FCA response to the cost of living crises*" below.

Investors should note, as at the date of this Prospectus, the Tailored Support Guidance, as described below in the section entitled "*Certain Regulatory Considerations in respect of the Loans – Mortgage Repossession*" in response to the COVID-19 outbreak in the UK states that from 1 April 2021, subject to any relevant government restrictions on repossessions, firms may enforce repossession provided they act in accordance with (as applicable) the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Tailored Support Guidance provides that action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed. The FCA makes clear in the guidance that it expects lenders of owner-occupied mortgage loans to act in a manner consistent with these requirements.

Investors should further note, as at the date of this Prospectus, as described below in the section entitled "Mortgage Charter", the Long Term Servicer is a voluntary signatory to the Mortgage Charter and has agreed that among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment.

*Assured Shorthold Tenancy (AST).* Depending on the level of ground rent payable at any one time it is possible that a long leasehold in England and Wales may also be an Assured Tenancy (**AT**) or Assured Shorthold Tenancy (**AST**) under the Housing Act 1988. There is a risk that in certain circumstances, where a long lease is also an AT/AST due to the level of the ground rent, the long lease will come to an end and the landlord will be able to re-enter the relevant property. This may adversely affect the realisable value of the Portfolio, and/or the ability of the Issuer to make payments in full on the Notes and the Certificates when due. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Assured Shorthold Tenancy*" below.

*Consumer Duty.* The FCA published final rules on the introduction of a new consumer duty on regulated firms (the **Consumer Duty**), which aims to set a higher level of consumer protection in retail financial markets. The Consumer Duty applied from 31 July 2023 for new and existing products or services that are open to sale or renewal and will apply from 31 July 2024 for closed products and services. It is not yet possible to predict the precise effect of the new Consumer Duty to the Loans with any certainty. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans*".

*Breathing Space Regulations.* The Breathing Space Regulations give eligible individuals in England and Wales the ability to apply for a breathing space or mental health crisis moratorium during which creditors may not demand payment of interest or fees that accrue, or enforce a debt owed by the applicant. The Breathing Space Regulations do not apply to mortgages, except arrears which are uncapitalised at the date of the application for a breathing space under the Breathing Space Regulations.

There is a risk that delays in the initiation of enforcement action in respect of the Loans as a result of the Breathing Space Regulations in England and Wales may result in lower recoveries and may adversely affect the ability of the Issuer to make payments due under the Notes.

*The Renting Homes (Wales) Act 2016.* The Renting Homes (Wales) Act 2016 (the "**Renting Homes Act**") converts the majority of existing residential tenancies in Wales into an 'occupation contract' with retrospective effect. The Renting Homes Act may result in lower recoveries in relation to buy-to-let mortgage loans over properties in Wales and may affect the ability of the Issuer to make payments under the Notes.

### **3. Other risks related to changes to the Structure and Documents**

#### ***The Note Trustee and the Security Trustee are not obliged to act in certain circumstances***

Upon the occurrence of an Event of Default, which, in certain circumstances, may or may not be subject to a materiality threshold in the opinion of the Note Trustee, the Note Trustee, in its absolute discretion, may, and if so directed in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class, as applicable or, if so directed by an Extraordinary Resolution of the holders of the Most Senior Class, shall (subject, in each case, to being indemnified and/or pre-funded and/or secured to its satisfaction), serve an Enforcement Notice on the Issuer that all amounts due in respect of all classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest thereon and all other amounts due in respect of the Notes, as applicable, as provided in a trust deed between the Issuer, the Security Trustee and the Note Trustee (the **Trust Deed**).

The Note Trustee may, at any time, at its discretion and without notice, take (and direct the Security Trustee to take) such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Certificates or the Trust Deed (including the Conditions and the Certificate Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) the other Transaction Documents to which it is a party or in respect of which (in the case of the Security Trustee) it holds security. In respect of and at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security. However, neither the Note Trustee nor the Security Trustee shall be bound to take any such proceedings or steps (including, but not limited to, the giving of an Enforcement Notice in accordance with Condition 11 (*Events of Default*) or Certificate Condition 10 (*Events of Default*)) unless it should have been directed to do so by the holders of the Most Senior Class and it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

See further Condition 12 (*Enforcement*) of the Notes and Condition 11 (*Enforcement*) of the Certificates.

In addition, each of the Note Trustee and the Security Trustee benefits from indemnities given to it by the Issuer pursuant to the Transaction Documents which rank in priority to the payments of interest and principal on the Notes and amounts due in respect of the Certificates.

In relation to the covenants to be given by the Retention Holder to the Issuer and the Security Trustee in the Risk Retention Letter in connection with the risk retention requirements under (i) Article 6 of the UK Securitisation Regulation; (ii) the U.S. Credit Risk Retention Requirements; and (iii) Article 6 of the EU Securitisation Regulation, neither the Note Trustee nor the Security Trustee shall be under any obligation to monitor the compliance by the Retention Holder with such undertakings or to investigate any matter which is the subject of such undertaking and shall not be under any obligation to take any action in relation to non-compliance with such undertaking.

***Modifications may be made to the Transaction Documents which may adversely affect the Noteholders***

The Conditions and the Certificate Conditions contain provisions for calling meetings of (or other means of seeking consent from) Noteholders and Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders and Certificateholders (including Noteholders and Certificateholders who do not attend and vote at the relevant meeting (or who did not otherwise give their consent in the prescribed manner) and Noteholders and Certificateholders who voted in a manner contrary to the requisite majority for such a vote).

On the Closing Date, the Retention Holder will acquire 5% of the Class A Notes, 5% of the other Classes of Notes, 100% of the Class X Certificates and 5% of the Class Y Certificates (see "*Significant Investors*" above). In addition, on the Closing Date, Barclays Bank PLC will acquire 95% of the Class A Notes.

For so long as one or more investors collectively hold all (or a significant majority) of the Most Senior Class, such Noteholders (or their transferee(s)) will have the ability to pass or for so long as one or more investors collectively hold 25 per cent or more of the Class A Notes (or such other Class of Notes which constitutes the Most Senior Class), such Class of Noteholders (or their transferee(s)) will have the ability to block any Ordinary Resolutions and Extraordinary Resolutions affecting the interests of the Noteholders of the Most Senior Class (other than Basic Terms Modification, Class Y Certificates Entrenched Right, Class X Certificates Entrenched Right or Retained Interest Entrenched Right). Therefore, no assurance can be given that any holder of (unless it is (or comprises part of) the Most Senior Class of Notes) will at any time have the power to block or pass Ordinary Resolutions or Extraordinary Resolutions affecting the interests of the Noteholders of the Most Senior Class. See further "*Conflict between Noteholders and Certificateholders, and other Secured Creditors*" below.

The Note Trustee shall be obliged, without any consent or sanction of the Noteholders, or, subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified, any of the other Secured Creditors, to concur and to direct the Security Trustee to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification, a Retained Interest Entrenched Right, a Class X Certificates Entrenched Right or a Class Y Certificates Entrenched Right) to the Conditions and/or any other Transaction Document to which it is a party or in relation to which the Security Trustee holds security or enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary, in order to enable the Issuer (or, where applicable, any other transaction parties) to:

- (a) (I) comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date; or (II) comply with any changes in the requirements of the U.S. Credit Risk Retention Requirements, including as a result of any other U.S. risk retention legislation, regulations or official guidance in relation thereto, in each case applying in respect of the Transaction;
- (b) enable the Notes to be (or to remain) listed and admitted to trading on the Regulated Market;
- (c) enable the Issuer or any of the other transaction parties to comply with FATCA;
- (d) comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto;



- (e) for the purpose of changing the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner) (any such rate, which may include an alternative screen rate, an **Alternative Base Rate**) and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer (or the Seller on its behalf) to facilitate such change (a **Base Rate Modification**), subject to the requirements set out in the relevant Condition.

For the avoidance of doubt, the Issuer (or the Seller on its behalf) may propose an Alternative Base Rate on more than one occasion, provided that the conditions referred to in paragraph (e) above are satisfied, (each a **Proposed Amendment**), and subject to:

- (i) receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely absolutely without liability or enquiry) issued by the Issuer signed by two directors of the Issuer (or the Seller on its behalf, signed by two directors of the Seller) certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect and in the case of a Proposed Amendment under paragraph (a), shall include a memorandum addressed to the Note Trustee and the Security Trustee for the benefit of Noteholders by a reputable law firm confirming that the Proposed Amendment seeks to address the non-compliance set out in paragraph (a), and each of the Note Trustee and the Security Trustee shall be entitled to rely on such certificate and memorandum absolutely without enquiry or liability. Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification under Condition 13.6 which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or increases the obligations or duties, or decreases the protections of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or the Conditions and/or the Certificate Conditions; and
- (ii) the Issuer (or the Seller on its behalf) certifying in writing to the Note Trustee and the Security Trustee that:
- (A) the Issuer has provided at least 30 calendar days' notice to the Noteholders and Certificateholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes and Certificates; and
- (B) Noteholders or Certificateholders representing at least ten per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding or the Class Y Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or the Class Y Certificates may be held) within such notification period notifying the Issuer that such Noteholders or Certificateholders do not consent to the modification; and
- (f) which is necessary to facilitate the issue of Further Class A2 Notes pursuant to Condition 19 (*Further Class A2 Notes Issue*);

- (g) enter into any new and/or amended collection account agreement or deed in connection with the transfer of legal title from the Interim Legal Title Holder to the Long Term Legal Title Holder;
- (h) enter into the Farringdon Vendor Mortgage Sale Agreement, the Mortgage Sale Agreement (Farringdon), the Migration Deed and/or the Interim Servicing and Legal Title Holder Deed, in such form approved by the Committee on or after the Closing Date;
- (i) to effect the appointment of a Successor Servicer (including, but not limited to, the Issuer entering into any new and/or amended servicing agreement and/or collection account declaration of trust) provided that the conditions to the appointment of that Successor Servicer set out in the Servicing and Legal Title Holder Deeds are satisfied.

If Noteholders or Certificateholders representing at least ten per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding or the Class Y Certificates then in issue have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes or Certificates may be held within the notification period referred to above that they object to the proposed modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class then outstanding and/or of the Class Y Certificates then in issue, as applicable, is passed in favour of such modification in accordance with the Trust Deed.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes or Certificateholder's holding of the Class Y Certificates.

The Conditions and Certificate Conditions also specify that certain categories of amendments (including changes to majorities required to pass resolutions or quorum requirements) would be classified as Basic Terms Modifications, Class Y Certificates Entrenched Rights, Class X Certificates Entrenched Rights, and/or Retained Interest Entrenched Rights. Investors should note that a Basic Terms Modification is required to be sanctioned by an Extraordinary Resolution of the holders of the affected Class of Notes and/or Certificates (other than the Class X Certificateholders unless the matter is also a Class X Certificates Entrenched Right), then outstanding or in issue (as applicable), unless the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the holders of the affected Class of Notes then outstanding and the holders of the Certificates then in issue.

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class X Certificates Entrenched Rights, Class Y Certificates Entrenched Rights or Retained Interest Entrenched Rights unless the Class X Certificateholders, Class Y Certificateholder and/or Retention Holder, as applicable, has consented to such modification or waiver in writing.

The Class X Certificateholders shall only be entitled to convene meetings of the Class X Certificateholders and/or pass resolutions in respect of the Class X Certificates in relation to matters affecting Class X Certificates Entrenched Rights.

The Conditions and the Certificate Conditions also provide that the Note Trustee may agree (and may direct the Security Trustee to agree), without the consent of the Noteholders, the Certificateholders or the other Secured Creditors (other than any Secured Creditors which are party to the relevant Transaction Document), to (a) any modification of, or the waiver or authorisation of any breach or proposed breach of, the Conditions, the Certificate Conditions or any of the Transaction Documents which is not, in the opinion of the Note Trustee materially prejudicial to the interests of the Noteholders or Certificateholders of any Class or (b) any modification which, in the opinion of the Note Trustee is

of a formal, minor or technical nature or made to correct a manifest error or (c) to any modification of the Notes, the Trust Deed (including the Conditions) or any of the other issuer Transaction Documents which is necessary to facilitate the issue of Further Class A2 Notes pursuant to Condition 18 (*Further Class A2 Notes Issue*).

Therefore, it is possible that a modification could be made without the vote of any Noteholders or even if holders holding not less than ten per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding objected to it. In addition, Noteholders should be aware that, unless they have made arrangements to promptly receive notices sent to Noteholders from any custodians or other intermediaries through which they hold their Notes and give the same their prompt attention, meetings may be convened or resolutions (including Extraordinary Resolutions) may be proposed and considered and passed or rejected or deemed to be passed or rejected without their involvement even if, were they to have been promptly informed, they would have voted in a different way from the Noteholders which passed or rejected the relevant proposal or resolution. See Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*) and Certificate Condition 12 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*).

Investors should also note that, as at the date of this Prospectus, the Farringdon Vendor Mortgage Sale Agreement, the Mortgage Sale Agreement (Farringdon), the Migration Deed and the Interim Servicing and Legal Title Holder Deed are still being negotiated by the relevant parties and the terms of the final Farringdon Vendor Mortgage Sale Agreement, the final Mortgage Sale Agreement (Farringdon), the final Migration Deed and the final Interim Servicing and Legal Title Holder Deed may differ from the terms described in this Prospectus. The Issuer and the Seller shall consult with the Committee in respect of the negotiation of the Farringdon Vendor Mortgage Sale Agreement, the Mortgage Sale Agreement (Farringdon), the Migration Deed and the Interim Servicing and Legal Title Holder Deed and any deviation to the terms of the Farringdon Vendor Mortgage Sale Agreement, the Mortgage Sale Agreement (Farringdon), the Migration Deed and the Interim Servicing and Legal Title Holder Deed from the terms described herein shall require the consent of the Committee and the other parties thereto, but shall not require the consent of any other Noteholders or Certificateholders. There is no guarantee that any changes made to the Transaction Documents, the Conditions and/or the Certificate Conditions pursuant to the obligations imposed on the Note Trustee and the Security Trustee, as described above, would not be prejudicial to the Noteholders or Certificateholders.

### ***Conflict between Classes of Noteholders or Certificateholders***

The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee to have regard to the interests of all Classes of Noteholders and Certificateholders and the Retention Holder as regards all powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise).

If, in the Note Trustee's opinion, however, there is or may be a conflict between the interests of the holders of one or more Classes of Notes or Certificates, on the one hand, and the interests of the holders of one or more Classes of Notes or Certificates, on the other hand, then the Note Trustee or, as the case may be, the Security Trustee (acting on the instructions of the Note Trustee) is required to have regard only to the interests of the holders of the relevant affected Class of Notes or Certificates ranking in priority to other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class X Certificates in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only in respect of the Class X Certificates Entrenched Rights and subject always to the Class Y Certificates Entrenched Rights).

As a result (other than in respect of a Basic Terms Modification, the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) holders of Notes or Certificates other than the Most Senior Class may not have their interests taken into account by the Note Trustee when the Note Trustee exercises discretion.

In addition, prospective investors should note that the Trust Deed provides that (other than in respect of a Basic Terms Modification, the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) no Extraordinary Resolution of the holders of a Class of Notes or Certificates, other than the holders of the Most Senior Class, shall take effect for any purpose while the Most Senior Class remains outstanding unless such Extraordinary Resolution shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

In addition, it is expected that on the Closing Date the Retention Holder will acquire a majority holding in the Class A Notes and a fund or related funds will acquire a majority holding in each other Class of Notes and the Class Y Certificates, giving it a sufficient holding of such Notes to allow it to pass or block Noteholder resolutions in respect of Basic Terms Modifications or resolutions in respect of such Classes of Notes. Therefore, no assurance can be given that any other Noteholder will not have influence to block or pass certain Noteholder resolutions.

***Conflict between Noteholders and Certificateholders, and other Secured Creditors***

So long as any of the Notes or Certificates are outstanding, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors, subject to the provisions of the Trust Deed, the Deed of Charge and Condition 13.4 and Certificate Condition 12.5.

***Class Y Certificates modifications and Class Y Certificates Entrenched Rights***

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which constitutes a Basic Terms Modification or which otherwise affects any Class Y Certificates Entrenched Rights, unless the Class Y Certificateholders have consented to such modification or waiver in writing. There can be no assurance that the Class Y Certificateholders will provide consent to any such modification in a timely manner or at all. Each Class Y Certificateholder may act solely in its own interests and it does not have any duties to any Noteholders or other Certificateholders.

***Retained Interest modifications and Retained Interest Entrenched Rights***

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Retained Interest Entrenched Rights, unless the Retention Holder has consented to such modification or waiver in writing. There can be no assurance that the Retention Holder will provide consent to any such modification in a timely manner or at all. The Retention Holder may act solely in its own interests and it does not have any duties to any Noteholders or Certificateholders.

***Class X Certificates modifications and Class X Certificates Entrenched Rights***

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class X Certificates Entrenched Rights, unless the Class X Certificateholders have consented to such modification or waiver in writing. There can be no assurance that the Class X Certificateholders will provide consent to any such modification in a timely manner or at all. The Class X Certificateholders may act solely in its own interests and it does not have any duties to any Noteholders or Certificateholders.

#### **4. Counterparty Risks**

##### ***Limited remedies available to the Issuer and limited resources of the Seller***

If any of the Loan Warranties (which, for the avoidance of doubt, do not address all of the potential risks that may arise in relation to the Loans) proves to have been untrue on the Closing Date and if such breach is not capable of remedy or, if capable of remedy, is not remedied within the relevant remedy period, the Seller will be required to indemnify the Issuer, subject to certain monetary caps and time limits. See further "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Obligation of Seller to make an indemnity payment*" and "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*".

The Seller is a thinly capitalised, special purpose vehicle incorporated in England with limited assets and funds and as such will, after having satisfied its obligations to pay its secured creditors, have no source of funds other than the Arima Trust Property (described below). Further, investors should note that the obligations of the Seller pursuant to the Mortgage Sale Agreements are limited recourse obligations (limited to the Arima Trust Property) and, therefore, in the event that the Arima Trust Property is not sufficient to satisfy in full any obligations under the Mortgage Sale Agreement (Trinidad) in respect of the Trinidad Portfolio, the Issuer (or the Security Trustee following the service of an Enforcement Notice) will have no further claim against the Seller or its directors, shareholders, officers or successors in respect of any amounts owing to it which remain unpaid, and such unpaid amounts shall be deemed to be discharged in full and any relevant rights to payment shall be extinguished. In addition, it should be noted that the Issuer will have no claim against the Seller for breach of Loan Warranty in respect of the Farringdon Portfolio (such Loan Warranties being given for information purposes only).

The payment obligations of the Seller to the Issuer under the Mortgage Sale Agreements are not guaranteed by, nor will they be the responsibility of, any person other than the Seller, and neither the Issuer nor the Security Trustee will have recourse to any other person in the event that the Seller, for whatever reason, fails to meet such obligations.

The Retention Holder will have no obligation to advance amounts or to provide financial or other support to the Seller and the Retention Holder will not guarantee or act as surety for the payment obligations of the Seller in connection with the Transaction. Therefore, there can be no assurance that the Seller will have the financial resources to make any payment to the Issuer in respect of any Loan and its Related Security.

As the amount of any MSA Relevant Liabilities in relation to a breach of Loan Warranty in respect of the Trinidad Portfolio is based in part upon the amount of, inter alia, actual costs, damages or loss suffered by the Issuer, such MSA Relevant Liabilities may not be known at the time at which the breach of a Loan Warranty is discovered and further additional time (which could be months or years) may be required before such actual loss can be determined. Accordingly, any payment required to be made by the Seller in respect of any breach of a Loan Warranty may be significantly delayed, which may impact the ability of the Issuer to meet its payment obligations under the Notes. In addition, to the extent that the Issuer's loss has not crystallised during the relevant time limit for making a claim, the Issuer will not be able to make a claim against the Seller.

##### ***Issuer reliance on other third parties***

The Issuer is also a party to contracts with a number of other third parties who have agreed to perform services in relation to the Issuer and/or Notes and Certificates. In particular, but without limitation, the Corporate Services Provider has agreed to provide certain corporate services to the Issuer pursuant to the Corporate Services Agreement; the Servicers have agreed to provide certain administration services in respect of the Portfolio pursuant to the relevant Servicing and Legal Title Holder Deed; the Legal

Title Holders have agreed to hold legal title to the Loans in the Portfolio pursuant to the relevant Servicing and Legal Title Holder Deed; the Issuer Account Bank has agreed to provide the Issuer Accounts pursuant to the Bank Account Agreement; the Cash Manager has agreed to provide cash management services pursuant to the Cash Management Agreement; the Paying Agents, the Registrar and the Agent Bank have all agreed to provide services with respect to the Notes and the Certificates pursuant to the Agency Agreement. In the event that any of the above parties were to fail to perform their obligations under the respective agreements to which they are a party and/or are removed or if such parties resign without sufficiently experienced substitutes or any substitutes being appointed in their place promptly thereafter, collections on the Portfolio and/or payments to Noteholders and Certificateholders may be disrupted and Noteholders and/or Certificateholders may be adversely affected.

### *The Servicers*

Mars Capital Finance Limited will be appointed by the Issuer as Servicer to service the Trinidad Portfolio (the **Long Term Servicer** and **Mars Capital**). If the Farringdon Portfolio is acquired by the Issuer, BCMGlobal Mortgage Services Limited will be appointed by the Issuer as Servicer to service the Farringdon Portfolio (the **Interim Servicer**) until the Farringdon Transfer Date.

The Issuer, the Seller, the Long Term Legal Title Holder, the Long Term Servicer, the Interim Servicer, the Interim Legal Title Holder, the Servicer Administrator and the Security Trustee intend to enter into a migration deed (the **Migration Deed**) in relation to the Farringdon Portfolio to facilitate the efficient (i) migration of loan servicing in respect of the Farringdon Loans, and (ii) transfer of legal title in respect of the Farringdon Loans from the Interim Legal Title Holder to the Long Term Legal Title Holder, in each case on and from the Farringdon Transfer Date.

Each of the Servicers will be entitled to subcontract or delegate all or a portion of the servicing services under the relevant Servicing and Legal Title Holder Deed to one or more counterparties, subject to the terms set out in the relevant Servicing and Legal Title Holder Deed. However, the Servicers will each remain liable at all times for servicing the Loans and their Related Security and for the acts or omissions of any subcontractor or delegate.

If default is made by a Servicer of a payment due under a Transaction Document or a Servicer defaults in the performance or observance of any of its covenants and obligations under the relevant Servicing and Legal Title Holder Deed which, other than in respect of a payment default, is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders and/or the Certificateholders and, in each case, such default continues unremedied for a period of 15 Business Days after the earlier of the relevant Servicer becoming aware of such default and receipt by that Servicer of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied, and in certain other situations, including following a Change of Control, a Servicer Termination Event will have occurred and the appointment of the Servicer may be terminated by the Issuer (with the consent of the Committee) or, following delivery of an Enforcement Notice, the Security Trustee. The occurrence of a Servicer Termination Event or other termination of either of the Servicers and the Legal Title Holders may disrupt the collection of payments due on the Loans and ultimately could adversely affect the ability of the Issuer to make payments on the Notes and the Certificates.

Following any removal of a Servicer there is no guarantee that a substitute servicer would be found, which could delay collection of the payments on the Loans and ultimately could adversely affect payments on the Notes.

There can be no assurance that a substitute servicer with sufficient experience of servicing the Loans would be found who would be willing and able to service the Loans on the terms, or substantially similar terms, set out in the Servicing and Legal Title Holder Deeds. Further, it may be that the terms on which

a substitute servicer may be appointed are substantially different from those set out in the Servicing and Legal Title Holder Deeds and the terms may be such that the Noteholders may be adversely affected. In addition, as described below, any substitute servicer will be required, inter alia, to be authorised under the Financial Services and Markets Act 2000 (the FSMA) in order to service Loans that constitute Regulated Mortgage Contracts under the FSMA.

The ability of a substitute servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect payments on the Loans and hence the Issuer's ability to make payments when due on the Notes.

The Servicers have no obligation to advance payments that Borrowers fail to make in a timely fashion.

***Change of counterparties may reduce amounts available to the Issuer to make payments to Noteholders and Certificateholders***

The parties to the Transaction Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents (such as the Issuer Account Bank) are required to satisfy certain criteria in order that they can continue to be counterparties to the Issuer.

These criteria include requirements imposed by the FCA under the FSMA and requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such parties by the Rating Agencies. If a party concerned ceases to satisfy the applicable criteria, including the ratings criteria set out in the relevant Transaction Documents and as described in this Prospectus, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable ratings criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase. In addition, it may not be possible to find an entity with the ratings prescribed in the relevant Transaction Document who would be willing to act in the role. This may reduce amounts available to the Issuer to make payments of interest, principal and other amounts (as applicable) on the Notes and the Certificates.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria (although this will not apply to mandatory provisions of law), in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders and/or Certificateholders may not be required in relation to such amendments and/or waivers.

***Certain material interests and potential for conflicts***

Following the Closing Date, the Retention Holder may seek to obtain funding from one or more third parties (which may include the Lead Manager) to provide financing, directly or indirectly, to the Retention Holder and/or any of its affiliates and related entities. Such financing may, directly or indirectly, involve financing some or all of the Retained Interest (subject always to compliance with applicable law), and such financier may receive security over assets of the Retention Holder and/or its affiliates, including security over the Retained Interest, resulting in such financier having enforcement rights and remedies, which may include the right to appropriate or sell the Retained Interest. In carrying out such sale, the third party would not be required to have regard to any retention requirements, including the Risk Retention Requirements and the Risk Retention Undertaking, and any such sale may therefore from such time cause the transaction described in this Prospectus to cease to be compliant with such requirements.

Investors should note that, in addition to its various roles (as described below) on the Closing Date, Barclays will hold 100% of the Class A Notes, with 5% held in its capacity as Risk Retention Holder.

Where a party to the Transaction Documents and/or any of its affiliates act in numerous capacities (including, but not limited to, Barclays acting in its capacities as investor, Arranger, Lead Manager, Sponsor, Retention Holder, Issuer Account Bank and Servicer Administrator) there may be actual or potential conflicts between (1) the interests of such party and/or any such affiliates in such various capacities and (2) the interests of the Noteholders and such transaction parties and/or any such affiliates. If such conflicts arise, the effect on Noteholders would be unknown and such entities may have no duty to act in the best interests of the Noteholders. Investors should note that the activities and interests of Barclays Bank PLC, its Affiliates and their respective officers, members and employees will not necessarily align with, and may in fact be directly contrary to, the interests of the Noteholders.

### ***Interests of the Arranger and the Lead Manager***

The Arranger and/or the Lead Manager and/or their Affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Seller, the Retention Holder and/or their Affiliates in the ordinary course of business. The Lead Manager may provide financing in relation to Notes acquired by the Seller on the Closing Date. In addition, in the ordinary course of their business activities, the Arranger and/or the Lead Manager and/or the Seller and/or the Retention Holder and/or their Affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments issued by the Issuer, the Seller, the Retention Holder or their Affiliates. The Lead Manager and/or the Arranger and/or their Affiliates that have a commercial relationship with the Retention Holder routinely hedge their credit exposure to the Retention Holder consistent with their customary risk management policies. Typically, such Arranger and/or the Lead Manager and/or the Retention Holder and/or their Affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes or whether a specified barrier or level is reached. The Arranger and/or the Lead Manager and/or their Affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. Such recommendations may adversely affect the market for trading in any securities, including the Notes.

## **5. Macro-Economic and Market Risks**

### ***Absence of secondary market***

There is currently a limited secondary market for the Notes and for securities similar to the Notes, and no assurance is provided that an active and liquid secondary market for the Notes will develop.

None of the Notes has been, or will be, registered under the Securities Act or any other applicable securities laws, and they are subject to certain restrictions on the resale and other transfer thereof as set out under "*Subscription, Sale and Selling Restrictions*" and "*Transfer Restrictions and Investor Representations*". To the extent that a secondary market exists or develops, it may not continue for the life of the Notes or it may not provide Noteholders with liquidity of investment, with the result that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield or a desired return on projected amounts due in respect of the Notes. Furthermore, any issuance of Further Class A2 Notes may impact the liquidity and pricing of the existing Class A2 Notes then outstanding. Any investor in the Notes must be prepared to hold its Notes until the Final Redemption Date.



***Changes or uncertainty in respect of Synthetic LIBOR, SONIA and/or other interest rate benchmarks may affect the value, liquidity or payment of interest under the Loans or the Notes***

Interest rates and indices which are deemed to be "benchmarks" (including Synthetic LIBOR and SONIA) are the subject of recent national and international regulatory guidance and reform, including the UK Benchmarks Regulation. These reforms may cause such benchmarks to perform differently from the way they did in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The UK Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

On 24 June 2021, the FCA published a consultation on its proposed decision to use powers under Article 23D(2) of the UK Benchmarks Regulation to require 1-month, 3-month and 6-month sterling LIBOR rates to be determined on the basis of a "synthetic" methodology (using a forward-looking term version of the relevant risk-free rate, which is SONIA in the case of sterling) after the end of 2021 (such LIBOR rates determined on a "synthetic" basis, collectively, "**Synthetic LIBOR**").

Investors should be aware that on 29 September 2022 and 23 November 2022, the FCA announced its decision to continue to use its powers to require the ICE Benchmark Administration to calculate (i) Synthetic LIBOR 1-month and 6-month sterling rates until 31 March 2023, and (ii) Synthetic LIBOR 3-month sterling until 31 March 2024, in each case at which point such rates will cease to be published.

These reforms and other pressures may cause one or more interest rate benchmarks (including Synthetic LIBOR and SONIA) to disappear entirely or to perform differently from the way they did in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks, or have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes, or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

Interest on the Notes is calculated by reference to SONIA and prospective investors should in particular be aware that:

- (a) any of these reforms or pressures described above or any other changes to a relevant interest rate benchmark (including Synthetic LIBOR and SONIA) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

- (b) while an amendment may be made under Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*) of the Conditions of the Notes to change the base rate on the Class A Notes from SONIA to an alternative base rate under certain circumstances broadly related to SONIA dysfunction or discontinuation and subject to certain conditions being satisfied, there can be no assurance that any such amendment will be made or, if made, that it (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Class A Notes or (ii) will be made prior to any date on which any of the risks described in this risk factor may become relevant; and
- (c) if SONIA is discontinued or is otherwise unavailable, then the rate of interest on the Notes may be determined for a period by any applicable fall-back provisions provided for under Condition 6 (*Interest*) although such provisions may not operate as intended (depending on market circumstances and the availability of rates information at the time) and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when SONIA was available.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Loans and the Notes due to applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the Notes.

The LIBOR-Linked Loans in the Farringdon Portfolio (the **LIBOR-linked Farringdon Loans**) were transitioned to the three-month "synthetic" LIBOR that has been published (among other tenors) on and from 1 January 2022 pursuant to the Critical Benchmarks (References and Administrators' Liability) Act 2021 (**Synthetic LIBOR**) following the discontinuance of LIBOR. It is expected that, in accordance with the Interim Legal Title Holder's policy to prepare for the discontinuance of Synthetic LIBOR, the Interim Legal Title Holder will transition to term SONIA reference rate (3 month tenor) plus a credit adjustment spread of 0.1193% as an appropriate alternative rate immediately after the discontinuation of Synthetic LIBOR.

The transition to such alternative rate, or rates, may have a material adverse effect on the value of and return on the Notes. Moreover, any other significant change to the setting or existence of SONIA could affect the ability of the Issuer to meet its obligations under the Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of SONIA could result in adjustment to the Conditions, early redemption, delisting or other consequences in relation to the Class A Notes. No assurance may be provided that relevant changes will not occur with respect to SONIA or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes. See also "*Risks relating to the Characteristics of the Notes – Eligibility of the Notes for central bank schemes is subject to the applicable collateral framework criteria and could have an impact on the liquidity of the Notes in general*".

***The market continues to develop in relation to SONIA as a reference rate in the capital markets***

Investors should be aware that the market continues to develop in relation to the adoption of SONIA as a reference rate in the capital markets and as an alternative to the London Inter-Bank Offered Rate. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). As a result, the market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Notes that reference a SONIA rate issued under this Prospectus. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the

relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in the Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes.

### ***Effects of the Volcker Rule on the Issuer, the Notes and the holders of the Notes***

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the **Dodd-Frank Act**), which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the Dodd-Frank Act, which added a new Section 13 to the Bank Holding Company Act of 1956, commonly referred to as the "Volcker Rule".

The Volcker Rule generally prohibits "banking entities" (broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in, or sponsoring, a "covered fund" and (iii) entering into certain relationships with such funds, subject to certain exceptions and exclusions.

There is limited interpretive guidance regarding the Volcker Rule and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes and the Certificates. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in the Notes or the Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each prospective investor must determine for itself whether it is a banking entity subject to regulation under the Volcker Rule. None of the Issuer, the Arranger or the Lead Manager or any other person makes any representation to any prospective investor regarding the application of the Volcker Rule to the Issuer or to such prospective investor's investment in the Notes or the Certificates, as of the date hereof or at any time in the future. Any prospective investor in the Notes or the Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

See "*The Volcker Rule*" for information on the Issuer's status under the Volcker Rule. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

## **6. Legal and Regulatory Risks**

### ***Security and insolvency considerations***

The Issuer will enter into the Deed of Charge pursuant to which it will grant the Security in respect of certain of its obligations, including its obligations under the Notes (as to which, see "*Summary of the Key Transaction Documents – Deed of Charge*"). In certain circumstances, including the occurrence of certain insolvency (or certain pre-insolvency) events in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired.

In particular, it should be noted that significant changes to the UK insolvency regime have been enacted under the Corporate Insolvency and Governance Act 2020 which received Royal Assent on 25 June 2020 and came into effect on 26 June 2020. The changes include, among other things: (i) the introduction of a new moratorium regime that certain eligible companies can obtain which will prevent creditors taking certain action against the company for a specified period; (ii) a ban on operation of or exercise of *ipso facto* clauses preventing (subject to exemptions) termination, variation or exercise of other rights under a contract due to a counterparty entering into certain insolvency or restructuring

procedures; and (iii) a new compromise or arrangement under Part 26A of the Companies Act 2006 (the **Restructuring Plan**) that provides for ways of imposing a restructuring on creditors and/or shareholders without their consent (so-called cross-class cram-down procedure), subject to certain conditions being met and with a court adjudicating on the fairness of the restructuring proposal as a whole in determining whether or not to exercise its discretionary power to sanction the Restructuring Plan. While the Issuer is expected to be exempt from the application of the new moratorium regime and the ban on *ipso facto* clauses, there is no guidance on how the new legislation will be interpreted and the Secretary of State may by regulations modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may by regulations provide for exclusion of certain companies providing financial services and the UK government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change.

While the transaction structure (through the use of limited recourse provisions and non-petition clauses) is designed to minimise the likelihood of the Issuer becoming insolvent and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Noteholders and there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws or the laws affecting the creditor's rights generally).

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of Sections 174A, 176ZA and 176A of the Insolvency Act 1986 (as noted further below), certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge may be used to satisfy expenses of the insolvency proceeding, and any claims of unsecured creditors or creditors who otherwise take priority over floating charge recoveries. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Deed of Charge, it will be a matter of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders or the Certificateholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

***Liquidation expenses payable out of floating charge assets in priority to the claims of the floating charge-holder***

On 6 April 2008, a provision in the Insolvency Act 1986 came into force which effectively reversed by statute the House of Lords' decision in the case of *Leyland Daf* in 2004. Accordingly, the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency (England and Wales) Rules 2016.

As a result of the changes described above, upon the enforcement of the floating charge security granted by the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge will be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the Noteholders will not be adversely affected by such a reduction in floating charge realisations.

### ***UK Taxation position of the Issuer***

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as set out in the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended) (the **TSC Regulations**)), and, as such, should be taxed only on the amount of its "retained profit" (as that term is defined in the TSC Regulations) for so long as it satisfies the conditions of the TSC Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the TSC Regulations (or subsequently ceases to satisfy those conditions), then the Issuer may be subject to Tax liabilities not contemplated in the cashflows for the transaction described in this Prospectus. Any such Tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and the Certificates and may result in investors receiving less interest and/or principal than expected.

### ***The Issuer is expected to be treated as a Passive Foreign Investment Company and may be treated as a Controlled Foreign Corporation for U.S. federal income tax purposes***

The Issuer is expected to be a passive foreign investment company for U.S. federal income tax purposes, which means that a United States holder of the Class R Notes and the Class Z Notes (and any other Class of Notes treated as equity for U.S. federal income tax purposes) may be subject to adverse tax consequences unless such holder elects to treat the Issuer as a qualifying electing fund (a **QEF**) and to recognise currently its proportionate share of the Issuer's ordinary income and long-term capital gain whether or not distributed to such holder. In addition, and depending on the overall ownership of interests in the Issuer, a United States holder of more than ten per cent. of the Equity Notes may be treated as a United States shareholder in a controlled foreign corporation (a **CFC**) and required to recognise currently its proportionate share of the "subpart F income" of the Issuer, whether or not distributed to such holder. The Issuer agrees to make available to any United States holder of Equity Notes or of any Class of Notes that is determined by the U.S. Internal Revenue Service to be treated as equity in the Issuer, upon such United States holder's request and at the Issuer's expense, the books and records of the Issuer, and to provide information to such United States holder pertinent to the Issuer's status as a PFIC as defined in Section 1297(a) of the Code. Upon request by such United States holder, the Issuer will timely provide to each such United States holder, at the Issuer's expense, all information reasonably available to the Issuer to permit such United States holder to (i) accurately prepare all tax returns and comply with any reporting requirements as a result of the Issuer's status as a PFIC and (ii) make and maintain any tax election (including, without limitation, a QEF election under Section 1295 of the Code) with respect to the Issuer and comply with any reporting or other requirements incident to such election. In addition, the Issuer, at its expense, shall from time to time at the request of a Noteholder provide all information that is reasonably required to determine if United States shareholders' (as defined in the section entitled "*United States Federal Income Taxation – Investment in a Controlled Foreign Corporation*") direct or indirect ownership of the Issuer would cause the Issuer to be considered a CFC as defined in Section 957(a) of the Code. If the Issuer or a Noteholder determines that the Issuer is a CFC, the Issuer shall furnish to each Noteholder upon its reasonable request, on a timely basis, and at the Issuer's expense, all information necessary to satisfy the U.S. income tax return filing requirements of such Noteholder arising from its investment in the Issuer. A United States holder that makes a QEF election or that is required to recognise currently its proportionate share of the subpart F income of the Issuer will be required to include in the current income its pro rata share of such earnings, income or amounts whether or not the Issuer actually makes any payments to such holder. Potential investors should consult with their tax advisers regarding the applications of the passive foreign investment company rules to an investment in the Notes and the controlled foreign corporation rules and the applicability of such rules to each such potential investor.

### ***U.S. tax characterisation of the Notes***

The Issuer has agreed and, by its acceptance of a U.S. Note (as defined in the section entitled "*United States Federal Income Taxation – Characterisation of the Rule 144A Notes*"), each holder (and any

beneficial owners of any interest therein) will be deemed to have agreed, to treat the U.S. Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law and for certain limited purposes. The determination of whether a Note will be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued.

Prospective investors should be aware that the classification of an instrument as debt or equity is highly factual, and there can be no assurance that the U.S. Internal Revenue Service will not seek to characterise as other than indebtedness any particular Class or Classes of the U.S. Notes. If any of the U.S. Notes were treated as equity for U.S. federal income tax purposes, adverse U.S. federal income tax consequences, including the application of the passive foreign investment company rules to the investment in such Class of the U.S. Notes, might apply.

The Issuer has agreed and, by its acceptance of a Class R Note and the Class Z Note, each holder (and any beneficial owners of any interest therein) will be deemed to have agreed, to treat such Note as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law.

***Withholding Tax may result in Noteholders receiving less as a result of such withholding or deduction***

Where Notes are and continue to be "listed on a recognised stock exchange" (within the meaning of Section 1005 of the Income Tax Act 2007), as at the date of this Prospectus, no withholding or deduction for or on account of United Kingdom income tax will be required on payments of interest on the Notes. However, there can be no assurance that the law in this area will not change during the life of the Notes.

In the event that any withholding or deduction for or on account of any Tax is imposed on payments in respect of the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for such withholding or deduction. However, where any withholding or deduction for or on account of any United Kingdom taxes, duties, assessments or governmental charges is imposed on payments in respect of the Notes by reason of a change in tax law which becomes effective on or after the Closing Date, the Issuer will, in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) of the Notes, be required to mitigate such an imposition through the appointment of a Paying Agent in another jurisdiction or using reasonable endeavours to arrange for the substitution of a company incorporated and/or tax resident in another jurisdiction if such action would avoid the imposition of the withholding or deduction.

The applicability of any withholding or deduction for or on account of United Kingdom tax on payments on the Notes is discussed further under "*United Kingdom Taxation*".

***Risks relating to the Banking Act 2009***

The Banking Act 2009 (the **Banking Act**) includes provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of UK incorporated entities, including authorised deposit-taking institutions and investment firms and powers to recognise and give effect to certain resolution actions in respect of third country institutions. In addition, powers may be used in certain circumstances in respect of UK-established banking group companies, where such companies are in the same group as a relevant UK or third country institution. A relevant transaction party for these purposes includes the Seller, the Sponsor, the Retention Holder, the Cash Manager, the Servicer Administrator, the Issuer Account Bank, Principal Paying Agent, Agent Bank, the Registrar, the Interim Collection Account Bank and the Long Term Collection Account Bank (each a **Relevant Entity**).

The tools available under the Banking Act include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify certain contractual arrangements in certain circumstances) and special insolvency procedures which

may be commenced by the UK authorities. It is possible that the extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a Relevant Entity could be made and, in certain circumstances, the UK authorities may exercise broad pre-resolution powers in respect of the Relevant Entities with a view to removing impediments to the exercise of the stabilisation tools.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial systems of the United Kingdom. The Banking Act includes provisions relating to compensation in respect of transfer instruments and orders made under it. In general, there is considerable uncertainty about the scope of the powers afforded to UK authorities under the Banking Act and how the UK authorities may choose to exercise them.

If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of a Relevant Entity, as described above, such instrument or order may (among other things) affect the ability of such entity to satisfy its obligations under the Transaction Documents and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entity under the Transaction Documents or other modifications to such documents. In particular, modifications may be made pursuant to powers permitting (i) certain trust arrangements to be removed or modified, (ii) contractual arrangements between Relevant Entities and other parties to be removed, modified or created where considered necessary to enable a transferee, in the context of a property or share transfer, to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a Relevant Entity from further performance of its obligations under a contract. In addition, powers may apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred. As a result, the making of an instrument or order in respect of a relevant entity, as described above, may affect the ability of the Issuer to meet its obligations in respect of the Notes.

As noted above, the stabilisation tools may be used in respect of certain banking group companies provided certain conditions are met. If the Issuer was regarded as a banking group company and no exclusion applied, then it would be possible in certain scenarios for the relevant authority to exercise one or more relevant stabilisation tools (including the property transfer powers and/or the bail-in powers) in respect of it, which could result in reduced amounts being available to make payments in respect of the Notes and/or in the modification, cancellation or conversion of any unsecured portion of the liability of the Issuer under the Notes at the relevant time. In this regard, it should be noted that the UK authorities have provided an exclusion for certain securitisation companies, which exclusion is expected to extend to the Issuer, although aspects of the relevant provisions are not entirely clear.

At present, the UK authorities have not made an instrument or order under the Banking Act in respect of the Relevant Entities and there has been no indication that it will make any such instrument or order, but there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such instrument or order if made. While there is provision for compensation in certain circumstances under the Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

***Change of law may adversely affect the compliance of the transaction with applicable law and regulation***

The structure of the transaction and, inter alia, the issue of the Notes are based on the law and administrative practice in effect as at the date of this Prospectus as it affects the parties to the transaction and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including

any change in regulation which may occur without a change in primary legislation) and practice or tax treatment after the date of this Prospectus, nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes and the Certificates. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be amended and there can be no assurance that any such changes will not adversely affect the compliance position of a transaction described in this Prospectus or of any party under any applicable law or regulation.

***Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity in respect of the Notes***

In Europe, the U.S., and elsewhere, there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in multiple measures for increased regulation which are at various stages of implementation and, in particular, Investors in the Notes should note the following regulatory initiatives which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities.

***Prudential regulation reforms under Basel or other frameworks may have an adverse impact on the regulatory capital treatment of the Notes***

Investors should note in particular that the Basel Committee on Banking Supervision (**BCBS**) has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS as Basel III, and referred to, colloquially, as Basel III in respect of reforms finalised prior to 7 December 2017 and Basel IV in respect of reforms finalised on or following that date). The Basel III/IV reforms, which include revisions to the credit risk framework in general and the securitisation framework in particular, will result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The BCBS continues to work on new policy initiatives. In a speech given in March 2021, the European Commissioner for Financial Services, Financial Stability, and Capital Markets Union (CMU), indicated that the European Commission intended to adopt a legislative proposal on the implementation of the final Basel III/IV standards in July 2021. However, in a speech given in April 2021, the President of the European Commission indicated that the proposal might not be adopted before autumn 2021. The implementation date of Basel III/IV has been postponed until January 2023 and is expected to phase until 2028 due to the Covid-19 outbreak. National implementation of the Basel III/IV reforms may vary those reforms and/or their timing. It should also be noted that changes to prudential requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II frameworks in Europe and the UK, both of which are under review and subject to further reforms. Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and should consult their own advisers in this respect.

***Non-compliance with securitisation regimes in the UK and/or the EU, as applicable, may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity of the Notes***

The EU Securitisation Regulation is directly applicable (subject to certain grandfathering) from 1 January 2019 and, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. However, some legislative measures necessary for the full implementation of the EU Securitisation Regulation have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of its wider review, under Article 46 of the EU Securitisation Regulation, the European Commission published a report on 10 October 2022 outlining a number of areas where legislative changes may be introduced in due course.



The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence regimes) and has direct effect in Member States of the EU and, once the EU Securitisation Regulation is incorporated into the EEA Agreement, it will apply more broadly in the EEA, including Iceland, Norway and Liechtenstein.

The UK Securitisation Regulation applies in the UK from 11.00 p.m. (London time) on 31 December 2020 following the end of the transition period relating to the UK's withdrawal from the EU (note that the UK is also no longer part of the EEA). The UK Securitisation Regulation largely mirrors (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020 (meaning that the amendments that took effect in the EU from 9 April 2021 are not part of the UK regime). The currently applicable UK Securitisation Regulation regime will be revoked and replaced in due course with a new recast regime as a result of the ongoing legislative reforms introduced the "Edinburgh Reforms" of UK financial services unveiled on 9 December 2022 and the UK post-Brexit move to "A Smarter Regulatory Framework for financial services", the Financial Services and Markets Act 2020 regime, as amended by the Financial Services Markets Act 2023 (**FSMA**) and related thereto statutory instrument on the Securitisation Regulations 2023 published by HM Treasury as the near final draft in July 2023 (**2023 UK SR SI**), as well as the Prudential Regulation Authority (**PRA**) and the Financial Conduct Authority (**FCA**) consultations published in the summer 2023 (**PRA/FCA Consultations**) on the exercise of their rulemaking powers and the draft amendments to their rulebooks which (together with the FSMA and the 2023 UK SR SI) recast (with various changes that result in further divergence from the EU Securitisation Regulation) currently applicable UK Securitisation Regulation requirements. It is expected that the proposed amendments will be finalised and become applicable in Q2 2024. Note that these reforms will impact on new securitisations closed after the relevant date of application and they also have potential implications for securitisations in-scope of the UK Securitisation Regulation that closed prior to such date, although the exact operation of any transitional or grandfathering provisions is yet to be confirmed. Also note that it is expected that, in Q3/Q4 2024, the UK government, the PRA and the FCA will consult on further changes to the UK Securitisation Regulation framework including, but not limited to, the recast of the transparency and reporting requirements. Therefore, at this stage, the timing and all of the details for the implementation of securitisation-specific reforms are not yet fully known and the outcome of ongoing and any new consultations on such reforms will be unfolding in the course of 2023-2025. Please note that some divergence between EU and UK regimes exists already. While the UK Securitisation Regulation reforms published in the summer of 2023 propose some alignment with the EU regime, these reforms also introduce new points of divergence and the risk of further divergence between EU and UK regimes cannot be ruled out in the longer term as it is not known at this stage how the ongoing reforms or any future reforms will be finalised and implemented in the UK.

Certain UK and European-regulated institutional investors, including credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities (**UCITs**) and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation, as applicable, with certain due diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position.

Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective UK or EU regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as STS, compliance of that transaction with the STS requirements.

Note that under the reforms to the UK Securitisation Regulation mentioned above, the recast of the investor due diligence provisions will result in a more fragmented implementation of such requirements

so that different type of UK institutional investor (depending on how and by which UK regulator they are authorised or supervised) will need to refer to either the provisions on investor due diligence in the 2023 UK SR SI, or such provisions in the PRA Rulebook or the FCA Handbook. While the recast of the requirements (which broadly builds on the existing requirements of Article 5 but with some material divergence from the EU Article 5 requirements, in particular around due diligence on transparency and the delegation of the investment decision to another investor) is fragmented, it is intended to ensure coherence of the overall framework. However, the final position is yet to be confirmed.

If the relevant UK or European-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, as applicable to them under their respective EU or UK regime, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors.

Aspects of the requirements of the UK Securitisation Regulation (including certain aspects of the UK reforms) and the EU Securitisation Regulation and what is or will be required to demonstrate compliance to relevant national regulators remain unclear. Prospective investors should therefore make themselves aware of the requirements (including any changes arising as a result of the reforms) applicable to them in their respective jurisdictions and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the UK Securitisation Regulation or the EU Securitisation Regulation (including any corresponding national measures which may be relevant).

Various parties to the securitisation transaction described in this Prospectus (including the Retention Holder and the Issuer) are also subject to the requirements of the UK Securitisation Regulation. However, some uncertainty remains in relation to the interpretation of some of these requirements and what is or will be required to demonstrate compliance to the relevant UK regulators. Prospective investors are referred to the sections entitled "*Certain Regulatory Disclosures – UK Securitisation Regulation and EU Securitisation Regulation*" for further details and should note that there can be no assurance that undertakings relating to compliance with the EU Securitisation Regulation or the UK Securitisation Regulation, the information in this Prospectus or information to be made available to investors in accordance with such undertakings or otherwise will be adequate for any prospective institutional investors to comply with their due diligence obligations under the UK Securitisation Regulation or the EU Securitisation Regulation.

Prospective investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect.

### ***STS designation impacts on regulatory treatment of the Notes***

The UK Securitisation Regulation (and Regulation (EU) No 575/2013 as it forms part of domestic law by virtue of the EUWA, including any applicable regulations, rules, guidance or other implementing measures of the FCA, the Bank of England or the PRA (or their successor) in relation thereto (**UK CRR**)) includes provisions that implement the revised securitisation framework developed by BCBS (with adjustments) and provides, among other things, for harmonised foundation criteria and procedures applicable to securitisations seeking designation as a UK STS securitisation.

The STS securitisation designation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment from the perspective of the applicable UK regulatory regimes, such as the prudential regulation of UK CRR firms and UK Solvency II firms, and from the perspective of the UK EMIR regime.

The Notes are not intended to be designated as an STS securitisation for the purposes of the UK Securitisation Regulation or the EU Securitisation Regulation. Prospective investors are themselves

responsible for analysing their own regulatory position, and should consult their own advisers in this respect and should consider (and where appropriate, take independent advice on) the consequence from a regulatory perspective of the Notes not being considered an STS securitisation in the UK or the EU, including (but not limited to) that the lack of such designation may negatively affect the regulatory position of, and the capital charges on, the Notes and, in addition, have a negative effect on the price and liquidity of the Notes in the secondary market.

### ***U.S. Risk Retention***

Pursuant to Section 15G of the Exchange Act as added by Section 941 of the Dodd-Frank Act and implemented by the final rules promulgated thereunder (the **U.S. Credit Risk Retention Requirements**), the "sponsor" of a "securitisation transaction" is required to retain not less than 5 per cent. of the "credit risk" of assets collateralising the issuance of "asset-backed securities" and is generally prohibited from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Credit Risk Retention Requirements became effective for residential mortgage-backed securities on 24 December 2015.

Until the later of (A) the later of (i) the fifth anniversary of the Closing Date and (ii) the date on which the Current Balance of all Loans in the Portfolio has been reduced to 25 per cent. of the Current Balance of all Loans in the Portfolio as of the Closing Date, but in any event no longer than the seventh anniversary of the Closing Date and (B) the latest of (i) the date on which the Current Balance of all Loans in the Portfolio has been reduced to 33 percent. of the Current Balance of all Loans in the Portfolio as of the Closing Date, (ii) the date on which the amount of all of the Notes and Certificates has been reduced to 33 per cent. of such amount as of the Closing Date, and (iii) the second anniversary of the Closing Date (the later of (A) and (B) the **Sunset Date**), the U.S. Credit Risk Retention Requirements impose limitations on the ability of the Sponsor to dispose of or hedge the retained EVI. In general, prior to the Sunset Date, the Sponsor may not transfer the retained EVI to any person other than a majority-owned affiliate of the Sponsor.

In addition, prior to the Sunset Date, the Sponsor and its affiliates may not engage in any hedging transactions if payments on the hedge instrument are materially related to the retained EVI and the hedge position would limit the financial exposure of the Sponsor (or a majority-owned affiliate) to the retained EVI. The Sponsor (or an affiliate) may not pledge its interest in a retained EVI as collateral for any financing unless such financing is full recourse to the Sponsor (or an affiliate). Barclays, as "sponsor" (**Sponsor**) for purposes of the U.S. Credit Risk Retention Requirements, may hold the retained interest. The Sponsor (or a majority-owned affiliate) intends to satisfy the requirements of the U.S. Credit Risk Retention Requirements by acquiring and retaining an EVI equal to 5 per cent. of the nominal value of each Class of Notes (including, for the avoidance of doubt, the nominal value of any Further Class A2 Notes if and when issued), and of each Class of Certificates.

If the Sponsor or a majority-owned affiliate fails to retain credit risk in accordance with the U.S. Credit Risk Retention Requirements, or engages in a hedging transaction with respect to the retained interest prior to the Sunset Date, the value and liquidity of the Notes or the Certificates may be adversely affected.

Prospective Investors should make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes or the Certificates, and consult their own advisers as to the U.S. Credit Risk Retention Requirements. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

## **7. Risks relating to the Characteristics of the Notes**

***Eligibility of the Notes for central bank schemes is subject to the applicable collateral framework criteria and could have an impact on the liquidity of the Notes in general***

While central bank schemes (such as the Bank of England's (BoE) Discount Window Facility, the Indexed Long-Term Repo Facility and other schemes under its Sterling Monetary Framework, and the Eurosystem monetary policy framework for the European Central Bank), including emergency liquidity operations introduced by central banks in response to a financial crisis or a wide-spread health crisis (such as the COVID-19 pandemic), provide an important source of liquidity in respect of eligible securities, relevant eligibility criteria for eligible collateral apply (and will apply in the future) under such schemes and liquidity operations. Investors should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute eligible collateral for the purposes of any of the central bank liquidity schemes, including whether and how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA. No assurance is given that any Notes or Certificates will be eligible for any specific central bank liquidity schemes and as at the Closing Date the Notes and the Certificates are not expected to be eligible securities for the purpose of the Eurosystem facilities. If the Notes cannot meet the central bank eligibility, it may impact on the liquidity of the Notes and could have an adverse effect on their value.

***Registered Definitive Notes and denominations in integral multiples***

The Notes have a denomination consisting of a minimum authorised denomination of £100,000 plus higher integral multiples of £1,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if Registered Definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a Registered Definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that its holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If Registered Definitive Notes are issued, Noteholders should be aware that Registered Definitive Notes which have a denomination that is not an amount which is at least the minimum authorised denomination may be particularly illiquid and difficult to trade.

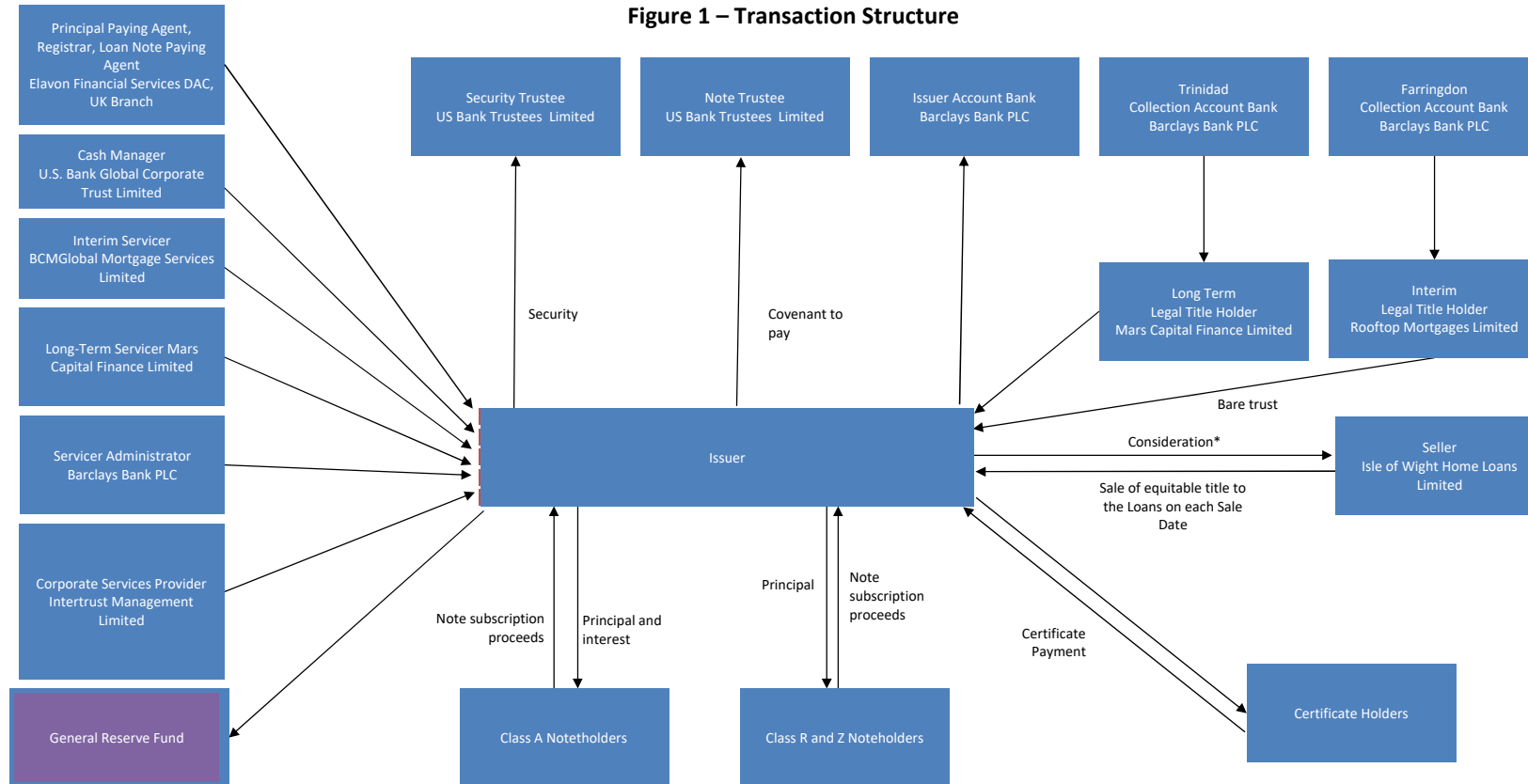
***Considerations relating to Book-Entry Interests***

The Notes and the Certificates are initially issued in global form and deposited with a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. Interests in the Global Notes and the Global Certificates will trade in book-entry form only. The Common Safekeeper for Euroclear and/or Clearstream, Luxembourg is and will be the sole holder of the Global Notes and Global Certificates representing the Notes and the Certificates (as applicable). Accordingly, owners of book-entry interests must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, and non-participants in Euroclear and/or Clearstream, Luxembourg must rely on the procedures of the participant through which they own their interests, to exercise any rights and obligations of a holder of Notes and/or the Certificates.

Unlike the holders of the Notes and the Certificates themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes and the Certificates. The procedures to be implemented through Euroclear and/or Clearstream, Luxembourg may not be adequate to ensure the timely exercise of rights under the Notes and the Certificates.

## STRUCTURE DIAGRAMS

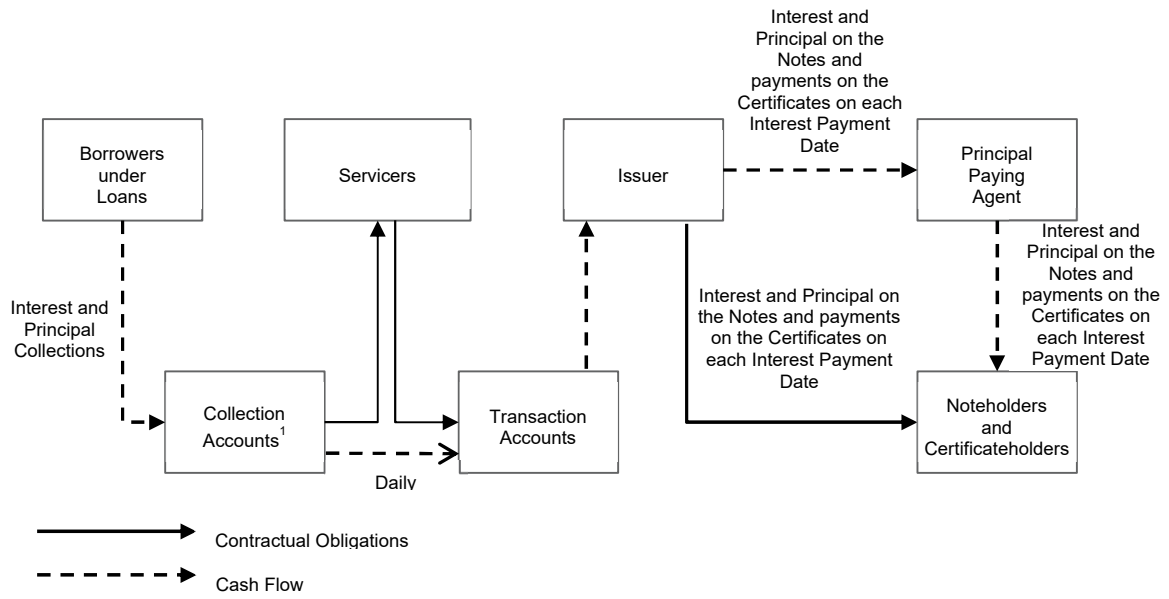
### DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



\* Consideration is payable in respect of the purchase of the Trinidad Portfolio on the Closing Date and the Farringdon Portfolio on the Farringdon Sale Date.

## DIAGRAMMATIC OVERVIEW OF THE TRANSACTION'S ONGOING CASHFLOWS

Figure 2 – Cashflow Structure



<sup>1</sup> Held in the name of the Legal Title

## OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER

Figure 3 – Ownership Structure

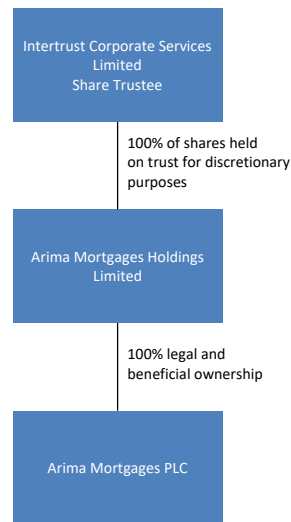


Figure 3 illustrates the ownership structure of the special purpose companies that are parties to the Transaction Documents, as follows:

- The Issuer is a wholly-owned subsidiary of Holdings in respect of its legal and beneficial ownership.
- The entire issued share capital of Holdings is held on trust by the Share Trustee under the terms of a trust, the benefit of which is expressed to be for discretionary purposes.
- None of the Issuer, Holdings or the Share Trustee is either owned, controlled, managed, directed or instructed, whether directly or indirectly, by the Seller or by any member of the group of companies containing the Seller.

## DESCRIPTION OF THE TRANSACTION PARTIES

The information set out below is an overview of the transaction parties (the **Transaction Parties**). This overview does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Prospectus.

**You should read the entire Prospectus carefully, especially the risks of investing in the Notes and the Certificates discussed under "Risk Factors".**

Capitalised terms used, but not defined, in certain sections of this Prospectus, including this overview, may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is set out at the end of this Prospectus.

| <b>Party</b>  | <b>Name</b>   | <b>Address</b>  | <b>Document under which appointed/Further Information</b>  |
|---|---|---|--|
| <b>Issuer</b>   | Arima Mortgages PLC   | 1 Bartholomew Lane, London, EC2N 2AX                            | See the section entitled " <i>The Issuer</i> " for further information.  |
| <b>Holdings</b>   | Arima Mortgages Holdings Limited  | 1 Bartholomew Lane, London, EC2N 2AX                            | See the section entitled " <i>Holdings</i> " for further information.  |
| <b>Seller</b>   | Isle of Wight Home Loans Limited  | 1 Churchill Place, Canary Wharf, London E14 5HP                 | See the section entitled " <i>The Seller</i> " for further information.  |
| <b>Sponsor and Retention Holder for U.S. risk retention purposes, and Retention Holder for UK and EU risk retention purposes and the Servicer Administrator</b> | Barclays Bank PLC   | 1 Churchill Place, Canary Wharf, London E14 5HP                 | Administration Agreement. See the section entitled " <i>The Retention Holder, the Sponsor, and the Servicer Administrator</i> " for further information. |
| <b>Long Term Legal Title Holder</b>   | Mars Capital Finance Limited  | Belvedere, 12 Booth Street, Manchester, United Kingdom, M2 4AW  | The Long Term Servicing and Legal Title Holder Deed. See the section entitled " <i>THE ISSUER ACCOUNT BANK, THE BARCLAYS BANK GROUP AND THE GROUP</i> ". |
| <b>Interim Legal Title Holder</b>   | If the Farringdon Portfolio is acquired by the Issuer, during the Interim Period in respect | 1st Floor, Crown House, Crown Street, Ipswich, England, IP1 3HS | The Interim Servicing and Legal Title Holder Deed. See the section entitled " <i>THE INTERIM SERVICER and INTERIM LEGAL TITLE HOLDER</i> ".              |



| <b>Party</b>               | <b>Name</b>  | <b>Address</b>  | <b>Document under which appointed/Further Information</b>  |
|----------------------------|--|---|--|
|                            | of the Farringdon Portfolio only: Rooftop Mortgages Limited (the <b>Interim Legal Title Holder</b> )   |   |  |
| <b>Long Term Servicer</b>  | Mars Capital Finance Limited   | Belvedere, 12 Booth Street, Manchester, United Kingdom, M2 4AW  | Long Term Servicing and Legal Title Holder Deed. See the section entitled " <i>Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed</i> " for further information.       |
| <b>Interim Servicer</b>    | If the Farringdon Portfolio is acquired by the Issuer, during the Interim Period in respect of the Farringdon Portfolio only: BCMGlobal Mortgage Services Limited (the <b>Interim Servicer</b> ) | 1st Floor, Crown House, Crown Street, Ipswich, England, IP1 3HS | Interim Servicing and Legal Title Holder Deed. See the section entitled " <i>Summary of the Key Transaction Documents – Interim Servicing and Legal Title Holder Deed</i> " for further information. |
| <b>Cash Manager</b>        | U.S. Bank Global Corporate Trust Limited   | Fifth Floor, 125 Old Broad Street, London EC2N 1AR              | Cash Management Agreement. See the sections entitled " <i>Summary of the Key Transaction Documents – Cash Management Agreement</i> " and " <i>The Originators</i> " for further information.         |
| <b>Issuer Account Bank</b> | Barclays Bank PLC  | 1 Churchill Place, Canary Wharf, London, E14 5HP                | Bank Account Agreement. See the sections entitled " <i>Summary of the Key Transaction Documents – The Bank Account Agreement</i> " and " <i>The</i> "  |

| <b>Party</b>                             | <b>Name</b>  | <b>Address</b>  | <b>Document under which appointed/Further Information</b>  |
|--|--|---|--|
|  |  |   | <i>Retention Holder, the Sponsor, and the Servicer Administrator" for further information.</i>   |
| <b>Interim Collection Account Bank</b>   | If the Farringdon Portfolio is acquired by the Issuer, Barclays Bank PLC | 1 Churchill Place, Canary Wharf, London, E14 5HP        | Collection Account Declaration of Trust. See the section entitled " <i>Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds – Operation of Collection Accounts and Collection Account Declarations of Trust</i> " for more information.           |
| <b>Long Term Collection Account Bank</b> | Barclays Bank PLC  | 1 Churchill Place, Canary Wharf, London, E14 5HP        | Long Term Collection Account Declaration of Trust. See the section entitled " <i>Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds – Operation of Collection Accounts and Collection Account Declarations of Trust</i> " for more information. |
| <b>Security Trustee</b>                  | U.S. Trustees Limited  | Bank Fifth Floor, 125 Old Broad Street, London EC2N 1AR | Deed of Charge. See the sections entitled " <i>Terms and Conditions of the Notes</i> " and " <i>The Note Trustee and the Security Trustee</i> " for further information.   |
| <b>Note Trustee</b>                      | U.S. Trustees Limited  | Bank Fifth Floor, 125 Old Broad Street, London EC2N 1AR | Trust Deed. See the sections entitled " <i>Terms and Conditions of the Notes</i> " and " <i>The Note Trustee and the Security Trustee</i> " for further information.   |
| <b>Principal Agent and Bank</b>          | <b>Paying Agent</b> Elavon Financial Services DAC, UK Branch             | Fifth Floor, 125 Old Broad Street, London EC2N 1AR      | Agency Agreement. See the section entitled " <i>Terms and Conditions of the Notes</i> " for further information.   |
| <b>Registrar</b>                         | Elavon Financial   | Fifth Floor, 125 Old Broad Street, London EC2N 1AR      | In respect of the Notes and Certificates, the Agency Agreement. See the section  |

| <b>Party</b>                       | <b>Name</b>                           | <b>Address</b>  | <b>Document under which appointed/Further Information</b>  |
|------------------------------------|---------------------------------------|---|--|
|                                    | Services DAC,<br>UK Branch            |   | entitled " <i>Terms and Conditions of the Notes</i> " for further information.   |
| <b>Corporate Services Provider</b> | Intertrust Management Limited         | 1 Bartholomew Lane,<br>London, EC2N 2AX               | Corporate Services Agreement. See the section entitled " <i>The Corporate Services Provider</i> " for further information.       |
| <b>Share Trustee</b>               | Intertrust Corporate Services Limited | 1 Bartholomew Lane,<br>London, EC2N 2AX               | Share Trust Deed.  |
| <b>Arranger and Lead Manager</b>   | Barclays Bank PLC                     | 1 Churchill Place,<br>Canary Wharf, London<br>E14 5HP | Subscription Agreement. See the section entitled " <i>Subscription, Sale and Selling Restrictions</i> " for further information. |

The Originators and Vendors (other than the Long Term Servicer, the Long Term Legal Title Holder and the Interim Legal Title Holder) are not party to any of the Transaction Documents.

|                          |  |   |     |
|--------------------------|--|---|-----|
| <b>Originators</b>       | Rooftop Mortgages Limited  | 1st Floor, Crown House, Crown Street, Ipswich, England, IP1 3HS | N/A |
|                          | Mars Capital Finance Limited (trading as Magellan Homeloans)   | Belvedere, 12 Booth Street, Manchester, United Kingdom, M2 4AW  |     |
|                          | Magellan Homeloans Limited (in liquidation)  | C/O BDO LLP, 5 Temple Square Temple Street, Liverpool, L2 5RH   |     |
|                          | Heritable Bank PLC (dissolved)   | G1 5 George Square, Glasgow, G2 1DY                             |     |
|                          | Cyprus Popular Bank Public Co Ltd (formerly Marfin Popular Bank Public Co. Ltd and trading as Laiki Bank or Marfin Popular Bank) | 995 High Road, North Finchley, N12 8PW                          |     |
| <b>Vendors</b>           |  |   |     |
| <b>Trinidad Vendor</b>   | Trinidad Mortgage Securities 2018 1 PLC  | 5 Churchill Place, 10th Floor, London, England, E14 5HU         | N/A |
| <b>Farringdon Vendor</b> | Farringdon Mortgages No. 2 Plc   | 1 Bartholomew Lane, London EC2N 2AX United Kingdom              | N/A |

## DESCRIPTION OF THE PORTFOLIO AND SERVICING

### DESCRIPTION OF THE PORTFOLIO

The section below sets out a description of the Loans and their Related Security comprising the Portfolio. On the Closing Date, the Seller will sell its equitable interest in the Loans and their Related Security comprising the Portfolio to the Issuer. Please refer to the sections entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*", "*Characteristics of the Provisional Portfolio*" and "*The Loans*" for further detail in respect of the characteristics of the Portfolio and the sale arrangements in respect of the Portfolio.

**Portfolio:** The Portfolio comprises owner-occupied, buy-to let, commercial and semi commercial Loans which are secured over residential and commercial properties located in England and Wales.

The Loans and their Related Security are governed by English law.

Each Loan and its Related Security comprising the Portfolio was originated by an Originator and not the Seller. As such, the Seller has no direct contractual relationship with any of the Borrowers in respect of any Loan or its Related Security.

**Sale of Portfolio:** The Seller intends to acquire from the Farringdon Vendor the Loans and their Related Security which were originated by the Farringdon Originator (the **Farringdon Portfolio**).

As at the date of this Prospectus, the Seller is negotiating the terms of the Mortgage Sale Agreement (Farringdon) with the Issuer and the Farringdon Vendor Mortgage Sale Agreement with the Farringdon Vendor and the Issuer is negotiating the terms of the Interim Servicing and Legal Title Holder Deed with BCMGlobal Mortgage Services Limited as interim servicer. It is expected that the terms of the Farringdon Vendor Mortgage Sale Agreement and the Interim Servicing and Legal Title Holder Deed will be substantially the same as the descriptions of the Farringdon Vendor Mortgage Sale Agreement and Interim Servicing and Legal Title Holder Deed described in this Prospectus. However, the Seller may, with the consent of the Issuer (acting solely on the instructions of the Committee) agree to terms in the Farringdon Vendor Mortgage Sale Agreement that are different to those described in this Prospectus and the Issuer (acting solely on the instructions of the Committee) may agree to terms in the Interim Servicing and Legal Title Holder Deed that are different to those described in this Prospectus. The Mortgage Sale Agreement (Farringdon) will be approved by the Committee.

On the earlier of (i) the date that the Seller agrees with the Issuer (acting solely on the instructions of the Committee) that it will not proceed with the acquisition of the Farringdon Portfolio as satisfactory terms of sale and/or the servicing of the Farringdon Portfolio have not been agreed with the Farringdon Vendor and/or BCMGlobal Mortgage Services Limited and (ii) 29 December 2023 (if the sale of the Farringdon Portfolio to the Issuer has not completed by close of business on that day), the Issuer will notify the Note Trustee that the acquisition of the

Farringdon Portfolio is not proceeding and the Farringdon Excess Proceeds will be applied, on the immediately following Interest Payment Date, in or towards redemption of the Class A Notes and Class Z Notes in an amount equal to (A) with respect to the Class A Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class A Notes and (ii) the Class A Notes and Class Z Notes, and (B) with respect to the Class Z Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class Z Notes and (ii) the Class A Notes and the Class Z Notes (in each case, as at the Closing Date).

A description of the Farringdon Portfolio has been included in this Prospectus on the assumption that the Issuer will acquire the Farringdon Portfolio, however, if the sale of the Farringdon Portfolio does not proceed, as described above, the Mortgage Portfolio will be comprised solely of the Trinidad Portfolio.

On the Trinidad Sale Date, pursuant to the Trinidad Vendor Mortgage Sale Agreement, the Seller has agreed to acquire from the Trinidad Vendor the Loans and their Related Security which were originated by the Trinidad Originators (the **Trinidad Portfolio**).

If the Seller proceeds with the acquisition of the Farringdon Portfolio then, on the Farringdon Sale Date, pursuant to the Mortgage Sale Agreement (Farringdon), the Seller will sell the Loans and their Related Security comprising the Farringdon Portfolio to the Issuer in exchange for the Farringdon Consideration.

On the Trinidad Sale Date, pursuant to the Mortgage Sale Agreement (Trinidad), the Seller will sell the Loans and their Related Security comprising the Trinidad Portfolio to the Issuer in exchange for the Trinidad Consideration.

The form of the Mortgage Sale Agreement (Farringdon) is still being negotiated by the Seller and the Issuer and is subject to the approval of the Committee.

Each sale of the Loans and their Related Security described above was or will be (as applicable) effected by way of an equitable assignment.

The legal title in the Loans in the Farringdon Portfolio is held by the Interim Legal Title Holder and is due to be transferred to the Long Term Legal Title Holder on 15 January 2024 (or such later date as may be agreed between the Issuer (with the consent of the Committee) and the Legal Title Holders) (the date of legal title transfer being the **Farringdon Transfer Date**).

The legal title in the Loans in the Trinidad Portfolio was transferred to the Long Term Legal Title Holder as follows:

- (a) the legal title of loans originated by Heritable Bank PLC (in administration) was transferred under an asset sale agreement dated 8 May 2013;

- (b) the legal title of loans originated by Cyprus Popular Bank Public Co Ltd (formerly Marfin Popular Bank Public Co Ltd) and trading as Laiki Bank or Marfin Popular Bank under a portfolio sale agreement dated 17 September 2014; and
- (c) the legal title of loans originated by Magellan Homeloans Limited under a sale agreement dated 25 June 2019.

The terms **sale**, **sell** and **sold** when used in this Prospectus in connection with the Loans and their Related Security shall be construed to mean the equitable assignment to each relevant Loan and its Related Security.

**Perfection and Notification:**

The following sets out certain perfection and notification steps in respect of the Loans.

Notice of the sale of the Loans and their Related Security comprising the Portfolio will not be given to the relevant individual or individuals specified as borrowers in respect of a Loan or the individual or individuals (if any) from time to time assuming an obligation to repay (under a guarantee or otherwise) such Loan or any part of it (collectively, the **Borrowers** and each a **Borrower**) and the Issuer will not apply to the Land Registry to register or record its equitable or beneficial interest in the English Mortgages until the occurrence of a Perfection Event with respect to a Legal Title Holder (in which case, notice of the transfer of legal title to the Loans and their Related Security to a replacement Legal Title Holder will be sent to the relevant Borrowers, and legal title to the Loans and their Related Security (subject to appropriate registrations or recording at the Land Registry) will pass to such replacement Legal Title Holder).

Accordingly, the Issuer will hold only the equitable title in those Loans and their Related Security and will therefore be subject to certain risks as set out in the section entitled "*Risk Factors – Risks Relating to the Underlying Assets – The Legal Title Holders to retain legal title to the Loans and risks relating to set-off*".

See section entitled "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds*" for further details.

**Transfer Date for the Farringdon Portfolio:**

The period of time from and including the Farringdon Sale Date to but excluding the Farringdon Transfer Date is referred to as the interim period (the **Interim Period**), during which Interim Legal Title Holder shall hold legal title in the Loans and their Related Security comprising the Farringdon Portfolio.

During the Interim Period, and prior to the occurrence of a Perfection Event with respect to the Interim Legal Title Holder, the legal title to each Loan and its Related Security comprising the Farringdon Portfolio will be held by the Interim Legal Title Holder on bare trust for the Issuer. On the Farringdon Transfer Date, notice of the transfer of legal title to the Loans and their Related Security comprising the Farringdon Portfolio to the Long Term Legal Title Holder (provided that no Perfection Event has occurred in respect of the Long Term Legal Title Holder) will be sent

to the relevant Borrowers, and legal title to the Loans and their Related Security comprising the Farringdon Portfolio (subject to appropriate registration or recording at the Land Registry) will pass to the Long Term Legal Title Holder.

Legal title to each Loan and its Related Security comprising the Farringdon Portfolio will be held on bare trust by the Long Term Legal Title Holder (and, in respect of the Farringdon Portfolio, during the Interim Period only, by the Interim Legal Title Holder (see below)) on behalf of the Issuer.

Unless a Perfection Event has occurred previously with respect to the Interim Legal Title Holder, the Interim Legal Title Holders will perfect the transfer of the legal title to each Loan and its Related Security in the Farringdon Portfolio to the Long Term Legal Title Holder on 15 January 2024 (or such later date as may be agreed between the Issuer and the Legal Title Holders) (such date of transfer being, the **Farringdon Transfer Date**).

See the sections entitled "*The Loans*", "*Characteristics of the Provisional Portfolio*", "*Title to the Portfolio*" and "*The Seller*" for further details.

**Features of the Loans:**

The following is a summary of certain features of the Loans comprising the Provisional Portfolio (which refers, for the avoidance of doubt, to both the Trinidad Portfolio and the Farringdon Portfolio) as at the Portfolio Reference Date and investors should refer to, and carefully consider, further details in respect of the Loans set out in the sections of this Prospectus entitled "*The Loans*" and "*Characteristics of the Provisional Portfolio*".

The Loans comprise loans to Borrowers and are secured by first ranking charges or first standard securities over freehold, heritable and leasehold properties in England and Wales.

Number of sub-accounts in the Provisional Portfolio: 624

|                          |                           |
|--------------------------|---------------------------|
| Current Balance          | £83,707,405.23            |
| Seasoning (months)*      | 168.87 (weighted average) |
| Remaining Term (months)* | 108.71 (weighted average) |

\*As at the Portfolio Reference Date.

Number of sub-accounts in the Trinidad Portfolio: 458

|                          |                           |
|--------------------------|---------------------------|
| Current Balance          | £69,470,690.27            |
| Seasoning (months)*      | 158.66 (weighted average) |
| Remaining Term (months)* | 117.27 (weighted average) |



\*As at the Portfolio Reference Date.

Number of sub-accounts in the Farringdon Portfolio: 140

|                          |                          |
|--------------------------|--------------------------|
| Current Balance          | £14,236,714.96           |
| Seasoning (months)*      | 218.65 (weighed average) |
| Remaining Term (months)* | 66.92 (weighted average) |

\*As at the Portfolio Reference Date.

**Consideration:**

The consideration due to the Seller in respect of the sale of the equitable and beneficial interest in the Loans and their Related Security comprising the Portfolio on the Closing Date comprises: (a) a purchase price (the **Purchase Price**); and (b) deferred consideration consisting of the Class X Certificate Payments and the Class Y Certificate Payments, the right to such payments represented by the issue of the Class X Certificates and the Class Y Certificates, respectively (the **Consideration**). The portion of the Consideration that is allocable to the Farringdon Loans is the **Farringdon Consideration** and the portion of the Consideration that is allocable to the Trinidad Loans is the **Trinidad Consideration**.

**Trinidad Purchase Price** means the Purchase Price for the Trinidad Loans as set out in the Mortgage Sale Agreement (Trinidad).

**Current Balance:**

The **Current Balance** means, in respect of a Loan, on any given date, the aggregate balance of such loan at such date (but without double counting) including:

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

on the basis of the start of day position on such date (which for the avoidance of doubt is inclusive of any interest rate accrual amount relating to the previous month or otherwise that has been applied on such day but is exclusive of any other payments or postings on such date).

For further information please refer to the section entitled "*The Loans*".

**Representations and Warranties:**

The Seller will make certain Loan Warranties to the Issuer regarding the Loans and Related Security in respect of the Trinidad Portfolio on the Closing Date and in respect of the Farringdon Portfolio on the Farringdon Sale Date.

The Issuer currently has no plans to proactively verify that all of the Loan Warranties are true and accurate on the date they were made on an individual Loan level. See the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*" for further details.

**Seller's indemnity obligation in relation to the Loans and Related Security in the Trinidad Portfolio:**

Upon a breach of the Loan Warranties in respect of a Loan and/or its Related Security in the Trinidad Portfolio which is not capable of remedy or, if capable of remedy, which is not remedied within the agreed grace period, the Seller shall (subject to certain limitations as described herein) pay the relevant indemnity amount to the Issuer (as further described below).

The Seller shall be liable under the Mortgage Sale Agreement (Trinidad) for any MSA Relevant Liabilities in respect of the Trinidad Portfolio, provided that the assets of the Seller available to discharge any such liabilities is limited to the Arima Trust Property (being amounts that it receives in respect of warranty claims under the Trinidad Vendor Mortgage Sale Agreement). Please refer to the section entitled "*Business of the Seller*" for further details.

For a summary of the recourse the Issuer has against the Seller in respect of Loan Warranty breaches in respect of the Trinidad Portfolio, including time and monetary limits, please refer to the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*" for further details.

The Seller will provide Loan Warranties to the Issuer in respect of a Loan and/or its Related Security in the Farringdon Portfolio on the Farringdon Sale Date. Such Loan Warranties are provided for information purposes only and, if the Issuer acquires the Loans in the Farringdon Portfolio, the Issuer will not have any claim against the Seller for breach of warranty in the event that a breach of such Loan Warranties is discovered.

**Limit on indemnity amount:**

The amount payable by the Seller pursuant to an indemnity in respect of MSA Relevant Liabilities in relation to the Trinidad Portfolio shall be limited to any amounts that it recovers in respect of warranty claims under the Trinidad Vendor Mortgage Sale Agreement.

**Protective Advances:**

The Long Term Servicer may, in accordance with the terms of the Long Term Servicing and Legal Title Holder Deed, on behalf of the Issuer,

determine that a Protective Advance is required to protect the security of the relevant Loan. Any such Protective Advance will be made by the Long Term Servicer by or on behalf of the Long Term Legal Title Holder (to the extent of Collections available in the Mars Collection Account or the Long Term Servicer Expense Account) and shall be added to the Current Balance of the relevant Loan, in each case in accordance with provisions of the Long Term Servicing and Legal Title Holder, the relevant Mortgage Conditions and Applicable Law.

**Drawing Notice** means the relevant notice prepared and delivered by the Long Term Servicer to the Issuer (copied to the Seller, the Long Term Legal Title Holder and the Cash Manager) in accordance with the terms of the Long Term Servicing and Legal Title Holder Deed and Cash Management Agreement in connection with such Protective Advance.

**Protective Advance** means with regard to any Loan or its Related Security or the Portfolio as a whole, any duly documented payment:

- (i) which was incurred following the Closing Date in respect of the Trinidad Portfolio and following the Farringdon Transfer Date in respect of the Farringdon Portfolio;
- (ii) which was made by or on behalf of the Long Term Legal Title Holder; and
- (iii) which was made for the purpose of preserving the value of (A) such Loan or its Related Security or any collateral security for such Loan or its Related Security, including (without limitation): litigation costs; field agent visit fees; Law of Property Act (**LPA**) receiver appointment fees; payments to freeholders or managing agents of leasehold properties in respect of unpaid ground rents and service charges in order to prevent forfeiture of the relevant lease; insurance, repairs and maintenance costs of repossessed properties and any other third party fees and expenses associated with managing, valuing, disposing or consulting with respect to any Loan or its Related Security, or (B) the Portfolio as a whole.

For so long as Perfection Event has not occurred, the Long Term Legal Title Holder shall (to extent that the Long Term legal Title Holder considers that it will be reimbursed for any amounts so paid by it and, where any individual Protective Advance exceeds £2000 (excluding VAT), the Issuer has approved such payment) make Protective Advances from time to time on behalf of the Issuer, and the Long Term Servicer shall not make any Protective Advances, subject as provided in the Long Term Servicing and Legal Title Holder Deed. The Long-Term Legal Title Holder may apply amounts standing to the credit of the Long-Term Servicer Expense Accounts from time to time towards payment of expenses incurred by the Long-Term Legal Title Holder in making such Protective Advances.

On any date on which a Protective Advance has been agreed to be made to a Borrower by a Servicer (in accordance with the Servicing and Legal Title Holder Deeds and relevant Mortgage Sale Agreement), that Servicer will provide to the Issuer, the Seller and the Cash Manager (i) a

Drawing Notice; (ii) details of the amount of Principal Receipts retained by the Long Term Servicer in the Collection Accounts, as the case may be, to advance such Protective Advance; (iii) the shortfall (if any); and (iv) the relevant monthly Servicer Report detailing the Protective Advances advanced to the Borrowers during the immediately preceding Collection Period. Based on the information contained in the Servicer Report, the Cash Manager shall, to the extent available, fund any shortfall by debiting the available Principal Receipts standing to the credit of the Transaction Account, and transfer such amount to the Long Term Servicer provided that there are sufficient Principal Receipts standing to the credit of the Transaction Account to meet such payment, withdraw amounts from the Transaction Account and debit the Principal Ledger by such amount.

**Legal Title Holders:**

The Long Term Legal Title Holder (in respect of the Trinidad Portfolio, and, if the Farringdon Portfolio is acquired by the Issuer, following the Farringdon Transfer Date, the Farringdon Portfolio) and the Interim Legal Title Holder (if the Farringdon Portfolio is acquired by the Issuer, in respect of the Farringdon Portfolio prior to the Farringdon Transfer Date) (together, the **Legal Title Holders** and each a Legal Title Holder) will agree to hold the legal title and any other right, title, interest and benefit held by it with respect to the relevant Loans in the Mortgage Portfolio, from time to time, on bare trust for and on behalf of the Issuer absolutely and undertake not to breach any legal or regulatory requirements in relation to the Portfolio in accordance with the relevant Servicing and Legal Title Holder Deed.

The terms of the Servicing and Legal Title Holder Deeds are summarised in "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds*". The terms of the Interim Servicing and Legal Title Holder Deed have not been finalised as at the date of this Prospectus and are subject to change, with the approval of the Committee.

**Perfection Events in respect of the Loans:**

The Issuer (prior to the delivery of an Enforcement Notice) with the consent of the Committee and (after delivery of an Enforcement Notice) with the consent of the Security Trustee may by notice in writing (a **Perfection Notice**) to the relevant Legal Title Holder (with a copy to the Seller and the Security Trustee) require the relevant Legal Title Holder to perfect the assignment to the Issuer (or to its nominee) of the legal title to the Loans and their Related Security as soon as reasonably practicable, following the occurrence of any of the following events (each a **Perfection Event**):

- (a) an Enforcement Notice has been served by the Note Trustee following the occurrence of an Event of Default which is continuing;
- (b) the Legal Title Holder is required to perfect the Issuer's legal title to the Loans by an order of a court of competent jurisdiction, or by a change in law occurring after the Closing Date, or by a regulatory authority which has jurisdiction over the Legal Title Holder or by any organisation of which the Legal Title Holder is a member;

- (c) it becomes necessary by law or regulation to do any or all of the acts referred to in paragraph (b) above;
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security is, in the opinion of the Security Trustee, in danger of being seized or sold under any form of distress, diligence, attachment, execution or other legal process or otherwise in jeopardy;
- (e) the occurrence of any Servicer Termination Event in circumstances where all applicable grace periods have expired or the relevant Servicer ceases to be a servicer of the Portfolio;
- (f) the occurrence of an Insolvency Event in relation to the relevant Legal Title Holder; or
- (g) default is made by the relevant Legal Title Holder in the performance or observance of any of its covenants and obligations under the relevant Servicing and Legal Title Holder Deed or any other Transaction Document to which it is a party, which is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders of any Class and/or the Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of the relevant Legal Title Holder becoming aware of such default and receipt by the relevant Legal Title Holder of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied; or
- (h) a Change of Control occurs with respect to the Long-Term Legal Title Holder without the prior written consent of the Issuer and the Committee.

See the section entitled "*Description of the Triggers Tables – Non-Rating Triggers Table – Perfection Events*".

**Servicing of the Farringdon Portfolio during the Interim Period:**

If the Farringdon Portfolio is acquired by the Issuer then, on or before the Farringdon Sale Date, the Issuer will enter into a servicing and legal title holder deed with the Interim Servicer and the Interim Legal Title Holder (the **Interim Servicing and Legal Title Holder Deed**) in respect of the Farringdon Portfolio. During the Interim Period, the Interim Servicer will service the Farringdon Portfolio and the Interim Legal Title Holder will hold the legal title to the Loans in the Farringdon Portfolio in accordance with the terms of the Interim Servicing and Legal Title Holder Deed.

The terms of the Interim Servicing and Legal Title Holder Deed and the Migration Deed are currently being negotiated by the Issuer and the Interim Legal Title Holder. Please see "*Servicing of the Portfolio prior to and following the Transfer Date*" below and "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed*" for a description of the indicative terms of the Interim Servicing and Legal

Title Holder Deed as at the date of this Prospectus. The terms of the final Interim Servicing and Legal Title Holder Deed may however differ from the terms described herein, subject to the consent of the Committee.

**Servicing of the Portfolio following the end of the Interim Period:**

On or about the Closing Date, the Issuer will enter into a servicing and legal title holder deed with the Long Term Servicer and the Long Term Legal Title Holder (the **Long Term Servicing and Legal Title Holder Deed**).

From the Trinidad Sale Date, the Long Term Servicer will service the Trinidad Portfolio and the Long Term Legal Title Holder will hold the legal title to the Loans in the Trinidad Portfolio in accordance with the terms of the Long Term Servicing and Legal Title Holder Deed.

If the Farringdon Portfolio is acquired by the Issuer, then from the Farringdon Transfer Date, the Long Term Servicer will service the Farringdon Portfolio and the Long Term Legal Title Holder will hold the legal title to the Loans in the Farringdon Portfolio in accordance with the terms of the Long Term Servicing and Legal Title Holder Deed.

The appointment of a Servicer may be terminated by the Issuer with the consent of the Committee and, following the service of an Enforcement Notice, the Security Trustee, upon the occurrence of a Servicer Termination Event and provided that a Successor Servicer has been appointed. The Issuer (in consultation with the relevant Committee) shall use reasonable endeavours to identify and select a Successor Servicer which satisfies the conditions set out in the relevant Servicing and Legal Title Holder Deed within 30 calendar days of the occurrence of the applicable Servicer Termination Event and provide details of its selection (the **Proposed Successor**) to the Issuer, the Seller, the relevant Committee and the Security Trustee. Promptly upon being notified of the identity of the Proposed Successor the Issuer shall appoint the Proposed Successor as Successor Servicer on substantially the same terms as the relevant Servicing and Legal Title Holder Deed, provided, however, that any such appointment shall be subject to the prior written consent of the relevant Committee and the Security Trustee (such consent to be given by the Security Trustee on receipt by the Security Trustee of a certificate signed by two authorised signatories of the Issuer (upon which the Security Trustee shall rely absolutely without liability or enquiry) that the Proposed Successor satisfies the conditions set out in the relevant Servicing and Legal Title Holder Deeds).

In addition, the Issuer (following consultation with the relevant Committee) may terminate a Servicer and a Legal Title Holder without cause on six months' written notice, subject to, *inter alia*, a replacement servicer and legal title holder having been appointed.

Each Servicer may delegate performance of the Services in accordance with the terms of the relevant Servicing and Legal Title Holder Deed but remains fully liable for the performance of its obligations in accordance with the terms of the relevant Servicing and Legal Title Holder Deed.

The liability of each Servicer and each Legal Title Holder for Breach of Duty shall be determined by the terms of the relevant Servicing and

Legal Title Holder Deed, which are summarised in "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds*". In addition, Noteholders should note the section "*Risk Factors – Counterparty Risks – The Servicer*" above.

**Interim Collection Accounts:**

If the Farringdon Portfolio is acquired by the Issuer then, during the Interim Period, collections from the Farringdon Portfolio will be credited to the Interim Collection Account and Interim Legal Title Holder and the Issuer, amongst others, will enter into a declaration of trust (the **Farringdon Collection Account Declaration of Trust**) over each Farringdon Collection Account held in the name of the Interim Legal Title Holder in favour of the Issuer and the Seller. The Issuer's share of the trust will be an amount equal to the collections received in each Interim Collection Account in respect of the Loans beneficially owned by it.

**Long Term Collection Account:**

The Long Term Legal Title Holder and the Issuer, amongst others, will enter into a declaration of trust in respect of the Portfolio over each of the Collection Accounts as held in the name of the Long Term Legal Title Holder in favour of the Issuer (the **Long Term Collection Account Declaration of Trust** and, together with the Interim Collection Accounts, the **Collection Account Declarations of Trust**). The Issuer's share of such trust will be an amount equal to the collections received in each Collection Account in respect of the Loans beneficially owned by it.

**Collection Accounts:**

Amounts credited to the Collection Accounts from (and including) the Closing Date will be identified on a daily basis and each Servicer shall procure that the Long Term Collection Account Bank and the Interim Collection Account Bank (each a **Collection Account Bank**) (as applicable) shall transfer or procure the transfer of the Issuer's share of such amounts from the Collection Accounts into the Transaction Account on the next Business Day after such amounts are identified as received in the Collection Accounts (subject to the deduction of any amount required by the Servicer to pay costs and expenses due at such time (the **Servicer Expenses Amount**)).

**Collection Accounts** means the Long Term Collection Accounts and the Interim Collection Accounts.

**Long Term Collection Accounts** means the collection accounts in the name of the Long Term Legal Title Holder held with the Long Term Collection Account Bank into which all payments due by Borrowers under the Loans in the Trinidad Portfolio (and, following the Farringdon Transfer Date, the Farringdon Portfolio) beneficially owned by the Issuer are made.

**Interim Collection Accounts** means during the Interim Period, the collection accounts in the name of the Interim Legal Title Holder held with the Interim Collection Account Bank into which all payments due by Borrowers under the Loans in the Farringdon Portfolio beneficially owned by the Issuer are made.

**Servicer  
Administrator:**

Pursuant to the Administration Agreement, Barclays (in its capacity as Servicer Administrator) may, in its sole discretion, elect to carry out certain ongoing administration roles in relation to the securitisation, including (without limitation) electing:

- (a) to review the Investor Reports, the UK SR Investor Report, the EU SR Investor Report and to flag manifest errors or issues to the Cash Manager;
- (b) to review the Servicer Reports, the UK SR Data Tapes and the EU SR Data Tapes and to flag manifest errors to the Servicer; and
- (c) to attend meetings of the Committee.

See "*Summary of the Key Transaction Documents – Administration Agreement*".

**Committee:**

A committee will be established in respect of each of the Long Term Servicer (the **Long Term Servicer Committee**) and the Interim Servicer (the **Interim Servicer Committee**), in each case, to be composed of the representatives of the Servicer Administrator (if it so elects) and the Majority Class Y Certificateholder who elects to be a member of such committee (each a **Committee Member** (together the **Committees** and, each a **Committee**).

The relevant Servicer, the relevant Legal Title Holder and the Issuer (as applicable) shall consult with the Committee Members on certain matters under the relevant Servicing and Legal Title Holder Deeds, as more fully set out in the section "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds*".

The relevant Servicer and the relevant Legal Title Holder shall consider in good faith any recommendations or representations made by the Committee Members with respect to such consultation matters. The relevant Servicer and the relevant Legal Title Holder, except in relation to the Consent Matters, shall not be obliged to follow or agree to any suggestions, recommendations or directions of the relevant Committee or any other authorised representative which arise as part of a consultation process or otherwise and the final determination of all such matters shall be made by the relevant Servicer acting in accordance with the Servicing Standard and the relevant Legal Title Holder acting as a Reasonable Prudent Mortgage Lender, as applicable.

In addition, each Committee shall have consent rights in relation to the following matters:

- (i) replacement or termination of the relevant Servicer and/or the relevant Legal Title Holder;
- (ii) any modification to the Procedures;
- (iii) making any material modifications proposed to the Services;



- (iv) delegating or subcontracting a material part of the Services (including the relevant Servicer's power and obligations) or the relevant Legal Title Holder's power and obligations to a third party under the relevant Servicing and Legal Title Holder Deed;
- (v) any modification to the relevant Legal Title Holder's Policies (other than where such modifications are required in order to comply with any Applicable Laws);
- (vi) certain matters in respect of the manner in which the relevant Servicer and/or the relevant Legal Title Holders conduct any claim from a Borrower or third party which, if successful, is reasonably likely to result in a significant liability of the Issuer under the relevant Servicing and Legal Title Holder Deed or to have a significant adverse effect on the value of the Portfolio;
- (vii) any modifications to the rights of the relevant Committee under the relevant Servicing and Legal Title Holder Deed;
- (viii) the form of the Mortgage Sale Agreement (Farringdon) and the Farringdon Vendor Mortgage Sale Agreement and terms of sale of the Farringdon Portfolio by the Farringdon Vendor to the Seller and by the Seller to the Issuer;
- (ix) determining whether any amounts payable by the Seller to the Issuer under any of the Mortgage Sale Agreements are attributable as principal receipts or revenue receipts;
- (x) the transfer of legal title to each Loan and its Related Security from the Interim Legal Title Holder to the Long Term Legal Title Holder and any documents to be entered into in relation to the transfer of legal title (including any amendments required to the Long Term Servicing and Legal Title Holder Deed, the welcome and goodbye letters and any new or amended collection account declaration of trust);
- (xi) any amendment to the Farringdon Vendor Mortgage Sale Agreement, the Interim Servicing and Legal Title Holder Deed, Migration Deed and any amendments to when the Farringdon Sale Date will occur (including the decision not to proceed with the acquisition of the Farringdon Portfolio where satisfactory terms of sale and/or the servicing of the Farringdon Portfolio have not been agreed with the Farringdon Vendor and/or BCMGlobal Mortgage Services Limited);
- (xii) any extension of the timeline of the Farringdon Transfer Date;
- (xiii) any Further Advance, Porting or Product Switch which is not required to be made under applicable Loan Conditions and/or Applicable Law;

- (xiv) crediting amounts into the Transaction Account exceeding the relevant Servicer Expense Required Amount, or increasing the relevant Servicer Expense Required Amount; and
- (xv) any other matter which is expressed to require the consent of the Committee under the terms of the Transaction Documents.

and the relevant Servicer shall not be permitted to undertake such activities without the consent of the relevant Committee.

The **Servicer Expense Required Amount** means each of the:

- (i) **Long Term Servicer Expense Required Amount** means an amount equal to £25,000; and
- (ii) **Interim Servicer Expense Required Amount** means an amount equal to £10,000.

Meetings of each Committee may be convened at the request of any of the relevant Committee Members or, where a matter requires the consent of that Committee, the relevant Servicer.

Each of the Committee Members may act solely in their own interests and have no implied duties or obligations of any kind to other Noteholders.

See "Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed".

**Purchase of Portfolio  
by Portfolio Option  
Holder:**

The Portfolio Option Holder may exercise the Portfolio Purchase Option (subject to the Class Y Right to Match) to effect an early redemption of the Notes in full:

- (a) where the Issuer has given notice to the Portfolio Option Holder of its intention to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Note Trustee within 20 Business Days of receipt of such notice;
- (b) on the First Optional Redemption Date or any Interest Payment Date following the First Optional Redemption Date;
- (c) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date; and
- (d) on the Interest Payment Date following the date on which the Retention Holder or the Seller (or any of their delegates) give notice of its intention to exercise the Risk Retention Regulatory Change Option.

The Portfolio Purchase Option and the Class Y Right to Match may be exercised by notice to the Issuer (countersigned by each RTM Party) with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Seller and the relevant Legal Title Holder(s) with such purchase to take effect on or before the Optional Redemption Date (the **Portfolio Sale Completion Date**). The Notes shall be redeemed on the Interest Payment Date falling on or immediately after the Portfolio Sale Completion Date.

The Issuer has covenanted in the Portfolio Option Deed Poll in favour of the Portfolio Option Holder that prior to the service of an Enforcement Notice it shall not agree to any sale of the Portfolio that is not already provided for under the Transaction Documents without the prior written consent of the Portfolio Option Holder and the Class Y Certificateholders.

The **Portfolio Option Holder** is the holder of 95 per cent. of the Class Y Certificates (or any entity or entities representing 95 per cent. of the Class Y Certificates) (excluding any Class Y Certificates held directly or indirectly by or on behalf of the Retention Holder).

Each Class Y Certificateholder shall have the right (but not the obligation) to purchase a random selection (such random selection being carried out by an audit firm or other suitably qualified independent third party, which may include the Servicer (for these purposes, **Randomly Selected**) portion of the Portfolio in a share pro rata to the proportion that their holding of the Class Y Certificates bears to the deemed principal amount (being £10,000,000 in aggregate for all Class Y Certificates in issue) of Class Y Certificates interests ((or such other proportion as the Portfolio Option Holder and the RTM Parties who have elected to exercise the Class Y Right to Match may agree)) (such proportion being the **Class Y RTM Proportion**) for an amount equal to the amount that their Class Y RTM Proportion bears to the Portfolio Purchase Option Purchase Price for the entire Portfolio (the **Class Y Right to Match** and any person exercising the Class Y Right to Match being an **RTM Party**).

See the section entitled "*Early Redemption of the Notes Pursuant to the Portfolio Purchase Option, Regulatory Change Event or Optional Redemption for Tax and Other Reasons – Portfolio Purchase Option*" for further details.

**Consideration for purchase by Portfolio Option Holder:**

The purchase price payable by the Portfolio Option Holder in respect of the Portfolio Purchase Option shall be the Portfolio Purchase Option Purchase Price.

To the extent that the Portfolio Option Holder holds any of the Notes (and any Class Y Certificateholder (where it is exercising the Class Y Right to Match)) and/or Certificates, it may set off from the Portfolio Purchase Option Purchase Price an amount equal to the amounts due to it as Noteholder and/or Certificateholder on the Interest Payment Date on which the Notes are to be redeemed and the Certificates are to be cancelled.

The Portfolio Purchase Option Current Value Purchase Price shall be determined by the Portfolio Option Holder calculating such price and giving notice of it to the Retention Holder. If the Portfolio Option Holder and the Retention Holder cannot agree on a Portfolio Purchase Option Current Value Purchase Price they may together appoint an independent third party valuer who shall, following consultation with such parties, propose an alternative Portfolio Purchase Option Current Value Purchase Price, which shall be binding on the parties.

See the section entitled "*Early Redemption of the Notes Pursuant to the Portfolio Purchase Option, Regulatory Change Event or Optional Redemption for Tax and Other Reasons*" for further details.

**Mandatory redemption of the Notes in full following exercise of the Portfolio Purchase Option:**

The Issuer shall redeem the Notes on any Optional Redemption Date following the exercise of the Portfolio Purchase Option (as described above and fully set out in Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*)).

See the section entitled "*Early Redemption of the Notes Pursuant to the Portfolio Purchase Option, Regulatory Change Event or Optional Redemption for Tax and Other Reasons*" for further details.

**Optional redemption of the Notes for Tax and other Reasons:**

The Issuer may, subject to certain conditions, redeem the Notes in full following: (i) a change in tax law after the Closing Date which would require a deduction or withholding from any payment on any Notes or Certificates (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Notes or Certificates) of any Tax; or (ii) a change in law after the Closing Date whereby it becomes unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes or Certificates (as more fully set out in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*)).

The Seller may, pursuant to the terms of each Mortgage Sale Agreement, purchase the Issuer's interest in the Loans and their Related Security in respect of any optional redemption of the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option and the Class Y Right to Match. The consideration payable by the Seller shall be an amount equal to the Portfolio Purchase Option Purchase Price. The Portfolio Purchase Option Purchase Price may be set off against any amounts owing to the purchaser in respect of the Notes and Certificates held by the purchaser as at the Interest Payment Date on which the Notes are to be redeemed.

**Risk Retention Regulatory Change:**

The Seller and/or the Retention Holder (or their delegate) shall have the right (but not any obligation) to acquire or re-acquire, as applicable, the entire beneficial interest of the Issuer in the Portfolio upon the occurrence of a Risk Retention Regulatory Change Event in accordance with the terms of Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option and the Class Y Right to Match.

The price payable by or on behalf of the Seller and/or the Retention Holder to the Issuer to acquire the beneficial interest of the entire Portfolio from the Issuer shall be an amount equal to the Portfolio Purchase Option Purchase Price.

An exercise of a purchase right in respect of the entire Portfolio following a Risk Retention Regulatory Change Event is referred to as the **Risk Retention Regulatory Change Option**.

Following exercise of the Risk Retention Regulatory Change Option, the Issuer will give not more than 40 nor less than five Business Days' notice to the Noteholders and the Certificateholders in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*), the Principal Paying Agent and the Note Trustee stating that the Notes and Certificates will be redeemed on the Interest Payment Date immediately following the exercise of such option by the Seller or Retention Holder.

To the extent that the Seller and/or the Retention Holder (or the relevant purchaser) (as applicable) holds any of the Notes or Certificates, it may set off from the Portfolio Purchase Option Purchase Price an amount equal to the amounts due to it as Noteholder or Certificateholder on the Interest Payment Date on which the Notes are to be redeemed.

**Further Class A2 Notes** Upon receipt of a direction from the Portfolio Option Holder, the Issuer will, with the written consent of the Class A1 Noteholder but without the consent of any other Noteholders or Certificateholders, raise further funds by the creation and issue of further notes (the **Further Class A2 Notes**) which will carry the same terms and conditions in all respects (save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue) as the Class A2 Notes then outstanding and will form a single Class with them. The Class A1 Notes will be repaid (in whole or in part) from the Par Proceeds of the issuance of Further Class A2 Notes on the Interest Payment Date on which the Further Class A2 Notes are issued. On the Interest Payment Date, that the Further Class A2 Notes are issued, the Priority of Payments shall be run, and then, following the application of the Priority of Payments, the Par Proceeds will be applied in or towards the repayment of the Class A1 Notes. A new Prospectus will be issued in respect of any Further Class A2 Notes. There can be no assurance that any Further Class A2 Notes will be issued at any time.

## DESCRIPTION OF THE TERMS AND CONDITIONS OF THE NOTES AND THE CERTIFICATES

*Please refer to the sections entitled "Summary of the Key Transaction Documents – "Terms and Conditions of the Notes" and "Terms and Conditions of the Certificates" for further detail in respect of the terms of the Notes and the Certificates respectively.*

### FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

|  | Class A1 Notes  | Class A2 Notes  | Class Z Notes   | Class R Notes  | Class X1 Certificate   | Class X2 Certificate   | Class Y Certificates        |
|--|---|---|---|--|--|--|-----------------------------|
| <b>Credit enhancement features:</b>  | Over collateralisation funded by the Notes, Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the General Reserve Fund, amounts standing to the credit of the General Reserve Fund. | Over collateralisation funded by the Notes, Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the General Reserve Fund, amounts standing to the credit of the General Reserve Fund. | Over collateralisation funded by the Notes (other than the Class A Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the General Reserve Fund, prior to the service of an Enforcement Notice and following redemption of the Class A Notes all amounts standing, to the credit of the General Reserve Fund applied as Available Principal Receipts and, following service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund. | Over collateralisation funded by the Notes (other than the Class A Notes and the Class Z Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the General Reserve Fund, prior to the service of an Enforcement Notice and following redemption of the Class A Notes all amounts standing to the credit of the General Reserve Fund applied as Available Principal Receipts and, following service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund. | N/A  | N/A  | N/A                         |
| <b>Liquidity support features:</b>   | Subordination in payment of the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall and amounts standing to the credit of the General Reserve Fund                                   | Subordination in payment of the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall and amounts standing to the credit of the General Reserve Fund                                   | N/A   | N/A  | Subordination in payment of the Class Y Certificates, and amounts standing to the credit of the General Reserve Fund | Subordination in payment of the Class Y Certificates, and amounts standing to the credit of the General Reserve Fund | N/A                         |
| <b>Issue Price:</b>  | 100 per cent.   | 100 per cent.   | 91.57586 per cent.  | 40.61840 per cent.   | N/A  | N/A  | N/A                         |
| <b>Reference Rate:</b>   | Compounded Daily SONIA  | Compounded Daily SONIA  | N/A (Zero Coupon)   | N/A (Zero Coupon)  | N/A  | N/A  | N/A                         |
| <b>Coupon:</b>   | Reference Rate + Initial Margin / Step-Up Margin (as applicable)  | Reference Rate + Initial Margin / Step-Up Margin (as applicable)  | N/A   | N/A  | N/A  | N/A  | N/A                         |
| <b>Initial Margin (payable to but excluding the First Optional Redemption Date) (per annum):</b> | 1.5 per cent.   | 1.5 per cent.   | N/A   | N/A  | Class X1 Certificate Payment   | Class X2 Certificate Payment   | Class Y Certificate Payment |
| <b>Step-Up Margin (payable on and from the First Optional</b>                                    | 2.5 per cent.   | 2.5 per cent.   | N/A   | N/A  | Class X1 Certificate Payment   | Class X2 Certificate Payment   | Class Y Certificate Payment |

|  | Class A1 Notes  | Class A2 Notes  | Class Z Notes   | Class R Notes   | Class X1 Certificate  | Class X2 Certificate  | Class Y Certificates  |
|--|---|---|---|---|---|---|---|
| <b>Redemption Date) (per annum):</b>     |   |   |   |   |   |   |   |
| <b>Interest Accrual Method:</b>          | Actual/365  | Actual/365  | N/A   | N/A   | N/A   | N/A   | N/A   |
| <b>Interest Payment Dates:</b>           | 28th of October, January, April and July                          | 28th of October, January, April and July                          | N/A   | N/A   | N/A   | N/A   | N/A   |
| <b>First Interest Payment Date:</b>      | The Interest Payment Date falling in January 2024                 | The Interest Payment Date falling in January 2024                 | N/A   | N/A   | N/A   | N/A   | N/A   |
| <b>Final Redemption Date:</b>            | The Interest Payment Date falling in July 2056                    | The Interest Payment Date falling in July 2056                    | The Interest Payment Date falling in July 2056                    | The Interest Payment Date falling in July 2056                    | N/A   | N/A   | N/A   |
| <b>First Optional Redemption Date:</b>   | The Interest Payment Date falling in October 2025                 | The Interest Payment Date falling in October 2025                 | The Interest Payment Date falling October 2025                    | The Interest Payment Date falling in October 2025                 | N/A   | N/A   | N/A   |
| <b>Application for Exchange Listing:</b> | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | Euronext Dublin   | N/A   | N/A   | N/A   |
| <b>ISIN (Reg S/ R144A):</b>              | XS2698468365 / XS2698472631                                       | XS2698469686 / XS2698479644                                       | XS2698470189 / XS2698479727                                       | XS2698470692 / XS2698480063                                       | XS2698481467 / XS2698484487   | XS2698482192 / XS2698484727   | XS2698484057 / XS2698485021   |
| <b>Common Code (Reg S/ R144A):</b>       | 269846836 / 269847263   | 269846968 / 269847964   | 269847018 / 269847972   | 269847069 / 269848006   | 269848146 / 269848448   | 269848219 / 269848472   | 269848405 / 269848502   |
| <b>CFI (Reg S/ R144A):</b>               | DBVXFR / DBVXFR   | DBVXFR / DBVXFR   | DBVXFR / DBVXFR   | DBVXFR / DBVXFR   | DMMXXR / DMMXXR   | DMMXXR / DMMXXR   | DMMXXR / DMMXXR   |
| <b>FISN (Reg S/ R144A):</b>              | ARIMA MORTGAGES/VAR BD 20530728 / ARIMA MORTGAGES/VAR BD 20530728 | ARIMA MORTGAGES/VAR BD 20530728 / ARIMA MORTGAGES/VAR BD 20530728 | ARIMA MORTGAGES/VAR BD 20530728 / ARIMA MORTGAGES/VAR BD 20530728 | ARIMA MORTGAGES/VAR BD 20530728 / ARIMA MORTGAGES/VAR BD 20530728 | ARIMA MORTGAGES/OTH DBT 20530728 / ARIMA MORTGAGES/OTH DBT 20530728 | ARIMA MORTGAGES/OTH DBT 20530728 / ARIMA MORTGAGES/OTH DBT 20530728 | ARIMA MORTGAGES/OTH DBT 20530728 / ARIMA MORTGAGES/OTH DBT 20530728 |
| <b>Minimum Denomination:</b>             | £100,000 and integral multiples of £1,000 in excess thereof       | £100,000 and integral multiples of £1,000 in excess thereof       | £100,000 and integral multiples of £1,000 in excess thereof       | £100,000 and integral multiples of £1,000 in excess thereof       | N/A   | N/A   | N/A   |
| <b>Governing law:</b>                    | English   | English   | English   | English   | English   | English   | English   |

## DESCRIPTION OF THE CHARACTERISTICS OF THE NOTES AND CERTIFICATES

**Ranking and Form of the Notes:** On the Closing Date, the Issuer will issue the following Classes of Notes under the Trust Deed:

- Class A1 Mortgage Backed Floating Rate Notes due July 2056 (the **Class A1 Notes**);
- Class A2 Mortgage Backed Floating Rate Notes due July 2056 (the **Class A2 Notes**, and together with the Class A1 Notes, the **Class A Notes**);
- Class Z Mortgage Backed Zero Rate Notes due July 2056 (the **Class Z Notes**); and
- Class R Mortgage Backed Zero Rate Notes due July 2056 (the **Class R Notes**);

and the Class A Notes, the Class Z Notes and the Class R Notes are the **Notes** and the holders thereof, the **Noteholders**.

The Notes will be issued in global registered form. Each Class of Notes will be offered and sold pursuant to Regulation S and/or Rule 144A and will be cleared through Euroclear and/or Clearstream, Luxembourg, as set out in "*Description of the Global Notes*".

**Certificates:** On the Closing Date, the Issuer will also issue the Class X Certificates and the Class Y Certificates as certificates constituted under the Trust Deed (the **Certificates** and the holders thereof, the **Certificateholders**) representing the right to receive, in respect of the Class X1 Certificates, the Class X1 Certificate Payment, the Class X2 Certificates, the Class X2 Certificate Payment, and in respect of the Class Y Certificates, the Class Y Certificate Payment.

The Certificates will be issued in registered form. The Certificates are not being offered by this Prospectus and will not be listed or rated. The Certificates will be cleared through Euroclear and/or Clearstream, Luxembourg, as set out in "*Description of the Global Certificates*" below.

The Certificates do not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, any reference to the Principal Amount Outstanding of the Class X Certificates and the Class Y Certificates shall be deemed to be £10,000,000 in respect of each Class of Certificate. Where there is more than one holder of the relevant Class of Certificates, any reference to the Principal Amount Outstanding such Class of Certificates held by that person shall be a reference to their pro rata proportion of such amount.

**Sequential Order:** The Class A Notes will rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times. However, for the avoidance of doubt, the Par



Proceeds from the issuance of Further Class A2 Notes will be used to repay the Class A1 Notes only.

The Class A Notes and the Class X Certificates rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest (in respect of the Class A Notes), the Class X1 Certificate Payments (in respect of the Class X1 Certificates), and the Class X2 Certificate Payments (in respect of the Class X2 Certificates).

The Class Z Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of principal at all times, but subordinate to payments of principal in respect of the Class A Notes as provided in the Conditions and the Transaction Documents.

The Class R Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of principal at all times, but subordinate to payments of principal in respect of the Class A Notes and the Class Z Notes as provided in the Conditions and the Transaction Documents.

The Class Y Certificates rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of the Class Y Certificate Payment amount at all times, but subordinate to the Notes and the Class X Certificates as provided in the Conditions and the Transaction Documents.

Payments of principal in relation to all Classes of Notes will be subordinate to payments of Principal Addition Amounts.

Certain amounts due by the Issuer to its other Secured Creditors (and, prior to the service of an Enforcement Notices only, certain unsecured creditors) will rank in priority to all Classes of the Notes and Certificates.

**Security:**

Pursuant to a deed of charge made between, among others, the Issuer and the Security Trustee (the **Deed of Charge**), the Notes and the Certificates will all share the same Security. Amounts owing to the other Secured Creditors from the Issuer under the Transaction Documents will also be secured by the Security.

Pursuant to the Deed of Charge on the Closing Date, the Notes and Certificates will be secured by, among other things, the following security (the **Security**):

- (a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in and to the Transaction Documents (other than the Trust Deed and the Deed of Charge and any sums derived therefrom);
- (b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's interest in the Loans and their Related Security and other related rights comprised in the Portfolio and any sums derived therefrom;

- (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit to and under the Insurance Contracts;
- (d) a charge by way of first fixed charge over the Issuer's interest in its bank and/or securities accounts (including the Transaction Account) maintained with the Issuer Account Bank and any other bank or custodian and any sums or securities standing to the credit thereof;
- (e) an assignment by way of first fixed security (and, to the extent not assigned, a charge by way of first fixed charge) (but subject to the right of reassignment) of the benefit of the Issuer's rights, title, interest and benefit under the relevant Collection Account Trust Property (created pursuant to the relevant Collection Account Declaration of Trust);
- (f) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the Issuer's rights, title, interest and benefit, present or future, in, or under, or in respect of each Accession Undertaking to the Seller Declaration of Trust;
- (g) a charge by way of first fixed charge over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer or the Cash Manager on its behalf;
- (h) a floating charge over all assets of the Issuer not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security; and
- (i) an assignment by way of security of (and to the extent not assigned, charges by way of first fixed charge) (but subject to the right of reassignment) the Issuer's rights, title, interest and benefit, present and future, under or in respect of each and every trust constituted by the Mortgage Sale Agreements, the Administration Agreement and the Servicing and Legal Title Holder Deeds.

See “*Summary of the Key Transaction Documents – Deed of Charge*” below.

**Interest Provisions:** Please refer to the “*Full Capital Structure of the Notes and Certificates*” table above and as fully set out in Condition 6 (*Interest*).

**Deferral:** Interest due and payable on the Class A Notes may not be deferred.

Payments in respect of the Class X Certificates may be deferred in accordance with Certificate Condition 18 (*Subordination by Deferral*).

Payments in respect of the Class Y Certificates are not deferrable as in circumstances where the Issuer has insufficient proceeds available to

meet its obligations ranking senior to any Class Y Certificate, the amount due under the Class Y Certificates shall be zero.

**Gross-up:**

None of the Issuer or any Paying Agent or any other person will be obliged to pay any additional amounts to the Noteholders or the Certificateholders if there is any withholding or deduction required by applicable law for or on account of Taxes from a payment made under the Notes or the Certificates (as applicable).

**Redemption of the Notes and Cancellation of Certificates:**

The Notes and Certificates are subject to the following redemption and cancellation events:

- (a) mandatory redemption of the Class A1 Notes (in whole or in part) on the Business Day that the Further Class A2 Notes are issued. The Class A1 Notes shall be redeemed using the Par Proceeds of the Further Class A2 Notes;
- (b) mandatory redemption in respect of the Notes in whole, and cancellation of the Certificates, on the Interest Payment Date falling in July 2056 (the **Final Redemption Date**), as fully set out in Condition 8.1 (*Redemption at Maturity*);
- (c) prior to the service of an Enforcement Notice, mandatory redemption in part on each Interest Payment Date subject to availability of Available Principal Receipts (to the extent not applied to cover any Revenue Shortfall) as fully set out in Condition 8.2 (*Mandatory Redemption*);
- (d) optional redemption exercisable by the Issuer in whole for tax or other reasons (including if it becomes unlawful for the Issuer to allow to remain outstanding any of the Notes or Certificates on any Interest Payment Date following the date on which there is a change in tax law or other law, as fully set out in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*);
- (e) mandatory redemption of the Notes in whole, and cancellation of the Certificates, following the exercise by the Portfolio Option Holder of the Portfolio Purchase Option as fully set out in Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*); and
- (f) mandatory redemption in respect of the Notes in whole, and cancellation of the Certificates following the exercise by the Retention Holder or the Seller of the Risk Retention Regulatory Change Option as fully set out in Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*).

Any Notes redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to its Principal Amount Outstanding together with accrued (and unpaid) interest on its Principal Amount Outstanding up to (but excluding) the date of redemption.

Upon all of the Notes being redeemed in full and the determination by the Security Trustee that no amounts are available to be paid in respect of the Security, the Notes will be cancelled.

Upon all of the Notes being redeemed in full or cancelled and the determination by the Security Trustee that no amounts are available to be paid in respect of the Security, the Certificates will be cancelled.

**Expected Average Lives of the Notes:**

The actual average lives of the Notes cannot be stated, as the actual rate of repayment of the Loans and redemption of the Loans and a number of other relevant factors are unknown. However, calculations of the possible average lives of the Notes can be made based on certain assumptions as described under the section entitled “*Estimated Weighted Average Lives of the Notes*” below.

**Event of Default:**

As fully set out in Condition 11 (*Events of Default*), which includes, among other events (where relevant, subject to the applicable grace period):

- non-payment of interest and/or principal due in respect of the Most Senior Class where such non-payment continues for a period of fourteen Business Days in the case of interest and seven Business Days in the case of principal;
- default on the Final Redemption Date (or such other date on which the Notes are due to be redeemed in full) in the payment of interest or principal on any Class of Notes or in the payment of any amounts due in respect of the Certificates;
- breach of any contractual obligations by the Issuer under the Transaction Documents which, in the opinion of the Note Trustee, is materially prejudicial to the interests of the holders of the Most Senior Class if such breach is incapable of remedy or, if it is capable of remedy, has not been remedied within the applicable grace period;
- any material representation made by the Issuer is incorrect when given if the matters giving rise to such misrepresentation are in the opinion of the Note Trustee materially prejudicial to the interests of the holders of the Most Senior Class, and the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy or, if capable of remedy, such matters are not remedied within the applicable grace period; and
- the occurrence of certain insolvency-related events in relation to the Issuer.

Following the occurrence of an Event of Default, the Note Trustee may (or if so directed by an Extraordinary Resolution of the Most Senior Class then outstanding or in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class then outstanding, shall) serve an Enforcement Notice on the Issuer that

all Classes of Notes are immediately due and payable, provided that, in each case, the Note Trustee is indemnified and/or pre-funded and/or secured to its satisfaction. Following service of an Enforcement Notice to the Issuer, the Security Trustee may enforce the Security.

**Limited Recourse and Non-Petition:**

The Notes and the Certificates are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 12.4 (*Limited Recourse*) and Certificate Condition 11.4 (*Limited Recourse*). In accordance with Condition 12.3 (*Limitations on Enforcement*), no Noteholder or Certificateholder may proceed directly against the Issuer unless the Note Trustee or the Security Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

**Governing Law:**

English law.

## DESCRIPTION OF THE RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

*Please refer to the sections entitled “Summary of the Key Transaction Documents – “Terms and Conditions of the Notes”, “Terms and Conditions of the Certificates” and “Risk Factors” for further detail in respect of the rights of Noteholders and Certificateholders, conditions for exercising such rights, and relationship with other Secured Creditors.*

### **Prior to an Event of Default:**

Prior to the occurrence of an Event of Default, Noteholders or Certificateholders holding not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding are entitled to convene a Noteholders’ meeting.

However, so long as no Event of Default has occurred and is continuing, the Noteholders and/or Certificateholders are not entitled to instruct or direct the Issuer to take any actions, either directly or through the Note Trustee, without the consent of the Issuer and, if applicable, certain other transaction parties, unless the Issuer has an obligation to take such actions under the relevant Transaction Documents.

Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding in relation to the Class Y Certificates (other than in respect of a Basic Terms Modification in respect of the Class Y Certificateholders or any resolutions in respect of a Class Y Certificates Entrenched Right) if passed in accordance with the Conditions. Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution (or Ordinary Resolution) may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which is a Basic Terms Modification in respect of the Class Y Certificateholders or which otherwise affects a Class Y Certificates Entrenched Right unless the Class Y Certificateholders have consented to such modification or waiver (in writing).

Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding in relation to the Retained Interest (other than any resolutions in respect of a Retained Interest Entrenched Right) if passed in accordance with the Conditions. Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution (or Ordinary Resolution) may authorise or sanction any modification or waiver of which constitutes a Retained Interest Entrenched Right unless the Retention Holder has consented to such modification or waiver (in writing).

Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding in relation to the Class X Certificates (other than any resolutions in respect of a Class X Certificates Entrenched Right) if passed in accordance with the Conditions. Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction

Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class X Certificates Entrenched Rights, unless the Class X Certificateholders have consented to such modification or waiver (in writing).

The Class X Certificateholders shall only be entitled to convene meetings of the Class X Certificateholders and/or pass resolutions in respect of the Class X Certificates in relation to matters affecting Class X Certificates Entrenched Rights.

The Retention Holder will not be entitled to convene, count in the quorum or pass resolutions in respect of Notes or Certificates comprising the Retained Interest save that, in respect of any matter that affects a Retained Interest Entrenched Right, the prior written consent of the Retention Holder will be required.

**Following an Event of Default:**

Following the occurrence of an Event of Default which is continuing, Noteholders may, if they hold not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class then outstanding, or if an Extraordinary Resolution of the holders of the Most Senior Class then outstanding is passed, direct the Note Trustee to serve an Enforcement Notice on the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest. The Note Trustee shall not be bound to take any such action unless first indemnified and/or pre-funded and/or secured to its satisfaction.

**Noteholders' and/or Certificateholders' Meeting provisions:**

|                | <i>Initial meeting</i>   | <i>Adjourned meeting</i>  |
|----------------|--|---|
| Notice period: | At least 21 clear days   | Not less than 13 clear days or more than 42 clear days  |
| Quorum:        | Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable, for transaction of business including the passing of an Ordinary Resolution. The quorum for passing | Subject to more detailed provisions of the Trust Deed,<br><br>(a) for an Ordinary Resolution, one or more persons present and holding or representing not less than 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes |

an Extraordinary Resolution (other than a Basic Terms Modification) shall be one or more persons present and representing in the aggregate not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable. The quorum for passing a Basic Terms Modification shall be one or more persons eligible to attend and vote at such meeting holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class of Notes and/or Certificates then outstanding or in issue, as applicable.

- (b) for an Extraordinary Resolution, one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes and/or Certificates of the relevant Class then outstanding or in issue, as applicable; and
- (c) for a Basic Terms Modification, one or more persons present and holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class of Notes and/or Certificates then outstanding or in issue, as applicable.



Required majority for Ordinary Resolution: A clear majority of persons eligible to attend and vote at such meeting and voting upon a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the Notes and/or Certificates held by such eligible person) (an **Ordinary Resolution**).

Required majority for Extraordinary Resolution: Majority consisting of not less than 75 per cent. of persons eligible to attend and vote at such meeting and voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the Notes and/or Certificates held by such eligible person) (an **Extraordinary Resolution**).

Required majority for a written resolution: Not less than a clear majority (in respect of an Ordinary Resolution) or 75 per cent. (in respect of an Extraordinary Resolution) in aggregate of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable. A written resolution has the same effect as an Extraordinary Resolution.

For the purposes of calculating a period of “**clear days**” in relation to a meeting, no account shall be taken of the day on which the notice of such meeting or request is given or the day on which such meeting is held (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held).

In addition, Noteholders and/or Certificateholders holding not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates are entitled to convene a Noteholders’ and/or Certificateholders’ meeting, as applicable

**Matters requiring Extraordinary Resolution:**

The following matters require an Extraordinary Resolution of the Noteholders or Certificateholders, as applicable, as set out in the Trust Deed:

- to sanction or to approve a Basic Terms Modification;
- to sanction any compromise or arrangement proposed to be made between, among others, the Issuer or any other party to any Transaction Document;
- to sanction any abrogation, modification, compromise or arrangement in respect of the rights of, among others, the Note Trustee or any other party to any Transaction Document against any other or others of them or against any of their property

whether such rights arise under the Trust Deed, any other Transaction Document or otherwise;

- to approve the substitution of any person for the Issuer as principal debtor under the Notes other than in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) or Condition 13.16 (*Issuer Substitution Condition*);
- to assent to any modification of the Trust Deed or any other Transaction Document which is proposed by the Issuer or any other party to any Transaction Document or any Noteholder or Certificateholder, other than those modifications which are sanctioned by the Note Trustee without the consent or sanction of the Noteholders or the Certificateholders in accordance with the terms of the Trust Deed;
- to direct the Note Trustee to serve an Enforcement Notice;
- to remove the Note Trustee and/or the Security Trustee;
- to approve the appointment of a new Note Trustee and/or Security Trustee;
- to authorise the Note Trustee, the Security Trustee and/or any Appointee to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- to discharge or exonerate the Note Trustee, Security Trustee and/or any Appointee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- to appoint any persons as a committee to represent the interests of the Noteholders or the Certificateholders and to confer upon such committee any powers which the Noteholders or the Certificateholders could themselves exercise by Extraordinary Resolution;
- to sanction any scheme or proposal for the exchange, sale, conversion or cancellation of the Notes or the Certificates for or partly or wholly in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company or partly or wholly in consideration of cash;
- the amendment of any rating agency trigger levels provided for in any of the Transaction Documents; and
- to give any other authorisation or sanction which under the Trust Deed or any other Transaction Document is required to be given by Extraordinary Resolution.

The terms of the Farringdon Vendor Mortgage Sale Agreement, the Mortgage Sale Agreement (Farringdon), the Interim Servicing and Legal

Title Holder Deed and the Migration Deed will be subject to the approval by the Committee, but do not require approval by any other Noteholders or Certificateholders.

For the avoidance of doubt, a proposal to sanction a reduction in the principal amounts due on any Class of Notes or any Class X Certificate Payments or Class Y Certificate Payment shall require the sanction of the holders of the relevant Class of Notes or the Certificates to be so reduced, and shall not require the consent of other Classes of Notes or Certificates.

See Condition 12 (*Enforcement*) for more detail.

**Class Y Certificates  
Entrenched Rights:**

Notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which constitutes a Basic Terms Modification in respect of the Class Y Certificates or:

- (a) changes the Class Y Certificateholders' rights under the Servicing and Legal Title Holder Deeds;
- (b) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll;
- (c) changes the definition of "Class Y Certificates Entrenched Rights"; or
- (d) is adverse to the holders of the Class Y Certificates (the **Class Y Certificateholders**) (and whether or not the interests of that Class Y Certificateholder align with the interests of the holders of the relevant Class or Classes of Notes and/or the Certificates),

paragraphs (a) to (d) above being the **Class Y Certificates Entrenched Rights**, unless the same is authorised or sanctioned by the Class Y Certificateholders consenting to such modification or waiver in writing.

**Retained Interest  
Entrenched Rights:**

Notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which is in the opinion of the Retention Holder adverse to the Retention Holder, where a corresponding modification or waiver is not made in respect of other Classes of Notes on an equivalent basis (the **Retained Interest Entrenched Rights**), unless the Retention Holder has consented to such modification or waiver in writing.

**Class X Certificates  
Entrenched Rights:**

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class X Certificates

Entrenched Rights, unless the Class X Certificateholders have consented to such modification or waiver in writing.

**Class X Certificates Entrenched Rights** means any modification or waiver which changes: (i) the date of payment of amounts due in respect of the Class X Certificates; (ii) the method of calculating the amounts payable in respect of the Class X Certificates; (iii) the priority of payments of amounts in respect of the Class X Certificates; or (iv) the definition of “Class X Certificates Entrenched Rights”.

**Principal Amount Outstanding of the Certificates:**

The Certificates will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions set out in the Conditions, the Certificate Conditions and the Trust Deed, any reference to the Principal Amount Outstanding of the Class X1 Certificates, Class X2 Certificates and the Class Y Certificates shall each be deemed to be a reference to at all times to £10,000,000 (and where there is more than one holder of Class X Certificates or Class Y Certificates, as applicable, any reference to the Principal Amount Outstanding of the Class X Certificates or Class Y Certificates held by that person shall be a reference to their pro rata proportion of such amount).

**Relationship between Classes of Noteholders, Certificateholders and Retention Holder:**

Subject to the provisions governing a Basic Terms Modification, Class Y Certificates Entrenched Rights, Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights, an Extraordinary Resolution of a relevant Class of Notes or Certificates shall be binding on all other Classes of Notes or Certificates which are subordinate to such Class of Notes or Certificates in the Pre-Enforcement Revenue Priority of Payments, irrespective of the effect upon them. No Extraordinary Resolution of any other Class of Noteholders or of any Class of Certificateholders shall take effect for any purpose unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

A Basic Terms Modification requires an Extraordinary Resolution of the holders of each affected Class of Notes and/or Certificates (other than the Class X Certificateholders unless the matter is also a Class X Certificates Entrenched Right) then outstanding or in issue, as applicable.

The Class X Certificateholders shall only be entitled to convene meetings of the Class X Certificateholders and/or pass resolutions in respect of the Class X Certificates in relation to matters affecting a Class X Certificates Entrenched Right.

The Retention Holder will not be entitled to convene, count in the quorum or pass resolutions in respect of Notes or Certificates comprising the Retained Interest save that, in respect of any matter that affects a Retained Interest Entrenched Right, the prior written consent of the Retention Holder will be required.

**Clearing System** means Euroclear and/or Clearstream, Luxembourg and includes in respect of any Note and/or Certificate any clearing system on behalf of which such Note and/or Certificate is held or which is the holder or (directly or through a nominee) registered owner of a Note and/or a Certificate, in either case whether alone or jointly with any other Clearing System(s).

**Relationship between Noteholders, Certificateholders and other Secured Creditors:**

So long as any of the Notes or Certificates are outstanding, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors.

So long as any of the Notes and/or Certificates are outstanding, the Note Trustee will have regard to the interests of each Class of Noteholders and Certificateholders (but at all times having regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights), but if in the Note Trustee's sole opinion there is a conflict between the interests of any Classes of Notes and/or Certificates, it will (subject to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) have regard solely to the interests of the holders of the Class of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class X Certificates, in respect of which the Note Trustee or the Security Trustee will have regard only as to the Class X Certificates Entrenched Rights) and no Noteholder or Certificateholder shall have any claim against the Note Trustee for so doing.

**Relevant Person as Noteholder or Certificateholder:**

Without prejudice to the Retained Interest Entrenched Rights and the Class X Certificates Entrenched Rights, for certain purposes, including the determination as to whether Notes are deemed outstanding or Certificates are deemed still to be in issue for the purposes of convening or voting at a meeting of Noteholders or Certificateholders, the Notes or Certificates (i) comprising the Retained Interest which are for the time being held by or on behalf of or for the benefit of the Retention Holder or any Affiliate thereof (each such entity a **Relevant Person**) and (ii) any other Notes or Certificates for the time being held by or on behalf of or for the benefit of a Relevant Person (unless such Relevant Person is separated by information barriers from the Retention Holder, Arranger or Lead Manager teams), shall, in each case, (unless until ceasing to be so held) be deemed not to remain outstanding, provided that where all of the Notes of any Class or all of the Certificates of any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Classes of Notes or Certificates (the Relevant Class of Notes or the Relevant Class of Certificates, as applicable) shall be deemed to remain outstanding or in issue (as the case may be). See above "*Risk Factors – Other risks related to changes to the Structure and Documents – Conflict between Classes of Noteholders or Certificateholders.*"

Any Notes or Certificates held by the Retention Holder or any Affiliate thereof which do not comprise the Retained Interest shall not be subject

to the restrictions on convening and/or voting at meetings of Noteholders or Certificateholders described above.

**Provision of Information to the Noteholders and Certificateholders:**

Please refer to the section entitled “*Certain Regulatory Disclosures – Transparency and reporting*” and the section entitled “*General Information*” for more information.

**Communication with Noteholders and Certificateholders:**

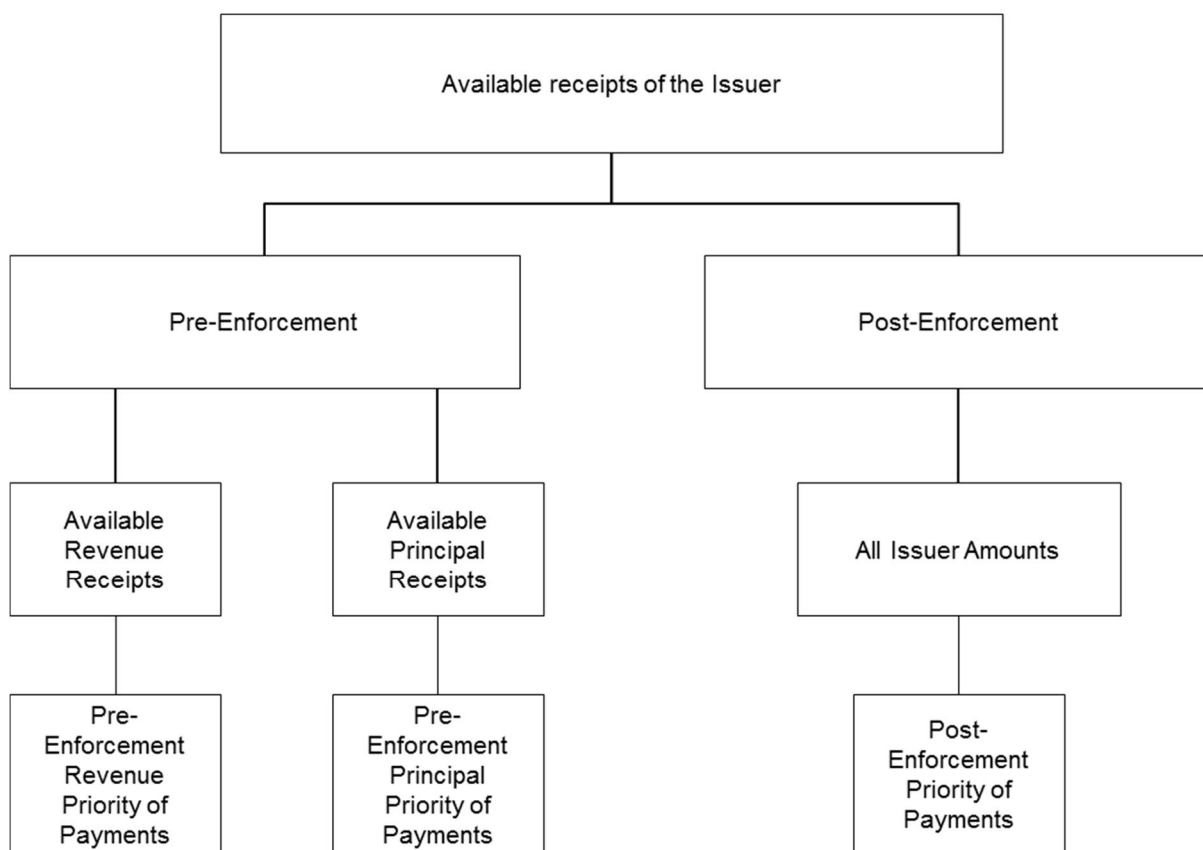
Any notice to be given by the Issuer or the Note Trustee to Noteholders shall be given in the following manner:

- (a) Subject to paragraph (d) below, any notice to Noteholders and/or Certificateholders shall be validly given if published in the *Financial Times*, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders and Certificateholders (in each case a **Relevant Screen**), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice.
- (b) In respect of Notes and/or Certificates in definitive form, notices to Noteholders or Certificateholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any such notice will be deemed to have been given on the fourth day after the date of posting.
- (c) While the Notes and/or Certificates are represented by Global Notes or Global Certificates, as applicable, notices to Noteholders and/or Certificateholders will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders and/or Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid, shall be deemed to have been given on the day such notice is sent to Euroclear and/or Clearstream, Luxembourg.
- (d) In relation to the Notes and Noteholders, so long as the relevant Notes are admitted to trading on, and listed on the official list of, Euronext Dublin all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

The Note Trustee shall be at liberty to sanction some other method where, in its sole opinion, the use of such other method would be reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities and/or the quotation systems on or by which the Notes and/or Certificates, as applicable, are then listed, quoted and/or traded and provided that notice of such other method is given to Noteholders and Certificateholders in such manner as the Note Trustee shall require.

## DESCRIPTION OF THE CREDIT STRUCTURE AND CASHFLOW

Please refer to the sections entitled “Credit Structure” and “Cashflows” for further detail in respect of the credit structure and cashflow of the transaction.



### Available Funds of the Issuer:

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

- (a) Revenue Receipts received (i) by or on behalf of the Issuer during the immediately preceding Calculation Period, (ii) if representing MSA Warranty Payments made by the Seller pursuant to the Mortgage Sale Agreement (Trinidad) from (but excluding) the Calculation Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to (and including) the immediately preceding Calculation Date or (iii) in respect of the exercise of the Portfolio Purchase Option or the Risk Retention Regulatory Change Option, amounts to be applied to effect a redemption in full of the Notes pursuant to Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*);



- (b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Calculation Period and income from any Authorised Investments to be received on or prior to the Calculation Date;
  - (c) any amounts standing to the credit of the Transaction Account that do not represent Principal Receipts and excluding all amounts standing to the credit of the Issuer Profit Ledger, the General Reserve Fund Ledger, the Farringdon Ledger and amounts withheld by the Paying Agent from payments of Certificate Payment Amounts under the Certificates on a previous Interest Payment Date;
  - (d) other net income of the Issuer received during the immediately preceding Calculation Period, excluding any Principal Receipts;
  - (e) Principal Addition Amounts to be applied as Available Revenue Receipts in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments to pay a Revenue Shortfall;
  - (f) on each Interest Payment Date, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8 (*Determinations and Reconciliation*);
  - (g) any amounts standing to the credit of the General Reserve Fund (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) above of this definition of Available Revenue Receipts) to make a General Reserve Fund Payment; and
  - (h) any Available Principal Receipts to be applied as Available Revenue Receipts pursuant to item (e) of the Pre-Enforcement Principal Priority of Payments;
- less*
- (i) amounts applied from time to time during the immediately preceding Calculation Period in making payment of certain monies in connection with the acquisition, disposal, holding and/or servicing of the Loans which properly belong to third parties (including the Seller) such as (but not limited to):
    - (i) certain costs and expenses charged by the Servicers in respect of its servicing of the Loans and the Related Security comprising the Portfolio, costs or expenses incurred in relation to any audit in respect of title and security, other than any

amounts payable by way of fees under the Servicing and Legal Title Holder Deeds in accordance with the Pre-Enforcement Revenue Priority of Payments and not otherwise covered by the items below (the **Servicer Expenses Amount**);

- (ii) payments of certain insurance premia in respect of the Insurance Contracts (to the extent referable to the Loans);
- (iii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amounts itself from its customer's account or is required to refund an amount previously debited and such other amounts that have been paid in error or otherwise recalled or that are required by the relevant Collection Account Bank to be credited to a reserve which will set aside an amount for such payments in the collection accounts of the Legal Title Holders, as applicable; and
- (iv) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower,

(items within this paragraph (i) being collectively referred to herein as **Permitted Withdrawals**);

- (j) any tax payments paid or payable by the Issuer during the immediately preceding Calculation Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger; and
- (k) (taking into account any amount paid by way of Permitted Withdrawals) amounts to remedy any overdraft in relation to the Collection Accounts of the Legal Title Holders, or to pay any amounts due to the relevant Collection Account Bank in respect of the Loans.

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

- (a) all Principal Receipts received by or on behalf of the Issuer during the immediately preceding Calculation Period;
- (b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date by which the debit balance of each of the Class A Notes Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-

Ledger is to be reduced on that Interest Payment Date by the application of Available Revenue Receipts;

- (c) on each Interest Payment Date following a Calculation Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 6.8 (*Determinations and Reconciliation*);
- (d) principal from any Authorised Investments to be received on or prior to the Calculation Date;
- (e) if all of the Notes will be redeemed in full in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) on the relevant Interest Payment Date, then all amounts standing to the credit of the General Reserve Fund;
- (f) General Reserve Fund Excess Amounts;
- (g) following redemption in full of the Class A Notes, all amounts standing to the credit of the General Reserve Fund; and
- (h) following the service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund,  
  
*less*
- (i) Principal Receipts being used to fund Protective Advances.

**Summary of Priorities of Payments:**

Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in the section entitled "*Cashflows*".

| <u>Pre-Enforcement Revenue</u><br><u>Priority of Payments</u>   | <u>Pre-Enforcement Principal</u><br><u>Priority of Payments</u>   | <u>Post-Enforcement Priority of</u><br><u>Payments</u>   |
|---|---|--|
| (a) Amounts due to the Note Trustee and the Security Trustee (in their personal capacities as such) and any Appointee thereof (in its personal capacity as such) including all charges, fees, costs, liabilities, expenses and all other amounts; | (a) Principal Addition Amounts to be applied to meet any Revenue Shortfall (such amounts to be applied as Available Revenue Receipts);<br><br>(b) Other than the Par Proceeds (which, for the avoidance of doubt, | (a) Amounts due in respect of the Note Trustee, the Security Trustee, the Receiver and any Appointee (in their personal capacities as such) including all charges, fees, costs, liabilities, expenses and all other amounts; |

- will be applied in or towards repayment of the Class A1 Notes only), pro rata and *pari passu*, to the principal amounts due on the Class A Notes;
- (b) Pro rata and *pari passu*, amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Servicers, the Legal Title Holders, the Corporate Services Provider and the Issuer Account Bank, in each case including all fees, costs, liabilities and expenses;
- (c) Pro rata and *pari passu*, to the principal amounts due on the Class Z Notes;
- (d) Pro rata and *pari passu*, to the then principal amounts due on the Class R Notes; and
- (e) Any excess in or towards application as Available Revenue Receipts.
- (b) Pro rata and *pari passu*, amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Servicers, the Legal Title Holders, the Corporate Services Provider and the Issuer Account Bank, in each case including all fees, costs, liabilities and expenses;
- (c) Pro rata and *pari passu*, to (i) the amounts of interest and, secondly, to the amount of principal due on the Class A Notes; (ii) any Class X1 Certificate Payment due and payable on the Class X1 Certificates, and (iii) any Class X2 Certificate Payment due and payable on the Class X2 Certificates;
- (d) Pro rata and *pari passu*, to the amount of principal due on the Class Z Notes;
- (e) Pro rata and *pari passu*, to the amount of principal due on the Class R Notes;
- (f) Pro rata and *pari passu*, amounts due to Secured Creditors incurred without breach by the Issuer, where payment has not been provided for elsewhere and any amounts required to pay or discharge any corporation tax liability;
- (b) Pro rata and *pari passu*, amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Servicers, the Legal Title Holders, the Corporate Services Provider and the Issuer Account Bank, in each case including all fees, costs, liabilities and expenses;
- (c) Third party expenses (including any amounts that may become payable to the party designated as portfolio option holder under the Trinidad Vendor Mortgage Sale Agreement);
- (d) Issuer Profit Amount;
- (e) Pro rata and *pari passu*, (i) any interest due on the Class A Notes, and (ii) the Class X1 Certificate Payment due on the Class X1 Certificate and (iii) the Class X2 Certificate Payment due on the Class X2 Certificate;
- (f) Amounts to be credited to the Class A Notes Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);
- (g) Credit the General Reserve Fund up to the General Reserve Fund Required Amount;

- (h) Amounts to be credited to the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts); and
- (i) Pro rata and *pari passu*, to the Class Y Certificate Payment.
- (g) To the Issuer Profit Amount; and
- (h) Pro rata and *pari passu*, to any Class Y Certificate Payment.

**General Credit Structure:**

The credit structure of the transaction includes the following elements:

1. The availability of the general reserve fund (the **General Reserve Fund**), which will be established by the Issuer or the Cash Manager on the Issuer's behalf on the Closing Date from the proceeds of the Notes in an amount equal to the General Reserve Fund Required Amount. The amount required, from time to time, to be standing to the credit of the General Reserve Fund Ledger within the Transaction Account shall be an amount equal to the General Reserve Fund Required Amount. The Issuer may invest the amounts standing to the credit of the General Reserve Fund Ledger from time to time in Authorised Investments.

On and from the first Interest Payment Date, the General Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay a General Reserve Fund Payment (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts) or in accordance with the Post-Enforcement Priority of Payments (as applicable).

On and from the first Interest Payment Date, the General Reserve Fund will be credited up to the General Reserve Fund Required Amount in accordance with item (g) of the Pre-Enforcement Revenue Priority of Payments. Following redemption in full of the Class A Notes, amounts standing to the credit of the General Reserve Fund will be available to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable). On and from the first Interest Payment Date, any General Reserve Fund Excess Amount will be available to be applied as Available Principal Receipts in accordance with the Pre-

Enforcement Principal Priority of Payments or Post-Enforcement Priority of Payments (as applicable).

**General Reserve Fund Payment** means payments required to be made pursuant to items (a) to (f) (inclusive) of the Pre-Enforcement Revenue Priority of Payments.

**General Reserve Fund Required Amount** means an amount equal to:

- (a) on the Closing Date, 1 per cent. of the Current Balance of all Loans comprising the Portfolio (as of the Cut-Off Date);
- (b) on the first Interest Payment Date, 1 per cent. of the Current Balance of all Loans comprising the Portfolio (as specified in the Servicer Report delivered for the most recent Collection Period);
- (c) on any subsequent Interest Payment Date prior to the date on which the Class A Notes are redeemed in full (the **Class A Notes Redemption Date**), an amount equal to the lesser of (i) 1 per cent. of the Current Balance of all Loans comprising the Portfolio (as specified in the Servicer Report delivered for the most recent Collection Period); or (ii) the sum of the amounts paid on the last Interest Payment Date pursuant to items (a) to (e) (inclusive) of the Pre-Enforcement Revenue Priority of Payments (as specified in the Quarterly Report delivered for the most recent Interest Period), on the relevant Interest Payment Date; and
- (d) on any Interest Payment Date falling on or after the Class A Notes Redemption Date, zero.

**General Reserve Fund Excess Amount** means, on any Interest Payment Date, the amount (if any) by which the amount standing to the credit of the General Reserve Fund after the application of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, exceeds the General Reserve Fund Required Amount.

2. On each Calculation Date prior to the service of an Enforcement Notice or the redemption in full of the Class A Notes if the Cash Manager determines that there will be a Revenue Shortfall, then pursuant to item (a) of the Pre-Enforcement Principal Priority of Payments, the Cash Manager on behalf of the Issuer shall apply Available Principal Receipts as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments (amounts so applied, which for the avoidance of

doubt, shall not be applied in respect of any Class X Certificate Payments due on the Class X Certificates, being **Principal Addition Amounts**).

Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

**Revenue Shortfall** means the amount by which Available Revenue Receipts available for such purpose are insufficient to provide for payments of items (a), (b), (c), (d) and (e)(i), of the Pre-Enforcement Revenue Priority of Payments.

3. A Principal Deficiency Ledger will be established to record any Losses (excluding any losses or non-recoveries in respect of Shortfall Loans) affecting the Loans in the Portfolio and any Principal Addition Amounts applied as Available Revenue Receipts. The **Principal Deficiency Ledger** will comprise eight sub-ledgers: the Principal Deficiency Ledger relating to the Class A Notes (the **Class A Notes Principal Deficiency Sub-Ledger**) and the Principal Deficiency Ledger relating to the Class Z Notes (the **Class Z Principal Deficiency Sub-Ledger**) (each a **Principal Deficiency Sub-Ledger**).

Any Principal Addition Amounts will be recorded on the date such Principal Addition Amounts are determined by the Cash Manager and any Losses on the Portfolio will be recorded on the date on which the Cash Manager is informed of such Losses by the Servicer or the Seller, and will each be recorded as a debit: (a) *first*, to the Class Z Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class Z Notes and (b) *second*, to the Class A Notes Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Loan and its Related Security to outstanding fees and interest amounts due and payable on the relevant Loan. The Cash Manager will record as a credit to the Principal Deficiency Ledger Available Revenue Receipts applied pursuant to items (f) and (h) of the Pre-Enforcement Revenue Priority of Payments.

4. Available Revenue Receipts and Available Principal Receipts shall be applied on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively. Other than amounts which the Issuer expects to generate in each accounting period as its

profit in respect of the business of the Issuer in accordance with item (d) of the Pre-Enforcement Revenue Priority of Payments, it is not intended that any surplus will be accumulated in the Issuer.

If, on any Interest Payment Date, the Issuer has insufficient Available Revenue Receipts to make payment in full of the Class X Certificate Payments that would otherwise be payable absent the deferral provisions in respect of the Certificates after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer will be entitled under Certificate Condition 18 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as the Class X Certificates becomes due and repayable in full in accordance with the Certificate Conditions. Any such deferral in accordance with the deferral provisions contained in the Certificate Conditions will not constitute an Event of Default.

Failure to pay interest on the Class A Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Notes being accelerated and the Security Trustee enforcing the Security.



## DESCRIPTION OF THE TRIGGERS TABLES

### Non-Rating Triggers Table

- Perfection Events:** The Issuer (prior to the delivery of an Enforcement Notice) with the consent of the Committee and (after delivery of an Enforcement Notice) with the consent of the Security Trustee may by notice in writing (a **Perfection Notice**) to any Legal Title Holder (with a copy to the Seller and the Security Trustee) require that Legal Title Holder to perfect the assignment to the Issuer (or to its nominee), of the legal title to the Loans and their Related Security of which it is Legal Title Holder as soon as reasonably practicable, following the occurrence of any of the following events (each a **Perfection Event**) in respect of that Legal Title Holder:
- (a) an Enforcement Notice has been served by the Note Trustee following the occurrence of an Event of Default which is continuing;
  - (b) the Legal Title Holder is required to perfect the Issuer's legal title to the Loans by an order of a court of competent jurisdiction, or by a change in law occurring after the Closing Date, or by a regulatory authority which has jurisdiction over the Legal Title Holder or by any organisation of which the Legal Title Holder is a member;
  - (c) it becomes necessary by law or regulation to do any or all of the acts referred to in paragraph (b) above;
  - (d) the security created under or pursuant to the Deed of Charge or any material part of that security is in the opinion of the Security Trustee in danger of being seized or sold under any form of distress, diligence, attachment, execution or other legal process or otherwise in jeopardy;
  - (e) the occurrence of any Servicer Termination Event in circumstances where all applicable grace periods have expired or the relevant Servicer ceases to be a servicer of the Portfolio;
  - (f) the occurrence of an Insolvency Event in relation to the relevant Legal Title Holder; or
  - (g) default is made by the relevant Legal Title Holder in the performance or observance of any of its covenants and obligations under the relevant Servicing and Legal Title Holder Deed or any other Transaction Document to which it is a party, which is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders of any Class and/or the Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of the relevant Legal Title Holder becoming aware of such default and receipt by the relevant Legal Title Holder of written notice from the Issuer or (following delivery of an Enforcement Notice) the

Security Trustee, as appropriate, requiring the same to be remedied; or

- (h) a Change of Control occurs with respect to the Long-Term Legal Title Holder without the prior written consent of the Issuer and the Committee.

**Servicer Termination Events:**

The appointment of a Servicer may (or, in the case of any of the events listed in paragraphs (d) and (e) below, shall) be terminated by the Issuer if any of the following events (each a **Servicer Termination Event**) occurs and is continuing:

- (a) default is made by that Servicer in the payment on the due date of any payment due and payable by it under the relevant Servicing and Legal Title Holder Deed or any other Transaction Document to which it is a party and such default continues unremedied for a period of 15 Business Days after the earlier of the relevant Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (following service of an Enforcement Notice) the Security Trustee requiring the default to be remedied;
- (b) default is made by that Servicer in the performance or observance of any of its other covenants and obligations under the relevant Servicing and Legal Title Holder Deed or any other Transaction Document to which it is a party, which is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders of any Class and/or the Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied;
- (c) that Servicer commits a persistent breach of its obligation to seek directions from the relevant Legal Title Holder before taking Restricted Actions;
- (d) that Servicer ceasing to be an authorised person under FSMA or fails to obtain or maintain the necessary licences, registrations or regulatory approvals required to perform the Services or otherwise comply with its obligations under the relevant Servicing and Legal Title Holder Deed, other than as a result of or arising out of a change in Applicable Law;
- (e) an Insolvency Event occurs in respect of that Servicer;
- (f) Change of Control occurs with respect to the Long Term Servicer;
- (g) that Servicer or Legal Title Holder repudiates or otherwise disaffirms its material obligations under the relevant Servicing and Legal Title Holder Deed in writing;

- (h) a Force Majeure Event occurs and continues unremedied for 21 calendar days and that Servicer is unable to perform its obligations as Servicer under the relevant Servicing and Legal Title Holder Deed after 21 calendar days following such Force Majeure Event; or
- (i) a Perfection Event occurs.

Prior to termination of the appointment of a Servicer, the Issuer shall appoint a Successor Servicer to service the relevant Loans on behalf of the Issuer and the relevant Legal Title Holder, as applicable with effect from the termination of the appointment of the Servicer.

**Change of Control** means Intrum UK Group Limited (or such other entity as approved by the Issuer with the consent of the Committee) ceases to own 100 per cent. of the issued share capital of the Long-Term Servicer and the Long-Term Legal Title Holder.

**Control** means the holding of a majority of the voting rights in a person, or the right to appoint or remove a majority of its board of directors or equivalent body, or the control of a majority of the voting rights in it under an agreement with other shareholders or investors, in each case whether directly or indirectly, and **Controlled** shall be construed accordingly.

## FEES

The following table sets out the ongoing fees to be paid by the Issuer during the lifetime of the transaction to the transaction parties and other ancillary fees, taxes and costs.

| Type of Fee                           | Amount of Fee  | Priority in Cashflow  | Frequency                                       |
|---------------------------------------|--|---|---|
| <p><b>Long Term Servicer Fees</b></p> | <p><i>Base Servicing Fee</i></p> <p>A base servicing fee (inclusive of VAT), payable in arrear in respect of each calendar month, which fee shall be the sum of the amount calculated by multiplying the Servicing Fee Rate (as defined below) by the aggregate Current Balance of the Trinidad Portfolio at close of business on the last day of the immediately preceding calendar month and multiplied by 1/12th (pro rated for periods of less than a calendar month).</p> <p><b>Servicing Fee Rate</b> means (A) with respect to Loans whose Collections are less than or equal to 30 days in arrears, 0.20% per annum (the Base Rate), and (B) with respect to Loans whose Collections are more than 30 days in arrears, 0.35% per annum (applicable only until such time as the relevant Loan less than or equal to 30 days in arrears, at which point the rate shall revert to 0.20%).</p> <p><i>Implementation Fee</i></p> <p>An implementation fee (inclusive of VAT) in an amount equal to:</p> <p>£20,000 in respect of the Trinidad Loans only payable to the Long Term Servicer on or before the first Interest Payment Date, and</p> <p>£50,000 in respect of the Farringdon Loans only payable</p> | <p>Ahead of all outstanding Notes and Certificates but (other than the fees and expenses of the Note Trustee and the Security Trustee) after the fees of the Note Trustee and the Security Trustee.</p> | <p>Quarterly on each Interest Payment Date.</p> |

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|  | <p>to the Long Term Servicer on or before the Interest Payment Date following the Farringdon Transfer Date;</p> <p><i>Redemption Fee</i></p> <p>A redemption fee (inclusive of VAT) in relation to each Collection Period equal to the product of £36 multiplied by the number of redemptions of Loans in the Trinidad Portfolio serviced by the Long Term Servicer where the relevant security was released during that Collection Period, calculated on a monthly basis and payable on each Interest Payment Date.</p> <p><i>Data Retention Fee</i></p> <p>A data retention fee (inclusive of VAT) equal to the product of £56 multiplied by the number of redemptions of Loans in the Trinidad Portfolio serviced by the Long Term Servicer where the relevant security was released during that Collection Period, calculated on a monthly basis and payable on each Interest Payment Date.</p> <p><i>Arrears Administration Fee</i></p> <p>An arrears administration fee equal to the product of £40 multiplied by the number of Loans in the Trinidad Portfolio serviced by the Long Term Servicer where the Borrower's payment arrangements are not in accordance with MCOB and such Loan is more than 30 days in arrears.</p> <p><i>Direct Debit Rejection Fee</i></p> <p>A direct debit rejection fee equal to the product of £10 multiplied by the number of Loans in the Trinidad Portfolio</p> |  |  |
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|------------------------------|---|---|--|
|                              | <p>serviced by the Long Term Servicer where the Borrower's monthly payment has been rejected by the Direct Debiting Scheme.</p> <p><i>Increase in fees</i></p> <p>The Long Term Servicer and/or the Long-Term Legal Title Holder shall increase the Servicer Fees and Long-Term Legal Title Holder Fees not more than once annually by the consumer prices index (CPI) rate for the prior year. The fee increase shall be a minimum of 2% and capped at 6%.</p>   |   |  |
| <b>Interim Servicer Fees</b> | <p><i>Base Servicing Fee</i></p> <p>A base servicing fee (inclusive of VAT), payable in arrear in respect of each calendar month, which fee shall be the sum of the amount calculated by multiplying the Servicing Fee Rate (as defined below) by the aggregate Current Balance of the Farringdon Portfolio at close of business on the last day of the immediately preceding calendar month and multiplied by 1/12th (pro rated for periods of less than a calendar month), plus an additional £50 for each Loan in the Farringdon Portfolio that is in arrears by one or more monthly subscription at close of business on the last day of the month ending immediately prior to the relevant calendar month.</p> <p><b>Servicing Fee Rate</b> means 0.22% per annum.</p> <p><i>Redemption Fee</i></p> <p>A redemption fee (inclusive of VAT) in relation to each Collection Period equal to the product of £125 multiplied by the number of redemptions of</p> | <p>Ahead of all outstanding Notes and Certificates but (other than the fees and expenses of the Note Trustee and the Security Trustee) after the fees of the Note Trustee and the Security Trustee.</p> | <p>If the Farringdon Portfolio is acquired by the Issuer, quarterly on each Interest Payment Date.</p> |

|  |   |  |  |
|--|---|--|--|
|  | <p>Loans serviced by the Servicer where the relevant security was released during that Collection Period, calculated on a monthly basis and payable on each Interest Payment Date.</p> <p><i>Retained Fees</i></p> <p>On the Farringdon Sale Date, the Issuer shall pay to the Interim Servicer and the Interim Legal Title Holder the Existing Retained Fees. The Issuer undertakes to pay such amounts to the Interim Servicer on the Farringdon Sale Date.</p> <p><b>Existing Retained Fees</b> means £669,606.93, being the amounts owed for arrears and loan management services undertaken by the Interim Servicer and the Interim Legal Title Holder up to and including 5 October 2023 and due to be paid by the relevant Borrowers on redemption of their Loans.</p> <p>On and after the 6 October 2023, if any New Retained Fees are incurred, then the Interim Servicer shall increase its Interim Servicer Fees to the extent of New Retained Fees payable for period for which the Interim Servicer Fees relate and the Issuer will make payment of such New Retained Fees as part of the Interim Servicer Fees due to the Interim Servicer.</p> <p><b>New Retained Fees</b> means the amounts incurred for arrears and loan management services undertaken by the Interim Servicer and the Interim Legal Title Holder from 6 October 2023 and until the Farringdon Transfer Date due to be paid by the relevant Borrowers on redemption of their Loans.</p> |  |  |
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| <p><b>Long Term Legal Title Holder Fees</b></p>                         | <p>A legal title holder fee (inclusive of VAT), payable in arrear in respect of each calendar month, which fee shall be the sum of the amount calculated by multiplying the relevant LTH Fee Rate by the aggregate Current Balance of the relevant Loans in the Trinidad Portfolio at close of business on the last day of the immediately preceding calendar month and multiplied by 1/12th (pro rated for periods of less than a calendar month);</p> <p><b>LTH Fee Rate</b> means</p> <p>(a) with respect to Heritable Bank Loans, 0.10% per annum;</p> <p>(b) with respect to Bank of Cyprus Loans, 0.10% per annum;</p> <p>(c) with respect to Magellan Loans, 0.05% per annum; and</p> <p>(d) on and from the Farringdon Transfer Date, with respect to the Farringdon Loans, 0.05% per annum.</p> | <p>Ahead of all outstanding Notes and Certificates but (other than the fees and expenses of the Note Trustee and the Security Trustee) after the fees of the Note Trustee and the Security Trustee.</p> | <p>Quarterly on each Interest Payment Date.</p> |
| <p><b>Other fees and expenses of the Issuer</b></p>                     | <p>Estimated at £150,000 per annum exclusive of VAT.</p>   | <p>Ahead of all outstanding Notes and Certificates but (other than the fees and expenses of the Note Trustee and the Security Trustee) after the Fees of the Note Trustee and the Security Trustee.</p> | <p>Quarterly on each Interest Payment Date.</p> |
| <p><b>Expenses related to the admission to trading of the Notes</b></p> | <p>Estimated at €12,640(exclusive of VAT).</p>   | <p>Ahead of all outstanding Notes and Certificates but after the fees of the Note Trustee and the Security Trustee.</p>   | <p>On or about the Closing Date.</p>            |



As at the date of this Prospectus, the standard rate of UK VAT is 20 per cent.

## CERTAIN REGULATORY DISCLOSURES

### UK Securitisation Regulation and EU Securitisation Regulation

Barclays Bank PLC will retain, as originator (as such term is defined in Article 2(3) of the UK Securitisation Regulation and Article 2(3) of the EU Securitisation Regulation) (the **Retention Holder**) for the purposes of the UK Securitisation Regulation and has elected to retain for the purposes of the EU Securitisation Regulation, on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation.

As at the Closing Date, such interest will comprise the Retention Holder holding 5 per cent. of the nominal value of each Class of Notes including, for the avoidance of doubt, any Further Class A2 Notes issued after the Closing Date), and the Class X Certificates, in accordance with Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation (together with the interest retained pursuant to the U.S. Credit Risk Retention Requirements, the **Retained Interest**). Any change to the manner in which the Retained Interest is held will be notified to the Noteholders in accordance with the Conditions and the requirements of the UK Securitisation Regulation and the EU Securitisation Regulation.

The Retention Holder's Retained Interest will be confirmed through the disclosure in the UK SR Investor Reports and the EU SR Investor Reports.

Pursuant to a risk retention letter entered into by, among others, the Retention Holder (the **Risk Retention Letter**), the Retention Holder has covenanted that it will, while any of the Notes remain outstanding:

- (a) retain the Retained Interest;
- (b) not change the manner in which it retains such Retained Interest, except to the extent permitted or required under the UK Securitisation Regulation and the EU Securitisation Regulation;
- (c) not subject the Retained Interest to any credit risk mitigation or hedging, or sell, transfer or otherwise surrender all or part of the rights benefits or obligations arising from the Retained Interest, except, in each case, to the extent permitted under the UK Securitisation Regulation and the EU Securitisation Regulation;
- (d) will confirm its Retained Interest through the disclosure in the UK SR Investor Reports and the EU SR Investor Reports;
- (e) promptly notify the Issuer, the Arranger, the Note Trustee, the Security Trustee and the Cash Manager if for any reason it ceases to hold, or changes the manner in which it holds, the Retained Interest in accordance with paragraph (a) above or fails to comply with the covenants set out in paragraphs (a) to (d) above in respect of the Retained Interest; and
- (f) noting that it is not the Reporting Entity, comply (or procure compliance) with the disclosure obligations under Article 7 of the UK Securitisation Regulation, including, without limitation, by providing the Issuer with access to any reasonable and relevant additional data as necessary for the Issuer to comply with its obligations as the entity responsible for compliance with the requirements of Article 7 of the UK Securitisation Regulation (subject to all applicable laws) provided that the obligations of the Retention Holder in this paragraph (f) shall be subject to any legal or regulatory requirements applicable to the Retention Holder and provided further that the Retention Holder will not be in breach of the requirements of this paragraph (f) if, due

to events, actions or circumstances beyond its control, it is not able to comply with the undertakings contained herein.

**EU Securitisation Regulation** means Regulation (EU) 2017/2402, as amended, varied or substituted from time to time and including the EU Securitisation Rules applicable from time to time.

**EU Securitisation Rules** mean: (i) applicable regulatory and/or implementing technical standards or delegated regulations, or other applicable national implementing measures, made under the EU Securitisation Regulation (including any applicable transitional provisions); and/or (ii) any relevant guidance and policy statements relating to the application of the EU Securitisation Regulation published by the EBA, the ESMA, the EIOPA (or their successor), collectively, the European Supervisory Authorities or **ESAs**, including any applicable guidance and policy statements issued by the Joint Committee of ESAs, the European Commission and/or the European Central Bank; and/or (iii) any applicable laws, regulations, rules, guidance or other applicable national implementing measures, in each case as amended, varied or substituted from time to time.

**UK Securitisation Regulation** means Regulation (EU) 2017/2402 as it forms part of UK domestic law by virtue of the EUWA, including any relevant binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto, in each case as amended, varied or substituted from time to time.

## **Transparency and reporting**

### *Designation of the Reporting Entity*

For the purposes of Article 7(2) of the UK Securitisation Regulation, the Issuer, as SSPE, has been designated as the entity responsible for compliance with the requirements of Article 7 of the UK Securitisation Regulation (the **Reporting Entity**). The Reporting Entity will either fulfil such requirements itself or shall procure that such requirements are fulfilled on its behalf. See the section entitled "*General Information – UK Securitisation Regulation Reporting*" for further information.

### *Reporting under the UK Securitisation Regulation*

The Reporting Entity has undertaken in the Subscription Agreement to procure the provision of information to the competent authorities, to Noteholders and (upon request) potential investors as required by Article 7(1) of the UK Securitisation Regulation in a manner consistent with Article 7(2) of the UK Securitisation Regulation and the UK Article 7 Technical Standards, subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity is only required to do so to the extent that the disclosure requirements under Article 7 of the UK Securitisation Regulation remain in effect.

As to the information made available to prospective investors, reference is made to the information set out herein and forming part of this Prospectus and to the other documents and information which will be made available to prospective investors upon request in accordance with the UK Securitisation Regulation. See the sections entitled "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed*", "*Summary of the Key Transaction Documents – Cash Management Agreement – Reporting*" and "*General Information – UK Securitisation Regulation Reporting*".

### *Reporting under the EU Securitisation Regulation*

The Reporting Entity has undertaken in the Subscription Agreement to procure the provision of information to Noteholders and (upon request) potential investors in accordance with the requirements

of Article 7(1) of the EU Securitisation Regulation and in a manner consistent with Article 7(2) of the EU Securitisation Regulation and the EU Article 7 Technical Standards as if such provisions were applicable to it (the **EU Article 7 Undertaking**), subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; (ii) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply as a result of any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which would impose additional material obligations on the Issuer in order for it to maintain compliance with its EU Article 7 Undertaking provided that it or another party on its behalf, consults with the Retention Holder and the Portfolio Option Holder in relation to potential actions to avert or remedy such non-compliance; and (iii) the Reporting Entity is only required to procure the provision of information pursuant to this undertaking in the manner and form that would apply to a securitisation where no prospectus has been prepared in accordance with the EU Prospectus Regulation.

### **No self-certified Loans**

The UK Securitisation Regulation and the EU Securitisation Regulation provide for a ban on the securitisation of residential mortgage loans made after 20 March 2014, which had been marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender. So far as the Seller is aware, none of the Loans was made (including as a result of any Product Switch or otherwise as a result of a material variation to the original Loan) after 20 March 2014.

### **Adverse selection – Information on credit risk profile of the Mortgage Portfolio**

Loans were not selected to be sold to the Issuer with the aim of rendering losses on the Loans sold to the Issuer, measured over a period of four years, higher than the losses over the same period on comparable assets held on the balance sheet of the Retention Holder.

### **Notes are not part of a re-securitisation**

The Notes are not part of a securitisation of one or more exposures where at least one of the underlying exposures is a securitisation position.

### **Investors to assess compliance**

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation and/or Article 5 of the EU Securitisation Regulation. None of the Issuer, Barclays Bank PLC, the Arranger or the Lead Manager or any of the transaction parties makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

In addition to the above, the Issuer shall undertake to procure the provision to Noteholders of any reasonable and relevant additional data and information referred to in Article 5 of the UK Securitisation Regulation and Article 5 of the EU Securitisation Regulation, subject to all applicable laws and provided that the Issuer will not be in breach of the requirements of this paragraph if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertaking and the Retention Holder shall undertake to procure provision to the Issuer of access to any reasonable and relevant additional data and information referred to in Article 5(1)(e) of the EU Securitisation Regulation (subject to all applicable laws), provided that the Retention Holder will not be in breach of the requirements of this paragraph if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertaking.

None of the Issuer, the Arranger or the Lead Manager or any of the other transaction parties makes any representation that the information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

For further information please refer to "*Risk Factors – Legal and Regulatory Risks – Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity in respect of the Notes*" and "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deed*", "*Summary of the Key Transaction Documents – Cash Management Agreement – Reporting*" and "*General Information – UK Securitisation Regulation Reporting*" for further information on the implications of the UK Securitisation Regulation and the EU Securitisation Regulation and certain other related matters.

## **U.S. Credit Risk Retention**

The Retention Holder, is acting as the "sponsor" for the purposes of the U.S. Credit Risk Retention Requirements, and is therefore required to ensure that it (or a majority-owned affiliate of the Retention Holder) acquires and retains an economic interest in the credit risk of the assets collateralising the issuance of "asset-backed securities" in an amount equal to at least 5 per cent. The Retention Holder intends to satisfy the U.S. Credit Risk Retention Requirements by acquiring and retaining directly an eligible vertical interest equal to at least 5 per cent. of the nominal value of each Class of Notes (including, for the avoidance of doubt, the nominal value of any Further Class A2 Notes if and when issued), and of each Class of Certificates issued by the Issuer (an **EVI**). For a description of the Notes and Certificates, see "*Description of the Terms and Conditions of the Notes and the Certificates*".

The Retention Holder, acting as Sponsor, is required by the U.S. Credit Risk Retention Requirements to acquire and retain, either directly or through a majority-owned affiliate, the EVI until the later of: (A) the later of (a) the fifth anniversary of the Closing Date; and (b) the date on which the total principal balance outstanding of the Loans has been reduced to 25 per cent. of the total principal balance outstanding of the Loans at the Closing Date, but in any event no longer than the seventh anniversary of the Closing Date, and (B) the latest of (i) the date on which the Current Balance of all Loans in the Portfolio has been reduced to 33 per cent. of the Current Balance of all Loans in the Portfolio as of the Closing Date, (ii) the date on which the amount of all Notes and Certificates has been reduced to 33 per cent. of such amount as of the Closing Date, and (iii) the second anniversary of the Closing Date (the later of (A) and (B), the **Sunset Date**). Any financing obtained by the Retention Holder (or its majority-owned affiliate) prior to the Sunset Date that is secured by the EVI must provide for full recourse to the Retention Holder (or its majority-owned affiliate) and otherwise comply with the U.S. Credit Risk Retention Requirements. The retention, financing and hedging limitations set forth in the U.S. Credit Risk Retention Requirements will not apply to any Notes and Certificates held by the Retention Holder that do not constitute part of the EVI. =

In addition to the above, prior to the Sunset Date, the Retention Holder will not purchase, transfer or sell any Notes or Certificates, or enter into any derivative, hedge, agreement or position, which in either case would reduce or limit its financial exposure in respect of the EVI that it will maintain to satisfy the U.S. Credit Risk Retention Requirements to the extent such activities would be prohibited activities in accordance with U.S. Credit Risk Retention Requirements.

Subject to any applicable restrictions on transfer, the Retention Holder may, at any time and from time to time, sell or otherwise transfer any Notes and Certificates held by the Retention Holder that are in excess of the EVI it is required to retain to comply with the U.S. Credit Risk Retention Requirements. U.S. Credit Risk Retention Requirements will not apply to any Notes and Certificates held by the Retention Holder that do not constitute part of the EVI held by the Retention Holder.

## ESTIMATED WEIGHTED AVERAGE LIVES OF THE NOTES

The average lives of the Notes cannot be stated, as the actual rate of repayment of the Loans and redemption of the Mortgages and a number of other relevant factors are unknown. However, calculations of the possible average lives of the Notes can be made based on certain assumptions. For example, based on the assumptions that:

- (a) the Portfolio Option Holder exercises the Portfolio Purchase on the First Optional Redemption Date, in the first scenario (as set out in the table headed "*Scenario 1 – Weighted Average Life Tables*" or the Portfolio Option Holder does not exercise the Portfolio Purchase Option on the First Optional Redemption Date (as set out in the table headed "*Scenario 2 – Weighted Average Life Tables*");
- (b) the Loans are subject to a constant annual rate of prepayment (excluding scheduled principal redemptions) of between 0 and 25 per cent. per annum as shown on the table below;
- (c) 100 per cent. of the Loans in the Provisional Portfolio (comprising both the Trinidad Portfolio and the Farringdon Portfolio) are owned by the Issuer on the Closing Date;
- (d) the assets of the Issuer are not sold except as may be necessary to enable the Issuer to realise sufficient funds to redeem the Notes in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*);
- (e) the characteristics of the Loans in the Mortgage Portfolio will be identical to those of the Loans in the Portfolio as at 31 August 2023;
- (f) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
- (g) no Borrowers are offered and accept different mortgage products by the Seller, and, as applicable, the Seller is not required to make an indemnity payment in respect of, any Loan in accordance with the Mortgage Sale Agreements;
- (h) the Security is not enforced;
- (i) all Loans are and continue to be fully performing;
- (j) the payment frequency of the Loans is on a monthly basis;
- (k) the ratio of the Principal Amount Outstanding of each note:
  - (i) the Class A Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Provisional Cut-Off Date is 70 per cent.;
  - (ii) the Class Z Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Provisional Cut-Off Date is 30 per cent.; and
  - (iii) the Class R Notes balance as at the Closing Date is £2,000,000;

where the Provisional Cut-Off Date, for the purposes of estimating the weighted average lives of the Notes, is 31 August 2023;

- (l) the interest and principal collections of the Mortgage Portfolio are calculated on a Loan-by-Loan basis, or where the Loan has more than one part, a part-by-part basis;
- (m) the amortisation of any repayment Loan is calculated as an annuity loan on a 30/360 basis, and the interest on each Mortgage is calculated on a 30/360 basis;
- (n) the Notes are issued on the Closing Date of 17 October 2023;
- (o) the first Interest Payment Date occurs on or about 28th January 2024;
- (p) the first interest period includes three months of collections;
- (q) each Interest Payment Date occurs on and payments on the Notes are made on the 28th day of January, April, July and October throughout the life of the Notes (subject to adjustment in accordance with the modified following business day convention, disregarding bank holidays);
- (r) all Mortgages in the Mortgage Portfolio which are not repayment Mortgages are assumed to be Interest-only Loans;
- (s) there are no Mortgages in the Mortgage Portfolio with future reversion dates so the current interest rate for each of the BBR loans is assumed to remain constant going forward;
- (t) no variation is made in respect of any Mortgage in the Portfolio;
- (u) the weighted average lives of the Notes are calculated on an ACT/365 basis;
- (v) there is no debit balance on the Principal Deficiency Ledger on any Interest Payment Date;
- (w) no interest or expense shortfalls occur that would result in the application of any Principal Addition Amounts;
- (x) items (b) to (d) and (j) to (k) of Available Revenue Receipts and item (d) of Available Principal Receipts are all assumed to equal 0; and
- (y) the rates of interest payable on the Notes and Mortgage Portfolio include certain assumptions regarding the relevant margins, such as:
  - (i) SONIA forward curve derived from Intex as of 28<sup>th</sup> September 2023 updated at 11:30 am (the curve is appended below);
  - (ii) BBR is assumed to move in line with the above mentioned SONIA forward curve with a spread of -20bps;
  - (iii) Synthetic LIBOR is assumed to move in line with the above mentioned SONIA forward curve with a spread of 50bps; and
  - (iv) SVRs are assumed to move in line with the above mentioned SONIA forward curve with certain spreads over the curve defined below:

|      | <b>Spread over<br/>Collateral SVR SONIA Curve (bps)</b> |
|------|---|
| BSVR | 540   |

| <b>Collateral SVR</b> | <b>Spread over<br/>SONIA Curve (bps)</b> |
|-----------------------|--|
| CSV                   | 490                                      |
| LBB                   | 224                                      |
| SSV                   | 490                                      |



## WEIGHTED AVERAGE LIFE TABLES

**Scenario 1:** The exercise of the Portfolio Purchase Option on the First Optional Redemption Date

|               | <b>0.0% CPR</b> | <b>5.0% CPR</b> | <b>10.0%<br/>CPR</b> | <b>15.0%<br/>CPR</b> | <b>20.0%<br/>CPR</b> | <b>25% CPR</b> |
|---------------|-----------------|-----------------|----------------------|----------------------|----------------------|----------------|
| Class A Notes | 1.92            | 1.80            | 1.69                 | 1.58                 | 1.46                 | 1.35           |

\* Pricing CPR is equal to 15%, where **CPR** means Constant Prepayment Rate.

**Scenario 2:** No exercise of the Portfolio Purchase Option on the First Optional Redemption Date:

|               | <b>0.0%<br/>CPR</b> | <b>5.0%<br/>CPR</b> | <b>10.0%<br/>CPR</b> | <b>15.0%<br/>CPR</b> | <b>20%<br/>CPR</b> | <b>25%<br/>CPR</b> |
|---------------|---------------------|---------------------|----------------------|----------------------|--------------------|--------------------|
| Class A Notes | 4.84                | 3.63                | 2.79                 | 2.22                 | 1.84               | 1.56               |

\* Pricing CPR is equal to 15%, where **CPR** means Constant Prepayment Rate.

### SONIA FORWARD CURVE

|        |          |        |          |        |          |        |          |
|--------|----------|--------|----------|--------|----------|--------|----------|
| Oct-23 | 5.1857   | Mar-27 | 4.200361 | Aug-30 | 3.901078 | Jan-34 | 4.23909  |
| Nov-23 | 5.18806  | Apr-27 | 4.175823 | Sep-30 | 3.88763  | Feb-34 | 4.224614 |
| Dec-23 | 5.287227 | May-27 | 4.149211 | Oct-30 | 4.06706  | Mar-34 | 4.211889 |
| Jan-24 | 5.365953 | Jun-27 | 4.12158  | Nov-30 | 4.052989 | Apr-34 | 4.199592 |
| Feb-24 | 5.366207 | Jul-27 | 4.093107 | Dec-30 | 4.038075 | May-34 | 4.185995 |
| Mar-24 | 5.344901 | Aug-27 | 4.06406  | Jan-31 | 4.023403 | Jun-34 | 4.172285 |
| Apr-24 | 5.322924 | Sep-27 | 4.03064  | Feb-31 | 4.010731 | Jul-34 | 4.159014 |
| May-24 | 5.300827 | Oct-27 | 4.22062  | Mar-31 | 3.997866 | Aug-34 | 4.145719 |
| Jun-24 | 5.277862 | Nov-27 | 4.184609 | Apr-31 | 3.986799 | Sep-34 | 4.131866 |
| Jul-24 | 5.253926 | Dec-27 | 4.147648 | May-31 | 3.975098 | Oct-34 | 4.301775 |
| Aug-24 | 5.234184 | Jan-28 | 4.115459 | Jun-31 | 3.964434 | Nov-34 | 4.286107 |
| Sep-24 | 5.222628 | Feb-28 | 4.081852 | Jul-31 | 3.953388 | Dec-34 | 4.272262 |
| Oct-24 | 5.503539 | Mar-28 | 4.050863 | Aug-31 | 3.94457  | Jan-35 | 4.258296 |
| Nov-24 | 5.482188 | Apr-28 | 4.022648 | Sep-31 | 3.935392 | Feb-35 | 4.243802 |
| Dec-24 | 5.385502 | May-28 | 3.993451 | Oct-31 | 4.114638 | Mar-35 | 4.230596 |
| Jan-25 | 5.183657 | Jun-28 | 3.966672 | Nov-31 | 4.105262 | Apr-35 | 4.218607 |
| Feb-25 | 4.976676 | Jul-28 | 3.941737 | Dec-31 | 4.095825 | May-35 | 4.204896 |
| Mar-25 | 4.829512 | Aug-28 | 3.917883 | Jan-32 | 4.086499 | Jun-35 | 4.193623 |
| Apr-25 | 4.791037 | Sep-28 | 3.895426 | Feb-32 | 4.078013 | Jul-35 | 4.181529 |
| May-25 | 4.789958 | Oct-28 | 4.083157 | Mar-32 | 4.0691   | Aug-35 | 4.169476 |
| Jun-25 | 4.774552 | Nov-28 | 4.058945 | Apr-32 | 4.061869 | Sep-35 | 4.158935 |
| Jul-25 | 4.734349 | Dec-28 | 4.037837 | May-32 | 4.054444 | Oct-35 | 4.331527 |
| Aug-25 | 4.685494 | Jan-29 | 4.016802 | Jun-32 | 4.047556 | Nov-35 | 4.319005 |
| Sep-25 | 4.623667 | Feb-29 | 3.995223 | Jul-32 | 4.040317 | Dec-35 | 4.306344 |
| Oct-25 | 4.810315 | Mar-29 | 3.975763 | Aug-32 | 4.033816 | Jan-36 | 4.293053 |
| Nov-25 | 4.73353  | Apr-29 | 3.958243 | Sep-32 | 4.026982 | Feb-36 | 4.278481 |
| Dec-25 | 4.651479 | May-29 | 3.938354 | Oct-32 | 4.207143 | Mar-36 | 4.263177 |
| Jan-26 | 4.575993 | Jun-29 | 3.922095 | Nov-32 | 4.199594 | Apr-36 | 4.248092 |
| Feb-26 | 4.504182 | Jul-29 | 3.90472  | Dec-32 | 4.191319 | May-36 | 4.231239 |
| Mar-26 | 4.429409 | Aug-29 | 3.887443 | Jan-33 | 4.183589 | Jun-36 | 4.214076 |
| Apr-26 | 4.36995  | Sep-29 | 3.872332 | Feb-33 | 4.175247 | Jul-36 | 4.194239 |
| May-26 | 4.312713 | Oct-29 | 4.055954 | Mar-33 | 4.166193 | Aug-36 | 4.176599 |
| Jun-26 | 4.258649 | Nov-29 | 4.03824  | Apr-33 | 4.157892 | Sep-36 | 4.15618  |
| Jul-26 | 4.207319 | Dec-29 | 4.021496 | May-33 | 4.148338 | Oct-36 | 4.318137 |
| Aug-26 | 4.166953 | Jan-30 | 4.005144 | Jun-33 | 4.138042 | Nov-36 | 4.296785 |
| Sep-26 | 4.13022  | Feb-30 | 3.988916 | Jul-33 | 4.128301 | Dec-36 | 4.274697 |
| Oct-26 | 4.339346 | Mar-30 | 3.973044 | Aug-33 | 4.117787 | Jan-37 | 4.253968 |
| Nov-26 | 4.310835 | Apr-30 | 3.959066 | Sep-33 | 4.106051 | Feb-37 | 4.234682 |
| Dec-26 | 4.280584 | May-30 | 3.943477 | Oct-33 | 4.279094 | Mar-37 | 4.21458  |
| Jan-27 | 4.255573 | Jun-30 | 3.929674 | Nov-33 | 4.26594  | Apr-37 | 4.198459 |
| Feb-27 | 4.228314 | Jul-30 | 3.915189 | Dec-33 | 4.252257 | May-37 | 4.182687 |

|        |          |        |          |        |          |        |          |
|--------|----------|--------|----------|--------|----------|--------|----------|
| Jun-37 | 4.167382 | Feb-41 | 4.170064 | Oct-44 | 4.141882 | Jun-48 | 3.921644 |
| Jul-37 | 4.152211 | Mar-41 | 4.151937 | Nov-44 | 4.12463  | Jul-48 | 3.903536 |
| Aug-37 | 4.139513 | Apr-41 | 4.135688 | Dec-44 | 4.107125 | Aug-48 | 3.88721  |
| Sep-37 | 4.127148 | May-41 | 4.117259 | Jan-45 | 4.09019  | Sep-48 | 3.869699 |
| Oct-37 | 4.297944 | Jun-41 | 4.10069  | Feb-45 | 4.071678 | Oct-48 | 4.02784  |
| Nov-37 | 4.286072 | Jul-41 | 4.083006 | Mar-45 | 4.055512 | Nov-48 | 4.00989  |
| Dec-37 | 4.272595 | Aug-41 | 4.06568  | Apr-45 | 4.03999  | Dec-48 | 3.9903   |
| Jan-38 | 4.260801 | Sep-41 | 4.048943 | May-45 | 4.0228   | Jan-49 | 3.973806 |
| Feb-38 | 4.247343 | Oct-41 | 4.212484 | Jun-45 | 4.005924 | Feb-49 | 3.95568  |
| Mar-38 | 4.232992 | Nov-41 | 4.195841 | Jul-45 | 3.989587 | Mar-49 | 3.937117 |
| Apr-38 | 4.220039 | Dec-41 | 4.177561 | Aug-45 | 3.973236 | Apr-49 | 3.920998 |
| May-38 | 4.205737 | Jan-42 | 4.158854 | Sep-45 | 3.956656 | May-49 | 3.903854 |
| Jun-38 | 4.190962 | Feb-42 | 4.142042 | Oct-45 | 4.118153 | Jun-49 | 3.886689 |
| Jul-38 | 4.175242 | Mar-42 | 4.124112 | Nov-45 | 4.099689 | Jul-49 | 3.869394 |
| Aug-38 | 4.159521 | Apr-42 | 4.108145 | Dec-45 | 4.083057 | Aug-49 | 3.852642 |
| Sep-38 | 4.141654 | May-42 | 4.090718 | Jan-46 | 4.065951 | Sep-49 | 3.834362 |
| Oct-38 | 4.307753 | Jun-42 | 4.073895 | Feb-46 | 4.047814 | Oct-49 | 3.993281 |
| Nov-38 | 4.28947  | Jul-42 | 4.055553 | Mar-46 | 4.030912 | Nov-49 | 3.975576 |
| Dec-38 | 4.270095 | Aug-42 | 4.040124 | Apr-46 | 4.015224 | Dec-49 | 3.956845 |
| Jan-39 | 4.252647 | Sep-42 | 4.023186 | May-46 | 3.996841 | Jan-50 | 3.940005 |
| Feb-39 | 4.234009 | Oct-42 | 4.185589 | Jun-46 | 3.981333 | Feb-50 | 3.921993 |
| Mar-39 | 4.215703 | Nov-42 | 4.168711 | Jul-46 | 3.964257 | Mar-50 | 3.904432 |
| Apr-39 | 4.199177 | Dec-42 | 4.150726 | Aug-46 | 3.946734 | Apr-50 | 3.888557 |
| May-39 | 4.180996 | Jan-43 | 4.133108 | Sep-46 | 3.930941 | May-50 | 3.871118 |
| Jun-39 | 4.162356 | Feb-43 | 4.116116 | Oct-46 | 4.091362 | Jun-50 | 3.853266 |
| Jul-39 | 4.145575 | Mar-43 | 4.097599 | Nov-46 | 4.073401 | Jul-50 | 3.837218 |
| Aug-39 | 4.128327 | Apr-43 | 4.082032 | Dec-46 | 4.055998 | Aug-50 | 3.820747 |
| Sep-39 | 4.110053 | May-43 | 4.066048 | Jan-47 | 4.038566 | Sep-50 | 3.803323 |
| Oct-39 | 4.274971 | Jun-43 | 4.04966  | Feb-47 | 4.020915 | Oct-50 | 3.961074 |
| Nov-39 | 4.256618 | Jul-43 | 4.032346 | Mar-47 | 4.003239 | Nov-50 | 3.943515 |
| Dec-39 | 4.238006 | Aug-43 | 4.016801 | Apr-47 | 3.98736  | Dec-50 | 3.925829 |
| Jan-40 | 4.220016 | Sep-43 | 4.000249 | May-47 | 3.969312 | Jan-51 | 3.90871  |
| Feb-40 | 4.200371 | Oct-43 | 4.163082 | Jun-47 | 3.953046 | Feb-51 | 3.890043 |
| Mar-40 | 4.183231 | Nov-43 | 4.146072 | Jul-47 | 3.935619 | Mar-51 | 3.873779 |
| Apr-40 | 4.166207 | Dec-43 | 4.127487 | Aug-47 | 3.918552 | Apr-51 | 3.858198 |
| May-40 | 4.146976 | Jan-44 | 4.111818 | Sep-47 | 3.901997 | May-51 | 3.840944 |
| Jun-40 | 4.130775 | Feb-44 | 4.094577 | Oct-47 | 4.061363 | Jun-51 | 3.824126 |
| Jul-40 | 4.112965 | Mar-44 | 4.076895 | Nov-47 | 4.044815 | Jul-51 | 3.80785  |
| Aug-40 | 4.094718 | Apr-44 | 4.061519 | Dec-47 | 4.026594 | Aug-51 | 3.791567 |
| Sep-40 | 4.078302 | May-44 | 4.044597 | Jan-48 | 4.007893 | Sep-51 | 3.775171 |
| Oct-40 | 4.242683 | Jun-44 | 4.02724  | Feb-48 | 3.991038 | Oct-51 | 3.931799 |
| Nov-40 | 4.224103 | Jul-44 | 4.011607 | Mar-48 | 3.972974 | Nov-51 | 3.913607 |
| Dec-40 | 4.206151 | Aug-44 | 3.995529 | Apr-48 | 3.955296 | Dec-51 | 3.897263 |
| Jan-41 | 4.188223 | Sep-44 | 3.978484 | May-48 | 3.938712 | Jan-52 | 3.8805   |

|        |          |
|--------|----------|
| Feb-52 | 3.862777 |
| Mar-52 | 3.846311 |
| Apr-52 | 3.830528 |
| May-52 | 3.813267 |
| Jun-52 | 3.797762 |
| Jul-52 | 3.781196 |
| Aug-52 | 3.765051 |
| Sep-52 | 3.749434 |
| Oct-52 | 3.905847 |
| Nov-52 | 3.890292 |
| Dec-52 | 3.873223 |
| Jan-53 | 3.855769 |
| Feb-53 | 3.840097 |
| Mar-53 | 3.823363 |
| Apr-53 | 3.808504 |
| May-53 | 3.792328 |
| Jun-53 | 3.776694 |
| Jul-53 | 3.759662 |
| Aug-53 | 3.745345 |
| Sep-53 | 3.729637 |
| Oct-53 | 3.884268 |
| Nov-53 | 3.868574 |
| Dec-53 | 3.851792 |

**EARLY REDEMPTION OF THE NOTES PURSUANT TO THE PORTFOLIO PURCHASE  
OPTION, REGULATORY CHANGE EVENT OR OPTIONAL REDEMPTION FOR TAX  
AND OTHER REASONS**

**Portfolio Purchase Option**

The Portfolio may be sold by the Issuer pursuant to the Portfolio Purchase Option and the Issuer will undertake not to dispose of the Portfolio in any other circumstances (other than in relation to an enforcement of the Security) other than in the event of the exercise of the Risk Retention Regulatory Change Option and the early redemption of the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*).

Pursuant to and subject to the terms of the Portfolio Option Deed Poll, the Portfolio Option Holder has an option (the **Portfolio Purchase Option**) to require the Issuer to: (i) sell and transfer to the Portfolio Option Holder (or its nominee) the beneficial title to all Loans and Related Security in the Portfolio (the **Portfolio Purchase Option Loans**); (ii) transfer to the Portfolio Option Holder or its nominee the right to legal title to the Portfolio Purchase Option Loans and their Related Security; (iii) if applicable (and subject at all times to the Servicing and Legal Title Holder Deeds), procure that the Legal Title Holders transfers legal title to the Portfolio Option Holder or its nominee specified as such in the exercise notice; and (iv) serve all relevant notices and take all steps, enter into such documentation as may be reasonably required (including carrying out requisite registrations and recordings) in order to vest or transfer legal title in and to the Portfolio Purchase Option Loans in the Portfolio Option Holder or its nominee, in each case subject to the terms of the Portfolio Option Deed Poll.

The Portfolio Option Holder may exercise the Portfolio Purchase Option to effect an early redemption of the Notes pursuant to Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*):

- (a) in order to redeem the Notes in full on the Interest Payment Date following the date on which the Issuer has given notice to the Portfolio Option Holder of its intention to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Note Trustee within 20 Business Days of receipt of such notice;
- (b) in order to redeem the Notes in full on the First Optional Redemption Date or any Interest Payment Date following the First Optional Redemption Date;
- (c) in order to redeem the Notes in full on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date; and
- (d) in order to redeem the Notes in full on the Interest Payment Date following the date on which the Retention Holder or the Seller (or any of their delegates) gives notice of its intention to exercise the Risk Retention Regulatory Change Option,

with each date on which the Notes are redeemed pursuant to Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) being the **Optional Redemption Date**.

The Portfolio Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Seller, the Retention Holder and the Legal Title Holders with the purchase to take effect on or before the Optional Redemption Date specified in the exercise notice (such purchase date, the **Portfolio Sale Completion Date**). The Notes shall be redeemed in full on the relevant Optional Redemption Date.

In addition, upon exercise of the Portfolio Purchase Option, each Class Y Certificateholder shall be entitled to purchase a Randomly Selected portion of the Portfolio in a share pro rata to the proportion that their holding of the Class Y Certificate bears to the deemed principal amount (being £10,000,000 in aggregate for all Class Y Certificates in issue) of Class Y Certificate interests (or such other proportion as the Portfolio Option Holder and the RTM Parties who have elected to exercise the Class Y Right to Match may agree), such proportion being the **Class Y RTM Proportion** and such right being the **Class Y Right to Match** and any person exercising the Class Y Right to Match being an **RTM Party**.

#### ***Portfolio Purchase Option Purchase Price***

The purchase price for the Portfolio under the Portfolio Purchase Option (the **Portfolio Purchase Option Purchase Price**) shall be an amount equal to the higher of:

- (a) the **Base Portfolio Purchase Option Purchase Price** being an amount equal to (without double-counting):
  - (i) the aggregate Principal Amount Outstanding of the Notes plus accrued and unpaid interest thereon as at the Optional Redemption Date; *plus*
  - (ii) any fees, costs, amounts and expenses of the Issuer payable senior to the Class Y Certificates in the Post-Enforcement Priority of Payments as at the Optional Redemption Date; *less*
  - (iii) any amounts standing to the credit of the Transaction Account as at the date of the most recent Servicer Report (but disregarding any amounts standing to the credit of the Issuer Profit Ledger as at the date of the most recent Servicer Report); and
- (b) the current value of all (but not some only) of the Loans in the Portfolio as determined by the Portfolio Option Holder in accordance with the Portfolio Option Deed Poll (the **Portfolio Purchase Option Current Value Purchase Price**). The Portfolio Purchase Option Current Value Purchase Price shall be determined by the Portfolio Option Holder calculating such price and giving notice of it to the Retention Holder. If the Portfolio Option Holder and the Retention Holder cannot agree on a Portfolio Purchase Option Current Value Purchase Price they may together appoint an independent third party valuer who shall, following consultation with such parties, propose an alternative Portfolio Purchase Option Current Value Purchase Price, which shall be binding on the parties.

For the avoidance of doubt, projected future payments are not discounted for this purpose.

The Portfolio Option Holder or its nominee (and any Class Y Certificateholder exercising the Class Y Right to Match) will be required to provide irrevocable payment instructions for an amount to be transferred equal to the Portfolio Purchase Option Purchase Price (or portion thereof in the case of a person exercising the Class Y Right to Match) to the Transaction Account provided that such deposit shall be made on or before the Portfolio Sale Completion Date or such later date as agreed with the Note Trustee or (after the service of an Enforcement Notice) take such other action as agreed with the Security Trustee.

Where the sale to the Portfolio Option Holder does not contemplate a transfer of the legal title to the Loans being sold, the exercise of the Portfolio Purchase Option shall be conditional on the consent of the Legal Title Holders to hold legal title on behalf of the Portfolio Option Holder or its nominee.

On exercise of the Class Y Certificateholder Right to Match, any Class Y Certificateholder which elects to exercise the Class Y Right to Match shall pay an amount equal to the amount that their Class Y RTM

Proportion bears to the Portfolio Purchase Option Purchase Price for the entire Portfolio and the Class Y Certificateholder shall be required to deposit or give irrevocable payment instructions to deposit such amount into the Transaction Account on the Portfolio Sale Completion Date or take such other action agreed with the Security Trustee.

**Portfolio Option Holder** is the holder of 95 per cent. of the Class Y Certificates (or any entity or entities representing 95 per cent. of the Class Y Certificates) (excluding any Class Y Certificates held directly or indirectly by or on behalf of the Retention Holder).

### ***Redemption of Notes and the cancellation of the Certificates***

Following exercise of the Portfolio Purchase Option, on the Optional Redemption Date the Portfolio Purchase Option Purchase Price will be applied in accordance with the Post-Enforcement Priority of Payments in order to redeem the Notes in full.

The Issuer has covenanted in the Portfolio Option Deed Poll in favour of the Portfolio Option Holder that prior to the service of an Enforcement Notice it shall not agree to any sale of the Portfolio that is not already provided for under the Transaction Documents without the prior written consent of the Portfolio Option Holder and the Class Y Certificateholders.

To the extent that the purchaser of the Loans (and any Class Y Certificateholder (where it is exercising the Class Y Right to Match)) holds any of the Notes, it may set off from the Portfolio Purchase Option Purchase Price an amount equal to the amounts due to it as Noteholder on the Optional Redemption Date.

**Exercise Notice** means: (a) in respect of the Portfolio Option Deed Poll, a notice to be delivered by the Portfolio Option Holder in accordance with the Portfolio Option Deed Poll to exercise the Portfolio Purchase Option; and (b) in respect of the Retention Holder Deed Poll, a notice to be delivered by the Risk Retention Regulatory Change Event Option Holder in accordance with the Retention Holder Deed Poll to exercise the Risk Retention Regulatory Change Option.

**Portfolio Option Deed Poll** means the deed poll dated the Closing Date executed by the Issuer in favour of the Portfolio Option Holder from time to time.

### **Optional Redemption for Tax and other Reasons**

The Issuer may, subject to certain conditions, redeem the Notes in full following: (i) a change in tax law after the Closing Date which would require a deduction or withholding from any payment on any Notes or Certificates (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Notes or Certificates) of any Tax; or (ii) a change in law after the Closing Date whereby it becomes unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes or Certificates (as more fully set out in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*)).

The Seller may, pursuant to the terms of each Mortgage Sale Agreement, purchase the Loans in respect of any optional redemption of the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option and the Class Y Right to Match). The Seller shall notify the Portfolio Option Holder of its intention to serve such a notice on the Issuer as soon as reasonably practicable and by no later than ten Business Days after the occurrence of any event specified in Condition 8.3(a) or (b) (*Optional Redemption for Taxation or Other Reasons*). If the Portfolio Option Holder notifies the Seller within ten Business Days of the Seller having indicated its intention to serve a notice on the Issuer that the Portfolio Option Holder intends to exercise the Portfolio Purchase Option, the Seller shall not serve a notice on the Issuer (unless the Portfolio Option Holder has not subsequently exercised the Portfolio



Purchase Option) and any notice served in such circumstances shall be invalid. The consideration payable by the Seller or the Portfolio Option Holder, as applicable, in the circumstances describe above shall be the Portfolio Purchase Option Purchase Price.

### **Optional Redemption in the event of a Risk Retention Regulatory Change Event**

Pursuant to the Retention Holder Deed Poll, (i) the Retention Holder (or any of its delegates) and (ii) provided that the Retention Holder has not exercised the Risk Retention Regulatory Change Option, the Seller (or any of its delegates), shall have the right (but not any obligation) to acquire or re-acquire the entire beneficial interest of the Issuer in the Portfolio upon the occurrence of a Risk Retention Regulatory Change Event in accordance with the terms of Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option and the Class Y Right to Match. The price payable by or on behalf of Seller or the Retention Holder to the Issuer to acquire the beneficial interest of the entire Portfolio from the Issuer shall equal the Risk Retention Regulatory Change Purchase Price as calculated three Business Days prior to re-acquisition. The Risk Retention Regulatory Change Event Option Holder shall notify the Portfolio Option Holder of its intention to serve an Exercise Notice on the Issuer as soon as reasonably practicable and at least ten Business Days before such notice is served on the Issuer. If the Portfolio Option Holder notifies the Risk Retention Regulatory Change Event Option Holder within ten Business Days of such notification that it intends to exercise the Portfolio Purchase Option, the Risk Retention Regulatory Change Event Option Holder shall not serve such notice on the Issuer (unless the Portfolio Option Holder has not subsequently exercised the Portfolio Purchase Option) and any notice served in such circumstances shall be invalid.

To the extent that the purchaser of the Loans holds any of the Notes, it may set off from the Risk Retention Regulatory Change Purchase Price an amount equal to the amounts due to it as Noteholder on the Interest Payment Date on which the Notes are to be redeemed.

Following exercise of the Risk Retention Regulatory Change Option, the Issuer will give not more than 40 nor less than five Business Days' notice to the Noteholders and the Certificateholders in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and the Note Trustee stating that the Notes and Certificates will be redeemed in accordance with the Post-Enforcement Priority of Payments on the Interest Payment Date immediately following the exercise of such option by the Retention Holder.

**Retention Holder Deed Poll** means the deed poll dated the Closing Date executed by the Issuer in favour of the Seller and/or the Retention Holder (or their delegate).

**Risk Retention Regulatory Change Event** means any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which:

- (a) as a matter of law, has a binding effect on the Retention Holder or the Seller after the Closing Date which would impose a positive obligation on either of them to subscribe for any additional Notes (other than the Notes issued on the Closing Date and any Further Class A2 Notes) in order to comply with the Risk Retention Undertaking or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Risk Retention Requirements (as determined by them, acting reasonably);
- (b) as a matter of law, in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer of the Retained Interest for purposes of the Risk Retention Requirements; and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion; or

- (c) by virtue of the Retention Holder's obligation to comply with the Risk Retention Undertaking or the U.S. Credit Risk Retention Requirements, would, in respect of the Retention Holder, have an analogous effect or result to those specified in paragraphs (a) and (b) above.

**Risk Retention Regulatory Change Event Option Holder** means the Retention Holder.

**Risk Retention Regulatory Change Option** means the option of the Retention Holder (or its nominee) to acquire all but not some of the Portfolio, following a Risk Retention Regulatory Change Event provided that if the Retention Holder has not exercised the Risk Retention Regulatory Change Option, then the Seller may exercise the option to acquire all but not some of the Portfolio.

**Risk Retention Regulatory Change Option Completion Date** means the Interest Payment Date on which the purchase of the Loans by the relevant purchaser is expected to occur in connection with the exercise of the Risk Retention Regulatory Change Option.

**Risk Retention Regulatory Change Purchase Price** means an amount equal to the higher of (i) the Base Portfolio Purchase Option Purchase Price as calculated three days prior to the Risk Retention Regulatory Change Option Completion Date and (ii) the Portfolio Purchase Option Current Value Purchase Price.

**The Risk Retention Regulatory Change Purchase Price** shall be determined by the Risk Retention Regulatory Change Event Option Holder calculating such price and giving notice of it to the Portfolio Option Holder. If the Risk Retention Regulatory Change Event Option Holder and the Portfolio Option Holder cannot agree on a Risk Retention Regulatory Change Purchase Price, they may together appoint an independent third-party valuer who shall, following consultation with such parties, propose an alternative Risk Retention Regulatory Change Purchase Price.

**Risk Retention Undertaking** means the undertakings made by the Retention Holder to the Issuer, the Security Trustee, the Lead Manager and the Arranger as set out in the Risk Retention Letter.

**U.S. Credit Risk Retention Requirements** means the requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, and the final rules related thereto published on 24 December 2014 in the Federal Register by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the SEC and the Department of Housing and Urban Development.

Each redemption arising pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) is an **Early Redemption** where used in this Prospectus.

## USE OF PROCEEDS

The Issuer will (without double-counting the amounts received by the Issuer on the Closing Date) use the net proceeds of the Notes of £79,995,320.84 on the Closing Date to:

- (a) pay the Purchase Price for the Trinidad Portfolio to be acquired from the Seller on the Closing Date;
- (b) pay into the Farringdon Ledger of the Issuer Transaction Account an amount equal to the Purchase Price for the Farringdon Portfolio, such amount to be applied by the Issuer to pay the Purchase Price for the Farringdon Portfolio to be acquired from the Seller on the Farringdon Sale Date;
- (c) pay certain fees and expenses of the Issuer incurred in connection with (i) the issue of the Notes and Certificates on the Closing Date and (ii) any other day-one third-party fees and costs as per the terms of the Transaction Documents; and
- (d) establish the General Reserve Fund.

## THE ISSUER

### Introduction

The Issuer was incorporated in England and Wales on 10 August 2023 (registered number 10563556) as a public limited company under the Companies Act 2006. The registered office of the Issuer is 1 Bartholomew Lane, London, EC2N 2AX. The telephone number of the Issuer's registered office is 020 7398 6300.

The issued share capital of the Issuer comprises 50,000 ordinary shares of GBP 1 each, of which 1 share is fully paid up and 49,999 shares are quarter-paid and all shares are held by Holdings (see "*Holdings*" below). The legal entity identifier (LEI) of the Issuer is 2138001SMUUR36BSID82 and the securitisation transaction unique identifier (STUI) is 2138001SMUUR36BSID82N202301.

The Issuer has no subsidiaries. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer.

The Issuer was established as a special purpose vehicle solely for the purpose of issuing asset-backed notes. The Issuer is permitted, pursuant to the terms of its articles of association, inter alia, to issue the Notes and the Certificates. The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 5 (*Covenants and Undertakings*) and Certificate Condition 5 (*Covenants and Undertakings*).

In accordance with the Corporate Services Agreement, the Corporate Services Provider will provide to the Issuer certain directors, a registered and administrative office, the arrangement of meetings of directors and shareholders and procure the service of a company secretary. No remuneration is paid by the Issuer to or in respect of any director or officer of the Issuer for acting as such.

On the Closing Date, the Issuer will deposit the proceeds of the Notes in the Transaction Account and use such proceeds to, inter alia, pay the Purchase Price payable by the Issuer for the Trinidad Portfolio to be acquired from the Seller on the Trinidad Sale Date and, if the Seller proceeds with the acquisition of the Farringdon Portfolio, the Purchase Price payable by the Issuer for the Farringdon Portfolio to be acquired from the Seller on the Farringdon Sale Date.

The Issuer has not engaged, since its incorporation, in any material activities other than those incidental to its registration as a public company under the Companies Act 2006 (as amended) and to the proposed issues of the Notes and Certificates and the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing. The Issuer, as necessary, has made a notification under the Data Protection (Charges and Information) Regulations 2018. The accounting reference date of the Issuer is 31 December 2024.

There is no intention to accumulate surpluses in the Issuer (other than amounts standing to the credit of the Issuer Profit Ledger and the General Reserve Fund Ledger).

## Directors

The directors of the Issuer and their respective business addresses and occupations are:

| <u>Name</u>                    | <u>Business Address</u>             | <u>Business Occupation</u> |
|--------------------------------|-------------------------------------|----------------------------|
| Raheel Shehzad Khan            | 1 Bartholomew Lane London, EC2N 2AX | Director                   |
| Intertrust Directors 1 Limited | 1 Bartholomew Lane London, EC2N 2AX | Director                   |
| Intertrust Directors 2 Limited | 1 Bartholomew Lane London, EC2N 2AX | Director                   |

The company secretary of the Issuer is Intertrust Corporate Services Limited, whose principal office is at 1 Bartholomew Lane London, EC2N 2AX.

As at the date of this Prospectus, the Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees).

## HOLDINGS

### Introduction

Holdings was incorporated in England and Wales on 10 August 2023 (registered number 15062819) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX. The issued share capital of Holdings comprises 1 ordinary share of GBP 1.

Intertrust Corporate Services Limited (the **Share Trustee**) holds the entire legal and beneficial interest in the issued share under a discretionary trust for discretionary purposes. Holdings holds the legal and the beneficial interest in the issued share capital of the Issuer.

Neither the Seller nor any company connected with the Seller can direct the Share Trustee and none of such companies has any control, direct or indirect, over Holdings or the Issuer.

Pursuant to the terms of its articles of association, Holdings is permitted, inter alia, to hold shares in the Issuer.

Holdings has not engaged since its incorporation in any material activities other than those activities incidental to the authorisation and implementation of the Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing.

### Directors

The directors of Holdings and their respective business addresses and occupations are:

| <u>Name</u>                    | <u>Business Address</u>             | <u>Business Occupation</u> |
|--------------------------------|-------------------------------------|----------------------------|
| Raheel Shehzad Khan            | 1 Bartholomew Lane London, EC2N 2AX | Director                   |
| Intertrust Directors 1 Limited | 1 Bartholomew Lane London, EC2N 2AX | Director                   |
| Intertrust Directors 2 Limited | 1 Bartholomew Lane London, EC2N 2AX | Director                   |

The company secretary of Holdings is Intertrust Corporate Services Limited, whose principal office is at 1 Bartholomew Lane London, EC2N 2AX.

The accounting reference date of Holdings is 31 December 2024.

Holdings has no employees.

## THE SELLER

The Seller was incorporated in England and Wales on 5 July 2019 (registered number 12088067) as a private limited company under the Companies Act 2006. The registered office of the Seller is 1 Churchill Place, London, E14 5HP. The telephone number of the Seller's registered office is +44 (0) 207 116 9000.

The issued share capital of the Seller comprises 1 ordinary share of GBP 1, which is fully paid up, and held by the Retention Holder. The Seller is a direct wholly owned subsidiary of the Retention Holder. The Seller has no subsidiaries.

The Seller will acquire the beneficial interest in the Loans and their Related Security comprising the Trinidad Portfolio from the Trinidad Vendor on the Trinidad Sale Date and immediately on-sell such Loans and their Related Security comprising the Trinidad Portfolio to the Issuer pursuant to the Mortgage Sale Agreement (Trinidad).

The Seller intends to acquire the beneficial interest in the Loans and their Related Security comprising the Farringdon Portfolio from the Farringdon Vendor on the Farringdon Sale Date and immediately on-sell such Loans and their Related Security comprising the Farringdon Portfolio to the Issuer pursuant to the Mortgage Sale Agreement (Farringdon) (subject to agreeing terms of the Farringdon Vendor Mortgage Sale Agreement and the Interim Servicing and Legal Title Holder Deed).

### Business of the Seller

The Retention Holder has no obligation to advance amounts or to provide financial or other support to the Seller and the Retention Holder will not guarantee or act as surety for obligations of the Seller in connection with the Transaction, including in respect of the Seller's obligation to make indemnity payments with respect to the Loans in the Trinidad Portfolio pursuant to the Mortgage Sale Agreement (Trinidad) (such claims being limited in recourse to the Arima Trust Property).

Pursuant to the terms of a seller declaration of trust dated 22 October 2019 (the **Seller Declaration of Trust**), the Seller declared itself a trustee over, among other things: (i) a loan commitment and all of its rights under or pursuant to a mortgage sale agreement entered into in connection with another securitisation of UK residential mortgages in favour of the issuer in respect of that securitisation; and (ii) any property of the Seller which is not otherwise subject to the trust property in favour of itself. Additional beneficiaries may, from time to time, on and from the Closing Date accede to the Seller Declaration of Trust without the consent of the parties to the Seller Declaration of Trust (other than the Seller); however, any such accession will not affect the manner in which the Arima Trust Property is calculated. The interests and entitlements of the Issuer, the Seller and other beneficiaries (the **Beneficiaries**) of their respective trust property under the Seller Declaration of Trust will be vested and indefeasible such that such Beneficiaries will be absolutely entitled to the assets comprised in their respective trust property as they are received and as income arises.

On or about the Closing Date, the Seller will enter into an accession undertaking to the Seller Declaration of Trust pursuant to which the Seller will hold amounts received in respect of warranty claims under or in respect of the Trinidad Vendor Mortgage Sale Agreement (the **Arima Trust Property**) on bare trust for the Issuer absolutely (the **Trinidad Accession Undertaking to the Seller Declaration of Trust**), and an accession undertaking to the Seller Declaration of Trust pursuant to which the Seller will grant a bare trust over its interests in the Farringdon Vendor Mortgage Sale Agreement (the **Farringdon Accession Undertaking to the Seller Declaration of Trust**, and together with the Trinidad Accession Undertaking to the Seller Declaration of Trust, the **Accession Undertakings to the Seller Declaration of Trust**)).

The Seller's obligations pursuant to the Mortgage Sale Agreements are limited recourse obligations and therefore, in the event that the Seller has insufficient funds available to satisfy in full any obligations under a Mortgage Sale Agreement after the Arima Trust Property has been exhausted, the Issuer (or the Security Trustee following the service of an Enforcement Notice) will have no further claim against the Seller or its directors, shareholders, officers or successors in respect of any amounts owing to it which remain unpaid, and such unpaid amounts shall be deemed to be discharged in full and any relevant rights to payment shall be extinguished.

Other than activities and operations incidental to its entry into the Transaction Documents to which it will be party, the Trinidad Vendor Mortgage Sale Agreement and, if the Seller and the Issuer (acting on the instructions of the Committee) agree to proceed with the acquisition of the Farringdon Portfolio, the Farringdon Vendor Mortgage Sale Agreement, the performance of its obligations thereunder and other matters which are incidental or ancillary to the foregoing, the Seller has previously acted as an intermediary purchaser in connection with other public and private securitisations, as well as a warranty provider in connection with other public securitisations where it has agreed to make indemnity payments in respect of any breach of warranties in respect of those securitisations.

The accounting reference date of the Seller is 31 December.

### **Directors**

The directors of the Seller and their respective business addresses and occupations are:

| <b>Name</b>  | <b>Business Address</b>                         | <b>Business Occupation</b> |
|--------------|---|----------------------------|
| Matthew Weir | 1 Churchill Place, Canary Wharf, London E14 5HP | Banking                    |
| Sean White   | 1 Churchill Place, Canary Wharf, London E14 5HP | Banking                    |
| Arun Sharma  | 1 Churchill Place, Canary Wharf, London E14 5HP | Banking                    |

The company secretary of the Seller is Barclays Corporate Secretariat Limited, whose principal office is at 1 Churchill Place, London E14 5HP, United Kingdom.



## THE RETENTION HOLDER, THE SPONSOR, AND THE SERVICER ADMINISTRATOR

Barclays Bank PLC (the **Bank**, and together with its subsidiary undertakings, the **Barclays Bank Group**) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the **Group** or **Barclays**) is the ultimate holding company of the Group. The Bank's principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank, supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group's operations include consumer banking and payment services in the UK, U.S. and Europe, as well as a global corporate and investment bank. The Group operates as two divisions – the Barclays UK (**Barclays UK**) division and the Barclays International (**Barclays International**) division – which are supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank, Barclays Bank UK PLC (**BBUKPLC**) and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within its non-ring-fenced bank, the Bank and its subsidiaries, and by certain other entities within the Group.

The short-term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long-term obligations of the Bank are rated A by S&P Global Ratings UK Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited.

The Bank's credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the **UK CRA Regulation**) as having been issued by Fitch Ratings Limited (**Fitch**), Moody's Investors Service Ltd. (**Moody's**) and S&P Global Ratings UK Limited (**S&P**), each of which is established in the United Kingdom and has been registered under the UK CRA Regulation. The ratings Fitch, Moody's and S&P have given in relation to the Bank are endorsed by Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited respectively, each of which is established in the European Economic Area (EEA) and registered under Regulation (EU) No 1060/2009 on credit rating agencies (as amended, the **EU CRA Regulation**)."

The Bank formed the Seller as its direct wholly owned subsidiary in connection with certain public and private securitisations. The Bank provides all directors of the Seller. The Bank has no obligation to advance amounts or to provide financial or other support of any nature to the Seller in respect of this Transaction and the Bank will not guarantee or act as surety for any obligations of the Seller under the Mortgage Sale Agreements or any other Transaction Document.

Prior to their execution, the Bank has reviewed and commented on the Transaction Documents. As sole shareholder of the Seller, the Bank will cause the Seller to enter into the Transaction Documents to which the Seller is party, including the Mortgage Sale Agreement (Trinidad) and the Trinidad Vendor

Mortgage Sale Agreement and, if it proceeds with the acquisition of the Farringdon Portfolio, the Farringdon Vendor Mortgage Sale Agreement and the Mortgage Sale Agreement (Farringdon). The Bank's involvement in the transaction prior to the Closing Date has also comprised determination of cashflow and collateral modelling, determination of the capital structure to be implemented and determining the appropriate retention structure for the Transaction.

The Bank is acting as Sponsor and Retention Holder.

As further described herein, the Bank intends to retain certain rights in respect of the servicing of the Loans and will exercise these rights through its role as Servicer Administrator. The Servicer Administrator will be permitted to exercise these rights to perform certain ongoing functions as set out in the Administration Agreement. See further "*Summary of the Key Transaction Documents – Administration Agreement – Servicer Administrator Services*".

## THE ISSUER ACCOUNT BANK, THE BARCLAYS BANK GROUP AND THE GROUP

Barclays Bank PLC (the **Bank**, and together with its subsidiary undertakings, the **Barclays Bank Group**) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the **Group** or **Barclays**) is the ultimate holding company of the Group. The Bank's principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank, supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group's operations include consumer banking and payment services in the UK, U.S. and Europe, as well as a global corporate and investment bank. The Group operates as two divisions – the Barclays UK (**Barclays UK**) division and the Barclays International (**Barclays International**) division – which are supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank, Barclays Bank UK PLC (**BBUKPLC**) and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within its non-ring-fenced bank, the Bank and its subsidiaries, and by certain other entities within the Group.

The short-term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long-term obligations of the Bank are rated A+ by S&P Global Ratings UK Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited.

The Bank's credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the **UK CRA Regulation**) as having been issued by Fitch Ratings Limited (**Fitch**), Moody's Investors Service Ltd. (**Moody's**) and S&P Global Ratings UK Limited (**S&P**), each of which is established in the United Kingdom and has been registered under the UK CRA Regulation. The ratings Fitch, Moody's and S&P have given in relation to the Bank are endorsed by Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited respectively, each of which is established in the European Economic Area (EEA) and registered under Regulation (EU) No 1060/2009 on credit rating agencies (as amended, the **EU CRA Regulation**)."

Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2022, the Barclays Bank Group had total assets of £1,203,537m (December 2021: £1,061,778m), loans and advances at amortised cost of £182,507m (December 2021: £145,259m), total deposits at amortised cost of £291,579m (December 2021: £262,828m), and total equity of £58,953m (December 2021: £56,317m). The profit before tax of the Barclays Bank Group for the year ended 31 December 2022 was £4,867m (December 2021: £5,418m) after credit impairment charges of £933m (December 2021: credit impairment releases of £277m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2022, as set out in the 2022 20-F.

Based on the Barclays Bank Group's unaudited financial information for the six months ended 30 June 2023, the Barclays Bank Group had total assets of £1,246,636m (December 2022: £1,203,537m), loans and advances at amortised cost of £183,237m (December 2022: £182,507m), total deposits at amortised cost of £307,820m (December 2022: £291,579m), and total equity of £58,348m (December 2022: £58,953m). The profit before tax of the Barclays Bank Group for the six months ended 30 June 2023 was £3,132m (June 2022: £2,605m) after credit impairment charges of £688m (June 2022: credit impairment charges of £293m). The financial information in this paragraph is extracted from the unaudited condensed consolidated interim financial statements of the Bank for the six months ended 30 June 2023.

## THE LONG TERM SERVICER AND THE LONG TERM LEGAL TITLE HOLDER

### Mars Capital Finance Limited

Mars Capital Finance Limited (**Mars**) in its capacities as the **Long Term Legal Title Holder** and the **Long Term Servicer** is a private limited company incorporated under the laws of England and Wales (registration number 05859881) on 28 June 2006, having its registered office at Belvedere, 12 Booth Street, Manchester, United Kingdom, M2 4AW.

Mars Capital Finance Limited acquire and originated (through its brand Magellan Homeloans) and administers residential mortgage loans advanced to borrowers secured on properties in England and Wales, Northern Ireland and Scotland.

Mars Capital Finance Limited is a member of UK Finance, is authorised and regulated by the Financial Conduct Authority under registration number 459016 and holds relevant registrations under the Data Protection Act 1998.

As of the date of this Prospectus, Mars Capital Finance Limited is a 100% subsidiary of Capquest Limited which is a 100% subsidiary of Intrum.

Since 2007, Mars has acquired the legal title to and managed approximately £1 billion of UK mortgage assets, €1.2 billion of Irish mortgage assets and €150 million of foreclosed Irish property. Mars has been servicer and legal title holder in one private and five public RMBS transactions.

#### *Servicing overview*

Mars has primary, special and master servicing capability, and utilises the full range of collection tools, including agreeing discounted pay-offs and foreclosure:

- End to end servicing: Collectors engage with borrowers in all stages of collections - each non-current account has their own allocated collector;
- Comprehensive understanding: Collectors have a comprehensive understanding of Mars' processes, MCOB, the Pre-Action Protocol for Mortgage Repossessions, and UK property and mortgage markets;
- Structure: Two collection teams with experienced team leaders;
- Experienced collectors: Experienced collectors have a workload of about 180 non-performing cases;
- Recruitment and training: Collectors are recruited and trained to be flexible and to follow the mission statement. Mars does not operate a "one-size-fits-all" style of account management;
- Performance monitoring: Monitored through monthly management information, exception reporting, quality control reviews and call monitoring by team leaders and the compliance & risk teams; and
- Treating Customers Fairly (**TCF**) performance: Independent reviews of collectors' TCF performance including borrower feedback.

### *Compliance Monitoring and Reporting Structure*

Mars has a formal compliance monitoring and reporting structure, reporting to its board of directors at least monthly. This includes TCF and anti-money laundering safeguards, and involves monitoring files and telephone calls.

Mars operates three lines of defence to ensure appropriate responsibility and accountability, to report and escalate risks, to provide oversight and challenge, and to provide independent assurance over its practices. Line one is the business operation itself where responsibility for day to day risks and controls are assumed, and reports on risks and emerging risks are generated. Line two is carried out by the risk and compliance team, which sets risk appetite and limits through policies and procedures and provides oversight of business processes and risks. Line three is internal and external audit. Internal audit provides independent objective assurance, and evaluates and improves risk management effectiveness through systematic and benchmarked approaches. No issues have been identified by Mars' external auditors.

### *Policies and Procedures*

Mars has key policies and procedures and ownership is allocated to relevant senior managers and reviewed on at least an annual basis. The policy review committee of Mars is tasked with reviewing, and if appropriate approving, policies for onward ratification by the board of directors. These policies include: High Level Group Governance Policy, TCF Policy, Business Continuity Plan, Complaints Handling Policy, Conflicts of Interest Policy, Anti-Money Laundering, Credit Risk Policy, Underwriting Manual, Responsible Lending Policy, Compliance Policy, Data Protection Policy, Intermediary Accreditation Policy, New Products Policy, Insurance Policy, External Reporting Policy, Boards & Associated Committee Terms of Reference, Irish Property Management Policy, Capital Requirement Policy, Liquidity Policy, Expenses Policy, IT Policies, Credit Reference Agency Reporting Policy, Collections Policy, Staff Handbook, Training and Competence Policy, and Whistle Blowing Scheme.

### *Information Technology*

Mars has developed in-house its own end-to-end primary and special servicing system (**DEIMOS**). DEIMOS utilises the latest technology, including the Microsoft.net framework, and is browser based. The Microsoft SQL Server runs the underlying database. DEIMOS features an online payment facility through Mars' website and runs the firm's Direct Debit and debit card acceptance and payment allocation functionality.

## **THE INTERIM SERVICER**

BCM Global Mortgage Services Limited (**BGMSL**) is a private company with limited liability incorporated under the laws of England and Wales with registered number 00912411 and with its registered address at 1st Floor Crown House, Crown Street, Ipswich, IP1 3HS. BGMSL is a subsidiary of LC Financial Holdings Limited, and is regulated by the Financial Conduct Authority (FCA Number 306235) with permissions to, amongst other things, service commercial and residential mortgage loans in the United Kingdom on behalf of third parties. LC Financial Holdings Limited has recently acquired BGMSL and Rooftop Mortgages Limited.

This information has been provided solely by BGMSL for use in this Prospectus. Except for the foregoing paragraph, BGMSL and its affiliates do not accept any responsibility for this Prospectus.

## **THE INTERIM LEGAL TITLE HOLDER**

Rooftop Mortgages Limited is a private limited company incorporated in England and Wales under company number 04621865 on 19 December 2002 for the purposes of originating residential mortgage loans to borrowers in England and Wales, Northern Ireland and Scotland. Rooftop Mortgages Limited is a subsidiary of LC Financial Holdings Limited and is regulated and authorised by the Financial Conduct Authority under registration number 303059. The registered office of Rooftop Mortgages Limited is 1st Floor Crown House, Crown Street, Ipswich, IP1 3HS.

The information in the preceding paragraph has been provided solely by Rooftop Mortgages Limited for use in this Prospectus. LC Financial Holdings Limited has recently acquired BGMSL and Rooftop Mortgages Limited. Except for the foregoing paragraph, Rooftop Mortgages Limited and its affiliates do not accept any responsibility for this Prospectus.



## THE ORIGINATORS

Information in respect of the Originators is set out below for information purposes only. For the avoidance of doubt, the Originators are not Transaction Parties.

### ***Cyprus Popular Bank Public Co Ltd (formerly Marfin Popular Bank Public Co. Ltd and trading as Laiki Bank or Marfin Popular Bank)***

Established in 1901 as 'Popular Savings Bank of Limassol', Cyprus Popular Bank Public Co Ltd was the second largest bank in Cyprus; Cyprus Popular Bank was branded on its domestic bank as 'Laiki Bank'. In 2012 the bank collapsed and was rescued by the government of Cyprus. In March 2013 the 'good' assets of Cyprus Popular Bank Public Co Ltd were transferred to Bank of Cyprus. Cyprus Popular Bank Public Co Ltd, through its subsidiaries, provided banking and financial services to individual and corporate customers in Cyprus, Greece, and internationally. Its address is 154 Limassol Avenue, Nicosia, 2025, Cyprus.

### ***Heritable Bank PLC (in administration)***

Heritable Bank PLC (in administration) (address C/O Ernst & Young LLP, 1 More London Place, London SE1 2AF) went into administration on 7 October 2008. Whilst in administration, Heritable Bank PLC (in administration) is continuing to manage its current loan book and the administrators will be seeking to find purchasers for and will continue to manage the remainder of Heritable Bank PLC (in administration)'s business and loan book to maximise recovery for creditors. Heritable Bank PLC (in administration) is not accepting deposits or new accounts. For further information please see <http://www.heritable.co.uk/abouttheheritablebank/index.html>.

### ***Mars Capital Finance Limited (trading as Magellan Homeloans)***

Mars Capital Finance Limited is a private limited company incorporated under the laws of England and Wales (registration number 05859881), having its registered office at Belvedere, 12 Booth Street, Manchester, M2 4AW.

For a more detailed description of Mars Capital Finance Limited, see the section entitled "The Long Term Servicer and the Long Term Legal Title Holder.

### ***Rooftop Mortgages Limited***

Rooftop Mortgages Limited is a private limited company incorporated under the laws of England and Wales (registration number 04621865), having its registered office at 1st Floor, Crown House, Crown Street, Ipswich, England, IP1 3HS.

Rooftop Mortgages Limited does not offer any new lending.

### ***Magellan Homeloans Limited (in liquidation)***

Magellan Homeloans Limited (in liquidation) (MHL) is a private limited company incorporated under the laws of England and Wales (registration number 10637508), having its registered office at Ashcombe House, 5 The Crescent, Leatherhead, Surrey KT22 8DY.

As of the date of this Prospectus, MHL is in voluntary liquidation undertaking an orderly wind down.

## **THE CASH MANAGER**

U.S. Bank Global Corporate Trust Limited is a limited liability company incorporated under the laws of England and Wales with its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Global Corporate Trust Limited is a U.S. Bancorp group company that is dedicated to the provision of agency services in Europe as part of U.S. Bank Global Corporate Trust. Together with Elavon Financial Services DAC (the legal entity through which U.S. Bank Global Corporate Trust provides regulated banking services in Europe), U.S. Bank Trustees Limited (the legal entity through which U.S. Bank Global Corporate Trust primarily provides trustee and other fiduciary services in Europe) and U.S. Bank, National Association and U.S. Bank Trust Company, National Association (the legal entities through which the U.S. Bank Global Corporate Trust primarily conducts business in the United States), U.S. Bank Global Corporate Trust is one of the world's largest providers of trustee services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds; providing a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at [www.usbank.com](http://www.usbank.com).

## **THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Trustees Limited is a U.S. Bancorp group company that is dedicated to the provision of trustee and other fiduciary services in Europe as part of U.S. Bank Global Corporate Trust. Together with Elavon Financial Services DAC (the legal entity through which U.S. Bank Global Corporate Trust provides regulated banking services in Europe), U.S. Bank Global Corporate Trust Limited (the legal entity through which U.S. Bank Global Corporate Trust primarily provides agency services in Europe) and U.S. Bank, National Association and U.S. Bank Trust Company, National Association, (the legal entities through which the U.S. Bank Global Corporate Trust primarily conducts business in the United States), U.S. Bank Global Corporate Trust is one of the world's largest providers of trustee services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds; providing a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at [www.usbank.com](http://www.usbank.com).

## **THE CORPORATE SERVICES PROVIDER**

Intertrust Management Limited (registered number 03853947), having its principal address at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement. Intertrust Management Limited has served and is currently serving as corporate services provider for securitisation transactions.

## THE LOANS

### *Introduction*

The following is a description of some of the characteristics of the Loans comprising the Portfolio, including details of loan types, the underwriting process and Lending Criteria.

Unless otherwise indicated, the description that follows relates to types of loans that will be sold to the Issuer as part of the Portfolio as at the Trinidad Sale Date (in respect of the Trinidad Portfolio) and the Farringdon Sale Date (in respect of the Farringdon Portfolio).

### *Summary of the Portfolio*

The Portfolio will initially consist of the Loans and their Related Security comprising the Trinidad Portfolio. If the Seller enters into the Farringdon Vendor Mortgage Sale Agreement with the Farringdon Vendor, the Seller will acquire the Farringdon Portfolio and, following the Farringdon Sale Date, the Portfolio will consist of the Loans and their Related Security comprising the Trinidad Portfolio and the Farringdon Portfolio.

Each borrower in respect to a Loan is referred to herein as a **Borrower**.

As to regulatory aspects in respect of the loans, refer to the section entitled "*Certain Regulatory Considerations in respect of the Loans*".

### *Origination of the Portfolio*

The Loans in the Trinidad Portfolio were originated by Mars Capital Finance Limited (trading as Magellan Homeloans), and Magellan Homeloans Limited, Heritable Bank PLC (in administration) and Cyprus Popular Bank Public Co Ltd (formerly Marfin Popular Bank Public Co. Ltd and trading as Laiki Bank or Marfin Popular Bank).

The Loans in the Farringdon Portfolio were originated by Rooftop Mortgages Limited.

### *Characteristics of the Loans*

The Trinidad Portfolio comprises loans advanced to the borrowers upon the security of owner-occupied and buy-to let residential property and commercial and semi-commercial property situated in England and Wales.

The Farringdon Portfolio comprises loans advanced to the borrowers upon the security of owner-occupied and buy-to let residential property situated in England and Wales.

### *Security*

All of the Mortgages are secured by first ranking mortgages or, as applicable, first ranking standard securities.

### *Terms of the Loans*

#### *Interest Rate Setting*

The Loans in the Trinidad Portfolio fall into the categories described below.

- (a) **Standard Variable Rate Loans:** Loans subject to a standard variable rate of interest.

- (b) **Tracker Rate Loans:** Loans subject to a variable rate of interest that is linked to BBR plus an additional fixed percentage.
- (c)

All of the Loans in the Farringdon Portfolio are Tracker Rate Loans that are subject to a variable rate of interest that is linked to Synthetic LIBOR plus an additional fixed percentage.

### ***Repayment terms***

Borrowers typically make payments of interest on, and repay principal of, their Loans using one of the following methods:

- (a) repayment: the Borrower makes monthly payments of both interest and principal so that, at the end of the mortgage term, the Borrower will have repaid the full amount of the principal of the Loan (a **Repayment Loan**);
- (b) interest-only: the Borrower makes monthly payments of interest but not of principal; at the end of the mortgage term, the entire principal amount of the Loan is still outstanding and the Borrower must repay that amount in one lump sum or by way of regular payments. An interest-only Loan may include a repayment plan or vehicle, including an endowment, pension policy or managed investment plan, share portfolio plan or sale of the relevant property (an **Interest-Only Loan**); and
- (c) in respect of the Farringdon Portfolio, combination repayment and interest-only: the Borrower makes monthly payments of both interest and principal in respect of part of the Loan, and makes monthly payments of interest but not of principal in respect of the remainder of the Loan. At the end of the mortgage term, the Borrower must repay the entirety of the principal amount outstanding in respect of the part of the Loan that is interest only. Such situation is typically likely to occur where a Borrower has agreed an alternative repayment strategy with the relevant lender (a **Part-and-Part Loan**).

### ***Overpayments***

A Borrower may make overpayments or may repay the entire current balance under its Loan at any time. No early repayment charge is payable on an overpayment (whilst some of the Loans in the Trinidad Portfolio previously may have been subject to such charges, due to the length of time since the relevant Loans were originated, no further early repayment charge will be payable). Any overpayment immediately reduces the Current Balance of the Loan from the day payment is received from the Borrower. Any overpayment will result in the immediate reduction in the amount of interest payable by the relevant Borrower.

### ***Further Advances***

The Loans Conditions do not contain any obligation to make a Further Advance. The Legal Title Holders will agree not to make Further Advances in respect of the Loans which is not required to be made under the applicable Mortgage Conditions and/or any Applicable Law.

### ***Porting***

The Loans Conditions do not contain any obligation to make a Port. The Legal Title Holders will agree not to consent to a port in respect of the Loans which is not required to be made under the applicable Mortgage Conditions and/or any Applicable Law.

**Port** means any substitution of a Property which is subject to a Mortgage in respect of a Loan which another property where such substitution is contractually required to be permitted pursuant to the relevant Loan Conditions.

### ***Product Switches***

The Loans Conditions do not contain any obligation to make a Product Switch. The Legal Title Holders will agree not to make a Product Switch in respect any Loan which is not required to be made under the applicable Mortgage Conditions and/or any Applicable Law.

### ***Monthly Payment Dates***

All Borrowers under the Loans are obliged to make contractual monthly payments as required by the conditions of the relevant Loans on the relevant monthly payment date.

### ***Valuations***

Investors should be aware that, other than the valuation of Properties undertaken as at origination (including valuations using automated valuation models), no revaluation of any Property has been undertaken by the Legal Title Holders, the Seller, the Issuer, the Servicers, the Security Trustee or any other person in respect of the issue of the Notes and the valuations quoted are at the date of the original mortgage loan origination.

### ***Collections Procedures***

Each of the Servicers has established procedures to adhere to when managing mortgage loans that are in arrears, including early contact with Borrowers in order to find a solution to any financial difficulties they may be experiencing, agreeing payment plans with the related Borrower and deciding to take or not to take enforcement action against the Borrower and/or in respect of the Property. These procedures may be varied by the relevant Servicer from time to time in accordance with the practice of a Prudent Mortgage Servicer.

### ***Title to the Portfolio***

Pursuant to, and under the terms of the Mortgage Sale Agreement (Trinidad), dated on or about the Closing Date, the Seller will transfer the equitable title to the Loans to the Issuer on the Trinidad Sale Date (in respect of the Trinidad Portfolio) and, if the Seller enters into the Farringdon Vendor Mortgage Sale Agreement, pursuant to the terms of the Mortgage Sale Agreement (Farringdon), the Seller will transfer the equitable title to the Loans to the Issuer on the Farringdon Sale Date (in respect of the Farringdon Portfolio). Following a Perfection Event, the relevant Legal Title Holder will transfer legal title in and to the Loans and their Related Security at the direction of the Issuer to the Issuer or its nominee. In the case of the Mortgages over registered or recorded land in England and Wales which will be transferred to the Issuer on the Trinidad Sale Date, in respect of the Trinidad Portfolio, and on the Farringdon Sale Date, in respect of the Farringdon Portfolio, and the relevant Legal Title Holder will, prior to the occurrence of a Perfection Event remain on the Land Registry as the legal mortgagee of record.

In addition, if the Issuer acquires the Farringdon Portfolio, the intention is that the Interim Legal Title Holder will be appointed an initial legal title holder, but will transfer legal title in and to the Loans and their Related Security in the Farringdon Portfolio to the Long Term Legal Title Holder on the Farringdon Transfer Date.

Transfer of equitable title or the beneficial title in and to the Loans to the Issuer on the relevant Sale Date is to be completed without registration or recording at the Land Registry or notice given to the

relevant Borrowers until the occurrence of one of the events mentioned below. Transfer of legal title in respect of the Loans from the relevant Legal Title Holder to the Issuer or to a nominee of the Issuer (as the Issuer may direct) following a Perfection Event (or, in respect of the Farringdon Portfolio, on the Farringdon Transfer Date) shall be completed by registration or as applicable recording at the Land Registry.

The Mortgages in the Portfolio and their collateral security will accordingly be owned in equity only by the Issuer pending such transfer. Legal title in and to the Loans and their Related Security continues to be vested in and held by the relevant Legal Title Holder and legal title in and to the Loans shall only be transferred to the Issuer or its nominee upon the occurrence of a Perfection Event (and, in respect of the Farringdon Portfolio, on the Farringdon Transfer Date, will be transferred to the Long Term Legal Title Holder).

The Issuer will grant a first fixed charge in favour of the Security Trustee over its interest in the Mortgages.

Save as mentioned below in the "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*", the Security Trustee has undertaken not to effect any registration or as applicable recording at the Land Registry to protect the sale of the Mortgages to the Issuer or the granting of security over the Mortgages by the Issuer in favour of the Security Trustee nor, save as mentioned below, to obtain possession of title deeds to the properties the subject of the Mortgages.

Notices of the equitable assignments or declarations of trust in favour of the Issuer and the security in favour of the Security Trustee will not, save as mentioned below, be given to the Borrowers under the Mortgages.

Under the Servicing and Legal Title Holder Deeds, the Issuer and the Security Trustee shall not seek to transfer legal title in and to the Loans to the Issuer or a nominee of the Issuer prior to the occurrence of a Perfection Event (provided that, in respect of the Farringdon Portfolio, legal title shall be transferred to the Long Term Legal Title Holder on the Farringdon Transfer Date).

### ***Warranties in relation to the Loans***

Each Mortgage Sale Agreement contains warranties and indemnities given by the Seller in favour of the Issuer in relation to the Loans and Related Security sold to the Issuer pursuant to the relevant Mortgage Sale Agreement.

No searches, enquiries or independent investigation of title of the type which a prudent purchaser, mortgagee would normally be expected to carry out have been or will be made by the Issuer. The Issuer will rely entirely on the benefit of the warranties and indemnities given to it under each Mortgage Sale Agreement. Although investors should note that under each Mortgage Sale Agreement, the Seller will make only limited disclosures against certain Loan Warranties as more particularly described in "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*".

Although the Seller will give certain representations and warranties and indemnities in respect of the Loans sold by it, the Seller was not the originator of any of the Loans comprising the Portfolio.

Accordingly, since, among other reasons, the Seller does not have direct knowledge as to certain matters relating to the actual origination of the Loans, certain warranties are qualified by reference to the awareness of the Seller. It may be practically difficult for the Seller to detect a breach of warranty in respect of the Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of the Seller where there is no ongoing active involvement of the relevant originator.



### ***Knowledge of matters represented in Loan Warranties***

Although the Seller will give certain representations and warranties in respect of the Loans sold by it, the Seller was not the originator of any of the Loans comprised in the Portfolio and has acquired its interest in the Loans and their Related Security under each of the Vendor Mortgage Sale Agreements. The Seller does not have direct knowledge as to the manner in which the Loans were originated or that the Lending Criteria were applied at the time of origination of the Loans or whether different criteria were applied or whether certain Loan Warranties are correct or not. Accordingly, since the Seller does not have direct knowledge as to matters relating to, amongst other things, the actual origination of the Loans, although the Seller has conducted limited due diligence on the Loans, certain Loan Warranties relating to, among other things, the origination process are necessarily qualified by reference to the awareness of the Seller and the relevant Vendor. It may be practically difficult for the Seller to detect a breach of warranty in respect of the Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of the Seller, as (i) there is no ongoing active involvement of each of the Vendors in monitoring or notifying any defect in relation to the circumstances of the Loans and (ii) the Seller or the relevant Servicer may only detect a breach of Loan Warranty if that is evident from the face of the relevant Servicer Report or it otherwise becomes aware of a breach (e.g. following the taking of specific enforcement or other action with respect to a Loan).

Each of the Vendor Mortgage Sale Agreements contain warranties in respect of the relevant Loans (**the Vendor Loan Warranties**) and there is no repurchase obligation on the relevant Vendor (nor the Seller) following breaches of such Vendor Loan Warranties. The liability of the Trinidad Vendor in respect of the Vendor Loan Warranties given in the Trinidad Vendor Mortgage Sale Agreement and the liability of the Seller in respect of the Loan Warranties given by it with respect to the Trinidad Portfolio in the Mortgage Sale Agreement (Trinidad) are limited in both amount and duration and subject to certain minimum threshold amounts. The Issuer will have no indemnity claim against the Seller for breach of Loan Warranties in respect of the Farringdon Portfolio. Accordingly, the Issuer may not be able to achieve reimbursement for any losses suffered as a result of a breach of the Loan Warranties in respect of Loans, which may in turn impact the Issuer's ability to make payments on the Notes.

### ***Lending Criteria***

#### ***Farringdon Portfolio***

The Farringdon Portfolio will be acquired from the Farringdon Vendor and were previously securitised by the Farringdon Vendor. The prospectus for the issuer, Farringdon Mortgages No. 2 PLC, dated 23 September 2005 stated that the Lending Criteria of Rooftop Mortgages Limited will have applied at the time of origination.

#### ***Trinidad Portfolio***

The Trinidad Loans will be acquired from the Trinidad Vendor and were previously securitised by the Trinidad Vendor. The following details with respect to the Magellan Homeloans Limited (**MHL**) lending criteria were extracted from the prospectus for Trinidad Mortgage Securities 2018-1 PLC dated 10 July 2018.

MHL offered two lending products:

Complex Prime, a near prime product for borrowers with complex credit or income circumstances that may exhibit minor credit blemishes and which may not have access to traditional credit over 50% of MHL's near prime completions is categorised by Experian as "Prime";

Credit Repair, a product catering to habitually "Prime" borrowers who have experienced an unexpected life event (divorce, business interruption, serious illness, redundancy) which led to an impaired credit history; nearly 60% of credit repair is classified by Experian as "Prime" or "Near prime".

MHL lent for any legal purpose on a residential first charge basis only on properties with a minimum value of £50,000. MHL only originated mortgages in GBP sterling to customers in the UK who also receive income in GBP sterling, with a minimum income of £20,000 per household. MHL did not offer interest only mortgages.

MHL did not use credit scoring; a pragmatic approach was taken, which allows consideration of borrowers who may not fit traditional lending criteria due to complex borrowing profiles, their age, time in self-employment or income from multiple sources. 100% of contractually guaranteed income is used in the affordability assessment, with variable income restricted to 50%. The identity of each applicant was established in accordance with current Joint Money Laundering Steering Group guidance.

The maximum number of applicants was four and all applicants had to be a minimum of 21 years old. The primary applicant for credit repair borrowers had to be at least 25 years old. The minimum loan amount was £25,001, and the maximum loan amount was £500,000. The maximum loan to value ratio was 85% for near prime borrowers and 75% for credit repair borrowers, and the maximum term was 35 years. For near prime applicants, any bankruptcy, individual voluntary arrangement or debt relief order must have been discharged for 6 years. Credit repair products permit bankruptcies discharged over 12 months ago and individual voluntary arrangements registered at least 12 months ago, subject to satisfactory conduct on the part of the applicant.

MHL lent against properties in England and Wales with freehold or leasehold tenure. Leasehold security must have had an unexpired term of at least 55 years at application and 35 years at the end. Properties built within the last 10 years were acceptable, but had to be covered by an NHBC certificate or other approved guarantee from an acceptable body. New build flats must have a loan to value ratio of 80% or below, and flats in a block over 5 floors must have been built after 1990. MHL considered ex-local authority flats provided the block has no more than 5 floors, the loan to value ratio is less than 75%, the value was at least £200,000 and any pre-emption period had expired.

Each security was valued by an independently instructed valuer (with an M.R.I.C.S or F.R.I.C.S. qualification) from the Magellan Homeloans Valuation Panel. MHL did not accept properties that were determined as unacceptable security by the appointed valuer, including properties designated defective under the Housing Act 1985, properties with agricultural restrictions and freehold flats or maisonettes.

### ***Insurance on the property***

In respect of the Trinidad Portfolio, a Borrower was required to insure the Property securing the relevant Loan for full reinstatement cost (as determined by the relevant valuer as at the time of origination) under an insurance policy taken out in the name of the Borrower, or in the name of the landlord in the case of leasehold Properties or commonhold properties where the relevant landlord is responsible for insuring the Property.

In respect of the Farringdon Portfolio, a Borrower was required to insure the relevant Property under a block buildings policy with CHUBB Insurance Co. Limited in the name of the Originator, or ensure that the interest of the Originator was noted on, or that the Originator was included as joint insured under, a buildings insurance policy over the relevant Property.

### ***Cross-Collateralisation***

25% of Loans in the Trinidad Portfolio (20.57% of the Provisional Portfolio) (by Current Balance and on the Provisional Cut-Off Date) are cross-collateralised by Mortgages securing other Loans.

### ***Remediation***

The Seller has made enquiries of the Servicers, who have confirmed that there are no Loans within the Trinidad Portfolio or the Farringdon Portfolio which are subject to ongoing remediation action as a result of conduct issues in respect of the Loans or otherwise.

### ***Credit Risk Mitigation***

The Issuer has entered into certain contracts for the purchase, on-sale and servicing of the Portfolio. The Transaction Documents contain certain provisions, and certain parties to the transaction (including the Servicer) maintain certain criteria, policies and procedures, regarding the selection, administration of the mortgage portfolio and credit risk mitigation, as follows:

- (a) the relevant Servicer, and any delegate of the Servicer, has in place and operates effective systems to manage the ongoing administration and monitoring of the Portfolio, including for identifying and managing problem loans (please see "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds*"); and
- (b) the relevant Servicer, and any delegate of the Servicer, has in place written policies on credit risk mitigation techniques as it relates to Loans in arrears and default, which describes how and when enforcement may occur (please see "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds*").

### ***Criteria for Credit-Granting***

In respect of the Loans, the Seller and the Retention Holder have each received from the Vendors or their respective legal counsel or other publicly available information or information provided in respect of loans originated by the same Originators all the necessary information to allow it to assess whether the criteria applied by the Originators in the credit granting for the Loans were as sound and well-defined as the criteria applied to loans advanced by the Originators but not securitised, and upon review of this information has confirmed the same to its satisfaction. In particular, but without limitation, the Seller received and reviewed the following:

- standard loan documentation review prepared by a law firm as to English law;
- an AUP report prepared by an independent third party; and
- certain prospectuses and publicly available information (including, in each case, the prospectus and information in relation to the securitisation by the Vendors).

## CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO

The statistical and other information contained in this section has been compiled by reference to the Provisional Portfolio as at the Portfolio Reference Date.

The Mortgage Portfolio consists of Loans included in the Provisional Portfolio after accounting for Loans which redeem prior to the Closing Date. The Provisional Portfolio has a Current Balance of £83,707,405.23 (comprising £69,470,690.27 with respect to the Trinidad Portfolio and £14,236,714.96 with respect to the Farringdon Portfolio and excluding any Shortfall Loans) as at the Portfolio Reference Date. The information contained in this section has not been updated to reflect any decrease in size of the Mortgage Portfolio from that of the Provisional Portfolio.

Except as otherwise indicated, these tables have been prepared using the Current Balance of all live loans with a Current Balance greater than zero as at the Portfolio Reference Date. Columns may not add up to the total due to rounding.

As at the Portfolio Reference Date, the Provisional Portfolio had the following characteristics:

| <b>Summary Statistics as at 31/08/2023</b>                                  | <b>Combined Pool</b> | <b>TMS18</b>   | <b>F2</b>      |
|---|----------------------|----------------|----------------|
| Total Original Balance (£)  | 110,535,880.03       | 92,671,992.88  | 17,863,887.15  |
| Total Current Balance (£)   | 83,707,405.23        | 69,470,690.27  | 14,236,714.96  |
| Number of Borrowers   | 598                  | 458            | 140            |
| Number of Sub Accounts  | 624                  | 484            | 140            |
| Number of Properties  | 660                  | 520            | 140            |
| Average Current Balance (£, Borrower level)                                 | 139,978.94           | 151,682.73     | 101,690.82     |
| Minimum Loan Current Balance (£, Borrower level)                            | -673.16              | -673.16        | 0.00           |
| Maximum Loan Current Balance (£, Borrower level)                            | 1,953,617.73         | 1,953,617.73   | 437,009.41     |
| Average Current Balance (£, Sub Account level)                              | 134,146.48           | 143,534.48     | 101,690.82     |
| Minimum Loan Current Balance (£, Sub Account level)                         | -673.16              | -673.16        | 0.00           |
| Maximum Loan Current Balance (£, Sub Account level)                         | 1,894,254.40         | 1,894,254.40   | 437,009.41     |
| Weighted-average Original LTV (% , Account level)                           | 72.40%               | 70.92%         | 79.59%         |
| Weighted-average Current LTV (non-indexed) (% , Account Level)              | 49.98%               | 45.22%         | 73.22%         |
| Weighted-average Indexed LTV (% , Account level)                            | 41.64%               | 41.89%         | 40.42%         |
| Weighted-average Loan Term (Months [Years], Sub Account level)              | 277.58 [23.13]       | 275.94 [22.99] | 285.57 [23.8]  |
| Weighted-average Seasoning (Months [Years], Sub Account level)              | 168.87 [14.07]       | 158.66 [13.22] | 218.65 [18.22] |
| Weighted-average Remaining Term (Months [Years], Sub Account level)         | 108.71 [9.06]        | 117.27 [9.77]  | 66.92 [5.58]   |
| Weighted-average Current Interest rate (% , Sub Account level)              | 9.46%                | 9.58%          | 8.89%          |
| Interest-only (% of Current Balance, Sub Account level) - incl. P&P         | 61.76%               | 56.51%         | 87.40%         |
| Buy-to-let (% of Current Balance, Account level)                            | 25.73%               | 30.96%         | 0.19%          |
| Owner-occupied (% of Current Balance)                                       | 71.60%               | 69.04%         | 84.08%         |
| (Greater) London (% of Properties)  | 25.75%               | 26.35%         | 34.09%         |
| Performing Loans <1 month in arrears (% of Current Balance - Account level) | 73.74%               | 72.43%         | 80.15%         |
| Loans in Arrears >= 1 month (% of Current Balance - Account level)          | 26.23%               | 27.53%         | 19.85%         |

|  |        |        |        |
|--|--------|--------|--------|
| Loans in Arrears >= 3 month (% of Current Balance - Account level) | 17.97% | 19.00% | 12.95% |
|--|--------|--------|--------|

\*Court County Judgments within six years prior to the Portfolio Reference Date, including satisfied and unsatisfied Court County Judgments of the primary borrower and unsatisfied Court County Judgments of the secondary borrower.

### The Trinidad Portfolio

| Originator (Sub-Account level)    | Current Balance £ | Current Balance % | Number | Number % |
|-----------------------------------|-------------------|-------------------|--------|----------|
| Cyprus Popular Bank Ltd           | 799,890.09        | 1.15%             | 2      | 0.41%    |
| Cyprus Popular Bank Public Co Ltd | 670,582.45        | 0.97%             | 10     | 2.07%    |
| Heritable Bank Plc.               | 39,646,363.70     | 57.07%            | 228    | 47.11%   |
| Laiki Bank                        | 183,294.55        | 0.26%             | 5      | 1.03%    |
| Magellan Homeloans                | 21,377,888.07     | 30.77%            | 205    | 42.36%   |
| Marfin Popular Bank Public Co Ltd | 6,782,159.04      | 9.76%             | 33     | 6.82%    |
| N/A                               | 10,512.37         | 0.02%             | 1      | 0.21%    |
|                                   | 69,470,690.27     | 100.00%           | 484    | 100.00%  |

| Original Balances*of Mortgage Loans (Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|---|-------------------|-------------------|--------|----------|
| 0 <= x < 50,000   | 531,571.79        | 0.77%             | 24     | 4.96%    |
| 50,000 <= x < 100,000                                   | 7,969,475.34      | 11.47%            | 142    | 29.34%   |
| 100,000 <= x < 150,000                                  | 12,341,506.74     | 17.77%            | 125    | 25.83%   |
| 150,000 <= x < 200,000                                  | 7,160,390.59      | 10.31%            | 58     | 11.98%   |
| 200,000 <= x < 250,000                                  | 9,416,337.71      | 13.55%            | 54     | 11.16%   |
| 250,000 <= x < 300,000                                  | 4,566,133.36      | 6.57%             | 22     | 4.55%    |
| 300,000 <= x < 350,000                                  | 3,812,111.73      | 5.49%             | 13     | 2.69%    |
| 350,000 <= x < 400,000                                  | 2,545,903.03      | 3.66%             | 8      | 1.65%    |
| 400,000 <= x < 450,000                                  | 1,793,586.09      | 2.58%             | 6      | 1.24%    |
| 450,000 <= x < 500,000                                  | 2,150,649.07      | 3.10%             | 6      | 1.24%    |
| 500,000 <= x < 600,000                                  | 3,183,648.96      | 4.58%             | 7      | 1.45%    |
| 600,000 <= x < 750,000                                  | 1,963,123.93      | 2.83%             | 4      | 0.83%    |
| 750,000 <= x < 1,000,000                                | 3,685,131.47      | 5.30%             | 6      | 1.24%    |
| 1,000,000 <= x  | 8,351,120.46      | 12.02%            | 9      | 1.86%    |
|   | 69,470,690.27     | 100.00%           | 484    | 100.00%  |

\*Original Balance was set equal to Current Balance for Protective Advances

|                |              |
|----------------|--------------|
| <b>Max</b>     | 2,900,000.00 |
| <b>Min</b>     | 10,672.92    |
| <b>Average</b> | 191,530.40   |

| Current Balances of Mortgage Loans (Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|--|-------------------|-------------------|--------|----------|
| -5000 <= x < 0   | -673.16           | 0.00%             | 1      | 0.21%    |
| 0 <= x < 25,000  | 689,907.29        | 0.99%             | 57     | 11.78%   |
| 25,000 <= x < 50,000                                   | 1,782,820.91      | 2.57%             | 47     | 9.71%    |
| 50,000 <= x < 100,000                                  | 10,163,307.09     | 14.63%            | 138    | 28.51%   |
| 100,000 <= x < 150,000                                 | 12,164,717.21     | 17.51%            | 101    | 20.87%   |
| 150,000 <= x < 200,000                                 | 8,896,373.81      | 12.81%            | 51     | 10.54%   |
| 200,000 <= x < 250,000                                 | 6,421,646.91      | 9.24%             | 29     | 5.99%    |
| 250,000 <= x < 350,000                                 | 8,995,233.28      | 12.95%            | 30     | 6.20%    |
| 350,000 <= x < 400,000                                 | 1,491,983.53      | 2.15%             | 4      | 0.83%    |
| 400,000 <= x < 450,000                                 | 2,098,279.34      | 3.02%             | 5      | 1.03%    |
| 450,000 <= x < 500,000                                 | 1,400,000.62      | 2.02%             | 3      | 0.62%    |
| 500,000 <= x < 600,000                                 | 3,215,112.64      | 4.63%             | 6      | 1.24%    |
| 600,000 <= x < 750,000                                 | 2,124,215.60      | 3.06%             | 3      | 0.62%    |
| 750,000 <= x < 1,000,000                               | 3,470,199.60      | 5.00%             | 4      | 0.83%    |
| 1,000,000 <= x   | 6,557,565.60      | 9.44%             | 5      | 1.03%    |
|  | 69,470,690.27     | 100.00%           | 484    | 100.00%  |

|         |              |
|---------|--------------|
| Max     | 1,894,254.40 |
| Min     | -673.16      |
| Average | 143,534.48   |

| Original LTV* (Borrower level) | Current Balance £ | Current Balance % | Number | Number % |
|--------------------------------|-------------------|-------------------|--------|----------|
| 0% <= x < 50%                  | 9,250,309.28      | 13.32%            | 88     | 19.21%   |
| 50% <= x < 60%                 | 5,463,866.32      | 7.86%             | 50     | 10.92%   |
| 60% <= x < 70%                 | 12,230,052.13     | 17.60%            | 67     | 14.63%   |
| 70% <= x < 80%                 | 21,909,166.64     | 31.54%            | 118    | 25.76%   |
| 80% <= x < 90%                 | 18,370,309.31     | 26.44%            | 121    | 26.42%   |
| 90% <= x < 100%                | 78,518.35         | 0.11%             | 1      | 0.22%    |
| 100% <= x                      | 1,999,404.56      | 2.88%             | 8      | 1.75%    |
| No data                        | 169,063.68        | 0.24%             | 5      | 1.09%    |
|                                | 69,470,690.27     | 100.00%           | 458    | 100.00%  |

\*Based on original valuation

**Weighted-Average** 70.92%

| Original Valuation* (Borrower level) | Current Balance £ | Current Balance % | Number | Number % |
|--------------------------------------|-------------------|-------------------|--------|----------|
| 0 <= x < 50,000                      | 259,865.61        | 0.37%             | 6      | 1.31%    |
| 50,000 <= x < 100,000                | 1,567,048.23      | 2.26%             | 32     | 6.99%    |
| 100,000 <= x < 150,000               | 7,213,835.49      | 10.38%            | 101    | 22.05%   |
| 150,000 <= x < 200,000               | 7,407,109.85      | 10.66%            | 79     | 17.25%   |
| 200,000 <= x < 250,000               | 6,441,966.54      | 9.27%             | 59     | 12.88%   |
| 250,000 <= x < 300,000               | 6,936,098.51      | 9.98%             | 43     | 9.39%    |
| 300,000 <= x < 350,000               | 3,988,934.10      | 5.74%             | 25     | 5.46%    |
| 350,000 <= x < 400,000               | 5,351,886.34      | 7.70%             | 30     | 6.55%    |
| 400,000 <= x < 450,000               | 3,461,489.50      | 4.98%             | 17     | 3.71%    |
| 450,000 <= x < 500,000               | 2,406,305.17      | 3.46%             | 11     | 2.40%    |
| 500,000 <= x < 750,000               | 7,044,890.91      | 10.14%            | 28     | 6.11%    |
| 750,000 <= x < 1,000,000             | 1,869,754.40      | 2.69%             | 6      | 1.31%    |
| 1,000,000 <= x < 1,500,000           | 5,301,626.39      | 7.63%             | 11     | 2.40%    |
| 1,500,000 <= x < 4,000,000           | 6,459,114.41      | 9.30%             | 7      | 1.53%    |
| 4,000,000 <= x < 8,000,000           | 3,760,764.82      | 5.41%             | 3      | 0.66%    |
|                                      | 69,470,690.27     | 100.00%           | 458    | 100.00%  |

\*Based on original valuation

**Max** 7,550,000.00  
**Min** 0.00  
**Weighted-Average** 902,555.87

| <b>Current LTV (Borrower level)</b> | <b>Current Balance £</b> | <b>Current Balance %</b> | <b>Number</b> | <b>Number %</b> |
|-------------------------------------|--------------------------|--------------------------|---------------|-----------------|
| -5% <= x < 0%                       | -673.16                  | 0.00%                    | 1             | 0.22%           |
| 0% <= x < 25%                       | 8,060,046.74             | 11.60%                   | 132           | 28.82%          |
| 25% <= x < 35%                      | 7,464,872.52             | 10.75%                   | 61            | 13.32%          |
| 35% <= x < 45%                      | 16,269,997.36            | 23.42%                   | 81            | 17.69%          |
| 45% <= x < 50%                      | 12,962,182.32            | 18.66%                   | 46            | 10.04%          |
| 50% <= x < 55%                      | 6,810,991.04             | 9.80%                    | 40            | 8.73%           |
| 55% <= x < 60%                      | 6,980,340.26             | 10.05%                   | 43            | 9.39%           |
| 60% <= x < 65%                      | 4,556,041.67             | 6.56%                    | 31            | 6.77%           |
| 65% <= x < 70%                      | 3,122,923.44             | 4.50%                    | 12            | 2.62%           |
| 70% <= x < 75%                      | 264,048.28               | 0.38%                    | 3             | 0.66%           |
| 75% <= x < 80%                      | 2,338,875.71             | 3.37%                    | 4             | 0.87%           |
| 80% <= x < 85%                      | 482,498.87               | 0.69%                    | 3             | 0.66%           |
| 85% <= x                            | 158,545.22               | 0.23%                    | 1             | 0.22%           |
|                                     | 69,470,690.27            | 100.00%                  | 458           | 100.00%         |
| <b>Weighted-Average</b>             | 45.22%                   |                          |               |                 |

| <b>Current Valuation (Sub-Account level)</b> | <b>Current Balance £</b> | <b>Current Balance %</b> | <b>Number</b> | <b>Number %</b> |
|--|--------------------------|--------------------------|---------------|-----------------|
| 0 <= x < 50,000                              | 221,913.79               | 0.32%                    | 7             | 1.45%           |
| 50,000 <= x < 100,000                        | 604,584.59               | 0.87%                    | 13            | 2.69%           |
| 100,000 <= x < 150,000                       | 2,799,603.33             | 4.03%                    | 51            | 10.54%          |
| 150,000 <= x < 200,000                       | 5,038,329.84             | 7.25%                    | 70            | 14.46%          |
| 200,000 <= x < 250,000                       | 6,206,616.14             | 8.93%                    | 65            | 13.43%          |
| 250,000 <= x < 300,000                       | 3,134,523.39             | 4.51%                    | 32            | 6.61%           |
| 300,000 <= x < 350,000                       | 4,750,314.12             | 6.84%                    | 46            | 9.50%           |
| 350,000 <= x < 400,000                       | 3,763,660.69             | 5.42%                    | 27            | 5.58%           |
| 400,000 <= x < 450,000                       | 4,185,534.99             | 6.02%                    | 31            | 6.40%           |
| 450,000 <= x < 500,000                       | 2,832,291.59             | 4.08%                    | 19            | 3.93%           |
| 500,000 <= x < 750,000                       | 12,151,704.01            | 17.49%                   | 62            | 12.81%          |
| 750,000 <= x < 1,000,000                     | 5,193,813.29             | 7.48%                    | 21            | 4.34%           |
| 1,000,000 <= x < 1,500,000                   | 4,599,268.44             | 6.62%                    | 15            | 3.10%           |
| 1,500,000 <= x                               | 13,988,532.06            | 20.14%                   | 25            | 5.17%           |
|  | 69,470,690.27            | 100.00%                  | 484           | 100.00%         |
| <b>Max</b>                                   | 9,800,454.92             |                          |               |                 |
| <b>Min</b>                                   | 0.00                     |                          |               |                 |
| <b>Weighted-Average</b>                      | 954,936.55               |                          |               |                 |

| <b>Indexed LTV* (Borrower level)</b> | <b>Current Balance £</b> | <b>Current Balance %</b> | <b>Number</b> | <b>Number %</b> |
|--------------------------------------|--------------------------|--------------------------|---------------|-----------------|
| 0% <= x < 25%                        | 12,458,021.06            | 17.93%                   | 141           | 30.79%          |
| 25% <= x < 35%                       | 8,558,355.30             | 12.32%                   | 60            | 13.10%          |
| 35% <= x < 45%                       | 16,444,893.48            | 23.67%                   | 78            | 17.03%          |
| 45% <= x < 50%                       | 9,492,220.03             | 13.66%                   | 46            | 10.04%          |
| 50% <= x < 55%                       | 5,752,851.20             | 8.28%                    | 38            | 8.30%           |
| 55% <= x < 60%                       | 8,452,990.55             | 12.17%                   | 46            | 10.04%          |
| 60% <= x < 65%                       | 4,422,381.02             | 6.37%                    | 24            | 5.24%           |
| 65% <= x < 70%                       | 2,680,543.39             | 3.86%                    | 17            | 3.71%           |
| 70% <= x < 75%                       | 680,462.92               | 0.98%                    | 4             | 0.87%           |
| 75% <= x < 80%                       | 171,491.11               | 0.25%                    | 1             | 0.22%           |
| 80% <= x < 85%                       | 107,133.06               | 0.15%                    | 1             | 0.22%           |
| 85% <= x < 90%                       | 0.00                     | 0.00%                    | 0             | 0.00%           |
| 90% <= x < 95%                       | 158,545.22               | 0.23%                    | 1             | 0.22%           |
| 95% <= x < 100%                      | 0.00                     | 0.00%                    | 0             | 0.00%           |
| x >= 100%                            | 90,801.93                | 0.13%                    | 1             | 0.22%           |
|                                      | 69,470,690.27            | 100.00%                  | 458           | 100.00%         |

**Weighted-Average** 41.89%

\*Indexed using Nationwide Regional, Quarterly, Seasonally-adjusted House Price Index as at Q2 2023

| Indexed Valuation* (Property level) | Current Balance £ | Current Balance % | Number | Number % |
|-------------------------------------|-------------------|-------------------|--------|----------|
| 0 <= x < 100,000                    | -                 | -                 | 10     | 1.92%    |
| 100,000 <= x < 150,000              | -                 | -                 | 50     | 9.62%    |
| 150,000 <= x < 200,000              | -                 | -                 | 84     | 16.15%   |
| 200,000 <= x < 250,000              | -                 | -                 | 70     | 13.46%   |
| 250,000 <= x < 300,000              | -                 | -                 | 37     | 7.12%    |
| 300,000 <= x < 350,000              | -                 | -                 | 51     | 9.81%    |
| 350,000 <= x < 400,000              | -                 | -                 | 29     | 5.58%    |
| 400,000 <= x < 450,000              | -                 | -                 | 28     | 5.38%    |
| 450,000 <= x < 500,000              | -                 | -                 | 20     | 3.85%    |
| 500,000 <= x < 1,000,000            | -                 | -                 | 91     | 17.50%   |
| 1,000,000 <= x < 1,500,000          | -                 | -                 | 19     | 3.65%    |
| 1,500,000 <= x < 2,000,000          | -                 | -                 | 9      | 1.73%    |
| 2,000,000 <= x < 5,000,000          | -                 | -                 | 14     | 2.69%    |
| 5,000,000 <= x < 25,000,000         | -                 | -                 | 2      | 0.38%    |
| No data                             | -                 | -                 | 6      | 1.15%    |
|                                     | 0.00              | 0.00%             | 520    | 100.00%  |
| <b>Max</b>                          | 9,651,438.68      |                   |        |          |
| <b>Min</b>                          | 0.00              |                   |        |          |
| <b>Weighted-Average</b>             | 482,068.96        |                   |        |          |

\*Indexed using Nationwide Regional, Quarterly, Seasonally-adjusted House Price Index as at Q2 2023

| Loan type (Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|-------------------------------|-------------------|-------------------|--------|----------|
| Residential                   | 41,849,181.58     | 60.24%            | 309    | 63.84%   |
| BTL                           | 21,507,233.38     | 30.96%            | 136    | 28.10%   |
| Current Account               | 28,721.91         | 0.04%             | 2      | 0.41%    |
| Commercial                    | 6,085,553.40      | 8.76%             | 37     | 7.64%    |
|                               | 69,470,690.27     | 100%              | 484    | 100%     |

| Geographic Region (Property level) | Current Balance £ | Current Balance % | Number | Number % |
|------------------------------------|-------------------|-------------------|--------|----------|
| East Anglia                        | -                 | -                 | 31     | 5.96%    |
| East Midlands                      | -                 | -                 | 32     | 6.15%    |
| London                             | -                 | -                 | 137    | 26.35%   |
| North                              | -                 | -                 | 37     | 7.12%    |
| North West                         | -                 | -                 | 66     | 12.69%   |
| South East                         | -                 | -                 | 95     | 18.27%   |
| South West                         | -                 | -                 | 29     | 5.58%    |
| Wales                              | -                 | -                 | 21     | 4.04%    |
| West Midlands                      | -                 | -                 | 39     | 7.50%    |
| Yorks and Humber                   | -                 | -                 | 33     | 6.35%    |
|                                    | -                 | -                 | 520    | 100.00%  |

| Loan term (Months, Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|---------------------------------------|-------------------|-------------------|--------|----------|
| 0 <= x < 60                           | 28,721.91         | 0.04%             | 2      | 0.41%    |
| 60 <= x < 120                         | 137,037.91        | 0.20%             | 7      | 1.45%    |
| 120 <= x < 180                        | 1,522,452.81      | 2.19%             | 28     | 5.79%    |
| 180 <= x < 240                        | 7,350,842.05      | 10.58%            | 76     | 15.70%   |
| 240 <= x < 300                        | 24,864,033.63     | 35.79%            | 134    | 27.69%   |
| 300 <= x < 360                        | 27,345,200.28     | 39.36%            | 179    | 36.98%   |
| 360 <= x < 450                        | 8,222,401.68      | 11.84%            | 58     | 11.98%   |
|                                       | 69,470,690.27     | 100.00%           | 484    | 100.00%  |
| <b>Max</b>                            | 420.30            |                   |        |          |



|                         |        |
|-------------------------|--------|
| <b>Min</b>              | 0.00   |
| <b>Weighted-Average</b> | 275.94 |

| Seasoning (Months, Sub-Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|---------------------------------------|----------------------|-------------------|------------|----------------|
| 0 < x < 60                            | 0.00                 | 0.00%             | 0          | 0.00%          |
| 60 <= x < 120                         | 21,406,609.98        | 30.81%            | 207        | 42.77%         |
| 120 <= x < 180                        | 3,575,648.19         | 5.15%             | 30         | 6.20%          |
| 180 <= x < 240                        | 44,482,498.50        | 64.03%            | 246        | 50.83%         |
| 240 <= x < 300                        | 5,933.60             | 0.01%             | 1          | 0.21%          |
|                                       | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |
| <b>Max</b>                            | 243.29               |                   |            |                |
| <b>Min</b>                            | 63.35                |                   |            |                |
| <b>Weighted-Average</b>               | 158.66               |                   |            |                |

| Remaining Term (Months, Sub-Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|--|----------------------|-------------------|------------|----------------|
| < 0  | 2,058,799.91         | 2.96%             | 12         | 2.48%          |
| 0 <= x < 12                                | 971,513.43           | 1.40%             | 12         | 2.48%          |
| 12 <= x < 24                               | 1,482,506.53         | 2.13%             | 20         | 4.13%          |
| 24 <= x < 48                               | 10,473,746.45        | 15.08%            | 62         | 12.81%         |
| 48 <= x < 60                               | 7,075,677.91         | 10.19%            | 29         | 5.99%          |
| 60 <= x < 120                              | 27,565,234.80        | 39.68%            | 185        | 38.22%         |
| 120 <= x < 144                             | 1,622,583.13         | 2.34%             | 14         | 2.89%          |
| 144 <= x < 168                             | 1,242,585.60         | 1.79%             | 15         | 3.10%          |
| 168 <= x < 192                             | 1,757,977.05         | 2.53%             | 17         | 3.51%          |
| 192 <= x < 240                             | 5,788,949.43         | 8.33%             | 52         | 10.74%         |
| 240 <= x                                   | 9,431,116.03         | 13.58%            | 66         | 13.64%         |
|  | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |
| <b>Max</b>                                 | 356.94               |                   |            |                |
| <b>Min</b>                                 | -115.30              |                   |            |                |
| <b>Weighted-Average</b>                    | 117.27               |                   |            |                |

| Origination Year (Sub-Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|--------------------------------------|----------------------|-------------------|------------|----------------|
| 2003-2005                            | 8,711,833.01         | 12.54%            | 60         | 12.40%         |
| 2006-2008                            | 36,558,951.42        | 52.63%            | 193        | 39.88%         |
| 2009-2011                            | 2,509,071.58         | 3.61%             | 21         | 4.34%          |
| 2012-2014                            | 312,946.19           | 0.45%             | 5          | 1.03%          |
| 2015-2018                            | 21,377,888.07        | 30.77%            | 205        | 42.36%         |
|                                      | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |

| Maturity Year (Sub-Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|-----------------------------------|----------------------|-------------------|------------|----------------|
| <=2024                            | 3,374,489.80         | 4.86%             | 31         | 6.40%          |
| 2025                              | 2,781,188.62         | 4.00%             | 22         | 4.55%          |
| 2026                              | 4,595,435.32         | 6.61%             | 31         | 6.40%          |
| 2027                              | 6,902,860.11         | 9.94%             | 31         | 6.40%          |
| 2028                              | 6,683,600.86         | 9.62%             | 28         | 5.79%          |
| >=2029                            | 45,133,115.56        | 64.97%            | 341        | 70.45%         |
|                                   | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |

| Loan purpose (Sub-Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|----------------------------------|----------------------|-------------------|------------|----------------|
| Purchase                         | 38,104,847.26        | 54.85%            | 277        | 57.23%         |
| Re-mortgage                      | 21,757,811.76        | 31.32%            | 137        | 28.31%         |
| No Data                          | 9,608,031.25         | 13.83%            | 70         | 14.46%         |
|                                  | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |

| Repayment Method (Payment Type) (Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|---|-------------------|-------------------|--------|----------|
| Repayment (Annuity)                                 | 30,185,195.41     | 43.45%            | 284    | 58.68%   |

|                        |                      |                |            |                |
|------------------------|----------------------|----------------|------------|----------------|
| Interest Only (Bullet) | 39,256,772.95        | 56.51%         | 198        | 40.91%         |
| Other                  | 28,721.91            | 0.04%          | 2          | 0.41%          |
|                        | <b>69,470,690.27</b> | <b>100.00%</b> | <b>484</b> | <b>100.00%</b> |

| Interest Rate Type (Sub-Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|--|----------------------|-------------------|------------|----------------|
| Floating rate loan (for life)          | 69,470,690.27        | 100.00%           | 484        | 100.00%        |
|  | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |

| Current Interest Rate Index (Sub-Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|---|----------------------|-------------------|------------|----------------|
| Bank Base Rate                                  | 33,838,417.66        | 48.71%            | 282        | 58.26%         |
| SVR   | 35,632,272.61        | 51.29%            | 202        | 41.74%         |
|   | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |

| Current Interest Rate (Sub-Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|---|----------------------|-------------------|------------|----------------|
| 5.5% <= x < 6%                            | 0.00                 | 0.00%             | 0.00       | 0.00%          |
| 6% <= x < 6.5%                            | 2,796,521.82         | 4.03%             | 9          | 1.86%          |
| 6.5% <= x < 7%                            | 2,010,431.49         | 2.89%             | 9          | 1.86%          |
| 7% <= x < 7.5%                            | 1,342,107.20         | 1.93%             | 8          | 1.65%          |
| 7.5% <= x < 8%                            | 2,576,350.26         | 3.71%             | 19         | 3.93%          |
| 8% <= x < 8.5%                            | 4,411,797.54         | 6.35%             | 37         | 7.64%          |
| 8.5% <= x < 9%                            | 8,488,897.88         | 12.22%            | 63         | 13.02%         |
| 9% <= x < 10.5%                           | 25,994,245.89        | 37.42%            | 181        | 37.40%         |
| 10.5% <= x < 12.5%                        | 21,850,338.19        | 31.45%            | 158        | 32.64%         |
| No data                                   | 0.00                 | 0.00%             | 0.00       | 0.00%          |
|   | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |

12.13%

**Max**

**Min** 6.10

**Weighted-Average** 9.58

| Number Months in arrears (Account level) | Current Balance £    | Current Balance % | Number     | Number %       |
|--|----------------------|-------------------|------------|----------------|
| 0  | 45,344,941.46        | 65.27%            | 359        | 74.17%         |
| 0 < x < 1                                | 4,969,591.73         | 7.15%             | 34         | 7.02%          |
| 1 <= x < 2                               | 2,382,661.24         | 3.43%             | 21         | 4.34%          |
| 2 <= x < 3                               | 3,545,554.89         | 5.10%             | 11         | 2.27%          |
| 3 <= x < 6                               | 5,340,301.39         | 7.69%             | 20         | 4.13%          |
| 6 <= x < 9                               | 5,007,666.61         | 7.21%             | 20         | 4.13%          |
| 9 <= x < 12                              | 959,414.25           | 1.38%             | 7          | 1.45%          |
| >= 12                                    | 1,891,836.79         | 2.72%             | 10         | 2.07%          |
| No data                                  | 28,721.91            | 0.04%             | 2          | 0.41%          |
|  | <b>69,470,690.27</b> | <b>100.00%</b>    | <b>484</b> | <b>100.00%</b> |

**Max** 74.51

**Min** 0.00

**Weighted-Average** 2.51

## The Farringdon Portfolio

| Originator (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|----------------------------|-------------------|-------------------|--------|----------|
| ROOFTOP MORTGAGES LTD      | 14,236,714.96     | 100.00%           | 140    | 100.00%  |
|                            | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

| Original Balances of Mortgage Loans (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|---|-------------------|-------------------|--------|----------|
| 0 <= x < 50,000                                     | 66,444.35         | 0.47%             | 4      | 2.86%    |
| 50,000 <= x < 100,000                               | 2,339,359.85      | 16.43%            | 48     | 34.29%   |
| 100,000 <= x < 150,000                              | 4,790,284.40      | 33.65%            | 49     | 35.00%   |
| 150,000 <= x < 200,000                              | 3,216,574.07      | 22.59%            | 21     | 15.00%   |
| 200,000 <= x < 250,000                              | 3,020,957.21      | 21.22%            | 15     | 10.71%   |
| 250,000 <= x < 350,000                              | 366,085.67        | 2.57%             | 2      | 1.43%    |
| 350,000 <= x < 400,000                              | 0.00              | 0.00%             | 0      | 0.00%    |
| 400,000 <= x < 450,000                              | 437,009.41        | 3.07%             | 1      | 0.71%    |
|   | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

|                |            |
|----------------|------------|
| <b>Max</b>     | 432,694.00 |
| <b>Min</b>     | 41,590.00  |
| <b>Average</b> | 127,599.19 |

| Current Balances of Mortgage Loans (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|--|-------------------|-------------------|--------|----------|
| 0 <= x < 25,000                                    | 320,686.08        | 2.25%             | 21     | 15.00%   |
| 25,000 <= x < 50,000                               | 885,557.83        | 6.22%             | 24     | 17.14%   |
| 50,000 <= x < 100,000                              | 2,165,707.64      | 15.21%            | 28     | 20.00%   |
| 100,000 <= x < 150,000                             | 4,222,644.23      | 29.66%            | 34     | 24.29%   |
| 150,000 <= x < 200,000                             | 3,268,216.66      | 22.96%            | 19     | 13.57%   |
| 200,000 <= x < 250,000                             | 2,648,893.11      | 18.61%            | 12     | 8.57%    |
| 250,000 <= x < 350,000                             | 288,000.00        | 2.02%             | 1      | 0.71%    |
| 350,000 <= x < 400,000                             | 0.00              | 0.00%             | 0      | 0.00%    |
| 400,000 <= x < 450,000                             | 437,009.41        | 3.07%             | 1      | 0.71%    |
|  | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

|                |            |
|----------------|------------|
| <b>Max</b>     | 437,009.41 |
| <b>Min</b>     | 0.00       |
| <b>Average</b> | 101,690.82 |

| Original LTV* (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|-------------------------------|-------------------|-------------------|--------|----------|
| 0% <= x < 50%                 | 601,168.05        | 4.22%             | 8      | 5.71%    |
| 50% <= x < 60%                | 468,469.22        | 3.29%             | 8      | 5.71%    |
| 60% <= x < 70%                | 1,288,960.31      | 9.05%             | 20     | 14.29%   |
| 70% <= x < 75%                | 2,186,994.81      | 15.36%            | 19     | 13.57%   |
| 75% <= x < 80%                | 908,061.05        | 6.38%             | 12     | 8.57%    |
| 80% <= x < 85%                | 1,585,833.96      | 11.14%            | 15     | 10.71%   |
| 85% <= x < 90%                | 2,658,918.33      | 18.68%            | 27     | 19.29%   |
| 90% <= x < 95%                | 4,538,309.23      | 31.88%            | 31     | 22.14%   |
|                               | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

\*Based on original valuation

**Weighted-Average** 79.59%

| <b>Original Valuation* (Account level)</b> | <b>Current Balance £</b> | <b>Current Balance %</b> | <b>Number</b> | <b>Number %</b> |
|--|--------------------------|--------------------------|---------------|-----------------|
| 50,000 <= x < 100,000                      | 509,114.26               | 3.58%                    | 19            | 13.57%          |
| 100,000 <= x < 150,000                     | 2,932,512.87             | 20.60%                   | 45            | 32.14%          |
| 150,000 <= x < 200,000                     | 3,958,677.79             | 27.81%                   | 36            | 25.71%          |
| 200,000 <= x < 250,000                     | 3,918,091.54             | 27.52%                   | 25            | 17.86%          |
| 250,000 <= x < 300,000                     | 1,426,088.38             | 10.02%                   | 8             | 5.71%           |
| 300,000 <= x < 350,000                     | 977,135.04               | 6.86%                    | 5             | 3.57%           |
| 350,000 <= x < 400,000                     | 78,085.67                | 0.55%                    | 1             | 0.71%           |
| 400,000 <= x < 500,000                     | 0.00                     | 0.00%                    | 0             | 0.00%           |
| 500,000 <= x < 750,000                     | 437,009.41               | 3.07%                    | 1             | 0.71%           |
|  | <b>14,236,714.96</b>     | <b>100.00%</b>           | <b>140</b>    | <b>100.00%</b>  |

\*Based on original valuation

|                         |            |
|-------------------------|------------|
| <b>Max</b>              | 540,000.00 |
| <b>Min</b>              | 60,000.00  |
| <b>Weighted-Average</b> | 204,497.86 |

| <b>Current LTV (Account level)</b> | <b>Current Balance £</b> | <b>Current Balance %</b> | <b>Number</b> | <b>Number %</b> |
|------------------------------------|--------------------------|--------------------------|---------------|-----------------|
| 0% <= x < 25%                      | 597,098.77               | 4.19%                    | 26            | 18.57%          |
| 25% <= x < 35%                     | 614,783.56               | 4.32%                    | 16            | 11.43%          |
| 35% <= x < 45%                     | 314,651.48               | 2.21%                    | 7             | 5.00%           |
| 45% <= x < 50%                     | 647,358.35               | 4.55%                    | 8             | 5.71%           |
| 50% <= x < 55%                     | 268,398.75               | 1.89%                    | 3             | 2.14%           |
| 55% <= x < 60%                     | 338,610.32               | 2.38%                    | 3             | 2.14%           |
| 60% <= x < 65%                     | 286,620.00               | 2.01%                    | 3             | 2.14%           |
| 65% <= x < 70%                     | 642,832.93               | 4.52%                    | 5             | 3.57%           |
| 70% <= x < 75%                     | 2,156,833.38             | 15.15%                   | 17            | 12.14%          |
| 75% <= x < 80%                     | 1,254,678.75             | 8.81%                    | 9             | 6.43%           |
| 80% <= x < 85%                     | 1,402,594.43             | 9.85%                    | 9             | 6.43%           |
| 85% <= x < 90%                     | 2,285,390.37             | 16.05%                   | 16            | 11.43%          |
| 90% <= x < 95%                     | 3,426,863.87             | 24.07%                   | 18            | 12.86%          |
|                                    | <b>14,236,714.96</b>     | <b>100.00%</b>           | <b>140</b>    | <b>100.00%</b>  |

**Weighted-Average** 73.22%

| <b>Current Valuation* (Account level)</b> | <b>Current Balance £</b> | <b>Current Balance %</b> | <b>Number</b> | <b>Number %</b> |
|---|--------------------------|--------------------------|---------------|-----------------|
| 50,000 <= x < 100,000                     | 509,114.26               | 3.58%                    | 19            | 13.57%          |
| 100,000 <= x < 150,000                    | 2,932,512.87             | 20.60%                   | 45            | 32.14%          |
| 150,000 <= x < 200,000                    | 3,958,677.79             | 27.81%                   | 36            | 25.71%          |
| 200,000 <= x < 250,000                    | 3,918,091.54             | 27.52%                   | 25            | 17.86%          |
| 250,000 <= x < 300,000                    | 1,426,088.38             | 10.02%                   | 8             | 5.71%           |
| 300,000 <= x < 350,000                    | 977,135.04               | 6.86%                    | 5             | 3.57%           |
| 350,000 <= x < 400,000                    | 78,085.67                | 0.55%                    | 1             | 0.71%           |
| 400,000 <= x < 500,000                    | 0.00                     | 0.00%                    | 0             | 0.00%           |
| 500,000 <= x < 750,000                    | 437,009.41               | 3.07%                    | 1             | 0.71%           |
|   | <b>14,236,714.96</b>     | <b>100.00%</b>           | <b>140</b>    | <b>100.00%</b>  |

\*Based on original valuation

|                         |            |
|-------------------------|------------|
| <b>Max</b>              | 540,000.00 |
| <b>Min</b>              | 60,000.00  |
| <b>Weighted-Average</b> | 204,497.86 |

| Indexed LTV* (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|------------------------------|-------------------|-------------------|--------|----------|
| 0% <= x < 15%                | 688,229.37        | 4.83%             | 26     | 18.57%   |
| 15% <= x < 20%               | 413,398.51        | 2.90%             | 12     | 8.57%    |
| 20% <= x < 25%               | 347,611.86        | 2.44%             | 9      | 6.43%    |
| 25% <= x < 30%               | 429,456.33        | 3.02%             | 6      | 4.29%    |
| 30% <= x < 35%               | 1,344,003.40      | 9.44%             | 11     | 7.86%    |
| 35% <= x < 40%               | 1,914,665.93      | 13.45%            | 18     | 12.86%   |
| 40% <= x < 45%               | 4,363,500.73      | 30.65%            | 25     | 17.86%   |
| 45% <= x < 50%               | 2,330,923.91      | 16.37%            | 14     | 10.00%   |
| 50% <= x < 55%               | 1,376,253.69      | 9.67%             | 11     | 7.86%    |
| 55% <= x < 60%               | 762,693.09        | 5.36%             | 6      | 4.29%    |
| 60% <= x < 65%               | 265,978.14        | 1.87%             | 2      | 1.43%    |
|                              | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

**Weighted-Average**

40.42%

\*\*Indexed using Nationwide Regional, Quarterly, Seasonally-adjusted House Price Index as at Q2 2023

| Indexed Valuation (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|-----------------------------------|-------------------|-------------------|--------|----------|
| 0 <= x < 100,000                  | 28,855.19         | 0.20%             | 2      | 1.43%    |
| 100,000 <= x < 150,000            | 578,608.48        | 4.06%             | 18     | 12.86%   |
| 150,000 <= x < 200,000            | 1,098,038.39      | 7.71%             | 21     | 15.00%   |
| 200,000 <= x < 250,000            | 2,036,620.81      | 14.31%            | 24     | 17.14%   |
| 250,000 <= x < 300,000            | 1,116,229.20      | 7.84%             | 15     | 10.71%   |
| 300,000 <= x < 350,000            | 1,868,251.34      | 13.12%            | 15     | 10.71%   |
| 350,000 <= x < 400,000            | 2,176,349.36      | 15.29%            | 15     | 10.71%   |
| 400,000 <= x < 500,000            | 1,783,160.02      | 12.53%            | 13     | 9.29%    |
| 500,000 <= x < 600,000            | 2,534,067.09      | 17.80%            | 13     | 9.29%    |
| 600,000 <= x < 750,000            | 579,525.67        | 4.07%             | 3      | 2.14%    |
| 750,000 <= x < 1,000,000          | 437,009.41        | 3.07%             | 1      | 0.71%    |
|                                   | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

**Max**

932,332.05

**Min**

86,513.78

**Weighted-Average**

377,321.14

| Property type (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|-------------------------------|-------------------|-------------------|--------|----------|
| Residential (House, detached) | 7,062,848.36      | 49.61%            | 65     | 46.43%   |
| Residential (Flat/Apartment)  | 1,973,161.32      | 13.86%            | 20     | 14.29%   |
| Residential (Bungalow)        | 931,357.27        | 6.54%             | 7      | 5.00%    |
| Residential (Terraced House)  | 4,269,348.01      | 29.99%            | 48     | 34.29%   |
|                               | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

| Geographic Region (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|-----------------------------------|-------------------|-------------------|--------|----------|
| North East                        | 476,388.25        | 3.35%             | 7      | 5.00%    |
| North West                        | 868,344.51        | 6.10%             | 13     | 9.29%    |
| Yorkshire & Humberside            | 622,239.09        | 4.37%             | 9      | 6.43%    |
| East Midlands                     | 926,074.31        | 6.50%             | 14     | 10.00%   |
| West Midlands                     | 925,891.27        | 6.50%             | 13     | 9.29%    |
| East of England                   | 2,968,268.26      | 20.85%            | 23     | 16.43%   |
| London                            | 4,853,490.75      | 34.09%            | 32     | 22.86%   |
| South East                        | 2,121,956.30      | 14.90%            | 19     | 13.57%   |
| South West                        | 241,062.68        | 1.69%             | 6      | 4.29%    |
| Wales                             | 232,999.54        | 1.64%             | 4      | 2.86%    |

| Loan term (Months, Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|---------------------------------------|-------------------|-------------------|--------|----------|
|                                       | 14,236,714.96     | 100.00%           | 140    | 100.00%  |
| 150 <= x < 180                        | 112,000.00        | 0.79%             | 1      | 0.71%    |
| 180 <= x < 240                        | 1,068,330.78      | 7.50%             | 8      | 5.71%    |
| 240 <= x < 300                        | 2,994,775.70      | 21.04%            | 38     | 27.14%   |
| 300 <= x < 360                        | 9,638,503.88      | 67.70%            | 87     | 62.14%   |
| 360 <= x < 420                        | 336,289.14        | 2.36%             | 5      | 3.57%    |
| 420 <= x < 450                        | 86,815.46         | 0.61%             | 1      | 0.71%    |
|                                       | 14,236,714.96     | 100.00%           | 140    | 100.00%  |
| <b>Max</b>                            | 420.33            |                   |        |          |
| <b>Min</b>                            | 168.30            |                   |        |          |
| <b>Weighted-Average</b>               | 285.57            |                   |        |          |

| Seasoning* (Months, Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|--|-------------------|-------------------|--------|----------|
| 204 <= x < 208                         | 49,237.08         | 0.35%             | 1      | 0.71%    |
| 208 <= x < 212                         | 109,590.00        | 0.77%             | 1      | 0.71%    |
| 212 <= x < 216                         | 86,815.46         | 0.61%             | 1      | 0.71%    |
| 216 <= x < 220                         | 10,935,492.01     | 76.81%            | 104    | 74.29%   |
| 220 <= x < 224                         | 2,704,789.58      | 19.00%            | 30     | 21.43%   |
| 224 <= x < 228                         | 350,790.83        | 2.46%             | 3      | 2.14%    |
|  | 14,236,714.96     | 100.00%           | 140    | 100.00%  |
| <b>Max</b>                             | 227.38            |                   |        |          |
| <b>Min</b>                             | 207.12            |                   |        |          |
| <b>Weighted-Average</b>                | 218.65            |                   |        |          |

\*Loans with low seasoning represent cases where a transfer of equity or porting has occurred

| Remaining Term (Months, Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|--|-------------------|-------------------|--------|----------|
| < 0  | 635,595.51        | 4.46%             | 6      | 4.29%    |
| 0 <= x < 12                                | 544,735.27        | 3.83%             | 3      | 2.14%    |
| 12 <= x < 24                               | 1,624,371.81      | 11.41%            | 20     | 14.29%   |
| 24 <= x < 48                               | 991,148.23        | 6.96%             | 12     | 8.57%    |
| 48 <= x < 60                               | 122,719.76        | 0.86%             | 3      | 2.14%    |
| 60 <= x < 72                               | 226,192.90        | 1.59%             | 2      | 1.43%    |
| 72 <= x < 84                               | 8,551,312.42      | 60.07%            | 78     | 55.71%   |
| 84 <= x < 96                               | 1,063,226.99      | 7.47%             | 9      | 6.43%    |
| 96 <= x < 120                              | 0.00              | 0.00%             | 0      | 0.00%    |
| 120 <= x < 240                             | 477,412.07        | 3.35%             | 7      | 5.00%    |
|  | 14,236,714.96     | 100.00%           | 140    | 100.00%  |
| <b>Max</b>                                 | 204.66            |                   |        |          |
| <b>Min</b>                                 | -48.56            |                   |        |          |
| <b>Weighted-Average</b>                    | 66.92             |                   |        |          |

| Origination Year (Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|--------------------------------------|-------------------|-------------------|--------|----------|
| 2004                                 | 350,790.83        | 2.46%             | 3      | 2.14%    |
| 2005                                 | 13,727,097.05     | 96.42%            | 135    | 96.43%   |
| 2006                                 | 158,827.08        | 1.12%             | 2      | 1.43%    |
|                                      | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

| <b>Maturity Year (Sub-Account level)</b> | <b>Current Balance £</b> | <b>Current Balance %</b> | <b>Number</b> | <b>Number %</b> |
|--|--------------------------|--------------------------|---------------|-----------------|
| <=2024                                   | 1,191,831.61             | 8.37%                    | 10            | 7.14%           |
| 2025                                     | 1,749,774.91             | 12.29%                   | 21            | 15.00%          |
| 2026                                     | 397,922.23               | 2.80%                    | 4             | 2.86%           |
| 2027                                     | 456,322.07               | 3.21%                    | 6             | 4.29%           |
| 2028                                     | 122,719.76               | 0.86%                    | 3             | 2.14%           |
| >=2029                                   | 10,318,144.38            | 72.48%                   | 96            | 68.57%          |
|  | 14,236,714.96            | 100.00%                  | 140           | 100.00%         |



| Loan purpose (Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|----------------------------------|-------------------|-------------------|--------|----------|
| Purchase                         | 5,999,375.52      | 42.14%            | 53     | 37.86%   |
| Re-mortgage                      | 8,209,932.91      | 57.67%            | 86     | 61.43%   |
| Investment Mortgage              | 27,406.53         | 0.19%             | 1      | 0.71%    |
|                                  | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

| Repayment Method (Payment Type) (Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|---|-------------------|-------------------|--------|----------|
| Interest Only (Bullet)                              | 12,364,693.87     | 86.85%            | 86     | 61.43%   |
| Repayment (Annuity)                                 | 1,793,935.42      | 12.60%            | 53     | 37.86%   |
| Part & Part (Other)                                 | 78,085.67         | 0.55%             | 1      | 0.71%    |
|   | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

| Occupancy Type (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|--------------------------------|-------------------|-------------------|--------|----------|
| Owner Occupied                 | 11,970,921.85     | 84.08%            | 124    | 88.57%   |
| Buy-to-let                     | 27,406.53         | 0.19%             | 1      | 0.71%    |
| No data                        | 2,238,386.58      | 15.72%            | 15     | 10.71%   |
|                                | 14,236,714.96     | 100.00%           | 140    | 100.00%  |

| Current Interest Rate Index (Sub-Account level)       | Current Balance £    | Current Balance % | Number     | Number %       |
|---|----------------------|-------------------|------------|----------------|
| 3 month Synthetic Libor (Floating rate loan for life) | 14,236,714.96        | 100.00%           | 140        | 100.00%        |
|   | <b>14,236,714.96</b> | <b>100.00%</b>    | <b>140</b> | <b>100.00%</b> |

\*\*Note that the Current Interest Rate index is described as 3 month Synthetic Libor as 3-month Libor is no longer being published.

| Current Interest Rate (Sub-Account level) | Current Balance £ | Current Balance % | Number | Number % |
|---|-------------------|-------------------|--------|----------|
| 7.5% <= x < 8%                            | 287,893.17        | 2.02%             | 5      | 3.57%    |
| 8% <= x < 8.5%                            | 1,658,885.63      | 11.65%            | 25     | 17.86%   |
| 8.5% <= x < 9%                            | 8,912,048.99      | 62.60%            | 77     | 55.00%   |
| 9% <= x < 10.5%                           | 2,461,106.81      | 17.29%            | 27     | 19.29%   |
| 10.5% <= x < 12.5%                        | 916,780.36        | 6.44%             | 6      | 4.29%    |
|   | 14,236,714.96     | 100.00%           | 140    | 100.00%  |
| <b>Max</b>                                | 11.74%            |                   |        |          |
| <b>Min</b>                                | 7.94%             |                   |        |          |
| <b>Weighted-Average</b>                   | 8.89%             |                   |        |          |

| Number Months in arrears (Account level) | Current Balance £ | Current Balance % | Number | Number % |
|--|-------------------|-------------------|--------|----------|
| 0  | 10,179,513.89     | 71.50%            | 100    | 71.43%   |
| 0 < x < 1                                | 1,231,180.58      | 8.65%             | 12     | 8.57%    |
| 1 <= x < 2                               | 909,781.73        | 6.39%             | 10     | 7.14%    |
| 2 <= x < 3                               | 71,930.31         | 0.51%             | 2      | 1.43%    |
| 3 <= x < 6                               | 804,471.00        | 5.65%             | 8      | 5.71%    |
| 6 <= x < 9                               | 1,039,837.45      | 7.30%             | 8      | 5.71%    |
| 0  | 14,236,714.96     | 100.00%           | 140    | 100.00%  |
| <b>Max</b>                               | 7.92              |                   |        |          |
| <b>Min</b>                               | 0.00              |                   |        |          |
| <b>Weighted-Average</b>                  | 0.94              |                   |        |          |

As of the Portfolio Reference Date, 5.05 percent of the Provisional Portfolio are Shortfall Loans which have a total aggregate Current Balance of £4,230,987.74 (comprising 111 Loans in the Farringdon Portfolio and 0 Loans in the Trinidad Portfolio).

## HISTORICAL PERFORMANCE

The following table shows historical arrears on a monthly basis and covers all loans within the Provisional Portfolio, as well as loans that have redeemed since 31 July 2018 with respect to the Trinidad Portfolio. The measurement for delinquencies is Months in arrears (MIA) on an account-level basis and has been provided by each Servicer for the relevant Portfolio

In respect of the Trinidad Portfolio:

| Collection Period End Date | <=1 MIA | 1 < MIA <=2 | 2 < MIA <=3 | 3 < MIA <=4 | 4 < MIA <=5 | 5 < MIA <=6 | >6 MIA |
|----------------------------|---------|-------------|-------------|-------------|-------------|-------------|--------|
| 31/07/2018                 | 94.07%  | 1.71%       | 1.15%       | 1.70%       | 0.00%       | 0.18%       | 1.20%  |
| 31/08/2018                 | 93.39%  | 1.62%       | 1.37%       | 2.10%       | 0.33%       | 0.00%       | 1.20%  |
| 30/09/2018                 | 92.70%  | 2.63%       | 1.03%       | 1.57%       | 0.59%       | 0.28%       | 1.21%  |
| 31/10/2018                 | 93.36%  | 2.68%       | 0.60%       | 1.71%       | 0.30%       | 0.12%       | 1.22%  |
| 30/11/2018                 | 94.23%  | 1.94%       | 1.09%       | 1.09%       | 0.18%       | 0.12%       | 1.34%  |
| 31/12/2018                 | 94.26%  | 1.32%       | 1.42%       | 1.35%       | 0.00%       | 0.18%       | 1.47%  |
| 31/01/2019                 | 94.54%  | 1.18%       | 1.57%       | 1.23%       | 0.00%       | 0.00%       | 1.48%  |
| 28/02/2019                 | 93.43%  | 2.50%       | 1.07%       | 1.50%       | 0.00%       | 0.00%       | 1.49%  |
| 31/03/2019                 | 91.56%  | 4.18%       | 1.03%       | 1.72%       | 0.00%       | 0.00%       | 1.50%  |
| 30/04/2019                 | 92.02%  | 3.67%       | 1.19%       | 1.10%       | 0.50%       | 0.00%       | 1.51%  |
| 31/05/2019                 | 93.19%  | 2.18%       | 1.07%       | 1.94%       | 0.10%       | 0.00%       | 1.51%  |
| 30/06/2019                 | 92.35%  | 3.93%       | 1.35%       | 1.54%       | 0.14%       | 0.00%       | 0.68%  |
| 31/07/2019                 | 92.58%  | 3.47%       | 1.42%       | 1.53%       | 0.32%       | 0.00%       | 0.68%  |
| 31/08/2019                 | 91.53%  | 3.62%       | 1.97%       | 1.66%       | 0.41%       | 0.33%       | 0.48%  |
| 30/09/2019                 | 89.98%  | 3.94%       | 2.90%       | 1.26%       | 0.00%       | 0.47%       | 1.46%  |
| 31/10/2019                 | 90.22%  | 3.48%       | 1.72%       | 2.49%       | 0.34%       | 0.27%       | 1.47%  |
| 30/11/2019                 | 89.77%  | 3.92%       | 1.65%       | 2.38%       | 0.40%       | 0.14%       | 1.75%  |
| 31/12/2019                 | 89.68%  | 3.57%       | 2.01%       | 2.12%       | 1.01%       | 0.27%       | 1.35%  |
| 31/01/2020                 | 88.79%  | 3.07%       | 3.34%       | 1.83%       | 0.73%       | 0.62%       | 1.63%  |
| 29/02/2020                 | 88.64%  | 3.03%       | 3.15%       | 1.92%       | 0.67%       | 0.33%       | 2.26%  |
| 31/03/2020                 | 88.80%  | 1.88%       | 1.86%       | 4.00%       | 0.59%       | 0.27%       | 2.60%  |
| 30/04/2020                 | 72.12%  | 8.92%       | 11.50%      | 1.86%       | 2.13%       | 0.59%       | 2.88%  |
| 31/05/2020                 | 64.61%  | 2.20%       | 22.90%      | 4.28%       | 0.67%       | 0.66%       | 4.69%  |
| 30/06/2020                 | 78.28%  | 4.92%       | 2.22%       | 10.02%      | 1.01%       | 0.00%       | 3.55%  |
| 31/07/2020                 | 73.80%  | 11.74%      | 1.58%       | 1.84%       | 6.65%       | 0.82%       | 3.57%  |
| 31/08/2020                 | 76.32%  | 5.77%       | 4.34%       | 2.43%       | 0.68%       | 6.23%       | 4.23%  |
| 30/09/2020                 | 86.81%  | 4.10%       | 2.55%       | 1.51%       | 0.77%       | 0.67%       | 3.58%  |
| 31/10/2020                 | 86.04%  | 6.70%       | 1.20%       | 1.36%       | 1.03%       | 0.15%       | 3.52%  |
| 30/11/2020                 | 85.13%  | 2.66%       | 6.73%       | 0.98%       | 0.89%       | 0.00%       | 3.60%  |
| 31/12/2020                 | 83.54%  | 3.47%       | 5.53%       | 1.68%       | 1.27%       | 0.29%       | 4.22%  |
| 31/01/2021                 | 85.18%  | 2.75%       | 3.21%       | 3.06%       | 0.50%       | 1.09%       | 4.22%  |
| 28/02/2021                 | 84.13%  | 3.82%       | 3.82%       | 0.55%       | 2.92%       | 0.74%       | 4.03%  |
| 31/03/2021                 | 84.70%  | 3.48%       | 3.52%       | 0.74%       | 3.45%       | 0.15%       | 3.96%  |
| 30/04/2021                 | 86.29%  | 1.68%       | 4.26%       | 2.53%       | 0.86%       | 0.25%       | 4.14%  |
| 31/05/2021                 | 85.82%  | 2.98%       | 2.54%       | 3.38%       | 0.21%       | 0.67%       | 4.41%  |
| 30/06/2021                 | 87.26%  | 1.44%       | 3.22%       | 1.40%       | 1.48%       | 0.49%       | 4.69%  |
| 31/07/2021                 | 87.34%  | 1.08%       | 4.85%       | 1.07%       | 0.23%       | 0.63%       | 4.80%  |
| 31/08/2021                 | 86.63%  | 2.38%       | 3.14%       | 2.38%       | 0.00%       | 0.64%       | 4.82%  |
| 30/09/2021                 | 87.10%  | 2.65%       | 1.91%       | 2.76%       | 0.08%       | 0.48%       | 5.01%  |
| 31/10/2021                 | 87.09%  | 2.24%       | 2.36%       | 2.64%       | 0.15%       | 0.48%       | 5.04%  |
| 30/11/2021                 | 86.82%  | 2.45%       | 1.75%       | 1.65%       | 1.79%       | 0.07%       | 5.48%  |
| 31/12/2021                 | 85.70%  | 3.38%       | 3.10%       | 0.27%       | 2.05%       | 0.00%       | 5.50%  |
| 31/01/2022                 | 86.68%  | 2.20%       | 1.98%       | 2.40%       | 1.02%       | 0.19%       | 5.52%  |
| 28/02/2022                 | 86.21%  | 2.47%       | 3.51%       | 0.88%       | 1.09%       | 0.71%       | 5.14%  |
| 31/03/2022                 | 86.25%  | 3.25%       | 2.48%       | 0.41%       | 1.73%       | 0.86%       | 5.01%  |
| 30/04/2022                 | 86.73%  | 2.30%       | 1.42%       | 1.73%       | 0.39%       | 2.35%       | 5.08%  |
| 31/05/2022                 | 85.80%  | 2.45%       | 2.90%       | 0.69%       | 1.65%       | 0.73%       | 5.78%  |
| 30/06/2022                 | 87.94%  | 1.87%       | 0.91%       | 1.70%       | 1.15%       | 1.25%       | 5.17%  |
| 31/07/2022                 | 87.48%  | 1.85%       | 1.46%       | 0.30%       | 1.61%       | 2.07%       | 5.23%  |
| 31/08/2022                 | 82.79%  | 6.47%       | 1.25%       | 2.64%       | 0.17%       | 1.13%       | 5.55%  |
| 30/09/2022                 | 86.67%  | 2.83%       | 0.75%       | 1.20%       | 1.66%       | 0.59%       | 6.31%  |
| 31/10/2022                 | 86.81%  | 2.92%       | 0.59%       | 1.34%       | 0.58%       | 1.93%       | 5.83%  |
| 30/11/2022                 | 82.34%  | 6.97%       | 0.88%       | 0.49%       | 3.02%       | 0.46%       | 5.85%  |
| 31/12/2022                 | 77.40%  | 8.39%       | 1.76%       | 0.45%       | 1.32%       | 4.54%       | 6.14%  |
| 31/01/2023                 | 78.47%  | 4.86%       | 3.68%       | 2.10%       | 0.40%       | 3.30%       | 7.20%  |
| 28/02/2023                 | 77.67%  | 5.45%       | 0.95%       | 4.89%       | 0.24%       | 3.14%       | 7.66%  |
| 31/03/2023                 | 76.27%  | 6.56%       | 2.70%       | 1.01%       | 2.62%       | 0.49%       | 10.36% |
| 30/04/2023                 | 76.40%  | 5.18%       | 4.15%       | 1.23%       | 0.44%       | 2.84%       | 9.76%  |
| 31/05/2023                 | 74.90%  | 5.21%       | 3.98%       | 1.99%       | 1.12%       | 2.30%       | 10.51% |

In respect of the Farrington Portfolio:

| Collection Period End Date | <=1 MIA | 1 < MIA <=2 | 2 < MIA <=3 | 3 < MIA <=4 | 4 < MIA <=5 | 5 < MIA <=6 | >6 MIA |
|----------------------------|---------|-------------|-------------|-------------|-------------|-------------|--------|
| 31/01/2017                 | 74.64%  | 9.24%       | 8.33%       | 1.50%       | 4.02%       | 1.10%       | 1.16%  |
| 28/02/2017                 | 76.16%  | 9.98%       | 6.08%       | 2.09%       | 1.56%       | 2.96%       | 1.16%  |
| 31/03/2017                 | 76.52%  | 6.46%       | 7.02%       | 4.32%       | 2.46%       | 3.22%       | 0.00%  |
| 30/04/2017                 | 76.33%  | 5.79%       | 5.08%       | 6.64%       | 2.92%       | 2.64%       | 0.59%  |
| 31/05/2017                 | 77.26%  | 6.34%       | 4.95%       | 3.28%       | 6.41%       | 1.17%       | 0.59%  |
| 30/06/2017                 | 77.75%  | 6.62%       | 3.26%       | 4.28%       | 4.69%       | 2.82%       | 0.58%  |
| 31/07/2017                 | 76.67%  | 9.19%       | 3.47%       | 2.54%       | 3.75%       | 0.44%       | 3.94%  |
| 31/08/2017                 | 74.87%  | 10.52%      | 3.41%       | 4.45%       | 2.37%       | 0.95%       | 3.44%  |
| 30/09/2017                 | 74.57%  | 9.53%       | 4.66%       | 4.64%       | 2.20%       | 0.50%       | 3.89%  |
| 31/10/2017                 | 76.11%  | 12.14%      | 4.55%       | 4.81%       | 0.87%       | 0.50%       | 1.02%  |
| 30/11/2017                 | 79.49%  | 9.60%       | 3.39%       | 6.00%       | 0.00%       | 0.00%       | 1.52%  |
| 31/12/2017                 | 76.99%  | 10.73%      | 5.43%       | 5.35%       | 0.00%       | 0.00%       | 1.51%  |
| 31/01/2018                 | 78.19%  | 9.74%       | 4.09%       | 4.93%       | 1.55%       | 0.00%       | 1.50%  |
| 28/02/2018                 | 83.30%  | 4.69%       | 6.45%       | 1.65%       | 0.85%       | 2.06%       | 0.99%  |
| 31/03/2018                 | 82.65%  | 8.21%       | 4.15%       | 1.10%       | 0.85%       | 2.05%       | 0.99%  |
| 30/04/2018                 | 81.91%  | 7.32%       | 6.15%       | 0.76%       | 1.90%       | 0.50%       | 1.46%  |
| 31/05/2018                 | 79.14%  | 12.02%      | 4.23%       | 0.76%       | 1.37%       | 1.02%       | 1.46%  |
| 30/06/2018                 | 76.33%  | 13.55%      | 4.60%       | 3.04%       | 0.00%       | 0.52%       | 1.96%  |
| 31/07/2018                 | 81.78%  | 7.40%       | 4.80%       | 2.62%       | 0.92%       | 1.01%       | 1.46%  |
| 31/08/2018                 | 79.35%  | 9.05%       | 4.83%       | 2.86%       | 0.52%       | 2.35%       | 1.04%  |
| 30/09/2018                 | 82.06%  | 8.71%       | 3.23%       | 2.10%       | 1.00%       | 0.93%       | 1.97%  |
| 31/10/2018                 | 81.57%  | 10.81%      | 3.69%       | 0.51%       | 1.03%       | 0.00%       | 2.40%  |
| 30/11/2018                 | 82.48%  | 11.31%      | 1.52%       | 1.78%       | 0.51%       | 0.41%       | 1.99%  |
| 31/12/2018                 | 84.86%  | 5.07%       | 5.40%       | 1.77%       | 0.51%       | 0.41%       | 1.99%  |
| 31/01/2019                 | 83.98%  | 7.22%       | 3.37%       | 2.53%       | 0.51%       | 0.40%       | 1.99%  |
| 28/02/2019                 | 83.45%  | 8.24%       | 2.89%       | 3.03%       | 0.00%       | 0.40%       | 2.00%  |
| 31/03/2019                 | 80.24%  | 8.80%       | 6.02%       | 2.56%       | 0.00%       | 0.39%       | 1.99%  |
| 30/04/2019                 | 81.69%  | 7.80%       | 5.30%       | 2.83%       | 0.00%       | 0.39%       | 1.99%  |
| 31/05/2019                 | 81.28%  | 8.69%       | 1.09%       | 5.01%       | 1.54%       | 0.00%       | 2.38%  |
| 30/06/2019                 | 80.22%  | 8.83%       | 6.05%       | 0.98%       | 1.54%       | 0.00%       | 2.38%  |
| 31/07/2019                 | 81.55%  | 6.66%       | 7.37%       | 0.50%       | 1.55%       | 0.00%       | 2.37%  |
| 31/08/2019                 | 84.32%  | 4.13%       | 7.15%       | 0.48%       | 0.78%       | 0.78%       | 2.37%  |
| 30/09/2019                 | 80.78%  | 7.67%       | 7.14%       | 1.55%       | 0.48%       | 0.00%       | 2.38%  |
| 31/10/2019                 | 83.07%  | 4.63%       | 7.48%       | 1.97%       | 0.47%       | 0.00%       | 2.37%  |
| 30/11/2019                 | 82.00%  | 5.41%       | 4.96%       | 4.78%       | 0.00%       | 0.00%       | 2.84%  |
| 31/12/2019                 | 82.06%  | 2.61%       | 5.19%       | 6.72%       | 0.58%       | 0.00%       | 2.84%  |
| 31/01/2020                 | 80.35%  | 5.87%       | 2.68%       | 7.81%       | 0.46%       | 0.00%       | 2.84%  |
| 29/02/2020                 | 80.31%  | 4.37%       | 6.72%       | 2.33%       | 3.44%       | 0.00%       | 2.82%  |
| 31/03/2020                 | 84.63%  | 4.03%       | 2.32%       | 4.78%       | 1.24%       | 0.19%       | 2.82%  |
| 30/04/2020                 | 87.48%  | 2.54%       | 1.30%       | 3.32%       | 1.12%       | 1.24%       | 3.00%  |
| 31/05/2020                 | 86.10%  | 3.80%       | 2.65%       | 1.63%       | 1.57%       | 0.00%       | 4.25%  |
| 30/06/2020                 | 85.52%  | 2.32%       | 3.45%       | 4.14%       | 1.57%       | 0.00%       | 2.99%  |
| 31/07/2020                 | 83.14%  | 3.93%       | 3.09%       | 1.54%       | 0.72%       | 4.57%       | 2.99%  |
| 31/08/2020                 | 80.27%  | 4.71%       | 4.61%       | 2.85%       | 0.00%       | 3.35%       | 4.22%  |
| 30/09/2020                 | 83.56%  | 2.93%       | 2.14%       | 3.08%       | 0.73%       | 0.34%       | 7.22%  |
| 31/10/2020                 | 80.19%  | 4.79%       | 3.94%       | 1.99%       | 1.52%       | 0.34%       | 7.23%  |
| 30/11/2020                 | 80.73%  | 3.70%       | 3.30%       | 2.08%       | 2.22%       | 0.73%       | 7.25%  |
| 31/12/2020                 | 78.79%  | 3.85%       | 2.88%       | 5.11%       | 0.33%       | 0.50%       | 8.55%  |
| 31/01/2021                 | 78.14%  | 4.96%       | 3.10%       | 2.86%       | 2.85%       | 0.00%       | 8.10%  |
| 28/02/2021                 | 77.73%  | 5.61%       | 0.94%       | 4.82%       | 2.80%       | 0.00%       | 8.11%  |
| 31/03/2021                 | 77.31%  | 6.81%       | 1.39%       | 4.51%       | 1.85%       | 0.00%       | 8.13%  |
| 30/04/2021                 | 79.18%  | 4.60%       | 2.01%       | 2.18%       | 3.42%       | 0.00%       | 8.61%  |
| 31/05/2021                 | 79.87%  | 5.06%       | 2.17%       | 2.76%       | 2.84%       | 0.00%       | 7.30%  |
| 30/06/2021                 | 79.35%  | 5.05%       | 1.82%       | 3.05%       | 0.52%       | 1.58%       | 8.64%  |
| 31/07/2021                 | 81.20%  | 3.19%       | 1.81%       | 3.04%       | 0.51%       | 1.59%       | 8.65%  |
| 31/08/2021                 | 80.84%  | 3.56%       | 2.85%       | 1.99%       | 0.51%       | 1.59%       | 8.66%  |
| 30/09/2021                 | 78.86%  | 5.41%       | 2.63%       | 1.83%       | 1.00%       | 0.00%       | 10.27% |
| 31/10/2021                 | 80.13%  | 4.56%       | 1.84%       | 2.69%       | 0.49%       | 0.00%       | 10.29% |
| 30/11/2021                 | 80.05%  | 4.19%       | 2.57%       | 2.40%       | 0.49%       | 2.05%       | 8.25%  |
| 31/12/2021                 | 79.36%  | 4.89%       | 3.35%       | 1.11%       | 0.99%       | 0.44%       | 9.86%  |
| 31/01/2022                 | 79.46%  | 3.97%       | 3.17%       | 2.08%       | 0.00%       | 1.44%       | 9.88%  |
| 28/02/2022                 | 77.97%  | 6.00%       | 3.44%       | 1.26%       | 0.44%       | 2.60%       | 8.28%  |
| 31/03/2022                 | 79.53%  | 4.11%       | 3.12%       | 1.46%       | 0.88%       | 0.99%       | 9.90%  |
| 30/04/2022                 | 82.72%  | 2.61%       | 2.79%       | 0.77%       | 2.40%       | 2.12%       | 6.59%  |
| 31/05/2022                 | 80.15%  | 5.19%       | 3.10%       | 0.88%       | 1.97%       | 2.12%       | 6.60%  |
| 30/06/2022                 | 81.00%  | 4.42%       | 3.84%       | 1.35%       | 0.65%       | 1.63%       | 7.10%  |
| 31/07/2022                 | 80.13%  | 3.10%       | 6.05%       | 0.92%       | 4.06%       | 0.66%       | 5.10%  |
| 31/08/2022                 | 81.94%  | 2.57%       | 4.02%       | 1.64%       | 1.58%       | 6.14%       | 2.10%  |
| 30/09/2022                 | 76.80%  | 8.00%       | 2.10%       | 3.25%       | 0.93%       | 6.81%       | 2.10%  |
| 31/10/2022                 | 80.53%  | 3.59%       | 8.42%       | 0.00%       | 1.21%       | 4.15%       | 2.10%  |
| 30/11/2022                 | 78.91%  | 5.85%       | 6.94%       | 1.59%       | 2.09%       | 2.52%       | 2.10%  |
| 31/12/2022                 | 77.33%  | 7.21%       | 5.26%       | 2.69%       | 0.77%       | 3.96%       | 2.77%  |
| 31/01/2023                 | 78.56%  | 7.41%       | 2.26%       | 3.41%       | 1.60%       | 2.30%       | 4.45%  |

|            |        |       |       |       |       |       |       |
|------------|--------|-------|-------|-------|-------|-------|-------|
| 28/02/2023 | 80.29% | 6.38% | 2.39% | 0.85% | 2.98% | 5.23% | 1.88% |
| 31/03/2023 | 83.61% | 2.34% | 4.12% | 0.00% | 3.95% | 5.12% | 0.85% |
| 30/04/2023 | 82.33% | 3.59% | 0.85% | 4.53% | 2.29% | 1.75% | 4.66% |
| 31/05/2023 | 80.74% | 4.67% | 0.85% | 1.23% | 4.59% | 3.89% | 4.04% |
| 30/06/2023 | 79.96% | 4.25% | 1.59% | 1.74% | 2.20% | 5.34% | 4.91% |
| 31/07/2023 | 78.98% | 6.55% | 1.04% | 1.28% | 1.85% | 0.88% | 9.42% |
| 31/08/2023 | 79.22% | 6.87% | 0.62% | 1.54% | 0.00% | 4.16% | 7.60% |

## CHARACTERISTICS OF THE UNITED KINGDOM RESIDENTIAL MORTGAGE MARKET

The United Kingdom housing market is primarily one of owner-occupied housing, with the remainder in some form of public, private landlord or social ownership. The mortgage market, whereby loans are provided for the purchase of a property and secured on that property, is the primary source of household borrowings in the United Kingdom.

Set out in the following tables are certain characteristics of the United Kingdom mortgage market (including owner-occupied mortgages and buy-to-let mortgages).

### Arrears and Repossession Rates for UK owner-occupied mortgages

The table below sets out the repossession and arrears rates of residential owner-occupied properties in the United Kingdom since 2008.

| Year    | Number of OO Mortgages Outstanding (at end of period) | >3 months arrears rate (excluding ROR) at end of period | Repossession rate |
|---------|---|---|-------------------|
| 2008    | 10,498,200  | 1.83%   | 0.35%             |
| 2009    | 10,257,100  | 2.44%   | 0.43%             |
| 2010    | 10,168,600  | 2.22%   | 0.33%             |
| 2011    | 9,996,200   | 2.07%   | 0.31%             |
| 2012    | 9,835,000   | 2.03%   | 0.27%             |
| 2013    | 9,657,800   | 1.80%   | 0.24%             |
| 2014    | 9,491,100   | 1.40%   | 0.17%             |
| 2015    | 9,329,700   | 1.22%   | 0.08%             |
| 2016    | 9,214,100   | 1.12%   | 0.06%             |
| 2017    | 9,110,200   | 1.01%   | 0.05%             |
| 2018    | 9,020,900   | 0.95%   | 0.05%             |
| 2019    | 9,023,000   | 0.86%   | 0.06%             |
| 2020    | 8,981,100   | 0.98%   | 0.02%             |
| 2021    | 8,956,400   | 0.92%   | 0.01%             |
| 2022    | 8,885,400   | 0.78%   | 0.03%             |
| 2023 Q1 | 8,844,700   | 0.78%   | 0.01%             |
| 2023 Q2 | 8,796,500   | 0.84%   | 0.01%             |

Source: UK Finance.

### Arrears and Repossession Rates for UK buy-to-let mortgages

The table below sets out the repossession and arrears rates of residential buy-to-let properties in the United Kingdom since 2008.

| Year | Number of BTL Mortgages Outstanding (at end of period) | >3 months arrears rate (excluding ROR) at end of period | Repossession rate |
|------|--|---|-------------------|
| 2008 | 1,168,800  | 2.31%   | 0.26%             |
| 2009 | 1,246,900  | 2.01%   | 0.38%             |
| 2010 | 1,309,400  | 1.67%   | 0.35%             |
| 2011 | 1,387,800  | 1.37%   | 0.44%             |
| 2012 | 1,449,000  | 1.14%   | 0.48%             |
| 2013 | 1,528,200  | 0.92%   | 0.37%             |
| 2014 | 1,653,600  | 0.69%   | 0.29%             |

| <b>Year</b> | <b>Number of BTL Mortgages Outstanding (at end of period)</b> | <b>&gt;3 months arrears rate (excluding ROR) at end of period</b> | <b>Repossession rate</b> |
|-------------|---|---|--------------------------|
| 2015        | 1,782,700   | 0.58%   | 0.17%                    |
| 2016        | 1,849,600   | 0.54%   | 0.13%                    |
| 2017        | 1,879,400   | 0.47%   | 0.14%                    |
| 2018        | 1,909,800   | 0.42%   | 0.12%                    |
| 2019        | 1,936,500   | 0.42%   | 0.14%                    |
| 2020        | 1,981,700   | 0.58%   | 0.06%                    |
| 2021        | 2,025,900   | 0.46%   | 0.05%                    |
| 2022        | 2,047,900   | 0.39%   | 0.07%                    |
| 2023 Q1     | 2,039,200   | 0.43%   | 0.02%                    |
| 2023 Q2     | 2,026,700   | 0.54%   | 0.02%                    |

Source: UK Finance.

### Quarterly House Price Index

| <b>Date</b> | <b>UK Retail Price Index</b> |                        | <b>Nationwide House Price Index (SA)*</b> |                        |
|-------------|------------------------------|------------------------|---|------------------------|
|             | <b>Index</b>                 | <b>% annual change</b> | <b>Index</b>                              | <b>% annual change</b> |
| 1996 Q1     | 150.9                        | 2.79%                  | 103.5                                     | 0.55%                  |
| 1996 Q2     | 152.8                        | 2.21%                  | 105.2                                     | 2.71%                  |
| 1996 Q3     | 153.1                        | 2.13%                  | 107.1                                     | 5.21%                  |
| 1996 Q4     | 154.0                        | 2.60%                  | 110.4                                     | 8.32%                  |
| 1997 Q1     | 154.9                        | 2.65%                  | 112.4                                     | 8.65%                  |
| 1997 Q2     | 156.9                        | 2.68%                  | 115.9                                     | 10.13%                 |
| 1997 Q3     | 158.4                        | 3.46%                  | 120.4                                     | 12.49%                 |
| 1997 Q4     | 159.7                        | 3.70%                  | 123.8                                     | 12.07%                 |
| 1998 Q1     | 160.2                        | 3.42%                  | 126.6                                     | 12.71%                 |
| 1998 Q2     | 163.2                        | 4.02%                  | 129.4                                     | 11.68%                 |
| 1998 Q3     | 163.7                        | 3.35%                  | 131.5                                     | 9.24%                  |
| 1998 Q4     | 164.4                        | 2.94%                  | 132.9                                     | 7.25%                  |
| 1999 Q1     | 163.7                        | 2.18%                  | 135.7                                     | 7.27%                  |
| 1999 Q2     | 165.5                        | 1.41%                  | 138.9                                     | 7.34%                  |
| 1999 Q3     | 165.6                        | 1.16%                  | 143.2                                     | 9.03%                  |
| 1999 Q4     | 166.8                        | 1.46%                  | 149.7                                     | 12.55%                 |
| 2000 Q1     | 167.5                        | 2.32%                  | 156.3                                     | 15.15%                 |
| 2000 Q2     | 170.6                        | 3.08%                  | 161.1                                     | 15.99%                 |
| 2000 Q3     | 170.9                        | 3.20%                  | 160.1                                     | 11.85%                 |
| 2000 Q4     | 172.0                        | 3.12%                  | 163.7                                     | 9.37%                  |
| 2001 Q1     | 171.8                        | 2.57%                  | 169.0                                     | 8.08%                  |
| 2001 Q2     | 173.9                        | 1.93%                  | 173.8                                     | 7.93%                  |
| 2001 Q3     | 174.0                        | 1.81%                  | 180.1                                     | 12.50%                 |
| 2001 Q4     | 173.8                        | 1.05%                  | 185.6                                     | 13.36%                 |
| 2002 Q1     | 173.9                        | 1.22%                  | 192.1                                     | 13.55%                 |
| 2002 Q2     | 176.0                        | 1.21%                  | 205.1                                     | 18.10%                 |
| 2002 Q3     | 176.6                        | 1.49%                  | 219.1                                     | 21.73%                 |
| 2002 Q4     | 178.2                        | 2.53%                  | 232.5                                     | 25.30%                 |
| 2003 Q1     | 179.2                        | 3.05%                  | 241.9                                     | 25.78%                 |
| 2003 Q2     | 181.3                        | 3.01%                  | 248.4                                     | 21.14%                 |
| 2003 Q3     | 181.8                        | 2.94%                  | 256.6                                     | 17.08%                 |
| 2003 Q4     | 182.9                        | 2.64%                  | 268.5                                     | 15.49%                 |
| 2004 Q1     | 183.8                        | 2.57%                  | 280.4                                     | 15.92%                 |

| Date    | UK Retail Price Index |                 | Nationwide House Price Index (SA)* |                 |
|---------|-----------------------|-----------------|------------------------------------|-----------------|
|         | Index                 | % annual change | Index                              | % annual change |
| 2004 Q2 | 186.3                 | 2.76%           | 293.9                              | 18.41%          |
| 2004 Q3 | 187.4                 | 3.08%           | 303.8                              | 18.28%          |
| 2004 Q4 | 189.2                 | 3.44%           | 305.5                              | 13.86%          |
| 2005 Q1 | 189.7                 | 3.21%           | 308.0                              | 9.90%           |
| 2005 Q2 | 191.9                 | 3.01%           | 311.8                              | 6.08%           |
| 2005 Q3 | 192.6                 | 2.77%           | 312.4                              | 2.70%           |
| 2005 Q4 | 193.7                 | 2.38%           | 315.2                              | 3.23%           |
| 2006 Q1 | 194.2                 | 2.37%           | 323.0                              | 4.93%           |
| 2006 Q2 | 197.6                 | 2.97%           | 326.8                              | 4.79%           |
| 2006 Q3 | 199.3                 | 3.48%           | 334.0                              | 6.87%           |
| 2006 Q4 | 201.4                 | 3.98%           | 344.3                              | 9.33%           |
| 2007 Q1 | 203.0                 | 4.53%           | 353.9                              | 9.50%           |
| 2007 Q2 | 206.3                 | 4.40%           | 360.1                              | 10.16%          |
| 2007 Q3 | 207.1                 | 3.91%           | 365.1                              | 9.30%           |
| 2007 Q4 | 209.8                 | 4.17%           | 367.8                              | 6.91%           |
| 2008 Q1 | 211.1                 | 3.99%           | 361.9                              | 2.17%           |
| 2008 Q2 | 215.3                 | 4.36%           | 345.7                              | -4.01%          |
| 2008 Q3 | 217.4                 | 4.97%           | 327.5                              | -10.29%         |
| 2008 Q4 | 215.5                 | 2.72%           | 313.4                              | -14.75%         |
| 2009 Q1 | 210.9                 | -0.09%          | 302.4                              | -16.53%         |
| 2009 Q2 | 212.6                 | -1.25%          | 305.0                              | -11.72%         |
| 2009 Q3 | 214.4                 | -1.38%          | 317.3                              | -3.04%          |
| 2009 Q4 | 216.9                 | 0.65%           | 324.0                              | 3.37%           |
| 2010 Q1 | 219.3                 | 3.98%           | 329.3                              | 8.80%           |
| 2010 Q2 | 223.5                 | 5.13%           | 333.8                              | 9.51%           |
| 2010 Q3 | 224.5                 | 4.71%           | 331.5                              | 4.49%           |
| 2010 Q4 | 227.0                 | 4.66%           | 325.9                              | 0.53%           |
| 2011 Q1 | 230.9                 | 5.29%           | 328.2                              | -0.31%          |
| 2011 Q2 | 234.9                 | 5.10%           | 329.7                              | -1.16%          |
| 2011 Q3 | 236.2                 | 5.21%           | 330.1                              | -0.45%          |
| 2011 Q4 | 238.6                 | 5.11%           | 329.7                              | 1.11%           |
| 2012 Q1 | 239.6                 | 3.77%           | 328.8                              | 0.21%           |
| 2012 Q2 | 242.2                 | 3.11%           | 326.0                              | -1.08%          |
| 2012 Q3 | 243.1                 | 2.92%           | 325.0                              | -1.61%          |
| 2012 Q4 | 246.0                 | 3.10%           | 326.1                              | -1.13%          |
| 2013 Q1 | 247.4                 | 3.26%           | 329.1                              | 0.21%           |
| 2013 Q2 | 249.7                 | 3.10%           | 330.7                              | 1.42%           |
| 2013 Q3 | 250.9                 | 3.21%           | 339.1                              | 4.28%           |
| 2013 Q4 | 252.5                 | 2.64%           | 349.1                              | 7.07%           |
| 2014 Q1 | 253.9                 | 2.63%           | 359.2                              | 9.24%           |
| 2014 Q2 | 256.0                 | 2.52%           | 369.0                              | 11.51%          |
| 2014 Q3 | 256.9                 | 2.39%           | 374.7                              | 10.47%          |
| 2014 Q4 | 257.4                 | 1.94%           | 378.2                              | 8.34%           |
| 2015 Q1 | 256.4                 | 0.98%           | 379.9                              | 5.86%           |
| 2015 Q2 | 258.5                 | 0.98%           | 384.7                              | 4.14%           |
| 2015 Q3 | 259.3                 | 0.93%           | 388.4                              | 3.67%           |
| 2015 Q4 | 260.0                 | 1.01%           | 394.2                              | 4.26%           |
| 2016 Q1 | 260.0                 | 1.40%           | 399.7                              | 5.30%           |
| 2016 Q2 | 262.2                 | 1.43%           | 404.9                              | 5.14%           |
| 2016 Q3 | 264.2                 | 1.89%           | 409.4                              | 5.42%           |



| Date    | UK Retail Price Index |                 | Nationwide House Price Index (SA)* |                 |
|---------|-----------------------|-----------------|------------------------------------|-----------------|
|         | Index                 | % annual change | Index                              | % annual change |
| 2016 Q4 | 265.8                 | 2.23%           | 412.0                              | 4.51%           |
| 2017 Q1 | 267.7                 | 2.96%           | 415.6                              | 4.08%           |
| 2017 Q2 | 271.5                 | 3.55%           | 416.8                              | 2.81%           |
| 2017 Q3 | 274.2                 | 3.79%           | 419.9                              | 2.58%           |
| 2017 Q4 | 276.4                 | 3.99%           | 422.9                              | 2.67%           |
| 2018 Q1 | 277.5                 | 3.66%           | 425.8                              | 2.48%           |
| 2018 Q2 | 280.6                 | 3.35%           | 426.2                              | 2.19%           |
| 2018 Q3 | 283.3                 | 3.32%           | 428.7                              | 2.09%           |
| 2018 Q4 | 284.9                 | 3.08%           | 428.3                              | 1.30%           |
| 2019 Q1 | 284.4                 | 2.49%           | 427.6                              | 0.43%           |
| 2019 Q2 | 289.0                 | 2.99%           | 428.9                              | 0.62%           |
| 2019 Q3 | 290.7                 | 2.61%           | 429.9                              | 0.33%           |
| 2019 Q4 | 291.1                 | 2.18%           | 431.7                              | 0.82%           |
| 2020 Q1 | 291.7                 | 2.57%           | 438.5                              | 2.45%           |
| 2020 Q2 | 292.5                 | 1.21%           | 437.0                              | 1.96%           |
| 2020 Q3 | 293.9                 | 1.10%           | 444.7                              | 3.47%           |
| 2020 Q4 | 294.4                 | 1.13%           | 459.6                              | 6.43%           |
| 2021 Q1 | 295.8                 | 1.41%           | 466.5                              | 6.30%           |
| 2021 Q2 | 302.3                 | 3.35%           | 481.7                              | 10.26%          |
| 2021 Q3 | 307.2                 | 4.53%           | 490.3                              | 10.34%          |
| 2021 Q4 | 314.7                 | 6.90%           | 506.2                              | 10.14%          |
| 2022 Q1 | 320.5                 | 8.35%           | 525.7                              | 12.57%          |
| 2022 Q2 | 337.2                 | 11.54%          | 536.4                              | 11.43%          |
| 2022 Q3 | 345.3                 | 12.40%          | 540.7                              | 10.34%          |
| 2022 Q4 | 358.3                 | 13.85%          | 530.6                              | 4.77%           |
| 2023 Q1 | 364.0                 | 13.57%          | 520.6                              | -1.02%          |
| 2023 Q2 | 374.8                 | 11.15%          | 519.5                              | -3.13%          |

Source: ONS, Nationwide Building Society.

The percentage change in the table above is calculated in accordance with the following formula:

$(X-Y)/Y$  where X is equal to the reference quarter's index value and Y is equal to the index value of the previous year's corresponding quarter.

All information contained in this Prospectus in respect of the Nationwide House Price Index has been reproduced from information published by Nationwide Building Society. The Issuer confirms that all information in this Prospectus in respect of the Nationwide House Price Index has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Nationwide Building Society, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Note, however, that the Issuer has not participated in the preparation of that information nor made any enquiry with respect to that information. Neither the Issuer nor Nationwide Building Society makes any representation as to the accuracy of the information or has any liability whatsoever to you in connection with that information. Anyone relying on the information does so at their own risk.

## SUMMARY OF THE KEY TRANSACTION DOCUMENTS

### **Mortgage Sale Agreements**

On the Closing Date, the Seller, the Issuer and the Security Trustee will enter into a mortgage sale agreement in respect of the sale by the Seller to the Issuer of the Trinidad Loans and their Related Security comprising the Trinidad Portfolio (the **Mortgage Sale Agreement (Trinidad)**).

On or after the Closing Date, the Seller, the Issuer and the Security Trustee intend to enter into a mortgage sale agreement in respect of the sale by the Seller to the Issuer of the Farringdon Loans and their Related Security comprising the Farringdon Portfolio (the **Mortgage Sale Agreement (Farringdon)**), and together with the Mortgage Sale Agreement (Trinidad), the **Mortgage Sale Agreements**). The Issuer is negotiating the terms of the Mortgage Sale Agreement (Farringdon) with the Seller and it is expected that the terms of the Mortgage Sale Agreement (Farringdon) will be substantially the same as descriptions of the Mortgage Sale Agreement (Farringdon) as described in this Prospectus. However the Issuer and Seller may, with the consent of the Committee, agree to terms in the Mortgage Sale Agreement (Farringdon) that are different to the terms described in this Prospectus.

### **Portfolio**

Under the terms of the Mortgage Sale Agreement (Trinidad), on the Trinidad Sale Date, the Seller (in consideration for payment of the Trinidad Consideration) will sell, assign or otherwise transfer the Loans comprising the Trinidad Portfolio to the Issuer.

On the Trinidad Sale Date, pursuant to the Trinidad Vendor Mortgage Sale Agreement, the Seller will acquire from the Trinidad Vendor the Loans and their Related Security comprising the Trinidad Portfolio which were originated by the Trinidad Originators (the **Trinidad Portfolio**).

The Seller intends to acquire from the Farringdon Vendor the Loans and their Related Security comprising the Farringdon Portfolio which was originated by the Farringdon Originator (the **Farringdon Portfolio**).

As at the date of this Prospectus, the Seller is negotiating the terms of the Farringdon Vendor Mortgage Sale Agreement with the Farringdon Vendor and the Issuer is negotiating the terms of the Interim Servicing and Legal Title Holder Deed and Migration Deed with BCMGlobal Mortgage Services Limited.

It is expected that the terms of the Farringdon Vendor Mortgage Sale Agreement and the Interim Servicing and Legal Title Holder Deed will be substantially the same as the descriptions of the Farringdon Vendor Mortgage Sale Agreement and Interim Servicing and Legal Title Holder Deed described in this Prospectus. However, the Seller may, with the consent of the Issuer (acting solely on the instructions of the Committee) agree to terms in the Farringdon Vendor Mortgage Sale Agreement that are different to those described in this Prospectus and the Issuer (acting solely on the instructions of the Committee) may agree to terms in the Interim Servicing and Legal Title Holder Deed that are different to those described in this Prospectus.

On the earlier of (i) the date that the Seller agrees with the Issuer (acting solely on the instructions of the Committee) that it will not proceed with the acquisition of the Farringdon Portfolio as satisfactory terms of sale and/or the servicing of the Farringdon Portfolio have not been agreed with the Farringdon Vendor and/or BCMGlobal Mortgage Services Limited and (ii) 29 December 2023 (if the sale of the Farringdon Portfolio to the Issuer has not completed by close of business on that day), the Issuer will notify the Note Trustee that the acquisition of the Farringdon Portfolio is not proceeding and the Farringdon Excess Proceeds will be applied, on the immediately following Interest Payment Date, in or towards redemption of the Class A Notes and Class Z Notes in an amount equal to (A) with respect to

the Class A Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class A Notes and (ii) the Class A Notes and Class Z Notes, and (B) with respect to the Class Z Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class Z Notes and (ii) the Class A Notes and the Class Z Notes (in each case, as at the Closing Date).

If the Seller proceeds with the acquisition of the Farringdon Portfolio then, on the Farringdon Sale Date, pursuant to the Farringdon Vendor Mortgage Sale Agreement, the Seller will acquire the Farringdon Portfolio from the Farringdon Vendor.

If the Seller acquires the Farringdon Portfolio on or before 29 December 2023, then on the same date, the Seller (in consideration for payment of the Farringdon Consideration) will sell, assign or otherwise transfer the Loans comprising the Farringdon Portfolio to the Issuer, pursuant to the terms of the Mortgage Sale Agreement (Farringdon) which is still being negotiated by the Seller and the Issuer and is subject to the approval of the Committee.

The Loans and Related Security comprising the Trinidad Portfolio and, assuming that the Seller proceeds with the sale of the Farringdon Portfolio, the Farringdon Portfolio and all monies derived from the Trinidad Portfolio and the Farringdon Portfolio from time to time are referred to herein as the **Portfolio**. For the avoidance of doubt, if the Seller does not proceed with the acquisition of the Farringdon Portfolio, the Portfolio will solely comprise the Trinidad Portfolio.

The consideration paid to the Seller in respect of the sale of the equitable and beneficial interest in the Loans and their Related Security comprising the Portfolio on each Sale Date comprises: (a) a purchase price amount (the **Purchase Price**); and (b) deferred consideration consisting of Class X Certificate Payments and Class Y Certificate Payments, the right to such payments being represented by the issue of the Class X Certificates and the Class Y Certificates respectively (the **Consideration**).

The portion of the Consideration that is allocable to the Farringdon Loans is the **Farringdon Consideration** and the portion of the Consideration that is allocable to the Trinidad Loans is the **Trinidad Consideration**

#### ***Product Switches, Further Advances and Payment Holidays***

The sale of the Loans and their Related Security comprised in the Mortgage Portfolio do not impose or include any obligation on the Issuer:

- (a) to pay or make any Further Advances;
- (b) to agree to a Product Switch;
- (c) to agree to any Payment Holiday; or
- (d) to agree any Protective Advance,

and the obligations referred to in paragraphs (a) to (d) above (if any) shall at all times, and, notwithstanding the sale of such Loans and their Related Security to the Issuer, remain an obligation of the Legal Title Holder. The Servicers (on behalf of the relevant Legal Title Holder) have agreed not to consent to any request for a Further Advance, Porting or a Product Switch which is not required to be made under the applicable Mortgage Conditions and/or Applicable Law without first obtaining the consent of the relevant Committee.

The Servicers will provide to the Issuer, the Cash Manager, the Servicer Administrator and the Security Trustee the relevant monthly Servicer Report detailing the Protective Advances advanced to Borrowers during the immediately preceding Collection Period.

### ***Legal Title***

If the Issuer acquires the Farringdon Portfolio, the legal title in the Loans in the Farringdon Portfolio will initially be held by the Interim Legal Title Holder but will transfer to the Long Term Legal Title Holder on 15 January 2024 (or such later date as may be agreed between the Issuer and the Legal Title Holders) (the date of legal title transfer being the **Farringdon Transfer Date**).

The legal title in the Loans in the Trinidad Portfolio was transferred to the Long Term Legal Title Holder as follows:

- (a) the legal title of loans originated by Heritable Bank PLC (in administration) was transferred under an asset sale agreement dated 8 May 2013; and
- (b) the legal title of loans originated by Cyprus Popular Bank Public Co Ltd (formerly Marfin Popular Bank Public Co Ltd) and trading as Laiki Bank or Marfin Popular Bank under a portfolio sale agreement dated 17 September 2014; and
- (c) the legal title of loans originated by Magellan Homeloans Limited under a sale agreement dated 25 June 2019.

### ***Representations and Warranties***

On the Closing Date, the relevant Loan Warranties will be given by the Seller to the Issuer in respect of the Loans in the Trinidad Portfolio and their Related Security.

If the Farringdon Portfolio is acquired, then, on the Farringdon Sale Date, the relevant Loan Warranties will be given by the Seller to the Issuer in respect of the Loans in the Trinidad Portfolio and their Related Security.

The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the relevant Mortgage Sale Agreement (the **Loan Warranties**) include, *inter alia*, similar statements to the effect set out below (defined terms having the meaning given to them in the relevant Mortgage Sale Agreement), and see also “*The Loans*” above.

For the purposes of the Loan Warranties, references to the “knowledge”, “belief” or “awareness” of the Seller (or similar phrases) shall be limited to the actual knowledge (as at the Closing Date in respect of the Trinidad Portfolio and the Farringdon Sale Date, in respect of the Farringdon Portfolio) of the individuals who are part of the Securitised Products team within Barclays Bank PLC and have been directly involved in the preparation and negotiation of the Transaction Documents and management of the transaction.

### ***Loan Warranties in respect of the Trinidad Portfolio***

#### **Data Tape**

1. The following particulars of each Trinidad Loan set out in each of:
  - (a) the column of the August Data Tape identified in relation to that particular below are true, complete and accurate as at 31 August 2023 (except that “valuation amount” refers to the original valuation of the Property or Properties securing the relevant Loan when

such Loan was originated; and “postcode” refers to only the first half of the postcode of the Property or Properties securing the relevant Loan); and

- (b) the column of the September Data Tape identified in relation to that particular below are true, complete and accurate as at Cut-off Date (except that “Valuation Amount” refers to the original valuation of the Property or Properties securing the relevant Loan when such Loan was originated; and “Postcode” refers to only the first half of the postcode of the Property or Properties securing the relevant Loan):
  - (i) loan identifier (column AR3 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (ii) property identifier (column AR8 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (iii) current balance: (column AR67 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (iv) date of loan maturity (column AR56 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (v) current interest rate: (column AR109 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (vi) current interest rate index (column AR108 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (vii) repayment method: (column AR69 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (viii) originator (column AR5 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (ix) arrears balance: (column AR169 of the “BOE\_Datatape\_Dynamic” September Data Tape tab);
  - (x) valuation amount: (column AR136 of the “TMS18 Live Security data” September Data Tape tab);
  - (xi) property postcode (column AR129 of the “TMS18 Live Security data” September Data Tape tab);
- (c) in relation to the Magellan Loans only, and as at the date of origination of the relevant Magellan Loan only: “Occupancy Type” (column AR130 of the “BOE\_Datatape\_Dynamic” September Data Tape tab); and
- (d) base rate (MS Excel column IA).

2. There have been no waivers or modifications made to the Loans after the Cut-Off Date which would affect the data fields listed in paragraph 1.1 of this Schedule.

## **Title**

1. The Seller is the beneficial owner of each Loan in the Portfolio and its related Mortgage on the Closing Date, in each case free and clear from any encumbrance and the Seller on the Closing Date, is not holding the same subject to any declaration of trust in favour of any other party;
2. The Long Term Legal Title Holder is the legal owner of each Loan and its related Mortgage on the Closing Date (holding as bare trustee for the Seller) in each case free and clear from any encumbrance and the Long Term Legal Title Holder, on the Closing Date, is not holding the same subject to any declaration of trust in favour of any other party,  
  
(subject, in each case, only to: (i) the Mortgage Sale Agreement (Trinidad) and the relevant Borrower's equity of redemption).
3. The whole of each Loan, including any interest, fees, costs, expenses and other amounts which are now or may in the future become due or payable under a Loan, is secured by a valid and subsisting first-ranking legal mortgage over the Property to which it relates and which has been duly registered at the relevant Land Registry in priority to all other mortgages, charges and security.

## **Location**

Each Property is situated in England, or Wales.

## **Loans**

1. The obligation to pay principal, interest and the Current Balance under each Loan and the security created under each related Mortgage constitute a legal, valid and binding obligation of the relevant Borrower enforceable in accordance with its terms (except that (i) enforceability may be limited by the bankruptcy or insolvency of the Borrower or by the application of the Consumer Rights Act 2015, Unfair Terms in Consumer Contracts Regulations 1999 (the **UTCCRs**), the Consumer Protection from Unfair Trading Regulations 2008 and the Unfair Contracts Terms Act 1977 or the Consumer Credit Act 1974, or by general equitable principles or by invalidation of obligations by reason of fraud, misrepresentation, illegality, mistake or duress of, or caused by, a party other than the Long Term Legal Title Holder or the Trinidad Vendor, and (ii) no warranty is given in relation to pay any obligation of any Borrower to early repayment charges, mortgage administration exit fees, arrears fees or other charges payable in the event of Borrower default.
2. As from the applicable Original Purchase Date of such Loan the Long Term Legal Title Holder has:
  - (a) administered such Loan in all material respects in accordance with the Applicable Laws;
  - (b) charged interest and all other sums on each Loan in accordance with the Loan Conditions; and
  - (c) performed its obligations and exercised its rights as lender under such Loan in all material respects in accordance with Applicable Laws, the MCFL Loan Servicing Policies and Loan Servicing Delegations and the applicable Loan Conditions,

other than any matter which has been remediated in accordance with Applicable Laws and the relevant Loan Conditions or (in the case of items (A) and (B)) does not, and will not, require remediation or compensation payable to the relevant Borrower.

3. So far as the Seller and the Trinidad Vendor Warranty Provider are aware (having made due and careful enquiries of the Long Term Legal Title Holder), in the period prior to the applicable Original Purchase Date for such Loan, any predecessor in title to the Long Term Legal Title Holder:
  - (a) administered such Loan in all material respects in accordance with the Applicable Laws;
  - (b) charged interest and all other sums on each Loan in accordance with the Loan Conditions; and
  - (c) performed its obligations and exercised its rights as lender under such Loan in all material respects in accordance with Applicable Laws, MCFL Loan Servicing Policies and Loan Servicing Delegations and the applicable Loan Conditions,

other than any matter which has been remediated in accordance with Applicable Laws and the relevant Loan Conditions or (in the case of items (A) and (B)) does not, and will not, require remediation or compensation payable to the relevant Borrower.

4. From the applicable Original Purchase Date for such Loan, the Long Term Legal Title Holder has not done anything to modify vary or waive the Loan Conditions in any material respect save for:
  - (a) any product-specific and borrower-specific amendments to the terms and conditions of any Loan including without limitation variations of interest rates, payment profiles, further advances and maturity dates;
  - (b) any modification or variation made pursuant to the Long Term Legal Title Holder's or the servicer's usual administration practices in relation to forbearance, rescheduling of payment arrangements, term extension, amending fees and charges, release of borrower(s), consent to letting, porting and, in relation to shortfall loans, the release of security;
  - (c) any modification made as a consequence of any changes to any Applicable Laws;
  - (d) any modification or variation made in order to avoid charging any Borrower penalty interest; and/or
  - (e) any other modification which would have otherwise been acceptable to a Prudent Mortgage Servicer operating at the time the relevant modification was approved.
5. No Loan contains an obligation which remains to be performed to make any advance of further sums to the relevant Borrower on the security of the relevant Mortgage after the date of the Mortgage Sale Agreement (Trinidad).
6. Where the Borrower of such Loan is not a corporate entity, so far as the Seller and the Trinidad Vendor Warranty Provider are aware the primary Borrower of each Loan in the Portfolio is a natural person and was over 18 at the time he or she executed the relevant Mortgage (the primary borrower being, where there is more than one borrower in relation to a Loan, the borrower whose income made up the majority of income upon which the original mortgage

lender relied in making such Loan). Where the Borrower of such Loan is a company incorporated in England and Wales, the relevant Mortgage has been registered in the relevant Borrower's register of charges at Companies House.

7. So far as the Seller and the Trinidad Vendor Warranty Provider are aware (having made due and careful enquiries of the Long Term Legal Title Holder), each Loan in the Portfolio and its related Mortgage that was originated by Cyprus Popular Bank Public Co Ltd (formerly Marfin Popular Bank Public Co. Ltd and trading as Laiki Bank or Marfin Popular Bank) or Heritable Bank Plc (dissolved) was originated substantially on the basis of the relevant Standard Documentation which was used by the relevant Originator at the relevant time in connection with its activities as residential mortgage lender without any material variation thereto or, where there were any changes, those changes would have been acceptable to a Reasonable Prudent Mortgage Lender.
8. Each Loan in the Portfolio and its related Mortgage that was originated by Mars Capital Finance Limited (trading as Magellan Homeloans) or Magellan Homeloans Limited (in liquidation) was originated substantially on the basis of the relevant Standard Documentation which was used by Mars Capital Finance Limited (trading as Magellan Homeloans) or Magellan Homeloans Limited (in liquidation) at the relevant time in connection with its activities as residential mortgage lender without any material variation thereto or, where there were any changes, those changes would have been acceptable to a Reasonable Prudent Mortgage Lender.
9. The Seller and the Trinidad Vendor Warranty Provider are not aware of any caps on the interest rate that may be charged on Loans.
10. Each Loan is capable of being assigned and/or sold pursuant to the Mortgage Sale Agreement (Trinidad) without breaching the Loan Conditions and without the express consent of the Borrower or any other person to the assignment or sale of the Loans pursuant to the Mortgage Sale Agreement (Trinidad).
11. No agreement for such Loan or variation of such Loan is or includes a regulated credit agreement (as defined in Article 60B(3) of the Regulated Activities Order) or constitutes any other agreement (other than a Regulated Mortgage Contract) regulated or partly regulated by the Consumer Credit Act 1974 (other than Sections 140A to 140C of the Consumer Credit Act 1974) or any modification or re-enactment thereof or, to the extent that it is so regulated or partly regulated, all the material requirements of the Consumer Credit Act 1974 or the FSMA have been addressed in accordance with market practice.
12. Each Loan is denominated in, and all amounts in respect of such Loan are payable in, sterling and may not be changed by the relevant Borrower to any other currency.
13. No Self-Certified Loan was originated on or after 20 March 2014.
14. No Related Security in respect of such Loan is stock or marketable security (as such terms are defined for the purposes of section 122 of the Stamp Act 1891), a chargeable security (as such term is defined for the purposes of section 99 of the Finance Act 1986) or a chargeable interest (as such term is defined for the purposes of section 48 of the Finance Act 2003).

#### **Litigation/Set off**

1. Save in relation to any matter which is no longer outstanding, as at the date of the Mortgage Sale Agreement (Trinidad), no lien or right of set-off, compensation or counterclaim has been created or arisen in relation to any Loan since the relevant Original Purchase Date for such Loan or (so far as the Seller and the Trinidad Vendor Warranty Provider are aware) now exists



between the Long Term Legal Title Holder or Trinidad Vendor and any Borrower which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Loan.

2. The Trinidad Vendor and Long Term Legal Title Holder have not received any written notice of any litigation or claim by Borrowers against the Long Term Legal Title Holder or the TMS18 Seller which (i) calls into question in any material way the legal and/or beneficial title to any Loan or Related Security or their ability to fully and effectively enforce the same or (ii) has an adverse effect on the value of such Loan, excluding in each case any litigation or claim which in the opinion of the Long Term Legal Title Holder is frivolous or without merit.
3. The Long Term Legal Title Holder and Trinidad Vendor (a) have not waived or agreed to waive any of its rights against any valuer, solicitor, insurer or other professional who has provided information, carried out any work or service or given advice in connection with the origination of any Loan or Related Security, other than waivers such as a Prudent Mortgage Servicer might make on a case by case basis nor (b) have not waived or acquiesced in any breach of any of its rights in respect of a Loan or its Related Security which would entitle a Borrower to a discharge in respect of its Loan or would otherwise have an adverse effect on the value of that Loan or any associated Mortgage or Related Security (other than any waiver or acquiescence required by Applicable Law (including the Mortgage Charter) or that would have been granted by a Reasonable Prudent Mortgage Lender on a case by case basis).
4. Except as Disclosed, the Long Term Legal Title Holder and Trinidad Vendor is not engaged in any form of Court Proceedings in respect of a Loan pursued by or on behalf of a Seller relating to the enforcement of any of the Loans and Related Security.
5. All Borrower complaints (including any complaints made to the Financial Ombudsman Service, but excluding all complaints resolved within three Business Days of receipt by the Long Term Legal Title Holder) made during the period from (and including) 31 July 2018 to (and including) 31 August 2023 have been Disclosed.
6. There has been no investigation by the FCA, or any other regulatory body or adverse decision by the Financial Ombudsman Service, during the 5 years prior to the date of the Mortgage Sale Agreement (Trinidad) specifically in respect of a Loan or any matter which relates to the origination of the Loans or the administration of the Loans by the Long Term Legal Title Holder more generally. Neither the Long Term Legal Title Holder nor the Trinidad Vendor has been notified of any such investigation nor, to the Seller's and the Trinidad Vendor Warranty Provider's knowledge, are there any circumstances which would lead to such an investigation being forthcoming.

## **Records**

1. The Long Term Legal Title Holder has, following the relevant Original Purchase Date, kept or procured the keeping of such accounts, books and records as are necessary to show all material transactions and all payments, receipts and proceedings made during that period in relation to that Loan and all such accounts, books and records form part of the Loan Files. The Loan Files are in the possession of (or held to the order of or at the Closing Date will be held to the order of) the Seller or of the Long Term Legal Title Holder.
2. The Title Deeds are currently in the Long Term Legal Title Holder's possession, or held to its order, save for those Title Deeds held or being dealt with by solicitors in accordance with the Seller's instructions or held at the relevant Land Registry.

## **Fraud**

So far as the Seller and the Trinidad Vendor Warranty Provider are aware, there has not been any evidence of any mortgage fraud on the part of any Borrower.

## **Mis-selling**

The Long Term Long Title Holder and the Trinidad Vendor have not received any written notice of any claim by a Borrower on the basis that a Loan is subject to a claim against the Long Term Legal Title Holder or Trinidad Vendor relating to payment protection insurance, endowment, principal protection, a failure to disclose brokerage commissions or hedging transaction or that any Loan, forming part of the Portfolio, was mis-sold to the Borrower in the period prior to Completion or was sold in breach of any relevant regulatory requirements and, so far as the Seller and the Trinidad Vendor Warranty Provider are aware, there are no circumstances or activities in relation to a Loan which give rise to a valid claim against the Seller or Long Term Legal Title Holder relating to such.

## **Anti-money laundering and sanctions**

Save As Disclosed, as at 31 August 2023, as far as the Seller and the Trinidad Vendor Warranty Provider are aware (having made due and careful enquiries of the Long Term Legal Title Holder), no Borrower in relation to that Loan:

- (a) is a person with whom transactions are prohibited by any Sanctions; or
- (b) is resident in a country, region or territory which is the subject or the target of Sanctions.

## **Remediation**

There is no matter that is currently being remediated, and the excel spreadsheet “Project Arima – Complaints and Remediation Disclosures (23 Sept)” attached to the email from Allen & Overy LLP to the Issuer titled “Project Arima – Complaints and Remediation Disclosures from Mars” provides a true and accurate summary of all material remediation in respect of the Portfolio in the past three years and all such remediation has been fully completed in accordance with Applicable Law and the terms of the Loans.

## **Securitisation Regulation**

So far as the Seller and the Trinidad Vendor Warranty Provider is aware, in relation to each Loan being sold by the Seller, the original lender that advanced such Loan did not apply different credit-granting criteria for Loans that it intended to securitise (if any) relative to criteria for Loans that it did not intend to securitise (if any).

## ***Loan Warranties in respect of the Farringdon Portfolio***

The following Loan Warranties are the warranties that are expected to be provided by the Seller on the Farringdon Sale Date (subject to the final terms of the Mortgage Sale Agreement (Farringdon)).

The following particulars of each Loan set out in each of:

- (a) the column of the Farringdon Data Tape identified in relation to that particular below are true, complete and accurate as at 31 August 2023 (except that “AR136 Valuation Amount” refers to the original valuation of the Property or Properties securing the relevant Loan when such Loan was originated; and “AR129 Property Postcode” refers to only the first half of the postcode of the Property or Properties securing the relevant Loan); and

- (i) Loan Identifier (column AR3 of the “BOE Loan Level Data” Farringdon Data Tape tab);
  - (A) property identifier (column AR8 of the “BOE Loan Level Data “ Farringdon Data Tape tab);
  - (B) current balance: 31 August 2023 (column AR67 of the “BOE\_Datatape\_Dynamic” Farringdon Data Tape tab);
  - (C) date of loan maturity (column AR56 of the “BOE Loan Level Data” Farringdon Data Tape tab);
  - (D) current interest rate applicable during 31 August 2023 (column AR109 of the “BOE Loan Level Data” Farringdon Data Tape tab);
  - (E) current interest rate index (column AR108 of the “BOE Loan Level Data” Farringdon Data Tape tab);
  - (F) repayment method: 31 August or 2023 (column AR69 of the “BOE Loan Level Data” Farringdon Data Tape tab);
  - (G) originator (column AR5 of the “BOE Loan Level Data” Farringdon Data Tape tab);
  - (H) arrears balance: (column AR169 of the “BOE Loan Level Data” Farringdon Data Tape tab);
  - (I) valuation amount: (column AR136 of the “BoE Loan Level Data” Farringdon Data Tape tab); and
  - (J) property postcode (column AR129 of the “BoE Loan Level Data” Farringdon Data Tape tab).
- (b) There have been no waivers or modifications made to the Loans after the Cut-Off Date which would affect the data fields listed in paragraph (a) above.
- (c) Subject, in each case, only to the Mortgage Sale Agreement (Farringdon) and the relevant Borrower’s equity of redemption, the Seller is the beneficial owner of each Loan in the Farringdon Portfolio and its related Mortgage on the Farringdon Sale Date, in each case free and clear from any encumbrance and the Seller, on the Farringdon Sale Date, is not holding the same subject to any declaration of trust in favour of any other party.
- (d) Subject, in each case, only to the Mortgage Sale Agreement (Farringdon) and the relevant Borrower’s equity of redemption, the Interim Legal Title Holder is the legal owner of each Loan in the Farringdon Portfolio and its related Mortgage on the Completion Date (holding as bare trustee for the Seller) in each case free and clear from any encumbrance and the Legal Title Holder, on the Completion Date, is not holding the same subject to any declaration of trust in favour of any other party.
- (e) The whole of each Loan, including any interest, fees, costs, expenses and other amounts which are now or may in the future become due or payable under a Loan in the Farringdon Portfolio, is secured by a valid and subsisting first-ranking legal mortgage over the Property to which it relates and which has been duly registered at the relevant Land Registry in priority to all other mortgages, charges and security.

- (f) No Loan in the Farringdon Portfolio contains an obligation which remains to be performed to make any advance of further sums to the relevant Borrower on the security of the relevant Mortgage after the date of the Mortgage Sale Agreement (Farringdon).
- (g) Each Loan in the Farringdon Portfolio is capable of being assigned and/or sold pursuant to the Mortgage Sale Agreement (Farringdon) without breaching the Loan Conditions and without the express consent of the Borrower or any other person to the assignment or sale of the Loans in the Farringdon Portfolio pursuant to the Mortgage Sale Agreement (Farringdon) (other than the release of any security that will be released upon Completion).
- (h) No Self-Certified Mortgage Loan in the Farringdon Portfolio was originated on or after 20 March 2014.
- (i) As far as the Seller is aware, no Borrower in relation to that Loan in the Farringdon Portfolio:
  - (i) is a person with whom transactions are prohibited by any Sanctions; or
  - (ii) is resident in a country, region or territory which is the subject or the target of Sanctions.
- (j) So far as the Seller is aware, in relation to each Loan in the Farringdon Portfolio being sold by the Seller, the original lender that advanced such Loan did not apply different credit-granting criteria for mortgage loans that it intended to securitise (if any) relative to criteria for mortgage loans that it did not intend to securitise (if any).
- (k) So far as the Seller is aware, no Loan in the Farringdon Portfolio is advanced to a Borrower that is not an individual and no Loan in the Farringdon Portfolio advanced to a Borrower which is assigned under this Deed consists of or includes any “stock” or “marketable securities” within the meaning of section 125 of the Finance Act 2003, “chargeable securities” for the purposes of section 99 of the Finance Act 1986 or a “chargeable interest” for the purposes of section 48 of the Finance Act 2003 or section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013 or section 4 of the Welsh Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017.
- (l) No stamp duty is payable on the transfer, assignment, assignation or holding of trust of any Loan in the Farringdon Portfolio or Related Security or upon execution of this Deed.

**Definitions:**

**August Data Tape** means the final data tape showing the position as at 23:59 on 31 August 2023 relating to the Portfolio, entitled “BOE\_residential-mortgages-loan-level-data-template\_31stAUGUST2023\_FINAL ARIMA\_20230928.xlsx” and as sent via email from Allen & Overy LLP to the Issuer.

**Camael Mortgage Loan** means each Loan in relation to which the originator set out in column AR5 “Originator” of the August Data Tape is marked as “Laiki Bank”, “Cyprus Popular Bank Ltd”, “The Cyprus Popular Bank Ltd”, “The Cyprus Popular Bank Public Company Ltd”, “Cyprus Popular Bank Public Co Ltd”, “Marfin Popular Bank Public Co Ltd” and “N/A”.

**Cherub Mortgage Loan** means each Mortgage Loan in relation to which the originator set out in column AR5 “Originator” of the August Data Tape is marked as “Heritable Bank Plc”.

**Disclosed** means fairly disclosed to the Issuer in pursuant to the Mortgage Sale Agreement (Trinidad).

**Farringdon Data Tape** means the final data tape showing the position as at 31 August 2023 relating to the Farringdon Portfolio, entitled “3.4\_BOE\_Residential\_Loan\_Level\_Data” and as sent by Allen & Overy LLP to the Issuer.

**Lending Criteria** means, in respect of a Loan, the relevant lending criteria applied by the relevant Originator in respect of that Loan and its Related Security as such criteria applied at the date on which the relevant Loan was made.

**Magellan Loans** means each Loan in relation to which the originator set out in column AR5 “Originator” of the August Data Tape is marked as “Magellan Homeloans”.

**MCFL Loan Servicing Policies and Loan Servicing Delegations** means the collections and litigation procedures and delegations of the Long Term Legal Title Holder, as attached to the email from Allen & Overy LLP to the Issuer and titled “MCFL Loan Servicing Policies and Loan Servicing Delegations” in each case only to the extent relevant to the Loans.

**Original Purchase Date** means, (i) in the case of Cherub Mortgage Loans, 8 May 2013, in the case of Camael Mortgage Loans, 17 September 2014, and (iii) in the case of the Magellan Mortgage Loans, the relevant date set out next to each Magellan Mortgage Loan in column AR55 “Loan Origination Date” of the August Data Tape.

**Reasonable Prudent Mortgage Lender** means a reasonable, prudent, FCA-authorised, residential mortgage lender operating in the market at the time that the relevant determination was made and lending to borrowers in England and Wales where the Loan is secured over residential property.

**September Data Tape** means the final data tape showing the position as at 23:59 on the Cut-Off Date relating to the Trinidad Portfolio, as sent via email from Allen & Overy LLP to the Issuer.

**Shortfall Amount** means any amount by which the proceeds received on the discharge of a Loan are insufficient to satisfy the entire Current Balance of that Loan as at the date of such discharge.

**Shortfall Loans** means a Loan in relation to which the relevant Mortgage has been discharged and as to which a Shortfall Amount exists.

**Shortfall Proceeds** means in respect of a Loan which has been subject to enforcement proceedings, and following completion of such enforcement proceedings there were insufficient proceeds received to repay all amounts owed by the Borrower under the relevant Loan in full (such amount being the **Shortfall**), any proceeds subsequently received in respect of that Shortfall whether in respect of principal, interest or other amounts.

**Trinidad Vendor Warranty Provider** means Magellan Funding No2 DAC.

None of the Security Trustee, the Arranger or the Lead Manager have undertaken any additional due diligence in respect of the application of the Lending Criteria and have relied entirely upon the representations and warranties referred to above which will be made by the Seller to the Issuer and the Security Trustee pursuant to the relevant Mortgage Sale Agreement.

On the Closing Date, the Seller will also provide certain corporate warranties to the Issuer, including that there are no governmental authorisations, approvals, licences or consents required for the Seller to enter into or to perform its obligations under the Mortgage Sale Agreement (Trinidad) (and on the Farringdon Sale Date, under the Mortgage Sale Agreement (Farringdon)) or to render the Transaction Documents to which it is party admissible in evidence in a court in England and Wales.

### ***Obligation of Seller to make an indemnity payment***

If any of the Loan Warranties in respect of a Loan and/or its Related Security in respect of the Trinidad Portfolio only proves to have been untrue on the Closing Date and such breach is not capable of remedy within the agreed grace period or, if capable of remedy, is not remedied within the 30 Business Day grace period, the Seller shall (subject to certain limitations below) be required to pay the relevant indemnity amount (such amount being limited in recourse to the amounts received by the Seller under the Trinidad Vendor Mortgage Sale Agreement) (as further described below).

The Seller shall (subject to certain limitations described below) indemnify (on an after-Tax basis) and keep indemnified (on an after-Tax basis) the Issuer against all MSA Relevant Liabilities relating to the breach of the Loan Warranty, subject to the terms of the Mortgage Sale Agreement (Trinidad). The Issuer and Seller have agreed and acknowledged that the obligations of the Seller arising under the Mortgage Sale Agreement (Trinidad) for breach of warranty in respect of Loans in the Trinidad Portfolio are limited recourse obligations.

The Seller will give certain Loan Warranties in respect of the Farringdon Portfolio on the Farringdon Sale Date. However, these warranties are given for information purposes only and there is no obligation on the Seller to indemnify the Issuer or repurchase any Loan in the Farringdon Portfolio if there is a breach of Loan Warranty in respect of the Farringdon Portfolio and the Seller has no resources available to it to fund any such indemnity claim.

### ***Limitations on liability in relation to a breach of Loan Warranty***

In the Mortgage Sale Agreement (Trinidad), the Seller has made certain specific disclosures against certain of the Loan Warranties in respect of the Loans and there are various limitations on the right of the Issuer to bring a claim against the Seller for breach of Loan Warranty.

The Seller shall have no liability to the Issuer for breach of the Loan Warranties with respect to Loans in the Trinidad Portfolio:

- (i) unless the Issuer has notified the Seller in writing of such breach within the period of eighteen months from and including the Closing Date (the **Warranty Period**); and
- (ii) unless proceedings in relation to any claims notified to the Seller within the Warranty Period have been issued by the Issuer within twelve months of the expiry of the applicable Warranty Period.

The Issuer shall not be entitled to damages or other payment in respect of (i) any single claim under any of the Loan Warranties unless the aggregate amount recoverable in respect of such individual claim exceeds £12,000; or (ii) a series of claims under any of the Loan Warranties with respect to related or similar facts or circumstances, in respect of which the aggregate amount recoverable in respect of each single claim comprising such series is below the limit specified in paragraph (i) above, unless the aggregate amount recoverable in respect of such series of claims exceeds £50,000. Once the aggregate amount of eligible claims exceeds this threshold, the Seller shall be liable for the full amount of the claims (and not only the amount by which the threshold is exceeded).

The Issuer shall not be entitled to damages or other payment in respect of any warranty claim or claims which comply with the time and threshold limits set out above unless and until the aggregate amount of such claims exceeds £750,000. Once the aggregate claims exceed this threshold, the Seller shall be liable for the full amount of the claims (and not only the amount by which the threshold is exceeded).

The liability of the Seller for breach of Loan Warranties with respect to Loans in the Trinidad Portfolio:

- (a) in respect of a Loan, shall not exceed the portion of the Trinidad Purchase Price allocable to that Loan on the Closing Date;
- (b) in aggregate for any and all claims under the Mortgage Sale Agreement (Trinidad) (excluding claims relating to breaches of the Loan Warranties in respect of the Fundamental Warranties), shall not exceed 10% of the Trinidad Consideration; and
- (c) in aggregate for any and all claims under or in relation to the Mortgage Sale Agreement (Trinidad), shall not exceed 100% of the Trinidad Consideration.

To the extent that the Seller has a claim under or in respect of the Trinidad Vendor Mortgage Sale Agreement in respect of breach of any warranty thereunder, the Seller is required to diligently pursue any such claims and compensate the Issuer for any reduction in the value of its assets as a result of the relevant warranties not being true when made.

The Seller shall have no liability to the Issuer for breach of the Loan Warranties with respect to Loans in the Farringdon Portfolio.

Neither the Security Trustee nor the Issuer has made or has caused to be made on its behalf any enquiries, searches or investigations, but each is relying entirely on the representations and warranties made by the Seller contained in the Mortgage Sale Agreements.

### ***Governing Law***

Each Mortgage Sale Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

### ***Definitions***

In this Prospectus, the capitalised terms below have the following definitions:

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

**Calculation Date** means the third Business Day preceding each Interest Payment Date.

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

**Collection Period** means: (i) in respect of the Trinidad Portfolio each period from (and including) the first day in a calendar month to (and including) the last day of that same calendar month and provided that the first Collection Period shall commence on and include 1 October 2023 and (i) in respect of the Farringdon Portfolio each period from (and including) the first day in a calendar month to (and including) the last day of that same calendar month and provided that the first Collection Period shall commence on and include 5 October 2023 and end on 31 October 2023.

**Cut-Off Date** means 23:59 30 September 2023 (in respect of the Trinidad Portfolio) and 23:59 5 October 2023 (in respect of the Farringdon Portfolio).

**Fundamental Warranties** means each of the warranties set out in Paragraph 1 and 2 of Schedule 3 of the Mortgage Sale Agreement (Trinidad).

**Insurance Contracts** means any insurance contracts or policies arranged by the relevant Legal Title Holder from time to time relating to the Loans in the Mortgage Portfolio.

**Legal Title Transferee** means any person to whom the relevant Legal Title Holder transfers the legal title to the Loans, subject to the terms of the Portfolio Option Deed Poll.

**Loan** means each mortgage loan, as at the relevant Cut-Off Date, appearing on the data tape relating to the Loans and their Related Security, to the extent not previously redeemed or discharged in full as at the date of each Mortgage Sale Agreement (and, to the extent so redeemed or discharged in full, all amounts of principal, interest, fees and other payments received with respect to such mortgage loan after the Cut-Off Date but prior to the date of the relevant Mortgage Sale Agreement are to be treated in accordance with that Mortgage Sale Agreement).

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

**Loan Conditions** means in respect of a Loan, all the terms and conditions of the Loan, all the conditions documented in the relevant offer letters and the relevant general conditions of the relevant Originator, each as varied from time to time by the relevant Loan Agreement, the relevant Mortgage Deed and the Offer Conditions.

**Loan Files** means, in relation to a Loan, the customer file (in paper and/or electronic form) including internal file notes and correspondence both prior to and after origination of the Loan, but excluding any voice or audio recordings, held to the order of the Seller (or its agents on its behalf) and excluding any Title Deeds.

**Mortgage** means a charge by way of legal mortgage over a Property securing a Loan.

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

**Property** means, in relation to any Loan, the freehold or leasehold property in England and Wales and all rights and security attached or appurtenant or related thereto and all buildings and fixtures thereon which are subject to the Mortgage securing repayment of such Loan.

**Provisional Cut-Off Date** means 31 August 2023.

**Offer Conditions** means in respect of a Loan, the terms and conditions applicable to such Loan as set out in the offer letter to the relevant Borrower.

**Ombudsman** means the Financial Ombudsman Service or any successor entity that assumes its relevant functions.

**Prudent Mortgage Servicer** means a reasonably prudent FCA-regulated mortgage servicer, servicing residential, semi-commercial, commercial or buy to let mortgages (as applicable) to borrowers on terms substantially the same as the Mortgage Conditions and to Borrowers with substantially the same credit histories acting prudently in administering mortgage facilities to, and in compliance with all laws applicable to it in connection with mortgage loans made to borrowers in England and Wales (including, but not limited to, corporate entities, the self-employed, independent contractors, and/or individuals who may have experienced previous credit problems including individuals who generally may not satisfy the lending criteria of other residential mortgage lenders providing first-ranking residential mortgage loans in England and Wales) and taking such actions as are reasonably necessary to protect the Legal Title Holder's security.



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

**Related Security** means, in relation to an underlying Loan, the Mortgage relating thereto and all other collateral security for and rights in respect of such Loan.

**Standard Documentation** means the standard documentation of the relevant Originators being the documents which were used by the Originators at the relevant time in connection with its activities as a residential and commercial mortgage lender, a list or CD of which is set out in or appended to Exhibit 1 of each of the Mortgage Sale Agreement, or any update or replacement therefor as permitted by the terms of the relevant Mortgage Sale Agreement.

**Taxes** means any present or future tax and any levy, impost, duty, charge, fee, deduction or withholding in the nature of tax (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any jurisdiction or any subdivision of it or by any authority in it having power to tax, and taxes, taxation, taxable and comparable expressions shall be construed accordingly.

**Title Deeds** means, in relation to a Loan, the deed constituting the relevant Mortgage and any documents of title to the relevant Property and to the Related Security.

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

**Valuation Report** means the valuation report or reports for mortgage purposes, in the form of the pro forma contained in the Standard Documentation, obtained by the relevant Legal Title Holder from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable Prudent Mortgage Lender.

### **Administration Agreement**

The Issuer, the Security Trustee, the Seller and the Servicer Administrator will enter into an administration agreement on or about the Closing Date in connection with the issuance of the Notes (the **Administration Agreement**). The services to be provided by the Servicer Administrator (the **Servicer Administrator Services**) are set out in the Administration Agreement.

#### *Servicer Administrator Services*

Pursuant to the terms of the Administration Agreement, the Servicer Administrator may, in its sole discretion, elect to carry out certain ongoing administration roles in relation to the securitisation, including (without limitation) electing:

- (a) following distribution of the Investor Report, the UK SR Investor Report and the EU SR Investor Report, to review those reports and to flag manifest errors or issues to the Cash Manager;
- (b) to review the Servicer Reports, UK SR Data Tape and EU SR Data Tape and to flag manifest errors or issues to the Servicer; and
- (c) to attend meetings of the relevant Committee in accordance with the terms of the Servicing and Legal Title Holder Deeds.

In respect of its rights under the Administration Agreement, the Servicer Administrator will owe no duty or have any liability to any other party. For the avoidance of doubt, the Servicer Administrator

shall have no liability for exercising or failing to exercise its rights under the Administration Agreement and shall not be liable to monitor the Servicer or the provision of the Services or effect any remediation relating to the Services to be provided by the Servicers.

The Issuer will indemnify the Servicer Administrator on demand against any loss, cost, expense or other liability which are incurred by the Servicer Administrator in connection with the performance of its role or the exercise of its rights as Servicer Administrator under the Transaction Documents, save in the case where such loss, cost, expense or other liability is as a result of the Servicer Administrator's fraud, gross negligence or wilful default.

Pursuant to the terms of the Administration Agreement, the Servicer Administrator has undertaken not to resign from its appointment as Servicer Administrator for so long as any of the Notes are outstanding.

The Administration Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

## **Servicing and Legal Title Holder Deeds**

### *Introduction – Interim Servicing*

The Issuer is in the process of negotiating the terms of the interim servicing and legal title holder deed (the **Interim Servicing and Legal Title Holder Deed**) that will be entered between the Issuer, the Seller, the Interim Legal Title Holder, the Security Trustee, the Servicer Administrator, and the Interim Servicer on or about the Farringdon Sale Date if the Issuer acquires the Farringdon Portfolio.

Pursuant to the Interim Servicing and Legal Title Holder Deed, if the Issuer acquires the Farringdon Portfolio, the Interim Servicer will commence servicing the Loans, on behalf of the Issuer, in the Farringdon Portfolio from the Farringdon Sale Date.

As at the date of this Prospectus, the Interim Servicing and Legal Title Holder Deed that is being negotiated is expected to substantially reflect terms described below. However, these are subject to any changes as the Issuer may be agreed with the consent of the Committee.

### *Introduction – Long Term Servicing*

The Issuer, the Seller, the Security Trustee, the Long Term Servicer and the Long Term Legal Title Holder will enter into a servicing and legal title holder deed in respect of the Trinidad Portfolio on the Closing Date (effective from the Trinidad Sale Date) (the **Long Term Servicing and Legal Title Holder Deed**) in connection with the issuance of the Notes and pursuant to which:

- (a) the Long Term Servicer will covenant to service the Loans in the Trinidad Portfolio and the Long Term Legal Title Holder will hold legal title to the Loans in the Trinidad Portfolio on the terms set out therein from the Trinidad Sale Date; and
- (b) the Long Term Servicer will covenant to service the Loans in the Farringdon Portfolio and the Long Term Legal Title Holder will hold legal title to the Loans in the Farringdon Portfolio on the terms set out therein from the Farringdon Transfer Date.

The Interim Servicing and Legal Title Holder Deed, the Long Term Servicing and Legal Title Holder Deed are together the **Servicing and Legal Title Holder Deeds** and each a **Servicing and Legal Title Holder Deed**.

The Interim Servicer (whilst it is servicer of the Farringdon Portfolio) and the Long Term Servicer are each a **Servicer** and together the **Servicers**. The terms of the Interim Servicing and Legal Title Holder

Deed and the Long Term Servicing and Legal Title Holder Deed, as described below, are expected to be substantially the same. However, as at the date of this Prospectus, the Interim Servicing and Legal Title Holder Deed is being negotiated between the Issuer and the Interim Servicer and is subject to any changes as the Issuer may be agreed with the consent of the Committee.

#### *Introduction – Legal Title Holder*

The legal title in the Loans was transferred to:

- (a) in respect of the Farringdon Portfolio, legal title in the Loans will initially be held by the Interim Legal Title Holder and is due to be further transferred to the Long Term Legal Title Holder on 15 January 2024 (or such later date as may be agreed between the Issuer and the Legal Title Holders) (the **Farringdon Transfer Date**); and
- (b) in respect of the Trinidad Portfolio, the legal title in the Loans in the Trinidad Portfolio was transferred to the Long Term Legal Title Holder as follows:
  - (i) the legal title of loans originated by Heritable Bank PLC (in administration) was transferred under an asset sale agreement dated 8 May 2013;
  - (ii) the legal title of loans originated by Cyprus Popular Bank Public Co Ltd (formerly Marfin Popular Bank Public Co Ltd) and trading as Laiki Bank or Marfin Popular Bank under a portfolio sale agreement dated 17 September 2014; and
  - (iii) the legal title of loans originated by Magellan Homeloans Limited under a sale agreement dated 25 June 2019.

References below to the **Legal Title Holders** shall mean:

- (a) in respect of the Farringdon Portfolio, during the Interim Period, the Interim Legal Title Holder and, following the Farringdon Transfer Date, the Long Term Legal Title Holder;
- (b) in respect of the Trinidad Portfolio, the Long Term Legal Title Holder.

#### *Legal Title Holders*

Each Legal Title Holder will hold the legal title and any other right, title, interest and benefit held by it with respect to the relevant Loans, from time to time, on bare trust for and on behalf of the Issuer absolutely, and undertake not to breach any legal or regulatory requirements in relation to the Loans.

#### *Regulated activities*

The Legal Title Holders will each undertake not to breach any legal and regulatory requirements in relation to the relevant Loans, to procure that any regulated activities with respect to the Portfolio are discharged in accordance with Applicable Law by the relevant Servicer (or a replacement entity with the relevant authorisations and permissions) and to procure that the relevant Servicer provides the policies, systems and controls to facilitate such compliance.

#### *Title to the Mortgages and Perfection*

The Issuer (prior to the delivery of an Enforcement Notice) with the consent of the Committee and (after delivery of an Enforcement Notice) with the consent of the Security Trustee may by notice in writing (a **Perfection Notice**) to a Legal Title Holder (with a copy to the Seller, the Security Trustee, the Issuer and the Servicer, as applicable) require that Legal Title Holder to perfect the assignment to the Issuer

(or to its nominee) of the legal title to the Loans and their Related Security as soon as reasonably practicable, following the occurrence of any of the following events (each a **Perfection Event**) in respect of that Legal Title Holder:

- (a) an Enforcement Notice has been served by the Note Trustee following the occurrence of an Event of Default which is continuing;
- (b) the Legal Title Holder is required to perfect the Issuer's legal title to the Loans by an order of a court of competent jurisdiction, or by a change in law occurring after the Closing Date, or by a regulatory authority which has jurisdiction over the Legal Title Holder or by any organisation of which the Legal Title Holder is a member;
- (c) it becomes necessary by law or regulation to do any or all of the acts referred to in paragraph (b) above;
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security is, in the opinion of the Security Trustee, in danger of being seized or sold under any form of distress, diligence, attachment, execution or other legal process or otherwise in jeopardy;
- (e) the occurrence of any Servicer Termination Event in circumstances where all applicable grace periods have expired or the relevant Servicer ceases to be a servicer of the Portfolio;
- (f) the occurrence of an Insolvency Event in relation to the relevant Legal Title Holder;
- (g) default is made by that Legal Title Holder in the performance or observance of any of its covenants and obligations under the relevant Servicing and Legal Title Holder Deed or any other Transaction Document to which it is a party, which is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders of any Class and/or the Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of the relevant Legal Title Holder becoming aware of such default and receipt by the relevant Legal Title Holder of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied; or
- (h) a Change of Control occurs with respect to the Long-Term Legal Title Holder without the prior written consent of the Issuer and the Committee.

The relevant Legal Title Holder shall, as soon as reasonably practicable following the delivery of a Perfection Notice, do such acts, matters and things as the Issuer reasonably requires the relevant Legal Title Holder to do in order to give effect to the terms of the assignments and transfer of legal title contemplated in the Administration Agreement, the relevant Servicing and Legal Title Holder Deed and the relevant Mortgage Sale Agreement, including:

- (a) executing or procuring the execution of the transfers and other documents referred to in the Servicing and Legal Title Holder Deed;
- (b) providing a bulk transfer of Direct Debit Mandates, to the extent this is possible under the Direct Debiting Scheme or any replacement direct debiting scheme;
- (c) in the case of all Borrowers who do not make payment by Direct Debit, using reasonable endeavours to ensure that such Borrowers are instructed to make all payments under the Loans directly to the Transaction Account or such replacement bank account as the Issuer (with the prior written consent of the Security Trustee) requires;

- (d) upon request by the Issuer (and following the delivery of an Enforcement Notice, the Security Trustee), procuring (on behalf of the Issuer) that any notices which the Issuer (or the Security Trustee, as applicable) may require the relevant Legal Title Holder to give pursuant to the relevant Servicing and Legal Title Holder Deed are so given by the Legal Title Holder; and
- (e) giving to the Issuer (copied to the Seller and, following the delivery of an Enforcement Notice, the Security Trustee) notice of the completion of registration or recording of the transfer of all the Mortgages and other acts required to perfect the transfer of the relevant Loans and their Related Security to the Issuer or the nominee of the Issuer.

The Issuer will, as soon as reasonably practicable following receipt of notification to it or its agents from the Servicer of completion of the registration or recording of the transfer of all of the relevant Mortgages and other acts required to perfect the transfer of the relevant Loans and their Related Security to the Issuer or its nominee, give notice thereof to the relevant Legal Title Holder, the relevant successor legal title holder, the Seller and, following the delivery of an Enforcement Notice, the Security Trustee.

#### *Servicers*

Each of the Servicer's actions in servicing the Loans and their Related Security in accordance with the terms of the relevant Servicing and Legal Title Holder Deed (including the procedures of the relevant Servicer) are binding on the Issuer. Each Servicer is appointed to:

- (a) service and manage the Loans in accordance with the applicable provisions of the Servicer's Policies which shall be those of a Prudent Mortgage Servicer and the relevant Legal Title Holder's Policies which shall be those of a Reasonable Prudent Mortgage Lender as such may be amended from time to time by the Servicer (in relation to the Servicer's Policies) in its sole discretion acting as a Reasonable Prudent Mortgage Servicer and the relevant Legal Title Holder (in relation to that Legal Title Holder's Policies) in its sole discretion acting as a Reasonable Prudent Mortgage Lender save that the Servicer shall be required to comply with the following restrictions:
  - (A) general restrictions as set out in the relevant Servicing and Legal Title Holder Deed; and
  - (B) borrower complaints management as set out in the relevant Servicing and Legal Title Holder Deed;
- (b) to provide the services set out in the relevant Servicing and Legal Title Holder Deed in relation to the Loans and their Related Security and any other services which are necessary, convenient or incidental to the management and administration of the Loans and their Related Security, including the management of cash receipts from Mortgage Borrowers, provided that there shall be no funding of discretionary further advances and no products switches, ports or unauthorised payment holidays permitted and provided further that the Servicer shall only be required to comply with such restrictions to the extent that doing so will not conflict with any Mortgage Conditions, the restrictions referred to in paragraph (a) above, or any Applicable Laws or regulation;
- (c) exercise the Issuer's and the relevant Legal Title Holder's rights, powers and discretions under and in relation to the Loans and their Related Security;
- (d) perform the other management and administration services imposed on the Servicer by the relevant Servicing and Legal Title Holder Deed; and

- (e) perform any other functions imposed on the Servicer by any other Transaction Document to which it is a party.

**Servicer's Policies** means the administration, arrears and enforcement policies and procedures (other than the relevant Legal Title Holder's Policies) which are applied from time to time by the relevant Servicer to the Loans and their Related Security.

#### *The Services*

The services to be provided by the Servicers (as agent for the Issuer and the relevant Legal Title Holder) are set out in the Servicing and Legal Title Holder Deeds (the **Services**).

The Services include, but are not limited to:

- (a) maintaining the Loan account in respect of each Borrower, making appropriate debit and credit entries in accordance with the terms of the applicable Loan, and sending each Borrower an account statement at least every 12 months;
- (b) collecting monthly subscriptions into the relevant Collection Accounts, including (A) by presenting to the relevant bank the appropriate direct debit instructions (using the servicer user number of the Legal Title Holder) for the collection of any amounts being paid by direct debit at least the minimum number of days then required by BACS to process direct debit payments before the relevant payment date and (B) through debit card payments (using the merchant number of the Legal Title Holder);
- (c) notifying Borrowers of changes in their monthly subscriptions and any other notifications required in accordance with the Mortgage Conditions in accordance with the prescribed timeline for doing so;
- (d) dealing with the administrative aspects of redemption of a Loan, including providing redemption statements to Borrowers, arranging for the release of the deeds relating to the relevant Property together with the deed of release or discharge of the Mortgage to the relevant Borrower and the relevant Land Registry filings upon receipt of amounts required to repay the Loan in full;
- (e) dealing with enquiries and requests from Borrowers in respect of their Loans and Related Security. These may include providing a credit reference from a lender, consenting to a transfer from joint Borrowers to a single Borrower (for example, upon a divorce), approving a tenancy agreement where a Borrower wishes temporarily to let the Property and providing details of the current outstanding balance;
- (f) implementing the Procedures in accordance with the standards of a Prudent Mortgage Servicer and ensuring the Procedures are generally, in scope and content, the relevant procedures of a Prudent Mortgage Servicer;
- (g) assisting in (but, for the avoidance of doubt, not initiating), and notifying the Issuer, the Seller, the Security Trustee and the relevant Legal Title Holder in a timely matter of the necessity of, all filings, activities or transactions within the relevant time limits (including properly obtained extensions thereto) prescribed by Applicable Law and necessary from time to time to preserve all rights, claims and powers under and in respect of the Loans and their Related Security;
- (h) granting consents or approvals to Borrowers from time to time in accordance with the relevant Procedures;

- (i) dealing appropriately with Arrears Loans in accordance with the relevant Procedures;
- (j) releasing one or more joint Borrowers from any Liability under a Loan and its Related Security provided that the relevant Procedures are still satisfied in respect of that Loan;
- (k) keeping records for all taxation purposes, including VAT;
- (l) assisting with the preparation and submission of any claim under any insurance policies in relation to any Loan or its Related Security in accordance with the requirements of the relevant insurance policy and otherwise with the usual procedures undertaken by a Prudent Mortgage Servicer, and complying with the other requirements of the insurer under the relevant insurance policy;
- (m) implementing a complaints procedure for Borrowers in accordance with the requirements from time to time published by the FCA. The Servicers shall: (A) inform the relevant Legal Title Holder of each Complaint and provide the relevant Legal Title Holder with details of each such Complaint no later than the close of business on the second Business Day following receipt thereof, (B) provide the Issuer, the relevant Committee and the relevant Legal Title Holder with a list and details of complaints on a monthly basis and (C) pass all draft complaints responses to the relevant Legal Title Holder for approval prior to being sent;
- (n) (only in respect of the Long Term Legal Title Holder) approving invoices in respect of Protective Advances where such expenditure has been pre-approved by the Long Term Legal Title Holder (and where any individual Protective Advance exceeds £2000 (excluding VAT), the Issuer) or that is incurred in line with the relevant Procedures from time to time, and passing such invoices to the Long Term Legal Title Holder for payment provided that approval is not required in the case of ground rent payments which the relevant Servicer reasonably determines need to be made to protect the Related Security for a Loan in an amount up to £7,000;
- (o) deal with Further Advances, Protective Advances, Product Switches and Porting requests in accordance with the provisions of the Loan Agreement, the Mortgage Conditions and the relevant Servicing and Legal Title Holder Deed; and
- (p) taking (or causing to be taken) all actions as may be necessary or advisable to recover (or cause to be recovered) all sums due from Borrowers under the Loans (including, without limitation, by the institution of, and assistance with, proceedings and/or the enforcement of any Loan or of its Related Security) in accordance with the relevant Procedures;

#### *The Servicing Standard*

The standard applied to the Servicer in relation to the provision of services (the **Servicing Standard**) will be the standard of a Prudent Mortgage Servicer.

#### *Undertakings by the Servicers*

In addition to providing the Services, the Servicers have each undertaken, among other things, to:

- (a) administer the relevant Loans and their Related Security in accordance with all Applicable Laws and the Servicer's Policies and the relevant Legal Title Holder's Policies as they apply to the Loans from time to time;
- (b) procure the enforcement of the relevant Loans and their Related Security and in accordance with all Applicable Laws and the standard of a Prudent Mortgage Servicer;

- (c) in performing its duties and obligations under the relevant Servicing and Legal Title Holder, will exercise reasonable care, using the degree of skill and attention consistent with that used by a Prudent Mortgage Servicer;
- (d) promptly obtain, comply with the terms of and maintain in full force and effect all licences, approvals, authorisations, consents, registrations and notifications (including, without limitation, licences, registrations or notifications required pursuant to the Consumer Credit Act 1974 and Data Protection Laws) which are at any time required in connection with the performance of its duties and obligations under the relevant Servicing and Legal Title Holder and the servicing and administration of the Loans and their Related Security;
- (e) make all payments required to be made by it pursuant to the relevant Servicing and Legal Title Holder Deed on or before the due date for payment thereof in Sterling in immediately available funds for value on such due date without set-off or deduction or counterclaim, but subject to any deductions required by law;
- (f) transfer all monies received by direct debit from the Borrowers from the relevant Collection Accounts into the Transaction Account in accordance with the terms of relevant Servicing and Legal Title Holder Deed;
- (g) give the Issuer and the relevant Committee at least 15 Business Days' written notice prior to making any material changes to the relevant Servicer's Procedures and/or the Servicer's Policies (along with providing a copy of any such proposed material change) and shall not make any amendment to the relevant Servicer's Procedures and/or Servicer's Policies without the prior consultation with the Issuer and the Committee unless such amendment is necessary for the relevant Servicer to comply with any change in Applicable Laws or to act in accordance with the standards of a Prudent Mortgage Servicer, or is not, in the reasonable opinion of the relevant Servicer (acting as a Prudent Mortgage Servicer) material, and in the case of amendments to any other Procedures, it shall notify the Issuer, the Seller and the Committee of the relevant amendments as soon as reasonably practicable; and
- (h) provide the loan-level data required to enable the Issuer (or its nominee) to make available, prepare and/or file (i) the UK SR Data Tape and the EU SR Data Tape, (ii) all documents and loan-level data required to be made available and/or prepared for the purpose of the Bank of England Discount Window Facility and (iii) to the extent the Class A2 Notes are or become eligible collateral for the monetary policy framework of the European Central Bank, all documents and loan-level data required to be made available and/or prepared to allow eligibility of the Class A2 Notes as eligible collateral under the Eurosystem monetary policy framework of the European Central Bank.

#### *Setting of Interest Rates on the Loans – Farringdon Portfolio*

Subject to the terms of the Interim Servicing and Legal Title Holder Deed, the Issuer will grant the Interim Legal Title Holder full right, liberty and authority from time to time, in accordance with Applicable Law (including by any applicable guidance of any relevant government authority or regulator), and by reference to the method described in, the Mortgage Conditions, to determine and set from time to time the Mortgage Rate chargeable to Borrowers in respect of the Farringdon Loans in consultation with the Farringdon Committee, provided that the Interim Legal Title Holder shall, in setting the Mortgage Rate, inter alia, act as a Reasonable Prudent Mortgage Lender would act and have due regard at all times to the obligations of the Issuer under the terms of the Transaction Documents.

The Interim Servicer is required to take the steps rendered necessary by the relevant mortgage conditions and any Applicable Laws to bring each change in any Mortgage Rate to the attention of the relevant Borrowers.



Any change in a Mortgage Rate shall be notified in advance to the Issuer, the Committee and the Interim Servicer by the Interim Legal Title Holder and the Interim Legal Title Holder shall consult with the Issuer, the Committee and the Interim Servicer in respect of such change.

#### *Setting of Interest Rates – Trinidad Loans*

Subject to the terms of the Long Term Servicing and Legal Title Holder Deed, the Issuer has granted the Long Term Legal Title Holder full right, liberty and authority from time to time, in accordance with, and by reference to the method described in, the Mortgage Conditions, to determine and set from time to time the Mortgage Rate chargeable to Borrowers in respect of the Trinidad Loans in consultation with the Trinidad Committee, provided that the Long Term Legal Title Holder shall, in setting the Mortgage Rate:

- (a) act as a Reasonable Prudent Mortgage Lender would act and have due regard at all times to the obligations of the Issuer under the terms of the Transaction Documents; and
- (b) ensure that the interest rate applicable to each Loan subject to a variable rate shall be set in accordance with the requirements of MCOB and TCF.

The Long Term Servicer is required to take the steps rendered necessary by the relevant mortgage conditions and any Applicable Laws to bring each change in any Mortgage Rate to the attention of the relevant Borrowers.

Any change in a Mortgage Rate shall be notified in advance to the Issuer, the Committee and the Long Term Servicer by the Long Term Legal Title Holder and the Long Term Legal Title Holder shall consult with the Issuer, the Committee and the Long Term Servicer in respect of such change.

**Mortgage Rate** means the interest rate in respect of a Loan as determined from time to time.

The Long Term Legal Title Holder shall have the full right, liberty and authority from time to time to determine, set and change the interest rate(s) applicable to SVR Loans, provided that the Parties acknowledge and agree, subject always to the requirement for the relevant Legal Title Holder to act in accordance with Applicable Law and the standards of a Reasonable Prudent Mortgage Lender, and the requirements of MCOB and TCF, the Long-Term Legal Title Holder shall change the interest rate applicable to the SVR Loans upwards and downwards in accordance with its rate setting policy and the interest rate for that SVR Loan shall be set equal to or above the SVR Floor.

**SVR Floor** means, on any date, a rate equal to the rate of term SONIA reference rate (3 month tenor), or, if equivalent and applicable, SONIA Reference Rate (3 month tenor) calculated by the Agent Bank in accordance with Condition 6.4(a) (*Determination of Floating Rates of Interest and Floating Interest Amounts*) in relation to the Notes (other than the Class Z Notes and the Class R Notes) in respect of the Interest Period immediately preceding the relevant date plus 2.6193 per cent.

**SVR Loan** means a Loan to which SVR applies.

#### *Indemnification by the Seller*

In the case of a breach of Loan Warranties, the relevant Servicer will assist the Issuer to rectify such breach in accordance with the terms of the applicable Mortgage Sale Agreement.

As soon as reasonably practicable upon becoming aware of any event which may reasonably be considered to give rise to an obligation of the Seller under the Mortgage Sale Agreement (Trinidad) to indemnify the Issuer, the relevant Servicer shall notify the Issuer and the Seller in writing of such event.

If, pursuant to the Mortgage Sale Agreement (Trinidad), the Issuer is required to deliver a Loan Remedy Notice, the Servicer shall do so on behalf of the Issuer. The relevant Servicer shall, following the delivery of a Loan Remedy Notice to the Seller, take on behalf of the Issuer all action and enter into such documents as may be required under the terms of the Mortgage Sale Agreement (Trinidad) to be taken by the Issuer.

#### *Operation of Collection Accounts and Collection Account Declarations of Trust*

The Long Term Legal Title Holder has established the Trinidad Collection Account held in its name with the relevant Collection Account Bank in respect of the Loans in the Trinidad Portfolio. Each of the Issuer and the Long Term Legal Title Holder appoints the Long Term Servicer as its agent to act on its behalf to manage the Trinidad Collection Accounts.

On the Trinidad Sale Date, the Issuer, the Long Term Servicer, the Long Term Legal Title Holder, the Security Trustee and others will enter into a declaration of trust in respect of, *inter alia*, the Trinidad Portfolio (the **Long Term Collection Account Declaration of Trust**) pursuant to which the Long Term Legal Title Holder will declare a trust over all of its rights, title and beneficial interest in all amounts standing to the credit of the Trinidad Collection Accounts (the **Long Term Collection Account Trust**) absolutely for itself, the Issuer and the Seller.

The Interim Legal Title Holder has established the Farringdon Interim Collection Account held in its name with the relevant Collection Account Bank in respect of the Loans in the Farringdon Portfolio. Each of the Issuer and the Interim Legal Title Holder appoints the Interim Servicer as its agent to act on its behalf to manage the Farringdon Interim Collection Accounts.

On the Farringdon Sale Date, the Issuer, the Interim Servicer, the Interim Legal Title Holder, the Security Trustee and others will enter into a declaration of trust in respect of, *inter alia*, the Farringdon Portfolio (the **Farringdon Collection Account Declaration of Trust**) pursuant to which the Interim Legal Title Holder will declare a trust over all of its rights, title and beneficial interest in all amounts standing to the credit of the Farringdon Collection Account (the **Farringdon Collection Account Trust**) absolutely for itself, the Issuer and the Seller.

On and from the Farringdon Transfer Date, the Long Term Legal Title Holder will collect such payments in respect of the Farringdon Portfolio into a Trinidad Collection Account, and the Long Term Legal Title Holder will declare a trust over all of its rights, title and beneficial interest in all amounts standing to the credit of that Trinidad Collection Account in respect of the Farringdon Portfolio on and from the Farringdon Transfer Date, pursuant to the Long Term Collection Account Declaration of Trust.

The Long Term Collection Account Trust and, prior to the Farringdon Transfer Date, the Farringdon Interim Collection Account Trust are collectively referred to as the **Collection Account Trusts** and each a **Collection Account Trust**).

The Issuer's share of the relevant Collection Account Trust (the **Issuer Trust Share**) at any relevant time shall equal all amounts credited to the relevant Collection Account at such time in respect of the relevant Loans and their Related Security taking into account any amounts previously paid to the Issuer in respect of the relevant Loans and their Related Security. The relevant Servicer will procure that amounts constituting the Issuer Trust Share will be transferred from the relevant Collection Account in cleared funds to the Transaction Account, in the case of Direct Debit payments, by close of business on the Business Day after such amount is confirmed or credited by the relevant Servicer, in accordance with the provisions of the relevant Servicing and Legal Title Holder Deed (subject to the deduction of any amount required by the Servicer to pay costs and expenses due at such time (the **Servicer Expenses Amounts**)). The relevant Servicer will continue to procure such transfer, notwithstanding the change of collection account.

Each Collection Account Declaration of Trust and any non-contractual obligations arising out of or in connection with it will be governed by English law.

#### *Replacement of Collection Account Bank*

Following (i) the occurrence of an Insolvency Event in relation to a Collection Account Bank or (ii) a Collection Account Bank ceasing to have the Collection Account Bank Rating, (x) the Issuer will and (y) the relevant Servicer shall use reasonable endeavours to:

- (a) appoint a replacement financial institution with the Collection Account Bank Rating to act as replacement Collection Account Bank which is a bank for the purposes of section 878 Income Tax Act 2007 and which will pay interest in relation to the Collection Account in the ordinary course of its business;
- (b) procure that such financial institution enters into a deed on terms substantially similar to those set out in the Collection Account Declaration of Trust with respect to the replacement collection account;
- (c) procure that new collection accounts are opened and established at the replacement institution and further procure that all amounts held on trust for the Issuer and the Seller standing to the credit of the relevant Collection Accounts are transferred to the replacement account at such replacement institution as soon as practicable or, where the relevant Collection Account Bank ceases to have the Collection Account Bank Rating, in each case, within 60 calendar days (but not less than 35 calendar days) of such downgrade; and
- (d) transfer all Direct Debit Mandates to such replacement collection account and procure that all Contractual Monthly Payments made by a Borrower under a payment arrangement other than the Direct Debiting Scheme are made to such replacement collection account from the date on which the replacement collection account is opened.

The Legal Title Holders and the Servicers each undertake not to terminate the relevant Collection Account Declaration of Trust without the prior written consent of the Security Trustee and the Seller.

No replacement or termination of the appointment of a Collection Account Bank may be made without the prior written consent of the Issuer (or, following the service of an Enforcement Notice, the Security Trustee).

#### *Provision of Data for Monitoring of Mortgage Sale Loan Warranties*

As soon as reasonably practicable upon becoming aware of any event which may reasonably be considered to give rise to an obligation of the Seller under the Mortgage Sale Agreement (Trinidad) to indemnify the Issuer, the relevant Servicer shall notify the Issuer and the Seller in writing of such event.

#### *Protective Advances*

Where the Long Term Servicer, on behalf of the Issuer, determines that a Protective Advance is required to protect the security of a Loan, the Long Term Servicer will provide notice to the Issuer (copied to the Seller and the Long Term Legal Title Holder) as soon as reasonably practicable setting out the details of such Protective Advance. Any such Protective Advance will be made by the Long Term Servicer by or on behalf of the Long Term Legal Title Holder (to the extent of Collections available in the Mars Collection Account or the Long Term Servicer Expense Account) and shall be added to the Current Balance of the relevant Loan, in each case in accordance with the provisions of the Long Term Servicing and Legal Title Holder Deed, the relevant Mortgage Conditions and Applicable Law.

The Servicer will provide to the Cash Manager the relevant monthly Servicer Report detailing the Protective Advances advanced to the Borrowers during the immediately preceding Collection Period.

The equitable interest in any Protective Advances will be purchased by the Issuer and will form part of the Portfolio. Any such Protective Advance will be acquired by the Issuer from the relevant Legal Title Holder (to the extent of Principal Receipts available in the Collection Account and in the event of a shortfall therein, Principal Receipts standing to the credit of the Transaction Account). The Drawing Notice will include the amount of Principal Receipts available to the Servicer in the Collection Account for the Issuer to fund such Protective Advance. In accordance with the Cash Management Agreement, the Cash Manager shall, to the extent available, fund any shortfall by debiting the Principal Receipts standing to the credit of the Transaction Account, and transfer such amount to the Servicer as and when such shortfall arises. Protective Advances will be purchased in the order approved and the Servicer, on behalf of the Seller, will use the available funds to on-lend them to the relevant Borrower. For the avoidance of doubt, any Principal Receipts retained by the Servicer or any amounts transferred by the Cash Manager to fund any shortfall shall discharge the payment obligation of the Issuer to the relevant Legal Title Holder.

The Mortgage Conditions do not contain any contractual obligations requiring a Legal Title Holder to agree to a Further Advance or a Product Switch. The Servicer will not consent to any request for a Further Advance, a Port or a Product Switch.

Subject to the terms of the Long Term Servicing and Legal Title Holder Deed and the relevant Mortgage Sale Agreement, the Long Term Servicer will also administer and service the Loans and their Related Security in connection with any Protective Advances including (without limitation) performing all associated functions and the lender's duties in connection with any Protective Advances subject to the conditions of the Long Term Servicing and Legal Title Holder Deed and the Mortgage Sale Agreement.

Where a Protective Advance has been agreed in accordance with the terms of the relevant Servicing and Legal Title Holder Deed, the relevant Mortgage Sale Agreement and relevant Loan Conditions, then the Servicer is authorised by the relevant Legal Title Holder and the Issuer to debit the Collection Accounts with the amount it is required to pay the Borrower in respect of the Protective Advance.

#### *The Committees*

A committee will be established for each Servicer and each such committee shall comprise the representatives of the Servicer Administrator (if it so elects) and the holder (or representative of the holder) from time to time of more than 50 per cent. (or the representative of holders of Class Y Certificates acting in concert who together hold more than 50 per cent.) of the issued Class Y Certificates (the **Majority Class Y Certificateholder**) who elects to be a member of the committee (each a **Committee Member**) in respect of the Trinidad Portfolio (the **Trinidad Committee**) and in respect of the Farringdon Portfolio (the Farringdon Committee), and together the Trinidad Committee and the Farringdon Committee, the **Committees**, and each a **Committee**).

Each of the Servicer, the relevant Legal Title Holder and the Issuer (as applicable) shall consult with the respective Committee Members on matters under the relevant Servicing and Legal Title Holder Deeds, including, but not limited to:

- (a) reviewing the outcome of any reports (including but not limited to any Investor Reports, Servicer Reports, UK SR Data Tape, EU SR Data Tape) (including in relation to any manifest errors or issues flagged to the Servicer and any costs, expenses and charges the Servicer was required to pay in a Calculation Period in excess of £100,000);
- (b) consideration of the outcome of any annual third party audit of the relevant Servicer (which will include sampling and data integrity (such as verifying the SR Data Tape against the relevant

Servicer's systems and documentation)) and the right to discuss the outcome of such audit in a meeting with the relevant Servicer and, if the relevant Servicer default has occurred as identified in that audit report, the right to notify the Issuer, the Seller and the Security Trustee thereof;

- (c) in relation to changes to the Mortgage Rates (where such consultation is required in terms of the relevant Servicing and Legal Title Holder Deed);
- (d) any material issues or claims raised by claims management companies, any proposed remediation programmes or actions by a regulator, the courts, FOS or Borrowers that could trigger remediation programmes or could have a material impact on the Portfolio (subject to any Applicable Laws and obligations of confidentiality owed to any third parties);
- (e) making any material change to the relevant Servicer's Procedures and/or the Servicer's Policies;
- (f) (in case of the Long Term Legal Title Holder only) making or agreeing to any Protective Advances;
- (g) making any material modification to the relevant Legal Title Holder's Policies where such material modifications are required in order to comply with Applicable Laws or regulation;
- (h) consideration of a material change to the relevant Servicer's Selection Criteria;
- (i) consideration of a material change to the relevant Servicer's and/or relevant Legal Title Holder's selection criteria for third party service providers or policies, subject to the terms of the relevant Servicing and Legal Title Holder Deed;
- (j) other proposed change which is material or would have a material impact on costs or the Services being provided; and
- (k) any other matter which is expressed to require consultation with the Committee under the terms of the Transaction Documents.

Each of the Servicers and respective Legal Title Holders shall consider in good faith any recommendations or representations made by the Committee Members with respect to such consultation matters. The Servicers and the Legal Title Holders, except in relation to the Consent Matters, shall not be obliged to follow or agree to any suggestions, recommendations or directions of the Committee or any other authorised representative which arise as part of a consultation process or otherwise and the final determination of all such matters shall be made by the relevant Servicer and the relevant Legal Title Holder acting as a Reasonable Prudent Mortgage Lender, as applicable.

In addition, the Committee shall have consent rights in relation to:

- (a) replacement or termination of the relevant Servicer and/or the relevant Legal Title Holder;
- (b) any modification to the Procedures;
- (c) making any material modifications proposed to the Services;
- (d) delegating or subcontracting a material part of the Services (including the relevant Servicer's power and obligations) or the relevant Legal Title Holder's power and obligations to a third party under the relevant Servicing and Legal Title Holder Deed;
- (e) any modification to the relevant Legal Title Holder's Policies (other than where such modifications are required in order to comply with any Applicable Laws);

- (f) certain matters in respect of the manner in which the relevant Servicer and/or the relevant Legal Title Holders conduct any claim from a Borrower or third party which, if successful, is reasonably likely to result in a significant liability of the Issuer under the relevant Servicing and Legal Title Holder Deed or to have a significant adverse effect on the value of the Portfolio;
- (g) any modifications to the rights of the relevant Committee under the relevant Servicing and Legal Title Holder Deed;
- (h) the form of the Mortgage Sale Agreement (Farringdon), the Farringdon Vendor Mortgage Sale Agreement, the Interim Servicing and Legal Title Holder Deed, the Migration Deed and terms of sale of the Farringdon Portfolio by the Farringdon Vendor to the Seller and by the Seller to the Issuer;
- (i) determining whether any amounts payable by the Seller to the Issuer under any of the Mortgage Sale Agreements are attributable as principal receipts or revenue receipts;
- (j) the transfer of legal title to each Loan and its Related Security from the Interim Legal Title Holder to the Long Term Legal Title Holder and any documents to be entered into in relation to the transfer of legal title (including any amendments required to the Long Term Servicing and Legal Title Holder Deed, the welcome and goodbye letters and any new or amended collection account declaration of trust);
- (k) any amendment to the Farringdon Vendor Mortgage Sale Agreement, the Interim Servicing and Legal Title Holder Deed, Migration Deed and any amendments to when the Farringdon Sale Date will occur (including the decision not to proceed with the acquisition of the Farringdon Portfolio where satisfactory terms of sale and/or the servicing of the Farringdon Portfolio have not been agreed with the Farringdon Vendor and/or BCMGlobal Mortgage Services Limited);
- (l) any extension of the timeline of the Farringdon Transfer Date;
- (m) any Further Advance, Porting or Product Switch which is not required to be made under applicable Loan Conditions and/or Applicable Law;
- (n) crediting amounts into the Transaction Account exceeding the relevant Servicer Expense Required Amount, or increasing the relevant Servicer Expense Required Amount; and
- (o) any other matter which is expressed to require the consent of the Committee under the terms of the Transaction Documents.

and each of the Servicers shall not be permitted to undertake such activities without the unanimous consent of the Committee (the **Consent Matters**).

Meetings of the Committee may be convened at the request of any of the Committee Members or, where a matter requires the consent of the Committee, the Servicer.

The Committee Members may act solely in their own interests and have no implied duties or obligations or liability of any kind to other Noteholders or other parties for acting as a Committee Member.

#### *Compensation of Servicers*

The Issuer will pay to the Servicers quarterly fees for each of their services under the Servicing and Legal Title Holder Deeds.

The fees payable by the Issuer to the Servicers' accounts in arrear on each Interest Payment Date or, in respect of the Post-Enforcement Priority of Payments on any day on which amounts are so applied, in accordance with the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

All fees payable to the Servicers are inclusive of VAT.

See "*Fees*" for further details.

#### *Force Majeure*

If a Servicer is rendered unable to carry out its obligations under the relevant Servicing and Legal Title Holder Deed by Force Majeure Event, the relevant Servicer shall not be liable for any failure to carry out its obligations under the relevant Servicing and Legal Title Holder Deed which are affected by the event in question and, for so long as such circumstances continue, shall be relieved of its obligations under the relevant Servicing and Legal Title Holder Deed which are affected by the event in question without liability other than where such event arose as solely as a result of the fraud, negligence or wilful default of the relevant Servicer or its subcontractor or delegate (and their respective directors, officers and employees).

**Force Majeure Event** means an event beyond the reasonable control of the person affected including (without limitation) strike, lock out, labour dispute, act of God, war, riot, civil commotion, epidemics, malicious damage, accident, breakdown of plant or machinery, computer software, hardware or system failure, electricity power-cut, fire or flood; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules, currency restrictions, devaluations or fluctuations; or market conditions affecting the execution or settlement of transactions or the value of assets and breakdown, failure or malfunction of any telecommunication system.

#### *Removal or Resignation of a Servicer*

Any of the following acts or occurrences under the relevant Servicing and Legal Title Holder Deed shall constitute a **Servicer Termination Event** :

- (a) default is made by that Servicer in the payment on the due date of any payment due and payable by it under the relevant Servicing and Legal Title Holder Deed or any other Transaction Document to which it is a party and such default continues unremedied for a period of 15 Business Days after the earlier of the relevant Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (following service of an Enforcement Notice) the Security Trustee requiring the default to be remedied;
- (b) default is made by that Servicer in the performance or observance of any of its other covenants and obligations under the relevant Servicing and Legal Title Holder Deed or any other Transaction Document to which it is a party, which is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders of any Class and/or the Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied;
- (c) that Servicer commits a persistent breach of its obligation to seek directions from the relevant Legal Title Holder before taking Restricted Actions;

- (d) that Servicer ceases to be an authorised person under FSMA or fails to obtain or maintain the necessary licences, registrations or regulatory approvals required to perform the Services or otherwise comply with its obligations under the relevant Servicing and Legal Title Holder Deed, other than as a result of or arising out of a change in Applicable Law;
- (e) the occurrence of an Insolvency Event in respect of that Servicer;
- (f) a Change of Control occurs with respect to the Long Term Servicer;
- (g) that Servicer or that Legal Title Holder repudiates or otherwise disaffirms its material obligations under the relevant Servicing and Legal Title Holder Deed in writing;
- (h) a Force Majeure Event occurs and continues unremedied for 21 calendar days and relevant Servicer is unable to perform its obligations as a Servicer under the relevant Servicing and Legal Title Holder Deed after 21 calendar days following such Force Majeure Event; or
- (i) a Perfection Event.

The Issuer (prior to the delivery of an Enforcement Notice) with the consent of the Committee or (following the delivery of an Enforcement Notice) the Security Trustee on becoming aware may (or shall, in relation to a Servicer Termination Event under paragraph (d) or (e) above) give notice in writing to the Issuer and each Authorised Representative of the occurrence of a Servicer Termination Event and request the relevant Servicer, the Issuer (in consultation with the Committee) to identify and select a successor Servicer. Upon being so notified, the Issuer (in consultation with the Committee) shall use reasonable endeavours to identify and select a successor Servicer which satisfies the conditions set out in the terms of the relevant Servicing and Legal Title Holder Deed within 30 calendar days of the occurrence of the applicable Servicer Termination Event and provide details of its selection (the **Proposed Successor**) to the Authorised Representative and the Security Trustee. The Issuer shall appoint the Proposed Successor as successor Servicer on substantially the same terms as set out herein, provided however that any such appointment shall be subject to the prior written consent of the Committee and the Security Trustee (such consent in the case of the Security Trustee to be given by the Security Trustee upon receipt of a certificate signed by two Authorised Signatories of the Issuer that the Proposed Successor satisfies the conditions set out in the relevant Servicing and Legal Title Holder Deed and upon which certificate the Security Trustee shall be entitled to rely absolutely without enquiry and without liability to any person).

#### *Resignation of the Servicers*

A Servicer may resign and terminate its own and the relevant Legal Title Holder's appointment under the relevant Servicing and Legal Title Holder Deed at any time by giving written notice to each of the other parties to the relevant Servicing and Legal Title Holder Deed and the relevant Committee (and subject in each case to appointment of a Successor Servicer and legal title holder as outlined above):

- (a) (applicable only in case of the Long Term Servicer) if the Long Term Servicer ceases to be an authorised person under the FSMA (or any other Applicable Laws) or its permission to administer Regulated Mortgage Contracts is suspended, rescinded or revoked;
- (b) if an Illegality Event occurs;
- (c) if the Issuer fails to pay any amount due to the relevant Servicer under the terms of the relevant Servicing and Legal Title Holder, and such breach continues unremedied for a period of twenty (20) Business Days after the date of receipt by the Issuer of written notice from the Long Term Servicer requiring the same to be remedied;



- (d) (applicable only in case of the Long Term Servicer) if the Issuer or (in the event that the Long Term Servicer is a different entity to the Long Term Legal Title Holder) the Long Legal Title Holder breaches any other covenant, obligation, representation or warranty under the Long Term Servicing and Legal Title Holder Deed, which breach is materially prejudicial to the interests of the Long Term Servicer, and the Issuer or (in the event that the Long Term Servicer is a different entity to the Long Term Legal Title Holder) the Long Term Legal Title Holder, as applicable, does not remedy that breach, if capable of remedy, within twenty (20) Business Days after the date of receipt by it of written notice from the Long Term Servicer requiring such non-compliance to be remedied;
- (e) if an Insolvency Event occurs, and is continuing, with respect to the Issuer;
- (f) (applicable only in case of Long Term Servicer) if a Perfection Notice has been delivered by the Issuer and the Issuer has not given the Long Term Servicer notice of the occurrence of a Long Term Servicer Termination Event in accordance with the Long Term Servicing and Legal Title Holder within 10 Business Days of the delivery of such Perfection Notice unless the Committee has instructed the Issuer not to exercise the Perfection Notice;
- (g) (applicable only in case of the Interim Servicer) if the Farrington Transfer Date doesn't occur, provided that the Interim Servicer has provided a minimum of six (6) months notice to each other Party to this Deed and the Committee.

Upon a resignation (or termination of the appointment) of a Legal Title Holder, such Legal Title Holder shall effect any other acts necessary to transfer legal title to the relevant Portfolio and its Related Security, provided that the relevant Legal Title Holder shall not be required to breach any Applicable Laws or Regulatory Direction applicable to it, including without limitation, MCOB or TCF.

*Termination without cause*

Subject to terms of the relevant Servicing and Legal Title Holder Deed, the Issuer may terminate the appointment of the relevant Servicer and the relevant Legal Title Holder under the relevant Servicing and Legal Title Holder Deed without cause upon giving no less than 6 months' prior written notice, or the relevant Servicer may terminate its own and the relevant Legal Title Holder's appointment under the relevant Servicing and Legal Title Holder Deed, on not less than 6 months' prior written notice.

The Issuer may (on the instruction of the Committee) terminate the Long Term Servicer's and Long Term Legal Title Holder's appointments (without cause) upon giving no less than 6 months' prior written notice. If the Issuer terminates such appointments before the date which falls 2 years following the Closing Date, and the Long Term Servicer and Long Term Legal Title Holder are not engaged to act as Long Term Servicer and/or Long Term Legal Title Holder under a subsequent servicing and legal title holder deed in respect of the Portfolio, the Issuer shall pay the Long Term Servicer and the Long Term Legal Title Holder a fee in an amount equal to the aggregate of the Long Term Servicing Fee (at the base rate) and the Long Term Legal Title Holder Fee that the Long Term Servicer and the Long Term Legal Title Holder would have been entitled to the period from the date of termination to 2 years following the Closing Date. No such payment shall be made to the Interim Servicer and Interim Legal Title Holder.

*Delivery of documents and records*

If the appointment of a Servicer is terminated or a Servicer resigns, the relevant Servicer must as soon as reasonably practicable deliver (and in the meantime hold on trust for, and to the order of, the Issuer) to the Issuer, or as it shall direct, inter alia, the Title Deeds, the Loan Files, any Certificates of Title, all books of account, papers, records, registers, correspondence and documents relating to the Loans and their Related Security in its possession or under its control relating to the affairs of or belonging to the

Issuer and the Loans sold by the Seller to the Issuer and comprised in the Portfolio and any other Related Security and (if practicable, on the date of receipt by that Servicer) any monies then held by the relevant Servicer on behalf of the Issuer and any other assets of the Issuer.

Neither the Note Trustee nor the Security Trustee is obliged to act as servicer in any circumstances.

#### *Delegation*

Each Servicer is entitled to subcontract or delegate the performance of all or any of its powers and obligations under the relevant Servicing and Legal Title Holder Deed, subject to certain requirements and with the prior written consent of the Issuer (acting on the instructions of the Committee, such consent not to be unreasonably withheld), the Security Trustee and the Long Term Legal Title Holder (or, following a Perfection Event, only the Issuer). Notwithstanding such delegation (if any), the relevant Servicer shall remain fully liable for the performance of its obligations in accordance with the terms of the relevant Servicing and Legal Title Holder Deed.

#### *Enforcement Procedures*

Each Servicer will, in relation to any default by any Mortgage Borrower under or in connection with a Loan or its Related Security, comply with the Enforcement Procedures or, to the extent that the Enforcement Procedures are not applicable having regard to the nature of the default in question, take such action as complies with (i) the Servicing Standard and relevant enforcement policies (as set out in the relevant Servicing and Legal Title Holder Deed) and (ii) the standard of a Prudent Mortgage Servicer in connection with defaults of a similar nature, provided that:

- (a) it shall only become obliged to comply with the Enforcement Procedures (to the extent applicable) or to take action as aforesaid after it has become aware of the default;
- (b) it is acknowledged by the Issuer and the Legal Title Holder that mortgage lenders generally exercise discretion in pursuing their respective enforcement procedures and that the relevant Servicer may exercise such discretion as would a Prudent Mortgage Servicer in applying the relevant Enforcement Procedures to any particular defaulting Mortgage Borrower or in taking action as aforesaid provided that in exercising such discretion the interests of the Issuer in the Portfolio are not materially prejudiced and, in particular but without limitation, the ability of the Issuer to claim for breach of warranty under the Mortgage Sale Agreement (Trinidad) is not prejudiced.

#### *Limitation on Liability – Interim Servicer and Interim Legal Title Holder*

Except in respect of the Interim Servicer's and Interim Legal Title Holder's gross negligence, fraud or wilful default in the performance of its obligations under the Interim Servicing and Legal Title Holder Deed, or the Interim Servicer's or the Interim Legal Title Holder's failure to account to the Issuer for any sum which it holds or should hold on trust for the Issuer, the aggregate liability of the Interim Servicer and Interim Legal Title Holder (if they are the same entity) arising out of or in connection with the Interim Servicing and Legal Title Holder Deed, whether arising in contract, tort (including negligence) or otherwise shall be limited to during any year (with each year starting on the Closing Date or the most recent anniversary of the Closing Date) to an amount in the aggregate equal to 200% of the aggregate of the Interim Servicer Fees under the Interim Servicing and Legal Title Holder Deed during the preceding year (or during the first 12 months following the date of the Interim Servicing and Legal Title Holder Deed, the amount of the Interim Servicer Fees paid to the Interim Servicer under the Interim Servicing and Legal Title Holder Deed since the date of the Interim Servicing and Legal Title Holder Deed and then annualised).

#### *Limitation on Liability – Long Term Servicer and Long Term Legal Title Holder*

The Long Term Servicer and Long Term Legal Title Holder each indemnifies, and shall defend and hold each of the Long Term Legal Title Holder (in the case of the Long Term Servicer and to the extent that the Long Term Legal Title Holder is not also the Long Term Servicer) and the Issuer harmless on an after Tax basis from and against any and all direct liabilities arising out of or resulting from Breach of Duty by the Long Term Servicer or Long Term Legal Title Holder (as applicable) (or its subcontractors or delegates) in performance of its obligations under the Long Term Servicing and Legal Title Holder Deed, provided that (a) where the Issuer incurs costs, expenses, losses and/or liabilities as a result of a material breach of contract by the Long Term Servicer or Long Term Legal Title Holder that are in aggregate less than £2,500,000 and the Long Term Servicer or Long Term Legal Title Holder has not committed any other Breach of Duty (such as negligence) then the Issuer shall not have the right to bring a claim under this indemnity (but for the avoidance of doubt, this is without prejudice to the right of the Issuer to bring a claim for breach of contract where the costs, expenses, losses and liabilities resulting from such breach are more than £2,500,000) and (b) none of the Long Term Servicer or Long Term Legal Title Holder will be liable for any liabilities arising out of the bad faith, wilful misconduct or fraud of the Issuer.

*Portfolio information and reporting – general*

Each Servicer has covenanted to deliver a servicer report (which shall include a monthly data tape and principal and interest report) shall be prepared to an rated securitisation standard and shall be substantially in the form attached to the relevant Servicing and Legal Title Holder Deed (or in such other form as may be agreed between the Issuer, the Seller and the Servicer from time to time) (the **Servicer Report**) in respect of each Collection Period to the Issuer, the Cash Manager, the Servicer Administrator and the Security Trustee no later than 12 days after the end of each Collection Period (such date being the **Servicer Reporting Date**).

*Portfolio information and reporting – regulatory reporting*

Each Servicer shall provide EuroABS (or a nominee of the Issuer) with the loan-level data required to enable EuroABS (or a nominee of the Issuer) to make available, prepare and/or file on behalf of the Issuer, in respect of each Calculation Period:

- (a) certain loan-by-loan information in relation to the Loans in respect of each Calculation Period as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Data Tape**); and
- (b) certain loan-by-loan information in relation to the Loans in respect of each Calculation Period in accordance with Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Data Tape** together with the UK SR Data Tape, the **SR Data Tapes**),

and the loan-level data will be provided by the Servicer in the format agreed between EuroABS, the Issuer and the Servicer on the date hereof (or such other format as agreed between the Servicer, the Issuer and EuroABS) no later than the 12 days after the relevant Calculation Period. The Issuer will procure that no later than 17 days after the relevant Calculation Period, EuroABS will share with Cash Manager the final SR Data Tapes.

Each Servicer shall provide EuroABS (or a nominee of the Issuer) with the loan-level data required to enable EuroABS (or a nominee of the Issuer) to make available, prepare and/or file on behalf of the Issuer, in respect of each Collection Period:

- (a) all documents and loan-level data required to be made available and/or prepared for the purpose of the Bank of England Discount Window Facility (the **BoE Data Tape**); and

- (b) to the extent the Class A Notes are or become eligible collateral for the monetary policy framework of the European Central Bank, all documents and loan-level data required to be made available and/or prepared to allow eligibility of the Class A Notes as eligible collateral under the Eurosystem monetary policy framework of the European Central Bank,

and the relevant information will be provided by the Servicer in the format agreed between EuroABS, the Issuer and the Servicer on the date hereof (or such other format as agreed between the Servicer, the Issuer and EuroABS) no later than the 12 days after the relevant Collection Period.

Each Servicer shall provide reasonable assistance to the Reporting Entity (and its nominees), the Cash Manager and the Corporate Services Provider by making available any such further information related to the Portfolio that the Reporting Entity (or its nominees), the Cash Manager or the Corporate Services Provider reasonably requests in connection with the information to be disclosed under Article 7(1) of the UK Securitisation Regulation and Article 7(1) of the EU Securitisation Regulation to the extent the Servicer is capable of providing such information without additional cost or material administrative burden, or otherwise at the Issuer's cost.

#### *Governing Law*

Each of the Servicing and Legal Title Holder Deeds and any non-contractual obligations arising out of or in connection with each deed is governed by English law.

#### *Definitions*

In this Prospectus, the capitalised terms below have the following definitions:

**Affiliate** means, in relation to any person, (i) a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company or (ii) any other person that controls, is controlled by, or is under common control with such person.

**Applicable Laws** means:

- (a) for the purpose of the Mortgage Sale Agreements and the Servicing and Legal Title Holder Deeds: (i) all applicable laws, rules, regulations, guidance, ordinances, directives, statutes, authorisations, permits, licences, notices, instructions and decrees of any relevant regulatory authority or any judgment or judicial practice of any court, and any other legally binding requirements of any regulatory authority or government authority having jurisdiction with respect to the Loans, including, without limitation, MCOB, Consumer Duty and the FCA Consumer Credit sourcebook; and (ii) any publications of any relevant regulatory authority or regulator (including the FCA's guidance, policies and publications relating to the Treating Customers Fairly initiative and good practice and guidance published by the Ombudsman) and any prevailing guidance of UK Finance, in each case only to the extent it is legally binding or is good practice to follow and which does not conflict with any of the matters referred to in paragraph (i) of this definition; (iii) to the extent applicable, MCOB and any applicable guidance, policies and publications of the relevant regulatory authority (including the FCA) relating to MCOB to the extent such guidance, policies and publications do not conflict with MCOB or any of the matters referred to in paragraph (i) of this definition; (iv) any publications of any relevant regulatory authority (including the FCA's guidance, policies and publications relating to the Treating Customers Fairly initiative and good practice and guidance published by the FOS) and any prevailing guidance of UK Finance (or its predecessor, the Council of Mortgage Lenders), in each case only to the extent such guidance, policy or publication does not conflict with any of the matters referred to in paragraph (i) of this definition; and

- (b) for all other purposes, any law or regulation including, but not limited to: (i) any domestic or foreign statute or regulation; (ii) any rule or practice of any Authority with which any party is bound or accustomed to comply; and (iii) any agreement entered into by any party and any Authority or between any two or more Authorities.

**Authority** means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign.

**Breach of Duty** means:

- (a) in relation to any person (other than the persons set out in paragraphs (b) and (c) below), a wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person;
- (b) in relation to the Note Trustee, the Security Trustee, the Issuer Account Bank, the Cash Manager, the Principal Paying Agent and the Registrar means a wilful default, fraud or gross negligence by the Note Trustee, the Security Trustee, the Issuer Account Bank, the Cash Manager, the Principal Paying Agent or the Registrar (as the case may be); and
- (c) in relation to the Servicers and Legal Title Holders, wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person.

**Contractual Monthly Payment** means, in relation to any Loan, the amount in the ordinary course of administration of that Loan due to be paid by the relevant Borrower on each Monthly Payment Date under the Loan Conditions, comprising interest and, where applicable, contractual repayments of principal and other sums (as determined in accordance with the terms and conditions of that Loan).

**Data Protection Laws** means any law, enactment, regulation or order concerning the processing of data relating to living persons including:

- (a) the EU GDPR;
- (b) the UK GDPR;
- (c) the UK Data Protection Act 2018; and
- (d) other European or UK data protection laws,

each to the extent applicable to the activities or obligations under or pursuant to the Transaction Documents.

**Direct Debit** means a written instruction of a Borrower authorising its bank to honour a request of the relevant Legal Title Holder to debit a sum of money on specified dates from the account of the Borrower for deposit into an account of the relevant Legal Title Holder.

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

**Enforcement Procedures** means the exercise, in accordance with the procedures described in the relevant Legal Title Holder's Policies, of rights and remedies against a Borrower in respect of such Borrower's obligations arising from any Mortgage in respect of which such Borrower is in default.

**EU GDPR** means Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation).

**Further Advance** means, in relation to a Loan and its Related Security, any advance of further monies by the relevant Legal Title Holder to the relevant Borrower, following a request from the relevant Borrower and which is secured by the same Related Security as the Loan where the relevant Legal Title Holder has a discretion as to whether to accept that request, but excluding, for the avoidance of doubt (i) the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage and (ii) any Protective Advance.

**Holding Company** means, in relation to a person, any other person in respect of which it is a Subsidiary.

**Initial Advance** means, in relation to a Loan, the initial principal amount together with the amount of any retention advanced to the relevant Borrower after completion of the Mortgage, together with any completion fees (to the extent capitalised).

**Insolvency Event** means an event in which a relevant entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, trust, arrangement scheme or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examinership or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency, examinership or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examinership or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
  - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed, sisted or restrained, in each case within 30 days of the institution or presentation thereof;
- (f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;
- (g) has a resolution passed for its winding-up, official management, examinership or liquidation (other than pursuant to a consolidation, amalgamation or merger);

- (h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, examiner, conservator, receiver, trustee, custodian, monitor or other similar official for it or for all or substantially all its assets;
- (i) has a moratorium declared in respect of any indebtedness of that entity;
- (j) has a secured party take possession of all or substantially all its assets or has a distress, execution, diligence, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed, sisted or restrained, in each case within 30 days thereafter;
- (k) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (j) above; or
- (l) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

**Insurance Contracts** means any insurance contracts or policies arranged by the relevant Legal Title Holder from time to time relating to the Loans in the Mortgage Portfolio.

**Legal Title Holder's Policies** means the administration, arrears and enforcement policies and procedures which are applied from time to time by the relevant Legal Title Holder to mortgage loans and the security for their repayment which are beneficially owned solely by the Issuer.

**Liability** means, in respect of any person, any fee, loss, damage, cost, charge, award, claim, demand, expense, judgment, decree, action, proceeding or other liability whatsoever including properly incurred legal fees and any Tax (other than VAT or amounts in respect of VAT which, in each case, is recoverable and any Tax incurred on actual net income, profits or gains) and penalties incurred by that person, together with (but without double counting) any irrecoverable VAT charged or chargeable in respect of any of the sums referred to in this definition.

**Loan Remedy Notice** means a notice in the form set out in the relevant Mortgage Sale Agreement.

**Payment Holidays** means in respect of any Loan, a period of one or more Monthly Payment Dates or a longer period agreed to by the relevant Legal Title Holder when the relevant Borrower under such Loan is permitted by the relevant Legal Title Holder not to make its regular Contractual Monthly Payment.

**Procedures** means the collection procedures of the relevant Legal Title Holder (as may be amended, supplemented or replaced from time to time in accordance with the relevant Servicing and Legal Title Holder Deed).

**Product Switch** has the meaning given in the Servicing and Legal Title Holder Deeds.

**Protective Advance** means with regard to any Loan or its Related Security or the Portfolio as a whole, any duly documented payment:

- (a) which was incurred following the Closing Date in respect of the Trinidad Portfolio and following the Farringdon Sale Date in respect of the Farringdon Portfolio;
- (b) which was made by or on behalf of the Long Term Legal Title Holder; and

- (c) which was made for the purpose of preserving the value of (A) such Loan or its Related Security or any collateral security for such Loan or its Related Security, including (without limitation): litigation costs; field agent visit fees; Law of Property Act (**LPA**) receiver appointment fees; payments to freeholders or managing agents of leasehold properties in respect of unpaid ground rents and service charges in order to prevent forfeiture of the relevant lease; insurance, repairs and maintenance costs of repossessed properties and any other third party fees and expenses associated with managing, valuing, disposing or consulting with respect to any Loan or its Related Security, or (B) the Portfolio as a whole.

**Prudent Mortgage Servicer** means a reasonably prudent FCA-regulated mortgage servicer, servicing residential, semi-commercial, commercial or buy to let mortgages (as applicable) to borrowers on terms substantially the same as the Mortgage Conditions and to Borrowers with substantially the same credit histories acting prudently in administering mortgage facilities to, and in compliance with all laws applicable to it in connection with mortgage loans made to borrowers in England and Wales (including, but not limited to, corporate entities, the self-employed, independent contractors, and/or individuals who may have experienced previous credit problems including individuals who generally may not satisfy the lending criteria of other residential mortgage lenders providing first-ranking residential mortgage loans in England and Wales) and taking such actions as are reasonably necessary to protect the Legal Title Holder's security.

**Security** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**Servicer Power of Attorney** means the power of attorney from the Issuer provided to the Servicer pursuant to the Servicing and Legal Title Holder Deeds.

**Share Trust Deed** means the declaration of trust dated 8 September 2023 pursuant to which the Share Trustee holds the beneficial interest in the share of Holdings on trust for discretionary purposes.

**Subsidiary** means any person (referred to as the **first person**) in respect of which another person (referred to as the **second person**):

- (a) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or
- (b) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or
- (c) has the right to exercise (directly or indirectly) a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or
- (d) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or
- (e) has the power to exercise, or actually exercises (in either case, directly or indirectly) dominant influence or control over the first person; or



- (f) together with the first person are managed on a unified basis,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any subsidiary undertaking the shares of which (if any) are subject to a security interest and where the legal title to the shares so secured are registered in the name of the secured party or its nominee pursuant to such security.

**UK GDPR** means EU GDPR as it forms part of retained EU law (as defined in the EUWA).

### **Deed of Charge**

On the Closing Date, the Issuer will enter into the Deed of Charge with, *inter alios*, the Security Trustee.

#### *Security*

Under the terms of the Deed of Charge, the Issuer will provide the Security Trustee with the benefit of, *inter alia*, the following security (the **Security**) as trustee for itself and for the benefit of the other Secured Creditors (including the Noteholders and the Certificateholders):

- (a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in and to the Transaction Documents (other than the Trust Deed and the Deed of Charge) and any sums derived therefrom;
- (b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's interest in the Loans and their Related Security and other related rights comprising the Portfolio and any sums derived therefrom;
- (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit to and under the Insurance Contracts;
- (d) a charge by way of first fixed charge over the Issuer's interest in its bank and/or securities accounts (including the Transaction Account) maintained with the Issuer Account Bank and any other bank or custodian and any sums or securities standing to the credit thereof;
- (e) an assignment by way of first fixed security (and, to the extent not assigned, a charge by way of first fixed charge) (but subject to the right of reassignment) of the benefit of the Issuer's rights, title, interest and benefit under the Collection Account Trust Property (created pursuant to the Collection Account Declaration of Trusts);
- (f) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the Issuer's rights, title, interest and benefit, present or future, in, or under, or in respect of the Accession Undertakings to the Seller Declaration of Trust;
- (g) a charge by way of first fixed charge over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer or the Cash Manager on its behalf;
- (h) a floating charge over all assets of the Issuer not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security; and

- (i) an assignment by way of security of (and, to the extent not assigned, charges by way of first fixed charge) (but subject to the right of reassignment) the Issuer's rights, title, interest and benefit, present and future, under or in respect of each and every trust constituted by a Mortgage Sale Agreement, the Administration Agreement and the Servicing and Legal Title Holder Deeds.

The floating charge created by the Deed of Charge may "crystallise" and become a first specific fixed charge or first ranking fixed security over the relevant class of assets owned by the Issuer at the time of crystallisation. Crystallisation will occur automatically (although subject to applicable law) following the occurrence of specific events set out in the Deed of Charge, including, among other events, service of an Enforcement Notice. A crystallised floating charge will rank ahead of the claims of unsecured creditors which are in excess of the prescribed part but will rank behind the expenses of any administration or liquidator, the claims of preferential creditors and the beneficiaries of the prescribed part on enforcement of the Security.

#### *Pre-Enforcement Revenue Priority of Payments and Pre-Enforcement Principal Priority of Payments*

Prior to the Note Trustee serving an Enforcement Notice on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes, declaring the Notes to be immediately due and payable, the Cash Manager (on behalf of the Issuer) shall apply monies standing to the credit of the Transaction Account as described in "*Cashflows*" below.

#### *Post-Enforcement Priority of Payments*

After the Note Trustee has served an Enforcement Notice on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes, declaring the Notes to be immediately due and payable, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by it shall apply the monies standing to the credit of the Transaction Account in accordance with the Post-Enforcement Priority of Payments defined in "*Cashflows*" below.

The Security will become enforceable after an Enforcement Notice has been served on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes provided that, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of the assets comprising the Security or any part thereof unless either a sufficient amount would be realised to allow discharge in full on a pro rata and *pari passu* basis of all amounts owing to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders as set out in the Post-Enforcement Priority of Payments) or the Security Trustee is of the opinion that the cashflow expected to be received by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and the Certificateholders (and all such prior ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments which opinion shall be binding on the Secured Creditors and reached after considering at any time and from time to time the advice of any financial adviser (or such other professional adviser selected by the Security Trustee for the purpose of giving such advice).

The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer in accordance with the applicable Priority of Payments. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to above without enquiry and shall incur no liability to any person for so doing.

### *Governing Law*

The Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by English law.

In this Prospectus, the capitalised terms below have the following definitions:

**Authorised Investments** means:

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

provided that in all cases such investments do not constitute securitisation positions and will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and either:

- (i) such investments (A) have a maturity date of 60 days or less and mature before the next following Interest Payment Date or within 60 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 60 days, whichever is sooner and (C) are rated at least A-1 by S&P and AA- or F1+ by Fitch (and AA- by Fitch if the investments have a long-term rating); or
- (ii) such investments (A) have a maturity date of 90 days or less and mature before the next following Interest Payment Date or within 90 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 90 days, whichever is sooner and (C) are rated at least A-1+ by S&P (and AA- (long term) by S&P if the investments have a long-term rating) and AA- or F1+ by Fitch (and AA- by Fitch if the investments have a long-term rating).

For the avoidance of doubt, investments consisting in whole or in part, actually or potentially of tranches or other asset-backed securities, credit-linked rates, swaps or other derivatives instruments, synthetic securities or similar claims and/or where investments would be in a money market fund or would result in the recharacterisation of the Notes or any transaction as a "resecuritisation" or a "synthetic securitisation" as defined in Articles 4(63) and 242(11), respectively, of Regulation (EU) No 575/2013 as it forms part of UK domestic law by virtue of the EUWA or Article 2 of the UK Securitisation Regulation, such investments shall not qualify as "Authorised Investments".

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

**Legal Title Holder Power of Attorney** means the power of attorney granted by each of the Legal Title Holders in favour of the Issuer and the Security Trustee on the Closing Date, substantially in the form set out in the Servicing and Legal Title Holder Deeds.

**Secured Creditors** means the Security Trustee, any Appointee of the Note Trustee or the Security Trustee, any Receiver appointed by the Security Trustee pursuant to the Deed of Charge, the Note

Trustee, the Noteholders, the Certificateholders, the Seller, the Servicers, the Legal Title Holders, the Servicer Administrator, the Cash Manager, the Issuer Account Bank, the Corporate Services Provider, the Paying Agents, the Registrar, the Agent Bank, each Collection Account Bank and the Lead Manager and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor.

**Seller Power of Attorney** means the power of attorney delivered by the Seller pursuant to a Mortgage Sale Agreement.

**Seller Security Power of Attorney** means the power of attorney granted by the Seller under the Seller Declaration of Trust on the Closing Date pursuant to each Accession Undertaking to the Seller Declaration of Trust.

**Servicer Power of Attorney** means each of the power of attorney granted by the Issuer in favour of each of the Servicer on the Closing Date pursuant to the relevant Servicing and Legal Title Holder Deed.

**Transaction Documents** means each Accession Undertaking to the Seller Declaration of Trust, the Administration Agreement, the Agency Agreement, the Bank Account Agreement, the Cash Management Agreement, the Corporate Services Agreement, the Deed of Charge, the Portfolio Option Deed Poll, Farringdon Collection Account Declaration of Trust the Long Term Collection Account Declaration of Trust, the Issuer Power of Attorney, each of the Legal Title Holder Powers of Attorney, the Deed of Accession, the Interim Servicing and Legal Title Holder Deed, the Long Term Servicing and Legal Title Holder Deed, a master definitions and construction schedule made between among others, the Issuer, the Seller and the Security Trustee (the **Master Definitions and Construction Schedule**), the Mortgage Sale Agreement (Trinidad), the Mortgage Sale Agreement (Farringdon), the Migration Deed, the Seller Power of Attorney, the Servicer Power of Attorney, the Retention Holder Deed Poll, the Risk Retention Letter, the Share Trust Deed, the Trust Deed, and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and/or the Certificates.

## **Trust Deed**

On or about the Closing Date, the Issuer and the Note Trustee will enter into a trust deed (the **Trust Deed**) pursuant to which the Issuer and the Note Trustee will agree that the Notes and the Certificates are subject to the provisions in the Trust Deed. The Conditions and the Certificate Conditions and the forms of each Class of Notes and each Class of Certificates will each be constituted by, and set out in, the Trust Deed.

The Note Trustee will agree to (i) hold the benefit of the Issuer's covenant to pay amounts due in respect of the Notes and the Certificates on trust for the Noteholders and the Certificateholders and (ii) represent the interests of the Noteholders.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Note Trustee (exclusive of VAT) together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under or in connection with the Trust Deed and the other Transaction Documents.

### *Retirement of Note Trustee*

The Note Trustee may retire at any time upon giving not less than 60 days' notice in writing to the Issuer without giving any reason therefor and without being responsible for any liabilities occasioned by such retirement. The holders of the Most Senior Class may, by Extraordinary Resolution, remove all trustees (but not some only) for the time being who are acting pursuant to the Trust Deed and the Deed of

Charge. The retirement of the Note Trustee shall not become effective unless there remains a trust corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee (a trust corporation) in office after such retirement or removal by Extraordinary Resolution. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, the Issuer shall use its best endeavours to procure a new trustee to be appointed as soon as practicable thereafter and if, after 60 days from the date the Note Trustee gives its notice of retirement or the applicable Extraordinary Resolution of the holders of the Most Senior Class, the Issuer is not able to find such replacement, the Note Trustee will be entitled to procure that a new trustee be appointed but no such appointment shall take effect unless previously approved by Extraordinary Resolution of the holders of the Most Senior Class.

#### *Governing Law*

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

#### **Agency Agreement**

Pursuant to an agency agreement dated on or around the Closing Date in connection with the issuance of the Notes (the **Agency Agreement**) and made between the Issuer, the Note Trustee and the Security Trustee, the Principal Paying Agent, the Registrar and the Agent Bank, provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes, and the payment of the Class X Certificate Payments in respect of the Class X Certificates and the payment of the Class Y Certificate Payment in respect of the Class Y Certificates.

#### *Governing Law*

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

#### **Cash Management Agreement**

On or about the Closing Date, the Cash Manager, the Issuer, the Seller and the Security Trustee will enter into a cash management agreement (the **Cash Management Agreement**) in connection with the issuance of the Notes.

#### *Cash Management Services to be provided to the Issuer*

Pursuant to the Cash Management Agreement, the Cash Manager will agree to provide certain cash management and other services to the Issuer or, upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer, the Security Trustee. The Cash Manager's principal function will be effecting payments to and from the Transaction Account. In addition, the Cash Manager will, among other things:

- (a) on each Interest Payment Date prior to the delivery of an Enforcement Notice, apply, or cause to be applied, Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments;
- (b) on each Calculation Date, determine the General Reserve Fund Required Amount, any General Reserve Fund Payments required to be made and any General Reserve Fund Excess Amounts;

- (c) on each Calculation Date determine if there would be a Revenue Shortfall following the application of Available Revenue Receipts (disregarding for such purposes any Principal Addition Amounts) for the relevant Interest Payment Date and any Principal Addition Amount;
- (d) on each Calculation Date, determine whether the immediately following Interest Payment Date is the Class A Notes Redemption Date or the Final Redemption Date;
- (e) on each Calculation Date, determine if there are sufficient Available Principal Receipts available to redeem the Notes in full on the immediately following Interest Payment Date;
- (f) record credits to, and debits from, the Ledgers, as and when required; and
- (g) if required (i) during the Determination Period, calculate the Interest Determination Ratio, the Calculated Revenue Receipts and the Calculated Principal Receipts and (ii) following any Determination Period, upon receipt by the Cash Manager of the Servicer Reports in respect of such Determination Period, reconcile the calculations to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amounts in accordance with Condition 6.8 (*Determinations and Reconciliation*), Certificate Condition 6.6 (*Determination and Reconciliation*) and the Cash Management Agreement.

In addition, the Cash Manager will also:

- (a) maintain the following ledgers (the **Ledgers**) on behalf of the Issuer:
  - (i) the **Principal Ledger**, which will record as a credit all Principal Receipts received by the Issuer and as a debit the distribution of the Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or Principal Receipts used to purchase Protective Advances on any day;
  - (ii) the **Revenue Ledger**, which will record as a credit all Revenue Receipts and as a debit the distribution of the Available Revenue Receipts and the distribution of any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Permitted Withdrawals;
  - (iii) the **General Reserve Fund Ledger**, which will record amounts credited to, and debited from, the general reserve fund (the **General Reserve Fund**). On each Interest Payment Date (prior to service of an Enforcement Notice), the Cash Manager will record, as a debit, amounts standing to the credit of the General Reserve Fund applied (i) on or prior to the date on which the Class A Notes (the **Class A Notes Redemption Date**), as Available Revenue Receipts but only to the extent necessary (after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts) to do so) in accordance with the Pre-Enforcement Revenue Priority of Payments or (ii) on or following the Class A Notes Redemption Date, as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments and, as a credit, amounts credited to the General Reserve Fund from Available Revenue Receipts in accordance with item (g) of the Pre-Enforcement Revenue Priority of Payments and on the Closing Date the proceeds of the Notes which have been designated to credit the General Reserve Fund (see "*Credit Structure – General Reserve Fund*" below);
  - (iv) the **Principal Deficiency Ledger**, which will record on the appropriate sub-ledger as a debit deficiencies arising from Losses (excluding any losses or non-recoveries in

respect of Shortfall Loans) on the Portfolio (on the date the Cash Manager is informed of such Losses by the Servicer or the Seller) and any Available Principal Receipts applied as Principal Addition Amounts (on the Calculation Date on which such Principal Addition Amounts are determined by the Cash Manager), and record as a credit Available Revenue Receipts applied as Available Principal Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date (see "*Credit Structure – Principal Deficiency Ledger*" below);

- (v) the **Farringdon Ledger**, which shall record as a credit an amount equal to the Farringdon Consideration received by the Issuer on the Closing Date, and record as a debit (A) the Farringdon Consideration paid to the Seller (or such other party as nominated by the Seller) as Purchase Price in respect of the Farringdon Portfolio on the Farringdon Sale Date, or (B) the Farringdon Excess Proceeds, if the sale of the Farringdon Portfolio to the Issuer has not completed by close of business on 29 December 2023, applied on the immediately following Interest Payment Date in or towards redemption of the Class A Notes and Class Z Notes in an amount equal to (A) with respect to the Class A Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class A Notes and (ii) the Class A Notes and Class Z Notes, and (B) with respect to the Class Z Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class Z Notes and (ii) the Class A Notes and the Class Z Notes (in each case, as at the Closing Date).; and
  - (vi) the **Issuer Profit Ledger**, which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer; and
- (b) calculate on each Calculation Date (prior to service of an Enforcement Notice) the amount of Available Revenue Receipts (including any Principal Addition Amounts) and Available Principal Receipts to be applied on the immediately following Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Principal Priority of Payments (as applicable).

At the direction of the Seller, the Cash Manager, on behalf of and in the name of the Issuer, may direct the Issuer Account Bank to invest monies standing from time to time to the credit of the Transaction Account in Authorised Investments as determined by the Seller, subject to the following provisions:

- (a) any investment in any Authorised Investments shall be made at the direction of the Seller and in the name of the Issuer;
- (b) any costs properly and reasonably incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Cash Manager by the Issuer;
- (c) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Transaction Account prior to the relevant Calculation Date;
- (d) such Authorised Investments shall mature at least one Business Day before the next Calculation Date; and
- (e) the Seller shall obtain and hold all applicable regulatory consents and approvals required in respect of directing investment in Authorised Investments.

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

### *Reporting*

The Cash Manager shall:

- (a) assuming delivery by each Servicer of the Servicer Reports by no later than the Servicer Reporting Date, prepare a monthly collateral report (for each month other than a month in which an Interest Payment Date falls) (the **Collateral Report**) and a quarterly investor report (the **Quarterly Report**, and together with the Collateral Report, the **Investor Reports** and each an **Investor Report**) in the forms set out in the Cash Management Agreement and shall: (i) make available the Investor Reports to EuroABS and to the Issuer, the Servicer, the Servicer Administrator, the Security Trustee, the Noteholders, the Certificateholders, Bloomberg and Intex by no later than two Business Days prior to the 28th day of each month; and (ii) upload the Investor Reports to the Cash Manager Website;
- (b) assuming delivery by each Servicer of the Servicer Reports by no later than the Servicer Reporting Date and delivery by EuroABS of the UK SR Data Tape and the EU SR Data Tape 17 days after the relevant Calculation Period:
  - (i) prepare a quarterly investor report in respect of the relevant period as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Investor Report**); and
  - (ii) prepare a quarterly investor report in respect of the relevant period in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Investor Report**),

and shall make available the UK SR Investor Report and the EU SR Investor Report to EuroABS and to the Issuer on the relevant Interest Payment Date via publication on the Cash Manager Website; and

- (c) provide reasonable assistance to the Issuer and the Corporate Services Provider by making available any such further information in its possession related to the Portfolio that the Reporting Entity or the Corporate Services Provider reasonably requests in connection with the information to be disclosed under Article 7(1) of the UK Securitisation Regulation or Article 7(1) of the EU Securitisation Regulation and shall provide the same to the Issuer and/or the Corporate Services Provider to the extent that the Cash Manager is capable of providing such information without additional cost or material administrative burden, or otherwise at the Issuer's cost.

The obligations and undertakings of the Cash Manager set out above are without prejudice to the undertakings of the Retention Holder and the Issuer pursuant to the Risk Retention Letter and the Subscription Agreement (as applicable).

**Cash Manager Website** means: <https://pivot.usbank.com> (or such other website as may be available for such purpose and notified by the Cash Manager to the Issuer, EuroABS, the Servicer, the Servicer Administrator and the Security Trustee, from time to time).



### *Cash Manager and Directions from the Security Trustee*

The Cash Manager will act upon the direction of the Security Trustee (given in accordance with the terms and provisions of the Deed of Charge) upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer.

### *Remuneration of Cash Manager*

The Cash Manager will be paid a cash management fee for its cash management services under the Cash Management Agreement. Such fees will be determined under a separate fee letter between the Issuer and the Cash Manager. Any sum (or other consideration) payable (or provided) by the Issuer to the Cash Manager in respect of that fee shall be deemed to be inclusive of VAT, if any, chargeable on any supply for which the cash management fee is the consideration (in whole or in part) for VAT purposes. The cash management fee is payable in the manner contemplated by and in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

### *Termination of Appointment and Replacement of Cash Manager*

If any of the following events (the **Cash Manager Termination Events**) occur:

- (a) default is made by the Cash Manager in the giving of a payment instruction, on the due date, in respect of any payment due and payable by it under the Cash Management Agreement (provided that in each case there are funds available for such payment standing to the credit of the relevant Issuer Accounts) and such default continues unremedied for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or
- (b) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Note Trustee as notified to the Security Trustee is materially prejudicial to the interests of the Noteholders, and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee in its absolute discretion, as the case may be, requiring the same to be remedied; or
- (c) an Insolvency Event occurs in respect of the Cash Manager; or
- (d) it becomes unlawful for the Cash Manager to perform its obligations under the Cash Management Agreement or under any other Transaction Document,

then prior to the delivery of an Enforcement Notice, the Issuer (with the written consent of the Security Trustee), or, following the delivery of an Enforcement Notice, the Security Trustee, may at once or at any time thereafter while such default continues, by notice in writing to the Cash Manager (with a copy to the Security Trustee if such notice is delivered by the Issuer), terminate its appointment as Cash Manager under the Cash Management Agreement with effect from a date (not earlier than the date of the notice) specified in such notice. In determining whether to give or withhold consent to the termination of the Cash Manager by the Issuer, the Security Trustee will have regard to factors including, inter alia, the availability of a substitute cash manager. Upon termination of the appointment of the Cash Manager, the Issuer shall use reasonable endeavours to appoint a substitute cash manager that satisfies the conditions set out below.

Any substitute cash manager:

- (a) must agree to enter into an agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement; and
- (b) will be subject to the prior written approval of the Security Trustee.

#### *Resignation of the Cash Manager*

The Cash Manager may resign on giving not less than 60 days' written notice (or such shorter time as may be agreed between the Cash Manager, the Issuer and the Security Trustee) of its resignation to the Issuer and the Security Trustee, without providing any reason therefor and without being responsible for any Liability incurred by reason thereof unless such Liability arises as a result of its own gross negligence, wilful default or fraud or that of its officers, directors or employees, provided that:

- (a) a substitute cash manager shall be appointed by the Issuer, such appointment to be effective not later than the date of such termination;
- (b) such substitute cash manager has the requisite cash management experience to perform the functions to be given to it under the Cash Management Agreement and is approved by the Issuer and the Security Trustee; and
- (c) such substitute cash manager enters into a cash management agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement.

To the extent the Issuer does not appoint a substitute Cash Manager in accordance with the terms of the Cash Management Agreement prior to the termination date specified in the notice delivered by the Cash Manager in accordance with the Cash Management Agreement, the Cash Manager may appoint a substitute Cash Manager, provided that such appointment satisfies the provisions of the Cash Management Agreement.

#### *Governing Law*

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

#### **The Bank Account Agreement**

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date in connection with the issuance of the Notes and between the Issuer, the Issuer Account Bank, the Cash Manager and the Security Trustee (the **Bank Account Agreement**), the Issuer will maintain the transaction account (the **Transaction Account** and, together with any other account opened pursuant to the Bank Account Agreement, the **Issuer Accounts**) with the Issuer Account Bank which will be operated in accordance with the Bank Account Agreement, the Cash Management Agreement and the Deed of Charge, as applicable. The Issuer Account Bank is required to have the Account Bank Rating.

#### *Governing Law*

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

## **The Corporate Services Agreement**

Pursuant to the terms of a corporate services agreement entered into on or about the Closing Date in connection with the issuance of the Notes and between the Issuer, the Corporate Services Provider, the Share Trustee, Holdings and the Security Trustee (the **Corporate Services Agreement**), the Corporate Services Provider will provide the Issuer and Holdings with certain corporate and administrative functions against the payment of a fee. Such services include, inter alia, the performance of all general book-keeping, secretarial, registrar and company administration services for the Issuer and Holdings (including the provision of directors), providing the directors with information in connection with the Issuer and Holdings, and the arrangement for the convening of shareholders' and directors' meetings.

The Corporate Services Provider has agreed that, upon receipt from the Issuer, the Servicer, the Cash Manager or the Servicer Administrator of any information required to be reported by the Issuer pursuant to and in accordance with:

- (a) Article 7(1)(f) or Article 7(1)(g) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (such information **UK SR Significant Event Information**); or
- (b) Article 7(1)(f) or Article 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (such information **EU SR Significant Event Information** and, together with any UK SR Significant Event Information, **SR Significant Event Information**),

it will prepare in the requisite format and upload such SR Significant Event Information to the Reporting Website (as defined below) without delay.

The fees due to the Corporate Services Provider in relation to the fees of the Corporate Services Provider will be as agreed between the Issuer and the Corporate Services Provider. Fees due and payable to the Corporate Services Provider will be paid ahead of all outstanding Notes and Certificates.

### *Governing Law*

The Corporate Services Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance, with English laws.

## **Regulatory Reporting Letter**

The Issuer will enter into an engagement letter with EuroABS Limited (**EuroABS**) on or about the Closing Date in respect of certain regulatory reporting services to be provided by EuroABS (the **Regulatory Reporting Letter**).

Pursuant to the Regulatory Reporting Letter, EuroABS will covenant with the Issuer to:

- (a) provide the Issuer with a secure website for the hosting of information to be made available in accordance with the Transaction Documents (the **Reporting Website**) and enable the Corporate Services Provider to upload documents (including, but not limited to, any SR Significant Event Information) directly to the Reporting Website;
- (b) subject to receipt of the relevant loan level data from the Servicers:
  - (i) prepare the UK SR Data Tape and the EU SR Data Tape in respect of each Calculation Period and publish the same on the Reporting Website on the immediately following Interest Payment Date; and

- (ii) prepare the BoE Data Tape in respect of each Collection Period and publish the same on the Reporting Website on the 28th day of each calendar month (or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not));
- (c) subject to receipt of the UK SR Investor Report and the EU SR Investor Report from the Cash Manager, publish the same on the Reporting Website on the relevant Interest Payment Date; and
- (d) subject to receipt of the Investor Reports from the Cash Manager, publish the same on the Reporting Website on the date of receipt from the Cash Manager.

EuroABS shall ensure that the Reporting Website is accessible to, *inter alia*, the Issuer, the Cash Manager, the Servicer, the Servicer Administrator, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, potential investors in the Notes or the Certificates.

As at the date of this Prospectus, the Reporting Website address is: <https://www.euroabs.com/IH.aspx?d=21590>.

#### *Governing Law*

The Regulatory Reporting Letter (and any non-contractual obligations arising out of or in connection with it) shall be governed by, and construed in accordance, with English laws.

## CREDIT STRUCTURE

The Notes are an obligation of the Issuer only. The Notes are not an obligation of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, the Notes are not an obligation of, or the responsibility of, or guaranteed by, any of the Relevant Parties. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by any of the Relevant Parties or by any other person other than the Issuer.

The structure of the credit support arrangements may be summarised as follows:

### 1. **Liquidity Support for the Notes and Certificates provided by Available Revenue Receipts**

During the life of the Notes, the interest payable by Borrowers on the Loans may, even assuming that all of the Loans are fully performing, result in Available Revenue Receipts not being sufficient to pay the amounts payable under items (a) to (i) (inclusive) of the Pre-Enforcement Revenue Priority of Payments; see "*Risk Factors – Risks Related to the availability of funds to pay the Notes – The Issuer has a limited source of funds which may be insufficient to allow for repayment in full of the Notes and Certificates*" for further information. The actual amount of any excess payable to the Class Y Certificateholders without regard to the Pre-Enforcement Revenue Priority of Payments will vary during the life of the Notes. Two of the key factors determining such variation are the interest rates applicable to the Loans in the Portfolio relative to the payments due on the Notes and the Certificates, and the performance of the Portfolio.

Available Revenue Receipts will be applied (after making payments ranking higher in the Pre-Enforcement Revenue Priority of Payments) on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments towards reducing any Principal Deficiency Ledger entries which may arise from Losses (excluding any losses or non-recoveries in respect of Shortfall Loans) on the Portfolio and (prior to the redemption of the Class A Notes in full) from the application of Available Principal Receipts as Available Revenue Receipts to cure any Revenue Shortfall in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments.

### 2. **General Reserve Fund**

The general reserve fund (the **General Reserve Fund**) will be established by the Issuer or the Cash Manager on the Issuer's behalf, on the Closing Date from the proceeds of the Notes in an amount equal to the General Reserve Fund Required Amount. The amount required, from time to time, to be standing to the credit of the General Reserve Fund Ledger within the Transaction Account shall be an amount equal to the General Reserve Fund Required Amount. The Issuer may invest the amounts standing to the credit of the General Reserve Fund Ledger from time to time in Authorised Investments.

On and from the first Interest Payment Date, the General Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay a General Reserve Fund Payment (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts)) or in accordance with the Post-Enforcement Priority of Payments (as applicable). On and from the first Interest Payment Date, any General Reserve Fund Excess Amount will be available to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments or Post-Enforcement Priority of Payments (as applicable).

On and from the first Interest Payment Date, the General Reserve Fund will be credited up to the General Reserve Fund Required Amount in accordance with item (g) of the Pre-Enforcement Revenue Priority of Payments. Following redemption in full of the Class A Notes, amounts standing to the credit of the General Reserve Fund will be available to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable).

**General Reserve Fund Payment** means a payments required to be made pursuant to items (a) to (f) (inclusive) of the Pre-Enforcement Revenue Priority of Payments.

**General Reserve Fund Required Amount** means an amount equal to:

- (a) on the Closing Date, 1 per cent. of the Current Balance of all Loans comprising the Portfolio (as of the Cut-Off Date);
- (b) on the first Interest Payment Date, 1 per cent. of the Current Balance of all Loans comprising the Portfolio (as specified in the Servicer Report delivered for the most recent Collection Period);
- (c) on any subsequent Interest Payment Date prior to the date on which the Class A Notes are redeemed in full (the **Class A Notes Redemption Date**), an amount equal to the lesser of (i) 1 per cent. of the Current Balance of all Loans comprising the Portfolio (as specified in the Servicer Report delivered for the most recent Collection Period); or (ii) the sum of the amounts paid on the last Interest Payment Date pursuant to items (a) to (e) (inclusive) of the Pre-Enforcement Revenue Priority of Payments (as specified in the Quarterly Report delivered for the most recent Interest Period), on the relevant Interest Payment Date; and
- (d) on any Interest Payment Date falling on or after the Class A Notes Redemption Date, zero.

**General Reserve Fund Excess Amount** means, on any Interest Payment Date, the amount (if any) by which the amount standing to the credit of the General Reserve Fund after the application of Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, exceeds the General Reserve Fund Required Amount.

### 3. **Use of Available Principal Receipts to pay a Revenue Shortfall**

On each Calculation Date prior to the service of an Enforcement Notice or the redemption in full of the Class A Notes, and with reference to the immediately following Interest Payment Date, the Cash Manager will calculate whether there will be a Revenue Shortfall on such Interest Payment Date. If the Cash Manager determines that there will be a Revenue Shortfall, then pursuant to item (a) of the Pre-Enforcement Principal Priority of Payments, the Cash Manager on behalf of the Issuer shall apply Available Principal Receipts as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments (which for the avoidance of doubt shall not be applied in respect of any Class X Certificate Payments due on the Class X Certificates) (the **Principal Addition Amounts**).

Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

**Revenue Shortfall** means the amount by which Available Revenue Receipts available for such purpose are insufficient to provide for payments of items (a), (b), (c), (d) and (e)(i) of the Pre-Enforcement Revenue Priority of Payments.

#### 4. **Principal Deficiency Ledger**

A Principal Deficiency Ledger will be established to record any Losses (excluding any losses or non-recoveries in respect of Shortfall Loans) affecting the Loans in the Portfolio and any Principal Addition Amounts applied as Available Revenue Receipts. The **Principal Deficiency Ledger** will comprise eight sub-ledgers: the Principal Deficiency Ledger relating to the Class A Notes (the **Class A Notes Principal Deficiency Sub-Ledger**), and the Principal Deficiency Ledger relating to the Class Z Notes (the **Class Z Principal Deficiency Sub-Ledger**) (each a **Principal Deficiency Sub-Ledger**).

Any Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger on the date such Principal Addition Amounts are determined by the Cash Manager and any Losses on the Portfolio will be recorded as a debit on the Principal Deficiency Ledger on the date that the Cash Manager is informed of such Losses by the Servicer or the Seller, and will each be recorded as a debit: (a) *first*, to the Class Z Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class Z Notes; (b) *second*, to the Class A Notes Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Loan and its Related Security to outstanding fees and interest amounts due and payable on the relevant Loan. The Cash Manager will record as a credit to the Principal Deficiency Ledger all Available Revenue Receipts applied pursuant to items (f) and (h) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).

#### 5. **Available Revenue Receipts and Available Principal Receipts**

Available Revenue Receipts and Available Principal Receipts shall be applied on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively. Other than amounts which the Issuer expects to generate in each accounting period as its profit in respect of the business of the Issuer in accordance with item (d) of the Pre-Enforcement Revenue Priority of Payments, it is not intended that any surplus will be accumulated in the Issuer.

If, on any Interest Payment Date, the Issuer has insufficient Available Revenue Receipts to pay the payment due on the Class X Certificates that would otherwise be payable (absent the deferral provisions in respect of the Class X Certificates), then the Issuer will be entitled under Certificate Condition 18 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. Any such deferral in accordance with the deferral provisions contained in the Certificate Conditions will not constitute an Event of Default.

Failure to pay interest on the Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Notes being accelerated and the Security Trustee enforcing the Security.

## CASHFLOWS

### Definition of Revenue Receipts

**Revenue Receipts** means:

- (a) payments of interest and fees due from time to time under the Loans (including any Arrears of Interest arising after the Cut-Off Date) but excluding any Capitalised Arrears and any Capitalised Expenses;
- (b) recoveries of interest and other amounts that do not represent Principal Receipts from defaulting Borrowers under Loans being enforced;
- (c) recoveries of all amounts relating to interest (but excluding any Capitalised Arrears and any Arrears of Interest arising prior to the Cut-Off Date) from defaulting Borrowers under Loans following enforcement and sale of the relevant property;
- (d) proceeds received by the Issuer from any insurance claim, in each case to the extent that such proceeds constitute or are attributable to interest or represent action in respect of interest not covered by paragraph (e) below;
- (e) the proceeds of any payment by the Seller to the Issuer under the Mortgage Sale Agreement (Trinidad) (that are attributable to interest); and
- (f) any other amounts received by the Issuer in respect of the Loans and their Related Security that do not represent Principal Receipts.

For the avoidance of doubt, the issuance proceeds of any Further Class A2 Notes shall not form part of Revenue Receipts.

### Definition of Available Revenue Receipts

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

- (a) Revenue Receipts received: (i) by or on behalf of the Issuer during the immediately preceding Calculation Period; (ii) if representing MSA Warranty Payments made by the Seller pursuant to the Mortgage Sale Agreement (Trinidad) from (but excluding) the Calculation Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to (and including) the immediately preceding Calculation Date; or (iii) in respect of the exercise of the Portfolio Purchase Option or the Risk Retention Regulatory Change Option, amounts to be applied to effect a redemption in full of the Notes pursuant to Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*), or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*);
- (b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Calculation Period and income from any Authorised Investments to be received on or prior to the Calculation Date;
- (c) any amounts standing to the credit of the Transaction Account that do not represent Principal Receipts and excluding all amounts standing to the credit of the Issuer Profit Ledger, the Farringdon Ledger and the General Reserve Fund Ledger and amounts withheld by the Paying



Agent from payments of Certificate Payment Amounts under the Certificates on a previous Interest Payment Date;

- (d) other net income of the Issuer received during the immediately preceding Calculation Period, excluding any Principal Receipts;
- (e) Principal Addition Amounts to be applied as Available Revenue Receipts in accordance with paragraph (a) of the Pre-Enforcement Principal Priority of Payments to pay a Revenue Shortfall;
- (f) on each Interest Payment Date, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8 (*Determinations and Reconciliation*);
- (g) any amounts standing to the credit of the General Reserve Fund to make a General Reserve Fund Payment (but only to the extent necessary after applying all other Available Revenue Receipts other than Principal Addition Amounts under paragraph (e) of this definition); and
- (h) any Available Principal Receipts to be applied as Available Revenue Receipts pursuant to item (e) of the Pre-Enforcement Principal Priority of Payments;

*less*

- (i) amounts applied from time to time during the immediately preceding Calculation Period in making payment of certain monies in connection with the acquisition, disposal, holding and/or servicing of the Loans which properly belong to third parties (including the Seller), such as (but not limited to):
  - (i) certain costs and expenses charged by the Servicer in respect of its servicing of the Loans and the Related Security comprising the Portfolio, costs or expenses incurred in relation to any audit in respect of title and security, other than any amounts payable by way of fees under the relevant Servicing and Legal Title Holder Deed in accordance with the Pre-Enforcement Revenue Priority of Payments and not otherwise covered by the items below (the **Servicer Expenses Amount**);
  - (ii) payments of certain insurance premia in respect of the Insurance Contracts (to the extent referable to the Loans);
  - (iii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amounts itself from its customer's account or is required to refund an amount previously debited and such other amounts that have been paid in error or otherwise recalled or that are required by the Collection Account Bank to be credited to a reserve which will set aside an amount for such payments in the collection accounts of the Legal Title Holder, as applicable; and
  - (iv) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower;(items within this paragraph (i) being collectively referred to herein as **Permitted Withdrawals**);
- (j) any tax payments paid or payable by the Issuer during the immediately preceding Calculation Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger; and

- (k) (taking into account any amount paid by way of Permitted Withdrawals) amounts to remedy any overdraft in relation to the Collection Accounts of the Legal Title Holder, or to pay any amounts due to the Collection Account Bank in respect of the Loans.

For the avoidance of doubt, the issuance proceeds of any Further Class A2 Notes shall not form part of Available Revenue Receipts.

**Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer**

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

- (a) *first*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof of:
- (i) any remuneration then due and payable to the Note Trustee and any fees, costs, charges, liabilities, expenses and all other amounts then due to the Note Trustee (in its personal capacity as such) and any Appointee (in its personal capacity as such) under the provisions of the Trust Deed and the other Transaction Documents together with (if payable) VAT thereon as provided therein; and
  - (ii) any remuneration then due and payable to the Security Trustee and any fees, costs, charges, liabilities, expenses and all other amounts then due to the Security Trustee (in its personal capacity as such) and any Appointee (in its personal capacity as such) under the provisions of the Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;
- (b) *second*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof, in each case then due or which are projected to become due during the next Interest Period (in each case without double counting) of:
- (i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agent and any fees, costs, charges, liabilities, expenses and all other amounts then due to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
  - (ii) any remuneration then due and payable to the Cash Manager and any fees, costs, charges, liabilities, expenses and all other amounts then due to the Cash Manager under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;
  - (iii) any remuneration then due and payable to the Servicers and any fees, costs, charges, liabilities and expenses then due to the Servicers under the provisions of the Servicing and Legal Title Holder Deeds, together with VAT (if payable) thereon as provided therein;
  - (iv) any remuneration then due and payable to the Legal Title Holders and any fees, costs, charges, liabilities and expenses then due to it under the provisions of the Servicing and Legal Title Holder Deeds, together with (if payable) VAT thereon as provided therein;

- (v) any remuneration then due and payable to the Corporate Services Provider and any fees, costs, charges, liabilities and expenses then due to it under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;
  - (vi) any remuneration then due and payable to the Issuer Account Bank and any fees, costs, charges, liabilities and expenses and all other amounts then due to it under the provisions of the Bank Account Agreement, together with (if applicable) VAT thereon as provided therein; and
  - (vii) any remuneration then due and payable to the Long Term Collection Account Bank and any fees, costs, charges, liabilities and expenses and all other amounts then due to it under the provisions of the Collection Account Bank Agreement, together with (if applicable) VAT thereon as provided therein, provided that such amounts have not been paid by the Long Term Legal Title Holder when due and payable;
- (c) *third*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof of any amounts due and payable by the Issuer to third parties (including any amounts that may become payable to the party designated as portfolio option holder under the Trinidad Vendor Mortgage Sale Agreement) and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts required to pay or discharge any liability of the Issuer for corporation tax of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (d) below);
- (d) *fourth*, to pay the Issuer an amount equal to £1,000, to be retained by the Issuer as profit in respect of the business of the Issuer (the **Issuer Profit Amount**) (which may be used by the Issuer to pay or discharge any liability of the Issuer for corporation tax thereon);
- (e) *fifth*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts due and payable on the relevant Interest Payment Date in respect of:
- (i) any interest due on the Class A Notes;
  - (ii) the Class X1 Certificate Payments due on the Class X1 Certificates; and
  - (iii) the Class X2 Certificate Payments due on the Class X2 Certificates,
- provided that, if Available Principal Receipts are used to pay a Revenue Shortfall in respect of this item (e), such amounts shall only be used to pay amounts in respect of any interest due on the Class A Notes and shall not be used in respect of the Class X Certificate Payments due on the Class X Certificates and any shortfall in the Class X Certificate Payments shall be deferred in accordance with Certificate Condition 18 (*Subordination by Deferral*);
- (f) *sixth*, (so long as the Class A Notes remain outstanding), to credit the Class A Notes Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);
- (g) *seventh*, to credit the General Reserve Fund up to the General Reserve Fund Required Amount;
- (h) *eighth*, (so long as the Class Z Notes remain outstanding), to credit the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts); and

- (i) *ninth*, to provide for any amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, the Class Y Certificate Payment on the Class Y Certificates (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (a) to (h) above.

### **Definition of Principal Receipts**

**Principal Receipts** means payments received by the Issuer representing (without double counting):

- (a) any payment in respect of principal received in respect of any Loan (including Capitalised Arrears and Capitalised Expenses but excluding Accrued Interest and Arrears of Interest other than that arising on or prior to the Cut-Off Date), including, for the avoidance of doubt, all prepayments and repayments, including repayments at maturity or extended maturity;
- (b) proceeds received by the Issuer from any insurance claim in respect of a Property, in each case to the extent that such are attributable to or constitute principal or the payment of any claim in respect of principal;
- (c) any net amounts of Recovery Proceeds and all recoveries of principal and interest from defaulting Borrowers received in respect of any Loan in respect of which a Mortgage Enforcement Action has been commenced, including recoveries of principal and interest under that Loan in respect of which enforcement procedures have been completed;
- (d) any other net proceeds of any disposal in respect of any Loan;
- (e) the proceeds of any payment by the Seller to the Issuer under the Mortgage Sale Agreement (Trinidad) (that are attributable to principal);
- (f) the Farrington Excess Proceeds and any other amounts released from the Farrington Ledger to be applied as Principal Receipts; and
- (g) any other payment received by the Issuer in the nature of principal;
- less*
- (h) an amount equal to the aggregate of all principal repayments received by the Issuer which have been used to purchase any Protective Advances (but in an aggregate amount not exceeding such Principal Receipts).

For the avoidance of doubt, the issuance proceeds of any Further Class A2 Notes shall not form part of Principal Receipts.

On the Closing Date, the Issuer shall pay into the Farrington Ledger of the Issuer Transaction Account an amount equal to the Purchase Price for the Farrington Portfolio, such amount to be applied by the Issuer to pay the Purchase Price for the Farrington Portfolio to be acquired from the Seller on the Farrington Sale Date. Any excess proceeds (being the Farrington Excess Proceeds, defined below) will form part of the Principal Receipts.

On the earlier of (i) the date that the Seller agrees with the Issuer (acting solely on the instructions of the Committee) that it will not proceed with the acquisition of the Farrington Portfolio as satisfactory terms of sale and/or the servicing of the Farrington Portfolio have not been agreed with the Farrington Vendor and/or BCMGlobal Mortgage Services Limited and (ii) 29 December 2023 (if the sale of the Farrington Portfolio to the Issuer has not completed by close of business on that day), the Issuer will notify the Note Trustee that the acquisition of the Farrington Portfolio is not proceeding and the

Farringdon Excess Proceeds will be applied, on the immediately following Interest Payment Date in or towards redemption of the Class A Notes and Class Z Notes in an amount equal to (A) with respect to the Class A Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class A Notes and (ii) the Class A Notes and Class Z Notes, and (B) with respect to the Class Z Notes, the Farringdon Excess Proceeds multiplied by the pro rata portion of the proceeds of (in each case, as at the Closing Date) (i) the Class Z Notes and (ii) the Class A Notes and the Class Z Notes (in each case, as at the Closing Date).

**Farringdon Excess Proceeds** means any surplus amounts from funds paid to the Issuer on the Closing Date that are designated to be used by the Issuer to pay for the purchase of the Farringdon Portfolio on the Farringdon Sale Date.

### **Definition of Available Principal Receipts**

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

- (a) all Principal Receipts received by or on behalf of the Issuer during the immediately preceding Calculation Period;
- (b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Notes Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date by the application of Available Revenue Receipts;
- (c) on each Interest Payment Date following a Calculation Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 6.8 (*Determinations and Reconciliation*);
- (d) principal from any Authorised Investments to be received on or prior to the Calculation Date;
- (e) if all Notes are being redeemed in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) on the relevant Interest Payment Date, then all amounts standing to the credit of the General Reserve Fund;
- (f) General Reserve Fund Excess Amounts;
- (g) following redemption in full of the Class A Notes, all amounts standing to the credit of the General Reserve Fund; and
- (h) following the service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund,  
*less*
- (i) Principal Receipts being used to fund Protective Advances.

For the avoidance of doubt, the issuance proceeds of any Further Class A2 Notes shall not form part of Available Principal Receipts.

### **Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer**

Prior to the service of an Enforcement Notice on the Issuer, the Cash Manager on behalf of the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Principal Receipts (for the avoidance of doubt, Par Proceeds are to be applied to redeem the Class A1 Notes only, after the distribution of all other amounts on the Interest Payment Date in accordance with this Pre-Enforcement Principal Priority of Payments) on each Interest Payment Date (in the following order of priority (the **Pre-Enforcement Principal Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

- (a) *first*, any Principal Addition Amounts to be applied to meet any Revenue Shortfall (such amounts to be applied as Available Revenue Receipts);
- (b) *second*, (other than Par Proceeds which, for the avoidance of doubt, will be applied towards repayment of the Class A1 Notes only) in or towards satisfaction pro rata and *pari passu* of principal amounts outstanding on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;
- (c) *third*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero;
- (d) *fourth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class R Notes until the Principal Amount Outstanding on the Class R Notes has been reduced to zero; and
- (e) *fifth*, any excess in or towards application as Available Revenue Receipts.

### **Distributions following the service of an Enforcement Notice on the Issuer**

After an Enforcement Notice has been served on the Issuer and on any Optional Redemption Date or Risk Retention Regulatory Change Option Completion Date, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by the Security Trustee in connection with the enforcement of the Security will apply all amounts received or recovered other than any amount standing to the credit of the Issuer Profit Ledger (which shall be applied by the Issuer in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer) in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Post-Enforcement Priority of Payments** and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the **Priority of Payments**):

- (a) *first*, in or towards satisfaction, pro rata and *pari passu*, according to the respective amounts thereof of:
  - (i) remuneration then due and payable to the Note Trustee and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee (in its personal capacity as such), Receiver and any Appointee (in their personal capacity as such) under the provisions of the Trust Deed and the other Transaction Documents, together with VAT (if payable) thereon as provided therein; and
  - (ii) remuneration then due and payable to the Security Trustee and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee (in its personal capacity as such), Receiver and any Appointee (in their personal

capacity as such) under the provisions of the Deed of Charge and the other Transaction Documents, together with VAT (if payable) thereon as provided therein;

- (b) *second*, in or towards satisfaction, pro rata and *pari passu*, according to the respective amounts thereof of:
- (i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agent and any costs, charges, liabilities, expenses and all other amounts then due and payable to them under the provisions of the Agency Agreement, together with VAT (if payable) thereon as provided therein;
  - (ii) any remuneration then due and payable to the Cash Manager and any fees, costs, charges, liabilities, expenses and all other amounts then due to the Cash Manager under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;
  - (iii) any amounts then due and payable to the Servicers and any fees, costs, charges, liabilities and expenses then due to the Servicers under the provisions of the Servicing and Legal Title Holder Deeds, together with VAT (if payable) thereon as provided therein;
  - (iv) any remuneration then due and payable to the Legal Title Holders and any fees, costs, charges, liabilities and expenses then due to it under the provisions of the Servicing and Legal Title Holder Deeds, together with VAT (if payable) thereon as provided therein;
  - (v) any remuneration then due and payable to the Corporate Services Provider, including any fees, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with VAT (if payable) thereon as provided therein;
  - (vi) any remuneration then due and payable to the Issuer Account Bank and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Issuer Account Bank under the provisions of the Bank Account Agreement, together with VAT (if payable) thereon as provided therein; and
  - (vii) any remuneration then due and payable to the Long Term Collection Account Bank and any fees, costs, charges, liabilities and expenses and all other amounts then due to it under the provisions of the Collection Account Bank Agreement, together with (if applicable) VAT thereon as provided therein, provided that such amounts have not been paid by the Long Term Legal Title Holder when due and payable;
- (c) *third*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts due and payable on the relevant Interest Payment Date in respect of:
- (i) the amounts of interest on the Class A Notes, any principal due and payable on the Class A Notes until the Principal Amount Outstanding on the Class A Notes have been reduced to zero respectively and any other amounts due in respect of the Class A Notes; and
  - (ii) any Class X1 Certificate Payments and Class X2 Certificate Payments which have accrued but are unpaid on the date of the Enforcement Notice;
- (d) *fourth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amount of any principal due and payable on the Class Z Notes until the Principal

Amount Outstanding on the Class Z Notes has been reduced to zero and, secondly, any other amounts due in respect of the Class Z Notes;

- (e) *fifth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amount of any principal due and, payable on the Class R Notes until the Principal Amount Outstanding on the Class R Notes has been reduced to zero and, secondly, any other amounts due in respect of the Class R Notes;
- (f) *sixth*, in or towards satisfaction, pro rata and *pari passu*, according to the respective amounts thereof, of any amounts due and payable by the Issuer to Secured Creditors and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere), together with (if applicable) VAT thereon as provided for in the relevant Transaction Document, and any amounts required to pay or discharge any liability of the Issuer for corporation tax (but only to the extent not capable of being satisfied out of amounts standing to the credit of the Issuer Profit Ledger or amounts retained by the Issuer under item (g) below);
- (g) *seventh*, to pay the Issuer the Issuer Profit Amount (which may be used by the Issuer to pay or discharge any liability of the Issuer for corporation tax thereon); and
- (h) *eighth*, to pay, pro rata and *pari passu*, any Class Y Certificate Payment on the Class Y Certificates (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (a) to (g) above).

#### ***Proceeds of the issuance of Further Class A2 Notes***

The Par Proceeds of an issue of Further Class A2 Notes shall not form part of Available Principal Receipts or Available Revenue Receipts but will instead be used by the Issuer solely to redeem the Class A1 Notes (in part or in full) on the Interest Payment Date on which the Further Class A2 Notes are issued. On the Interest Payment Date that the Further Class A2 Notes are issued, the Priority of Payments shall be run, and, following application of the Priority of Payments, the Par Proceeds will be applied in or towards the redemption of the Class A1 Notes.

As used in this Prospectus:

**Accrued Interest** means as at any date in relation to any Loan, the aggregate amount of interest accrued or charged on such Loan but not yet paid from (and including) the immediately preceding Monthly Payment Date to (but excluding) that given date.

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

**Arrears of Interest** means, as at any date and in relation to any Loan, the aggregate of all interest (other than Capitalised Arrears or Accrued Interest) on such Loan which is currently due, payable and unpaid on that date.

**Borrower Fees** means any mortgage account redemption fees, data retention fees, direct debit rejection fees, arrears management fees, post term date passed fees, loan restructuring fees, fees relating to proactive customer programmes, contract variation fees or asset management fees that the Servicer will invoice to the Issuer on a quarterly basis in accordance with the Servicing and Legal Title Holder Deed.

**Calculation Period** means, as at any date of determination, the immediately preceding three Collection Periods.



**Capital Balance** means, in relation to any Loan at any date, the principal balance of that Loan to which the relevant interest rate at which interest on each Loan applies.

**Capitalised Arrears** means, in relation to a Loan, on any date, amounts (excluding Arrears of Interest or amounts comprising Capitalised Expenses) which as at that date have been added to the Capital Balance of such Loan in accordance with the Loan Conditions or otherwise by arrangement with the relevant Borrower.

**Capitalised Expenses** means, for any Loan at any date, expenses which as at that date have been added to the Capital Balance of that Loan in accordance with the Loan Conditions or otherwise by arrangement with the relevant Borrower.

**Interest Period** means the period from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date.

**Monthly Payment Date** means, in respect of a Loan, the date in each month on which the relevant Borrower is required to make a payment of interest and, if applicable, principal, in respect of such Loan, as required by the applicable Loan Conditions to which such Loan is subject.

**Mortgage Enforcement Action** means any action which may be taken against a Borrower, the Property or any other Related Security by way of enforcement by a lender of its rights in respect of the Loan.

**Recovery Proceeds** means the proceeds of discounted pay-offs, enforcement or foreclosure in respect of any Loan.

## DESCRIPTION OF THE GLOBAL NOTES

### General

As at the Closing Date, each Class of Notes will be represented by either a Rule 144A Global Note and/or a Regulation S Global Note, as applicable, in fully registered form without interest coupons or principal receipts. Beneficial interests in a Rule 144A Global Note may only be held through Euroclear or Clearstream, Luxembourg or their participants. Beneficial interests in a Regulation S Global Note may only be held through Euroclear or Clearstream, Luxembourg or their participants. All capitalised terms not defined in this section shall be as defined in the Conditions of the Notes.

The Rule 144A Global Notes will have an ISIN and a Common Code. The Regulation S Global Notes will have an ISIN and a Common Code.

The Global Notes will be deposited on or about the Closing Date with the Common Safekeeper and registered on or about the Closing Date in the name of the nominee for the Common Safekeeper for both Euroclear and Clearstream, Luxembourg. The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the owner of the Global Note. Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record book-entry interests (**Book-Entry Interests**) in the related Global Notes.

Book-Entry Interests in respect of each Global Note will be recorded in denominations of £100,000 and higher integral multiples of £1,000 (an **Authorised Denomination**). Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg (**Participants**) or persons that hold interests in the Book-Entry Interests or the Certificate Book-Entry Interests through Participants or through other indirect participants (**Indirect Participants**), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Lead Manager. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

Beneficial interests in a Rule 144A Global Note may only be held by persons who are QIBs holding their interests for their own account or for the account of one or more other QIBs. By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Note (see "*Transfers and Transfer Restrictions*") below.

So long as a nominee for the Common Safekeeper is the registered holder of the Global Note underlying the Book-Entry Interests, the nominee for the Common Safekeeper will be considered the sole Noteholder of the Global Note for all purposes under the Trust Deed. Except as set out under "*Issuance of Registered Definitive Notes*" below, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed.

Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. See "*Action in respect of the Global Notes and the Book-Entry Interests*" below.

Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Note, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg, as applicable, unless and until Registered Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In the case of a Global Note, unless and until Book-Entry Interests are exchanged for Registered Definitive Notes, the Global Note held by the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper.

Purchasers of Book-Entry Interests in a Global Note will hold Book-Entry Interests in the Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out under "*Transfers and Transfer Restrictions*" below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in the Global Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, a Paying Agent, the Cash Manager, the Registrar or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

### **Payments on the Global Notes**

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of Elavon Financial Services DAC, UK Branch (the **Principal Paying Agent**), on behalf of the Issuer to the order of the Common Safekeeper or its nominee as the registered holder thereof with respect to the Global Notes. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Safekeeper or their nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg, as applicable. On each Record Date, Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders for the purposes of making payments to the Noteholders. The **Record Date** in respect of the Notes means: (i) where the Notes are in global registered form and held by Euroclear or Clearstream, Luxembourg, the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to the relevant Interest Payment Date, and (ii) where the Notes are in definitive registered form, the date falling 15 days prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer (including the Cash Manager or a Paying Agent), the Arranger, the Lead Manager, the Note Trustee or the Security Trustee will have any responsibility or liability for any aspect of the records relating to or for payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

### **Information regarding Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from a lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities, and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or to take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions

or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

## **Redemption**

In the event that a Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the clearing systems and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a pro rata basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

## **Cancellation**

Cancellation of any Note represented by a Global Note and required by the Conditions to be cancelled following its redemption will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant schedule thereto and the corresponding entry on the Register.

## **Transfers and Transfer Restrictions**

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*General*" above.

Each Rule 144A Global Note will bear a legend substantially identical to that appearing under "*Transfer Restrictions and Investor Representations*", and the holder of any Rule 144A Global Note or any Book-Entry Interest in such Rule 144A Global Note will undertake that it will not transfer such Notes except in compliance with the transfer restrictions set forth in such legend. A Book-Entry Interest in a Rule 144A Global Note of one Class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Regulation S Global Note of the same Class whether before or after the expiration of the period of 40 days to be calculated after the later of the commencement of the offering of the Regulation S Notes and the Closing Date (the **Distribution Compliance Period**), only upon receipt by the Issuer of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144A under the Securities Act (if available).

Each Regulation S Global Note will bear a legend substantially identical to that appearing under "*Transfer Restrictions and Investor Representations*". Prior to the expiration of the Distribution Compliance Period, a Book-Entry Interest in a Regulation S Global Note of a particular Class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same Class only upon receipt by the Issuer of written certification from the transferor to the effect that such transfer is being made to a person who the transferor reasonably believes is purchasing for its own account or for an account or accounts as to which it exercises sole investment discretion and that such person and such account or accounts is a QIB within the meaning of Rule 144A, in each case, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state or any other jurisdiction of the United States.

Any Book-Entry Interest in a Regulation S Global Note of one Class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same Class will, upon transfer, cease to be represented by a Book-Entry Interest in such Regulation S Global Note and will become represented by a Book-Entry Interest in such Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Rule 144A Global Note for as long as it remains such a Book-Entry Interest. Any Book-Entry Interest in a Rule 144A Global Note of one Class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Regulation S Global Note of the same Class will, upon transfer, cease to be represented by a Book-Entry Interest in such Rule 144A Global Note and will become represented by a Book-Entry Interest in such Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Regulation S Global Note as long as it remains such a Book-Entry Interest.

### **Issuance of Registered Definitive Notes**

Holders of Book-Entry Interests in a Rule 144A Global Note or a Regulation S Global Note will be entitled to receive Notes in definitive registered form (such exchanged Global Notes in definitive registered form, **Registered Definitive Notes**) in exchange for their respective holdings of Book-Entry Interests if (a) in the case of Global Notes cleared by Euroclear and Clearstream, Luxembourg, both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things and no alternative clearing system satisfactory to the Note Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive registered form.

In order to receive a Registered Definitive Note a person having an interest in a Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Registered Definitive Note.

Any Registered Definitive Note issued in exchange for Book-Entry Interests in the Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg as applicable, from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Registered Definitive Notes issued in exchange for Book-Entry Interests in the Global Note will not be entitled to exchange such Registered Definitive Notes for Book-Entry Interests in such Global Note. Any Notes issued in definitive registered form will be issued in registered form only and will be subject to the provisions set out under "*Transfers and Transfer Restrictions*" above and provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Registered Definitive Notes will be issued in a denomination that is an integral multiple of the minimum Authorised Denomination. See "*Risk Factors – Risks relating to the Characteristics of the Notes – Registered Definitive Notes and denominations in integral multiples*".

### **Action in respect of the Global Notes and the Book-Entry Interests**

Not later than ten days after receipt by the Issuer of any notices in respect of a Global Note or any notice of solicitation of consents or requests for a waiver or other action by the holder of such Global Note,

the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Note and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Note in accordance with any instructions set out in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under "*General*" above with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

## **Notices**

While any Class of Notes is represented by Global Notes the Issuer may, at its option, send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to the applicable Noteholders for communication by Euroclear and Clearstream, Luxembourg to such Noteholders. Alternatively, such notices regarding the Notes may instead be published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom; provided that if, at any time, the Issuer procures that the information contained in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for such electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders, publication in such newspaper shall not be required with respect to such information so long as the rules of Euronext Dublin allow. The Issuer may elect not to publish any notice in a newspaper for so long as the Notes are held in global form and notice is given to Euroclear and Clearstream, Luxembourg. The Note Trustee may, in accordance with Condition 16.2 (*Note Trustee's Discretion to Select Alternative Method*), sanction other methods of giving notice to all or some of the Noteholders if such method is reasonable having regard to, among other things, the market practice then prevailing and the requirements of the relevant stock exchange. See also Condition 16 (*Notice to Noteholders*) of the Notes.

## **New Safekeeping Structure**

The Notes will be deposited with one of Euroclear and/or Clearstream, Luxembourg (each an **ICSD** and together the **ICSDs**) as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (the **New Safekeeping Structure**).

## **Issuer ICSD Agreement**

Prior to the issuance of the Notes and the Certificates, the Issuer will enter into an Issuer ICSD agreement with the ICSDs in respect of the Notes and the Certificates (the **Issuer ICSD Agreement**). The ICSDs will, in respect of the Notes and the Certificates (while being held in the new safekeeping structure), maintain their respective portion of the outstanding of the issue amount through their records. The Issuer ICSD Agreement will be governed by English law.

## DESCRIPTION OF THE GLOBAL CERTIFICATES

### General

Each Class of Certificates, as at the Closing Date, is represented by a Global Certificate. The Global Certificates are registered in the name of the nominee for the Common Safekeeper for both Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**). The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the holder of the Global Certificate.

Euroclear or Clearstream, Luxembourg, as the case may be, have recorded the beneficial interests in the Global Certificate (**Certificate Book-Entry Interests**) representing beneficial interests in the Certificates attributable thereto.

Ownership of Certificate Book-Entry Interests will be limited to Participants or Indirect Participants, including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants will also include persons that hold beneficial interests through such Indirect Participants. Certificate Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Certificate Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Lead Manager. Ownership of Certificate Book-Entry Interests will be shown on, and transfers of Certificate Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Certificate Book-Entry Interests.

So long as the nominee for the Common Safekeeper is the registered holder of the Global Certificate underlying the Certificate Book-Entry Interests, it will be considered the sole Certificateholder of the Certificate represented by that Global Certificate for all purposes under the Trust Deed. Except as set out under the section entitled "*Description of the Global Notes – Issuance of Registered Definitive Notes*", Participants or Indirect Participants will not receive or be entitled to receive physical delivery of Certificates in definitive form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Certificate Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Certificate Book-Entry Interests, to exercise any rights and obligations of a holder of Certificates under the Trust Deed. See the section entitled "*Action in respect of the Global Certificates and the Certificate Book-Entry Interests*" below.

Unlike legal owners or holders of the Certificates, holders of the Certificate Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Certificateholders. Instead, a holder of Certificate Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Certificate Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default, holders of Certificate Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Definitive Certificates are issued in accordance with the Certificate Conditions. There can be no



assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Certificate Book-Entry Interests are exchanged for Definitive Certificates, the Certificates held by the nominee for the Common Safekeeper may not be transferred except as a whole by that nominee for the Common Safekeeper to a successor nominee for that Common Safekeeper or a nominee of a successor of the Common Safekeeper.

Purchasers of Certificate Book-Entry Interests in a Certificate will hold Certificate Book-Entry Interests in the Certificates relating thereto. Investors may hold their Certificate Book-Entry Interests in respect of a Certificate directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out in the section entitled "*Transfer and Transfer Restrictions*" below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Certificate Book-Entry Interests in each Certificate on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Certificate Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, a Paying Agent, the Cash Manager, the Registrar or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

### **Transfer and Transfer Restrictions**

All transfers of Certificate Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*General*" above.

### **Issuance of Registered Definitive Certificates**

Holders of Book-Entry Interests in the Global Certificate will be entitled to receive Certificates in definitive registered form (such exchanged Global Certificates in definitive registered form, **Registered Definitive Certificates**) in exchange for their respective holdings of Certificate Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or to cease to make book-entry systems available for the settlement of beneficial interests in such Global Certificates and do in fact do either of those things and no alternative clearing system satisfactory to the Note Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Certificates which would not be required were the Notes in definitive registered form. Any Registered Definitive Certificates issued in exchange for Certificate Book-Entry Interests in the Global Certificate will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Certificate Book-Entry Interests. Holders of Registered Definitive Certificates issued in exchange for Certificate Book-Entry Interests in the Global Certificate

will not be entitled to exchange such Registered Definitive Certificates for Certificate Book-Entry Interests in such Global Certificate. Any Certificates issued in definitive form will be issued in registered form only and will be subject to the provisions set out under "*Transfer and Transfer Restrictions*" above and provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Certificate.

### **Payments on Global Certificate**

Payment of amounts due in respect of the Global Certificate will be made in Sterling by or to the order of the Principal Paying Agent on behalf of the Issuer to the order of the Common Safekeeper or its nominee as the registered holder thereof with respect to the Global Certificate.

Each holder of Certificate Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Safekeeper or its nominee in respect of those Certificate Book-Entry Interests. All such payments will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then none of the Issuer, the Principal Paying Agent or any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Certificate Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each Record Date, Euroclear and Clearstream, Luxembourg will determine the identity of the Participants for the purposes of making payments under the Certificates. The **Record Date** in respect of the Certificates shall be as at the close of business on the Business Day prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Certificate Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Lead Manager, the Note Trustee or the Security Trustee, a Paying Agent, the Cash Manager or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Certificate Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Certificate Book-Entry Interests.

### **Information regarding Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

- Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of Certificates and any risk from the lack of simultaneous transfers of securities.
- Euroclear and Clearstream, Luxembourg provide various services, including the safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing.
- Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge

between their two systems across which their respective account holders may settle trades with each other.

- Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.
- An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that, under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of owners of Certificate Book-Entry Interests or if an owner of a Certificate Book-Entry Interest desires to give instructions or to take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the Participants owning the relevant Certificate Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

#### **Action in respect of the Global Certificates and the Certificate Book-Entry Interests**

Not later than ten days after receipt by the Issuer of any notice in respect of a Global Certificate or any notice of solicitation of consents or requests for a waiver or other action by the Certificateholder of such Global Certificate, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Certificate Book-Entry Interests or the Global Certificates; and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Certificate Book-Entry Interests or the Global Certificates in accordance with any instructions set out in such request. Euroclear and Clearstream, Luxembourg are expected to follow the procedures described under the section entitled "*General*" above, with respect to soliciting instructions from their respective Participants.

#### **Notices**

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to Certificateholders for communication by Euroclear and Clearstream, Luxembourg to the Certificateholders and shall procure that the information contained in such notice shall appear on a Relevant Screen (see also Certificate Condition 15 (*Notice to Certificateholders*)). The Note Trustee may, in accordance with Certificate Condition 15.2 (*Note Trustee's Discretion to Select Alternative Method*), sanction other methods of giving notice to all or some of the Certificateholders, if such method is reasonable having regard to the then prevailing market practice.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).*

### 1. GENERAL

The £54,021,000 Class A1 mortgage backed floating rate notes due July 2056 (the **Class A1 Notes**), the £2,844,000 Class A2 mortgage backed floating rate notes due July 2056 (the **Class A2 Notes** and, together with the Class A1 Notes, the **Class A Notes**), such term to include, after the date of issuance of any Further Class A2 Notes, the Initial Class A2 Notes and Further Class A2 Notes, the £24,371,000 Class Z mortgage backed zero rate notes due July 2056 (the **Class Z Notes**) and the £2,000,000 Class R mortgage backed zero rate notes due July 2056 (the **Class R Notes**) and, together with the Class A1 Notes, the Class A2 Notes, and the Class Z Notes, the **Notes**) in each case of Arima Mortgages PLC (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) entered into on 17 October 2023 (the **Closing Date**) and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Noteholders (in such capacity, the **Note Trustee**).

Any reference in these terms and conditions (the **Conditions**) to a Class of Notes or of Noteholders shall be a reference to the Class A Notes, the Class Z Notes and the Class R Notes, as the case may be, or to the respective holders thereof. Any reference in these Conditions to a Class of Certificate or of Certificateholders shall be a reference to the Class X Certificates or the Class Y Certificates or to the respective holders thereof. Any reference in these Conditions to the **Noteholders** means the registered holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes. The security for the Notes is constituted by a deed of charge and assignment (the **Deed of Charge**) entered into on or about the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Secured Creditors (in such capacity, the **Security Trustee**).

Any reference in these Conditions to a **Class** or **class** of Notes or of Noteholders shall (subject to Condition 13.2(g) (*Most Senior Class, Limitations on powers of other Noteholders*)) be a reference to the Class A Notes, the Class Z Notes and the Class R Notes, as the case may be, or to the respective holders thereof.

Pursuant to an agency agreement (the **Agency Agreement**) entered into on or about the Closing Date in connection with the issuance of the Notes and made between, among others, the Issuer, the Note Trustee and Elavon Financial Services DAC, UK Branch as principal paying agent (in such capacity, the **Principal Paying Agent** and, together with any further or other paying agent appointed under the Agency Agreement, the **Paying Agent**), Elavon Financial Services DAC, UK Branch as registrar (in such capacity, the **Registrar**) and Elavon Financial Services DAC, UK Branch as agent bank (in such capacity, the **Agent Bank**), provision is made for, inter alia, the payment of principal and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the **Master Definitions and Construction Schedule**) entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date in connection with the issuance of the Notes and the other Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for

inspection during normal business hours at the specified office for the time being of the Paying Agent. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

## 2. INTERPRETATION

### 2.1 Definitions

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

### 2.2 Interpretation

These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

## 3. FORM, DENOMINATION AND TITLE

### 3.1 Form and Denomination

Each Class of Notes will initially be represented by a global note certificate in registered form (a **Global Note**).

For so long as any of the Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Note and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of, with respect to the Rule 144A Global Notes, and with respect to the Regulation S Global Notes, Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), as appropriate.

The aggregate nominal amount of each Class of Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **Securities Act**), is represented by one or more global registered notes in fully registered form (the **Regulation S Global Notes**) without coupons attached. The aggregate nominal amount of the Rule 144A Notes initially offered and sold within the United States to persons who are "qualified institutional buyers" as defined in, and in reliance on, Rule 144A under the Securities Act (**Rule 144A**), in transactions made in accordance with Rule 144A, is represented by one or more global registered notes in fully registered form without coupons attached (the **Rule 144A Global Notes** and together with the Regulation S Global Notes, the **Global Notes**).

For so long as the Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in the minimum denominations (a) in respect of the Rule 144A Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof and (b) in respect of the Regulation S Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof.

A Global Note will be exchanged for the relevant Note in definitive registered form (such exchanged Global Notes in definitive registered form, the **Registered Definitive Notes**) only if any of the following applies:

- (a) in the case of the Global Notes, both Euroclear and Clearstream, Luxembourg:

- (i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
- (ii) announce an intention to permanently cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes or in fact do either of those things,

and in either case no alternative clearing system satisfactory to the Note Trustee is available; or

- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form.

If Registered Definitive Notes are issued in respect of Notes originally represented by a Global Note, the beneficial interests represented by such Global Note shall be exchanged by the Issuer for the relevant Notes in registered definitive form. The aggregate principal amount of the Registered Definitive Notes shall be equal to the Principal Amount Outstanding of the Notes at the date on which notice of exchange is given of the Global Note, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the relevant Global Note.

Registered Definitive Notes (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in registered form only.

The minimum denomination of the Notes in definitive form (if issued and printed) will be issued in the minimum denominations (a) in respect of the Rule 144A Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof and (b) in respect of the Regulation S Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof (or the equivalent thereto).

References to **Notes** in these Conditions shall include the Global Notes and the Registered Definitive Notes.

### 3.2 Title

Title to the Global Notes shall pass by and upon registration in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Note may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Note regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Title to a Registered Definitive Note shall only pass by and upon registration of the transfer in the Register.

Registered Definitive Notes may be transferred upon the surrender of the relevant Registered Definitive Note, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. Such transfers shall be subject to the minimum denominations specified in Condition 3.1 (*Form and Denomination*). All transfers of Registered Definitive

Notes are subject to any restrictions on transfer set out on the Registered Definitive Notes and the detailed regulations concerning transfers in the Agency Agreement.

Each new Registered Definitive Note to be issued upon transfer of such Registered Definitive Note will, within five Business Days of receipt and surrender of such Registered Definitive Note (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Registered Definitive Note to such address as may be specified in the relevant form of transfer.

Registration of a Registered Definitive Note on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

#### 4. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

##### 4.1 Status and relationship between the Notes and Certificates

- (a) The Class A1 Notes and the Class A2 Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*) unconditional obligations of the Issuer). The Class A1 Notes and the Class A2 Notes (as at the Closing Date, being the initial Class A2 Notes only and, from time to time thereafter, including any Further Class A2 Notes issued pursuant to Condition 18 (*Further Class A2 Notes Issue*)) rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal and *pari passu* without preference or priority among themselves in relation to payment of interest. For the avoidance of doubt, Par Proceeds from the issuance of Further Class A2 Notes will be applied in or towards repayment of the Class A1 Notes only. The Class A Notes and the Class X Certificates rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest (in respect of the Class A Notes), the Class X1 Certificate Payments (in respect of the Class X1 Certificates), and the Class X2 Certificate Payments (in respect of the Class X2 Certificates) as provided in these Conditions and the Transaction Documents.

Accordingly, the interests of the person who is registered in the Register as holder of Class A1 Notes (the **Class A1 Noteholders**), the interests of the persons who for the time being are registered in the Register as holders of Class A2 Notes (the **Class A2 Noteholders** and, together with the Class A1 Noteholders, the **Class A Noteholders**), in respect of the Class X1 Certificates, the interests of the person who for the time being is registered in the Register as holder of the Class X1 Certificates (the **Class X1 Certificateholder**), and in respect of the Class X2 Certificates, the interests of the person who for the time being is registered in the Register as holder of the Class X2 Certificates (the **Class X2 Certificateholder**, the Class X1 Certificateholder and the Class X2 Certificateholder together are the **Class X Certificateholders**) will subordinate the interests of the holders of all other Classes of Notes and Certificates.

- (b) The Class Z Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) unconditional obligations of the Issuer). The Class Z Notes rank *pari passu* without preference or priority among themselves in relation to the payment of principal at all times, subordinate to the Class A Notes as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class Z Notes (the **Class Z Noteholders**) will be subordinated to the interests of each of the Class A Noteholders (so long as any of the Class A Notes remain outstanding).

- (c) The Class R Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) unconditional obligations of the Issuer). The Class R Notes rank *pari passu* without preference or priority among themselves in relation to the payment of principal at all times, subordinate to the Class A Notes and the Class Z Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class R Notes (the **Class R Noteholders**) will be subordinated to the interests of each of the Class A Noteholders and the Class Z Noteholders (so long as any of the Class A Notes and/or any Class Z Notes remain outstanding).
- (d) The Class Y Certificates constitute direct, secured and (subject to the limited recourse provisions in Certificate Condition 11.4 (*Limited Recourse*) unconditional obligations of the Issuer). The Class Y Certificates rank *pari passu* without preference or priority among themselves in relation to the payment of the Class Y Certificate Payment, subordinate to the Class A Notes, the Class X Certificate Payments, the Class Z Notes and the Class R Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the Class Y Certificateholders will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders, the Class Z Noteholders and the Class R Noteholders (so long as any of the Class A Notes, any Class X Certificates, any Class Z Notes and/or any Class R Notes remain outstanding).
- (e) The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of holders of each Class of the Notes and each Class of Certificates equally (and at all times have regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Notes and/or the Certificates in any such case to have regard (except as expressly provided otherwise and at all times have regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) to the interests of the holders of the Class of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class X Certificates, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Class X Certificates Entrenched Rights).
- (f) The Trust Deed and the Deed of Charge also contain provisions limiting the powers of any Class of Noteholders or Class of Certificateholders to pass an effective Extraordinary Resolution (and at all times to have regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) according to the effect thereof on the interests of the holders of the Class or Classes of Notes and/or Certificates ranking in priority thereto. Except in certain circumstances described in Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*), the Trust Deed and the Deed of Charge contain no such limitation on the powers of the holders of the Most Senior Class, the exercise of which will be binding (save in respect of a Basic Terms Modification the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) on the holders of all other Classes of Notes and all other Classes of Certificates, in each case irrespective of the effect thereof on their respective interests.
- (g) Subject to the Retained Interest Entrenched Rights, the Retention Holder will not be entitled to convene, count in the quorum or pass resolutions (including Extraordinary Resolutions and



Ordinary Resolutions) in respect of any Notes or Certificates comprising the Retained Interest. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Retention Holder (other than any resolutions in respect of a Retained Interest Entrenched Right unless the Retention Holder has consented) if passed in accordance with the Conditions.

- (h) The Class X Certificateholders shall only be entitled to convene meetings of the Class X Certificateholders and/or pass resolutions in respect of the Class X Certificates in relation to matters affecting a Class X Certificates Entrenched Right. Any Ordinary Resolution or Extraordinary Resolution affecting a Class X Certificates Entrenched Right will not be binding unless the Class X Certificateholders have consented in writing.
- (i) Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class Y Certificateholders (save in respect of a Basic Terms Modification and any resolution which affects a Class Y Certificates Entrenched Right) if passed in accordance with the Conditions.
- (j) As long as any Notes or Certificates are outstanding but subject to Condition 13.4, the Note Trustee and the Security Trustee shall not have regard to the interests of the other Secured Creditors.

#### **4.2 Security**

- (a) The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Noteholders, the Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.
- (b) The Noteholders, the Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

### **5. COVENANTS AND UNDERTAKINGS**

Save with the prior written consent of the Note Trustee or unless otherwise permitted under these Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertakings;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;
- (c) **Corporation tax:** prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations;
- (d) **Disposal of assets:** assign, transfer, sell, lend, lease, part with or otherwise dispose of, declare any trust over or deal with, or grant any option or present or future right to

acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;

- (e) **Equitable and beneficial interest:** permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (f) **Dividends or distributions by the Issuer:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (g) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person (excluding, for the purposes of this covenant, the issuance of Further Class A2 Notes pursuant to Condition 18 (*Further Class A2 Notes Issue*));
- (h) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (i) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed or waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;
- (j) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (k) **Purchase Notes or Certificates:** purchase or otherwise acquire any Notes or Certificates;
- (l) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles; or
- (m) **VAT:** apply to become part of any group with any other company or group of companies for the purposes of Sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931), or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

## 6. INTEREST

### 6.1 Accrual of interest

The Class A Notes bear interest on their Principal Amount Outstanding from (and including) the Closing Date. The Class A Notes (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the due date for redemption unless, upon due surrender in accordance with Condition 7 (*Payments*), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

No interest will be payable in respect of the Class R Notes or the Class Z Notes.

## 6.2 Interest Payment Dates

- (a) Interest will be payable in arrear on each Interest Payment Date, for the Class A Notes. The first Interest Payment Date will be the Interest Payment Date falling in January 2024, save that in respect of the Further Class A2 Notes, the first Interest Payment Date will be the date specified in the supplemental trust deed.
- (b) In these Conditions, **Interest Payment Date** means the 28th day of January, April, July and October in each year or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
- (c) Interest shall accrue from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date (each such period above, an **Interest Period**).

## 6.3 Rate of Interest

- (a) The rate of interest payable on the Class A Notes from time to time (the **Rate of Interest**) will be determined on the basis of the Floating Rate of Interest as determined in accordance with paragraph (b) below.
- (b) The floating rate of interest payable from time to time in respect of the Class A Notes (each a **Floating Rate of Interest**) and any Interest Period will be determined on the basis of the following provisions:
  - (i) Subject to paragraph (ii) below, the Agent Bank will determine the Compounded Daily SONIA as at the Interest Calculation Date in question. The Floating Rate of Interest for the relevant Interest Period shall be the aggregate Compounded Daily SONIA plus the relevant Margin.
  - (ii) Notwithstanding the provisions of these Conditions, in the event the Bank of England publishes guidance as to (A) how the SONIA Reference Rate is to be determined or (B) any rate that is to replace the SONIA Reference Rate, the Agent Bank shall, subject to receiving written instructions from the Issuer (upon which the Agent Bank shall be entitled to rely conclusively and without enquiry or liability) and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.
  - (iii) In the event that the Floating Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank, the Floating Rate of Interest shall be (A) that determined as at the last preceding Interest Calculation Date (though substituting, where a different relevant Margin is to be applied to the relevant Interest Period from

that which applied to the last preceding Interest Period, the relevant Margin relating to the relevant Interest Period in place of the relevant Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Calculation Date, the initial Floating Rate of Interest which would have been applicable to the relevant Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) that first Interest Payment Date (but applying the relevant Margin applicable to the first Interest Period).

- (iv) Notwithstanding any other provision of this Condition 6.3, if in the Agent Bank's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 6.3, the Agent Bank shall promptly notify the Issuer thereof and the Issuer shall direct the Agent Bank in writing as to which alternative course of action to adopt. If the Agent Bank is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Agent Bank shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.
- (c) The minimum Floating Rate of Interest will be zero.
- (d) The Margin on the Class A Notes changes from the Initial Margin to the Step-Up Margin from (and including) the Interest Payment Date falling on the First Optional Redemption Date.
- (e) In these Conditions (except where otherwise defined), the expression:
  - (i) **Affiliate** means, in relation to any person (A) a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company; or (B) any other person that controls, is controlled by, or is under common control with, such person;
  - (ii) **Business Day** means a day (other than a Saturday or Sunday or a public holiday) on which banks are generally open for business in London;
  - (iii) **First Optional Redemption Date** means the Interest Payment Date falling in October 2025;
  - (iv) **Holding Company** means, in relation to a person, any other person in respect of which it is a Subsidiary;
  - (v) **Interest Calculation Date** means the fifth London Banking Day before the Interest Payment Date which the relevant Rate of Interest will apply;
  - (vi) **Interest Determination Ratio** means, on any Interest Payment Date, (A) the aggregate Revenue Receipts calculated in the three preceding Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) divided by (B) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Servicer Reports;
  - (vii) **Margin** means:
    - (A) in respect of the Class A1 Notes, (1) prior to the First Optional Redemption Date, 1.5 per cent. per annum (the **Class A1 Notes Initial Margin**) and (2) on

and after the First Optional Redemption Date, 2.5 per cent. per annum (the **Class A1 Notes Step-Up Margin**);

- (B) in respect of the Class A2 Notes, (1) prior to the First Optional Redemption Date, 1.5 per cent. per annum (the **Class A2 Initial Margin**) and (2) on and after the First Optional Redemption Date, 2.5 per cent. per annum (the **Class A2 Step-Up Margin**);
  - (C) in respect of the Class R Notes and the Class Z Notes, no Margin applies;
- (viii) **Observation Period** means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Closing Date) and ending on, but excluding, the date falling five London Banking Days prior to the Interest Payment Date for such Interest Period (or, if applicable, the date falling five London Banking Days prior to any such earlier date, if any, on which the Notes become due and payable);
- (ix) **outstanding** means, in relation to the Notes, all the Notes issued from time to time other than:
- (A) those Notes which have been redeemed in full and cancelled pursuant to the Conditions;
  - (B) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment in accordance with the Conditions;
  - (C) those Notes which have been cancelled in accordance with Condition 8.9 (*Cancellation on redemption in full*) of the Notes;
  - (D) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 10 (*Prescription*) of the Notes;
  - (E) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*) with respect to the Notes;
  - (F) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Note) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*) with respect to the Notes; and
  - (G) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant Class in definitive form pursuant to its provisions,

provided that, for each of the following purposes, namely:

- I. the right to attend and vote at any meeting of the Noteholders of any Class or Classes or to participate in any Ordinary Resolution in writing, any Extraordinary Resolution in writing or an electronic consent as envisaged by paragraph 1 of Schedule 5 (*Provisions for Meetings of Certificateholders and consent of Noteholders*) to the Trust Deed and any direction or request by the holders of Notes of any Class or Classes;
- II. the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 13.1 (*Actions, Proceedings and Indemnification*) and Schedule 1 (*Form of the Regulation S Global Notes*) and Schedule 2 (*Form of the Rule 144A Global Notes*) to the Trust Deed and Condition 11 (*Events of Default*), Condition 12 (*Enforcement*) and Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*);
- III. any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and
- IV. the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

(i) those Notes or Certificates comprising the Retained Interest which are for the time being held by or on behalf or for the benefit of the Retention Holder or any Affiliate thereof (each such entity a **Relevant Person**) and (ii) any other Notes or Certificates for the time being held by or on behalf of or for the benefit of a Relevant Person (unless such Relevant Person is separated by information barriers from the Retention Holder, Arranger or Lead Manager teams), shall, in each case, (unless and until ceasing to be so held) be deemed not to remain outstanding, provided that (A) where all of the Notes of any Class or all of the Certificates or of any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case, such Classes of Notes or Certificates (the **Relevant Class of Notes** or the **Relevant Class of Certificates**, as applicable) shall be deemed to remain outstanding or in issue (as the case may be) and (B) the Retention Holder does not have voting or consent rights in respect of Notes and Certificates comprising the Retained Interest other than in respect of the Retained Interest Entrenched Rights;

- (x) **Reconciliation Amount** means in respect of any Collection Period (A) the actual Principal Receipts as determined in accordance with the available Servicer Reports, less (B) the Calculated Principal Receipts in respect of such Collection Period, plus (C) any Reconciliation Amount not applied in previous Collection Periods;
- (xi) **Reuters Screen SONIA Page** means Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA Page on that service for the purpose of displaying such information or, if that service ceases to display such information, such page as displays such information on such service as may replace such screen;
- (xii) **Servicer Report** means a report to be provided by the Servicer no later than the 12 calendar day after the end of the relevant Collection Period in accordance with the terms of the Servicing and Legal Title Holder Deed;

- (xiii) **Compounded Daily SONIA** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank as at the Interest Calculation Date in question, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 per cent. being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SONIA}_{i-5\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

**d** is the number of calendar days in the relevant Interest Period;

**d<sub>0</sub>** is the number of London Banking Days in the relevant Interest Period;

**i** is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period to, but excluding, the last London Banking Day in such Interest Period;

**LBD** means a London Banking Day;

**London Banking Day** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**n<sub>i</sub>**, for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following London Banking Day; and

**SONIA<sub>i-5LBD</sub>** means in respect of any London Banking Day falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling five Business Days prior to that Business Day "i";

- (xiv) **SONIA Reference Rate** means in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Banking Day as provided by the administrator of SONIA to, and published by, authorised distributors of the rate as of 9.00 a.m. (London time) on the Reuters Screen SONIA Page or, if the Reuters Screen SONIA Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such Business Day).

If, in respect of any London Banking Day in the relevant Observation Period, the Agent Bank determines that the SONIA Reference Rate is not available on the Reuters Screen SONIA Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (A) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; and

- (xv) **Subsidiary** means any person (referred to as the first person) in respect of which another person (referred to as the second person):
- (A) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or
  - (B) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or
  - (C) has the right to exercise (directly or indirectly) a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or
  - (D) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or
  - (E) has the power to exercise, or actually exercises (in either case, directly or indirectly) dominant influence or control over the first person; or
  - (F) together with the first person are managed on a unified basis,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any subsidiary undertaking the shares of which (if any) are subject to a security interest and where the legal title to the shares so secured are registered in the name of the secured party or its nominee pursuant to such security.

#### **6.4 Determination of Floating Rates of Interest and Floating Interest Amounts**

- (a) In relation to the Notes, the Agent Bank shall, as soon as practicable after 11.00 a.m. (London time) on the Interest Calculation Date falling in such Interest Period, but in no event later than the third Business Day thereafter, determine the Sterling amounts (the **Floating Interest Amount**) that would be payable in respect of interest on the Principal Amount Outstanding of each Class of the Notes for the relevant Interest Period if the Floating Rate of Interest applies to such Notes.
- (b) The Floating Interest Amounts in respect of the Class A Notes shall be determined by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of each Class of Class A Notes and multiplying the sum by the actual number of days in the Interest Period concerned divided by 365 and rounding the figure downwards to the nearest penny.

#### **6.5 Publication of Floating Rates of Interest and Floating Interest Amounts**



The Agent Bank shall cause the Floating Rate of Interest and the Floating Interest Amounts for each Class of Notes in respect of each Interest Period and each Interest Payment Date to be notified to the Issuer, the Cash Manager, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to any stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Condition 16 (*Notice to Noteholders*) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date. The Floating Interest Amounts and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

## **6.6 Notifications to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 by the Agent Bank will (in the absence of manifest error) be binding on the Issuer, the Note Trustee, the Agent Bank, the Registrar, the Paying Agents and all Noteholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Noteholders shall attach to the Cash Manager or the Agent Bank in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 6.

## **6.7 Agent Bank**

The Issuer shall procure that, so long as any of the Notes remain outstanding, there is at all times an agent bank for the purposes of the Notes. The Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank and shall, in the event of the appointed office of any bank being unable or unwilling to continue to act as the agent bank or failing duly to determine the Floating Rate of Interest or the Floating Interest Amounts in respect of any Class of Notes for any Interest Period, subject to the prior written approval of the Note Trustee, appoint another major bank engaged in the relevant interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed on terms commercially acceptable in the market.

## **6.8 Determinations and Reconciliation**

- (a) In the event that the Cash Manager does not receive all three Servicer Reports to be delivered by the Servicer with respect to the three most recent Collection Periods (each such period, a **Determination Period**), then the Cash Manager may use the Servicer Reports in respect of the three most recent Collection Periods for which all relevant Servicer Reports are available (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in paragraph (b) below. When the Cash Manager receives the Servicer Reports relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in paragraph (c) below. Any (i) calculations properly made on the basis of such estimates in accordance with paragraph (b) and/or paragraph (c) below (ii) payments made under any of the Notes, Certificates and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such reconciliation calculations, each in accordance with paragraph (b) and/or paragraph (c) below, shall be deemed to be made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.

- (b) In respect of any Determination Period the Cash Manager shall on the Calculation Date immediately preceding the Determination Period:
- (i) determine the Interest Determination Ratio (as defined above) by reference to the three most recent Collection Periods in respect of which all relevant Servicer Reports are available (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports);
  - (ii) calculate the Revenue Receipts for such Determination Period as the product of (A) the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the **Calculated Revenue Receipts**); and
  - (iii) calculate the Principal Receipts for such Determination Period as the product of (A) one minus the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the **Calculated Principal Receipts**).
- (c) Following the end of any Determination Period, upon receipt by the Cash Manager of the Servicer Report in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with paragraph (b) above to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount as follows:
- (i) if the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (A) the positive value of the Reconciliation Amount and (B) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger); and
  - (ii) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (A) the positive value of the Reconciliation Amount and (B) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

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

## 7. PAYMENTS

### 7.1 Payment of Interest and Principal

Subject to Condition 3.1 (*Form and Denomination*), payments of any amount in respect of a Note, including principal and interest, shall be made by:

- (a) (other than in the case of final redemption) Sterling cheque; or
- (b) (other than in the case of final redemption) upon application by the relevant Noteholder to the specified office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London; and
- (c) (in the case of final redemption) Sterling cheque upon surrender (or, in the case of part payment only, endorsement) of the relevant Global Note or Registered Definitive Notes (as the case may be) at the specified office of any Paying Agent.

## **7.2 Laws and Regulations**

Payments of any amount in respect of a Notes including principal and interest in respect of the Notes are subject, in all cases, to (a) any fiscal or other laws and regulations applicable thereto and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto (**FATCA**). Noteholders will not be charged commissions or expenses on payments.

## **7.3 Payment of Interest following a Failure to pay Principal**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 6.1 (*Accrual of interest*) and Condition 6.3 (*Rate of Interest*) will be paid in accordance with this Condition 7.

## **7.4 Change of Paying Agents**

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London and the Registrar with a specified office in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

## **7.5 No Payment on non-Business Day**

If the date for payment of any amount in respect of a Note is not a Presentation Date, Noteholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to further interest or other payment in respect of such delay. In this Condition 7.5, the expression **Presentation Date** means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

## **7.6 Partial Payment**

If a Paying Agent makes a partial payment in respect of any Note, the Registrar will, in respect of the relevant Note, annotate the Register indicating the amount and date of such payment.

## **7.7 Payment of Interest**

If interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Presentation Date (as defined in Condition 7.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the Noteholder with Condition 7.1 (*Payment of Interest and Principal*)), then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given by the Issuer in accordance with Condition 16 (*Notice to Noteholders*).

## **8. REDEMPTION**

## 8.1 Redemption at Maturity

Unless previously redeemed in full and cancelled as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding (together with accrued but unpaid interest (including any interest deferred in accordance with Condition 17 (*Subordination by Deferral*)) up to but excluding the date of redemption) on the Interest Payment Date falling in July 2056 (the **Final Redemption Date**).

## 8.2 Mandatory Redemption

(a) Prior to the service of an Enforcement Notice, each Class of Notes shall be redeemed on each Interest Payment Date in an amount equal to the Available Principal Receipts available for such purpose in accordance with the Pre-Enforcement Principal Priority of Payments which shall be applied, following the payment of any Principal Addition Amount, in the following order of priority:

- (i) to repay the Class A Notes until they are each redeemed in full, and thereafter to be applied;
- (ii) to repay the Class Z Notes until they are each redeemed in full; and thereafter to be applied; and
- (iii) to repay the Class R Notes until they are each redeemed in full,

in each case, together with accrued but unpaid interest (including any interest deferred in accordance with Condition 17 (*Subordination by Deferral*)) up to but excluding the date of redemption. For the avoidance of doubt, the Par Proceeds of any Further Class A2 Notes will be applied solely in or towards redemption of the Class A1 Notes (in full or in part) on the Interest Payment Date on which the Further Class A2 Notes are issued. On the Interest Payment Date that the Further Class A2 Notes are issued, the Priority of Payments shall be run, and then, following application of the Priority of Payments, the Par Proceeds will be applied in or towards the redemption of the Class A1 Notes.

(b) The principal amount to be redeemed in respect of a Class of Notes (the **Note Principal Payment**) in accordance with paragraphs (a) above on any Interest Payment Date prior to the service of an Enforcement Notice shall be the Available Principal Receipts on such Interest Payment Date in accordance with the relevant Priority of Payments, as calculated on the Calculation Date immediately preceding such Interest Payment Date, divided by the amount of Notes in the relevant Class then outstanding. With respect to each Note on (or as soon as practicable after) each Calculation Date, the Issuer shall determine (or cause the Cash Manager to determine) (i) the amount of any Note Principal Payment due on the Interest Payment Date next following such Calculation Date, (ii) the Principal Amount Outstanding of each such Note and (iii) the fraction expressed as a decimal to the sixth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in paragraph (ii) above) and the denominator, in the case of the Notes, is the aggregate Principal Amount Outstanding on the Notes of the same class. Each determination by or on behalf of the Issuer of any principal repayment, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of manifest error) be final and binding on all persons.

(c) The Issuer will cause each determination of a principal repayment, Principal Amount Outstanding and Pool Factor to be notified by not less than two Business Days prior to the relevant Interest Payment Date to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on its Regulated Market) Euronext Dublin, and will immediately cause notice of each such

determination to be given in accordance with Condition 16 (*Notice to Noteholders*) not later than two Business Days prior to the relevant Interest Payment Date. If no principal repayment is due to be made on the Notes on any Interest Payment Date a notice to this effect will be given to the holders of the Notes.

### **8.3 Optional Redemption for Taxation or Other Reasons**

If:

- (a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or the Paying Agents would be required to deduct or withhold from any payment on any Notes or of a Certificate Payment Amount (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Notes or Certificates) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax; or
- (b) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes or Certificates,

then the Issuer shall, if the same would avoid the effect of such relevant event described in paragraph (a) or (b) above appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and the Trust Deed, provided that:

- (i) the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the holders of the Notes of any Class and in making such determination, the Note Trustee may rely absolutely, without enquiry or liability to any person for so doing, on a certificate signed by two directors of the Issuer to the Cash Manager, the Note Trustee and the Security Trustee that such proposed action (i) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Notes and (ii) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security; and
  - (ii) such substitution would not require registration of any new security under U.S. securities laws or materially increase the disclosure requirements under U.S. law.
- (c) If the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described in paragraph (a) or (b) above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution, then the Issuer may, on any Interest Payment Date and having given not more than 60 nor less than five days' notice (or, in the case of an event described in paragraph (b) above, such shorter period expiring on or before the latest date permitted by relevant law) to the Note Trustee and holders of the Notes in accordance with Condition 16

*(Notice to Noteholders)*, redeem all (but not some only) of the Notes at their respective Principal Amount Outstanding together with any interest accrued (and unpaid) thereon up to (but excluding) the date of redemption provided that, prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

- (i) a certificate signed by two directors of the Issuer stating that (A) one or more of the circumstances referred to in paragraph (a) or (b) above prevail(s), (B) setting out details of such circumstances and (C) confirming that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution; and
- (ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer or the Paying Agents has or will become obliged to deduct or withhold amounts as a result of such change.

The Note Trustee shall be entitled to accept and rely absolutely upon such certificate and opinion without any enquiry or liability as sufficient evidence of the satisfaction of the circumstances set out in paragraph (ii) immediately above, in which event they shall be conclusive and binding on each Class of the Notes.

Where the Issuer intends to redeem the Notes in accordance with this Condition 8.3, it shall give notice of such intention to the Portfolio Option Holder as soon as reasonably practicable and the Portfolio Option Holder and/or any Class Y Certificateholder (where it is exercising the Class Y Right to Match) shall be entitled to exercise the Portfolio Purchase Option in accordance with the terms thereof.

The Issuer may only redeem the Notes as described above if the Issuer has certified to the Note Trustee that it will have the necessary funds, not subject to the interest of any other person, required to redeem the Notes and cancel the Certificates as aforesaid and any amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Class Y Certificates then in issue in accordance with the Conditions, such certification to be provided by way of a certificate signed by two directors of the Issuer on which the Note Trustee shall be entitled to rely without any enquiry or liability. Such certification shall be conclusive and binding on the holders of Notes.

The Seller may, pursuant to the terms of the relevant Mortgage Sale Agreement, purchase the Loans in respect of any optional redemption of the Notes pursuant to this Condition 8.3 (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option and the Class Y Right to Match). The Seller shall notify the Portfolio Option Holder of its intention to serve such a notice on the Issuer as soon as reasonably practicable and by no later than ten Business Days after the occurrence of any event specified in paragraph (a) or (b) above. If the Portfolio Option Holder notifies the Seller within ten Business Days of the Seller having indicated its intention to serve a notice on the Issuer that the Portfolio Option Holder and/or any Class Y Certificateholder (where it is exercising the Class Y Right to Match) intends to exercise the Portfolio Purchase Option, the Seller shall not serve a notice on the Issuer (unless the Portfolio Option Holder and/or any Class Y Certificateholder (where it is exercising the Class Y Right to Match) has not subsequently exercised the Portfolio Purchase Option) and any notice served in such circumstances shall be invalid. The consideration payable by the Seller or the Portfolio Option Holder and/or the Class Y Certificateholder, as applicable, in the circumstances describe above shall be the Portfolio Purchase Option Purchase Price.

#### **8.4 Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option**

- (a) On giving not more than 15 nor less than five days' notice to the holders of the Notes in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee, the Issuer shall, following the exercise of the Portfolio Purchase Option, redeem on the relevant Optional Redemption Date, all (but not some only) of the Notes on such Optional Redemption Date, provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Optional Redemption Date and to discharge all other amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Class Y Certificates then in issue (such certification to be provided by way of certificate signed by two directors of the Issuer), on which the Note Trustee shall be entitled to rely without any enquiry or liability.
- (b) Any Note redeemed pursuant to paragraph (a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

**Optional Redemption Date** means the date of early redemption of the Notes following the exercise by the Portfolio Option Holder and/or any Class Y Certificateholder (where it is exercising the Class Y Right to Match) of the Portfolio Purchase Option:

- (i) where the Issuer has given notice to the Portfolio Option Holder of its intention to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Note Trustee within 20 Business Days of receipt of such notice;
- (ii) on the First Optional Redemption Date or any Interest Payment Date following the First Optional Redemption Date;
- (iii) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date; or
- (iv) on any Interest Payment Date following the date on which the Retention Holder or the Seller (or any of their delegates) give notice of its intention to exercise the Risk Retention Regulatory Change Option.

#### **8.5 Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option**

- (a) On any Business Day, if a Risk Retention Regulatory Change Event occurs and the Retention Holder or the Seller (or any of their delegates) exercises the Risk Retention Regulatory Change Option, the Issuer will give not more than 40 nor less than five Business Days' notice to (i) the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) (subject to the Portfolio Option Holder's right to exercise the Portfolio Purchase Option in accordance with the terms thereof and the Class Y Right to Match), (ii) the Note Trustee, and (iii) the Notes will be redeemed on the Interest Payment Date immediately following the exercise of such option by the Retention Holder or the Seller (or any of their delegates), provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant

Interest Payment Date and to discharge all other amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Class Y Certificates then in issue, such certification to be provided by way of certificate signed by two directors of the Issuer on which the Note Trustee shall be entitled to rely without any enquiry or liability.

- (b) Any Note redeemed pursuant to paragraph (a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to, but excluding, the relevant Interest Payment Date.

**Risk Retention Regulatory Change Event** means any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which:

- (i) as a matter of law, has a binding effect on the Retention Holder or the Seller after the Closing Date which would impose a positive obligation on either of them to subscribe for any additional Notes (other than the Notes issued on the Closing Date) in order to comply with the Risk Retention Undertaking or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Risk Retention Requirements (as determined by them, acting reasonably);
- (ii) as a matter of law, in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer of the Retained Interest for purposes of the Risk Retention Requirements; and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion; or
- (iii) by virtue of the Retention Holder's obligation to comply with the Risk Retention Undertaking or the U.S. Credit Risk Retention Requirements, would, in respect of the Retention Holder, have an analogous effect or result to those specified in paragraphs (i) and (ii) above.

**Risk Retention Regulatory Change Option** means the option of the Retention Holder to acquire all but not some of the Portfolio, following a Risk Retention Regulatory Change Event; provided that if the Retention Holder has not exercised the Risk Retention Regulatory Change Option, then the Seller may exercise the option to acquire all but not some of the Portfolio.

**Risk Retention Requirements** means Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation and the U.S. Credit Risk Retention Requirement.

**U.S. Credit Risk Retention Requirements** means Section 15G of the U.S. Securities Exchange Act of 1934, as amended, and the final rules related which came into effect on 24 December 2016.

## 8.6 Principal Amount Outstanding

The **Principal Amount Outstanding** of each Class of Notes on any date shall be, in each case, their original principal amount, in respect of the Class A1 Notes of £54,021,000 and the Class A2 Notes of £2,844,000, in respect of the Class Z Notes of £24,371,000 and in respect of the Class R Notes of £2,000,000 in each case less the aggregate amount of all principal payments which have been made since the Closing Date.



## **8.7 Notice of Redemption**

Any such notice as is referred to in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above. Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) may be relied on by the Note Trustee absolutely and without enquiry or liability and, if so relied on, shall be conclusive and binding on the Noteholders.

## **8.8 No Purchase by the Issuer**

The Issuer will not be permitted to purchase any of the Notes.

## **8.9 Cancellation on redemption in full**

All Notes redeemed in full will be cancelled upon redemption. Notes cancelled upon redemption in full may not be resold or reissued.

## **9. TAXATION**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imports, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, subject to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

## **10. PRESCRIPTION**

Claims in respect of principal and interest on the Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this Condition 10, the **Relevant Date**, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

## **11. EVENTS OF DEFAULT**

### **11.1 Notes**

The Note Trustee at its absolute discretion may, and if so directed in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class then outstanding or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding shall, (subject to being indemnified and/or pre-funded and/or secured to its satisfaction as more particularly described in the Trust Deed) serve a notice (an

**Enforcement Notice**) on the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued (but unpaid) interest as provided in the Trust Deed (with a copy of such Enforcement Notice being sent simultaneously to the Security Trustee, Servicer Administrator, the Issuer Account Bank, the Servicer and the Cash Manager), if any of the following events (each, an **Event of Default**) occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Most Senior Class and the default continues for a period of (i) seven Business Days in the case of principal, or (ii) 14 Business Days in the case of interest; or
- (b) if default is made in the payment of interest or principal on any Class of Notes or in the payment of any amounts due in respect of the Certificates on the Final Redemption Date (or any other date on which the Notes are due to be redeemed in full); or
- (c) if the Issuer fails to perform or observe any of its other obligations under these Conditions, the Certificate Conditions or any Transaction Document to which it is a party which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the failure continues for a period of 30 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (d) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (e) if any order is made by any competent court or any resolution is passed for the winding-up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Most Senior Class and the Class Y Certificateholders; or
- (f) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Most Senior Class, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or (iii) is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or
- (g) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with the court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or

assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the Issuer, is not discharged within 30 days; or

- (h) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

## **11.2 General**

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Condition 11.1 (*Notes*), all the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued interest as provided in the Trust Deed.

## **12. ENFORCEMENT**

### **12.1 General**

The Note Trustee may, at any time, at its discretion and without notice, take (or direct the Security Trustee to take) such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Certificates or the Trust Deed (including these Conditions or the Certificate Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

- (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding or directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class then outstanding; and
- (b) in all cases, it shall have been indemnified and/or pre-funded and/or secured to its satisfaction.

### **12.2 Preservation of Assets**

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a pro rata and *pari passu* basis of all amounts owing to the holders of the Notes and the Certificates (and all persons ranking in priority to the holders of the Notes and the Certificates), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee at the expense of the Issuer for the purpose of giving such advice), that the cashflow

prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and the Certificateholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to in this Condition 12.2 without enquiry and shall incur no liability to any person for so doing.

### **12.3 Limitations on Enforcement**

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the Conditions or any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless (i) the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a 60-day period and such failure shall be continuing or (ii) the Note Trustee or, as the case may be, the Security Trustee is unable to do so and such inability is continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer. Any proceeds received by a Noteholder pursuant to any such proceedings shall be paid to the Note Trustee promptly following receipt thereof for application pursuant to the applicable Priority of Payment.

### **12.4 Limited Recourse**

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertakings of the Issuer which are the subject of any security created under and pursuant to the Deed of Charge (the **Charged Assets**). If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes,

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain due or to be paid in respect of the Notes (including, for the avoidance of doubt, payments of principal, premium (if any) or interest in respect of the Notes) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Notes and any further payment rights shall be extinguished.

## **13. MEETINGS OF NOTEHOLDERS AND CERTIFICATEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

### 13.1 General

- (a) The Trust Deed contains provisions for convening meetings of the Noteholders and/or Certificateholders of each Class and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents.
- (b) The Trust Deed also provides that, notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made):
- (i) which the Note Trustee determines in its discretion constitutes a Basic Terms Modification in respect of the Class Y Certificates or which:
- (A) changes the Class Y Certificateholders' rights under the Servicing and Legal Title Holder Deeds;
- (B) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll;
- (C) changes the definition of "Class Y Certificates Entrenched Rights"; or
- (D) is adverse to the Class Y Certificates (and whether or not the interests of that Class Y Certificateholder align with the interests of the holders of the relevant Class or Classes of Notes and/or Certificates)
- (paragraphs (A) to (D) above being the **Class Y Certificates Entrenched Rights**), unless each of the Class Y Certificateholders have consented in writing to such modification or waiver;
- (ii) which the Note Trustee determines in its discretion affects a Class X Certificates Entrenched Right, being a modification or waiver which changes:
- (A) the date of payment of amounts due in respect of the Class X Certificates;
- (B) the method of calculating the amounts payable in respect of the Class X Certificates;
- (C) the priority of payments of amounts in respect of the Class X Certificates; or
- (D) the definition of "Class X Certificates Entrenched Rights",
- (paragraphs (A) to (D) above being the **Class X Certificates Entrenched Rights**, unless the Class X Certificateholders have consented in writing to such modification or waiver;
- (iii) which is in the opinion of the Retention Holder adverse to the holder of the Retained Interest where a corresponding modification or waiver is not made which affects all Noteholders of the relevant Class (the **Retained Interest Entrenched Rights**), unless the Retention Holder has consented in writing to such modification or waiver.
- (c) For the purposes of these Conditions, **Most Senior Class** means:

- (i) the Class A Notes, or if there are no Class A Notes then outstanding,
- (ii) the Class Z Notes or, if there are no Class A Notes or Class Z Notes then outstanding,
- (iii) the Class R Notes or, if there are no Class A Notes, Class Z Notes or Class R Notes then outstanding,
- (iv) the Class Y Certificates, (the Class X Certificates shall not at any time constitute the Most Senior Class).

### **13.2 Most Senior Class, Limitations on powers of other Noteholders**

- (a) Other than in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of the holders of each affected Class of Notes and/or Certificates (other than the Class X Certificates unless the matter is also a Class X Certificates Entrenched Right) then outstanding or in issue, as applicable (unless the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the holders of the relevant affected Class or Classes of Notes and/or Certificates, as applicable) and other than where an Extraordinary Resolution is required under Condition 13.6 or the consent of the Retention Holder, the Class Y Certificateholders or the Class X Certificateholders is required (as described below):
  - (i) an Extraordinary Resolution of the holders of the Most Senior Class shall be binding on such Noteholders and/or Certificateholders and all other Classes of Noteholders and Certificateholders irrespective of the effect it has upon them;
  - (ii) an Extraordinary Resolution of a Class of Noteholders or Certificateholders (other than the Most Senior Class) shall be binding on such Class of Noteholders or Certificateholders ranking junior to such Class of Noteholders or Certificateholders in the Post-Enforcement Priority of Payments, irrespective of the effect it has upon them;
  - (iii) no Extraordinary Resolution of any Class of Noteholders or Certificateholders shall take effect for any purpose unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class;
  - (iv) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Class Y Certificateholders other than any resolution in respect of Class Y Certificates Entrenched Rights which shall only be binding on the Class Y Certificateholders if the relevant Class Y Certificateholders have consented in writing to such modification or waiver;
  - (v) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Class X Certificateholders other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholders if the Class X Certificateholders have consented in writing to such modification or waiver; and
  - (vi) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented in writing to such modification or waiver.

- (b) No Extraordinary Resolution of the holders of a Class of Notes and/or a Class of Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Class of Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of each affected Class of Certificates then in issue which are affected by such Basic Terms Modification (other than the Class X Certificateholders unless the matter is also a Class X Certificates Entrenched Right).
- (c) No Ordinary Resolution that is passed by the holders of the Notes shall take effect for any purpose while any of the Notes remain outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.
- (d) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Class Y Certificateholders other than any resolution in respect of Class Y Certificates Entrenched Rights which shall only be binding on the Class Y Certificateholders if the relevant Class Y Certificateholders have consented in writing to such modification or waiver.
- (e) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Class X Certificateholders other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholders if the Class X Certificateholders have consented in writing to such modification or waiver.
- (f) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented in writing to such modification or waiver.
- (g) In respect of the Class A Notes, subject to as provided in Condition 13.2(a) and 13.3 (*Quorum*), a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:
  - (i) the Class A1 Notes and the Class A2 Notes, but does not give rise to a conflict of interest between the holders of such Class A1 Notes and Class A2 Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of the Class A1 Notes and Class A2 Notes; and
  - (ii) the Class A1 Notes and the Class A2 Notes and gives or may give rise to a conflict of interest between the holders of such Class A1 Notes and Class A2 Notes, shall be deemed to have been duly passed only if it shall be duly passed at a separate meeting of the holders of the Class A1 Notes and the Class A2 Notes.

Notwithstanding the foregoing, any Extraordinary Resolution of the Class A Noteholders to direct the Note Trustee to give an Enforcement Notice pursuant to Condition 11 (*Events of Default*) shall only be capable of being passed at a single meeting of the Class A Noteholders.

### **13.3 Quorum**

- (a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes or Certificateholders of any Class or Classes of Certificates for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable. Subject to Condition 13.2(g) (*Most*

*Senior Class, Limitations on powers of other Noteholders*), the Class A1 Notes and the Class A2 Notes shall constitute a single Class of Notes.

- (b) Subject as provided below, the quorum at any meeting of Noteholders and/or Certificateholders of any Class of any Notes or Certificates for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes and/or Certificates then outstanding or in issue, as applicable.
- (c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class of Notes or holders of any Class of Certificates for passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of any Class of the Notes or Certificates, (ii) sanction a modification of the date of payment of principal or interest or amounts due in respect of any Class of the Notes or Certificates, (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of any Class of the Notes or, where applicable, of the method of calculating the amount of any principal or interest payable in respect of any Class of the Notes, or of the method of calculating the amounts payable in respect of any Class of the Certificates, (iv) alter the currency in which payments under any Class of the Notes or Class of the Certificates are to be made, (v) alter the quorum or majority required in relation to a resolution or a meeting of holders of any Class of the Notes or Class of the Certificates, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of the Notes or Class of the Certificates, (vii) alter the priority of payment of interest or principal in respect of any Class of the Notes or amounts in respect of any Class of Certificates and (viii) change the definition of a Basic Terms Modification **provided that** neither (A) any amendment made in accordance with Condition 13.6 or Certificate Condition 12.7 nor (B) any issuance of Further Class A2 Notes (or amendments to these Conditions or the Transaction Documents required by such issuance) shall constitute a Basic Terms Modification, (each a **Basic Terms Modification**), shall be one or more persons holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable. For the avoidance of doubt, a proposal to sanction a reduction in the principal amounts due on a Class of Notes and/or any Class X Certificate Payments and/or the Class Y Certificate Payment shall require the sanction of the holders of the relevant Class of Notes or Class of Certificates to be so reduced, and shall not require the consent of other Classes of Notes or Class of Certificates.
- (d) The quorum at any adjourned meeting will be:
  - (i) for an Ordinary Resolution, one or more persons present and holding or representing not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable;
  - (ii) subject as provided below, for an Extraordinary Resolution, one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable; and
  - (iii) for an Extraordinary Resolution to sanction a Basic Terms Modification, one or more persons present and holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable.



- (e) The terms of the Trust Deed and the Deed of Charge provide for the Noteholders to give directions in writing to the Note Trustee upon which the Note Trustee is bound to act.
- 13.4 The Note Trustee may at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree (and direct the Security Trustee to agree) with the Issuer and any other parties in making or sanctioning any modification (other than in respect of a Basic Terms Modification, a Class Y Certificates Entrenched Right, a Class X Certificates Entrenched Right or a Retained Interest Entrenched Right):
- (a) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Noteholders of any Class or the interests of the Certificateholders of any Class; or
- (b) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee, such modification is of a formal, minor or technical nature or to correct a manifest error.
- 13.5 The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach or Event of Default, from time to time and at any time, but only if and in so far as in the sole opinion of the Note Trustee (acting in accordance with the Trust Deed) the interests of the Noteholders of any Class or the Certificateholders of any Class will not be materially prejudiced thereby, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any of the Transaction Documents by any party thereto or determine that any Event of Default shall not be treated as such, provided that the Note Trustee shall not exercise any powers conferred on it by this Condition 13.5 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Condition 11 (*Events of Default*) but so that no such direction shall affect any waiver, authorisation or determination previously given or made.
- 13.6 The Note Trustee with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) shall, without the consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Creditors, concur (and direct the Security Trustee to concur) with the Issuer in making any modifications (other than in respect of a Basic Terms Modification, a Class Y Certificates Entrenched Right, a Class X Certificates Entrenched Right or a Retained Interest Entrenched Right) to the Transaction Documents and/or the Conditions of the Notes and/or the Certificate Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer (or, where applicable, any other transaction parties) to:
- (a) (i) comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted

from time to time after the Closing Date; or (ii) comply with any changes in the requirements of the U.S. Credit Risk Retention Requirements, including as a result of any other U.S. risk retention legislation, regulations or official guidance in relation thereto, in each case applying in respect of the Transaction;

- (b) enable the Notes to be (or to remain) listed and admitted to trading on Euronext Dublin;
- (c) enable the Issuer or any of the other transaction parties to comply with FATCA;
- (d) comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto;
- (e) change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner), (any such rate, which may include an alternative screen rate, an **Alternative Base Rate**) and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer (or the Seller on its behalf) to facilitate such change (a **Base Rate Modification**), provided that the Issuer (or the Seller on its behalf) provides a certificate to the Paying Agents, the Registrar, the Agent Bank, the Note Trustee and the Security Trustee certifying (such certificate, a **Base Rate Modification Certificate**) that:
  - (i) such Base Rate Modification is being undertaken due to:
    - (A) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
    - (B) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;
    - (C) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);
    - (D) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);
    - (E) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
    - (F) a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or
    - (G) the reasonable expectation of the Issuer that any of the events specified in paragraphs ((A)) to ((F)) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

- (ii) such Alternative Base Rate is:
  - (A) a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
  - (B) a base rate utilised in a material number of publicly listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification; or
  - (C) such other base rate as the Issuer reasonably determines (to preserve, so far as reasonably and commercially practicable, what would have been the expected Floating Rate of Interest applicable to the Class A Notes) or which is proposed by any holder of the Most Senior Class then outstanding or the Class Y Certificates then in issue.

The Paying Agents, the Registrar, the Agent Bank, the Note Trustee and the Security Trustee shall be entitled to rely on a Base Rate Modification Certificate absolutely without liability and enquiry.

For the avoidance of doubt, the Issuer (or the Seller on its behalf) may propose an Alternative Base Rate on more than one occasion, provided that the conditions set out in this paragraph (e) are satisfied;

- (f) facilitate the issue of Further Class A2 Notes pursuant to Condition 18 (*Further Class A2 Notes Issue*);
- (g) enter into any new and/or amended collection account agreement or deed in connection with the transfer of legal title from the Interim Legal Title Holder to the Long Term Legal Title Holder;
- (h) enter into the Farringdon Vendor Mortgage Sale Agreement, the Mortgage Sale Agreement (Farringdon), the Migration Deed and/or the Interim Servicing and Legal Title Holder Deed, in such form approved by the Committee on or after the Closing Date;
- (i) effect the appointment of a Successor Servicer (including, but not limited to, the Issuer entering into any new and/or amended servicing agreement and/or collection account declaration of trust) provided that the conditions to the appointment of that Successor Servicer set out in the Servicing and Legal Title Holder Deed and Legal Title Holder Deed are satisfied,

(each a **Proposed Amendment**) and subject to:

- (j) receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely absolutely without liability or enquiry) issued by the Issuer signed by two directors of the Issuer (or the Seller on its behalf, signed by two directors of the Seller) certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect, and in the case of a Proposed Amendment under paragraph (a) above shall include a memorandum addressed to the Note Trustee and

the Security Trustee for the benefit of Noteholders, by a reputable law firm confirming that the Proposed Amendment seeks to address the non-compliance set out in paragraph (a) above and each of the Note Trustee and the Security Trustee shall be entitled to rely on such certificate and memorandum absolutely without enquiry or liability;

- (k) the Issuer (or the Seller on its behalf) certifying in writing to the Note Trustee and the Security Trustee (upon which certificate the Note Trustee and the Security Trustee may rely absolutely and without liability or enquiry) that:
- (i) the Issuer has provided at least 30 calendar days' notice to the Noteholders and Certificateholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes and Certificates; and
  - (ii) Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding or the Class Y Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or the Class Y Certificates may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding or the Class Y Certificates then in issue have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes or Class Y Certificates may be held within the notification period referred to above that they object to the proposed modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class then outstanding and/or of the Class Y Certificates then in issue, as applicable, is passed in favour of such modification in accordance with the Trust Deed.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes or Certificateholder's holding of the Class Y Certificates.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Condition 13.6 which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

- (A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or
- (B) increasing the obligations or duties, or decreasing the protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents and/or the Conditions.

Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any Proposed Amendment pursuant to this Condition 13.6, the Note Trustee shall not consider the interests of the Noteholders, the

Certificateholders or any other Secured Creditor (other than itself (and the Security Trustee) as provided above) or any other person and each of the Note Trustee and the Security Trustee and shall be entitled to rely, without investigation, on any certificate or legal memorandum provided to it by the Issuer pursuant to this Condition 13.6 as evidence that the Proposed Amendments are made solely for the purpose of enabling the Issuer to satisfy any such obligation applicable to it, and have been drafted solely to such effect and shall not be liable to any Noteholder, Certificateholder or other Secured Creditor for so acting or relying irrespective of whether any such modification is or may be materially prejudicial to the interests of the Noteholders of any Class, the Certificateholders of any Class or any other Secured Creditor or any other person.

Only modifications which comply with this Condition 13.6 may be made pursuant to this Condition 13.6. Any other modifications may only be made pursuant to Condition 13.4 or Condition 13.8 and Clause 25 and Schedule 7 of the Trust Deed.

- 13.7 Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with these Conditions, Certificate Conditions or Transaction Documents shall be binding on the Noteholders and, unless the Note Trustee, or as the case may be, the Security Trustee (as directed by the Note Trustee) agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16 (*Notice to Noteholders*).
- 13.8 In connection with any such substitution of principal debtor referred to in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) or Condition 13.16 (*Issuer Substitution Condition*), the Note Trustee may agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors, to a change of the laws governing the Notes, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders of any Class or the Certificateholders of any Class
- 13.9 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee (acting on the instructions of the Note Trustee) is required to have regard to the interests of the Noteholders of any Class or Certificateholders of any Class or Classes, it shall (a) have regard (except as expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) to the general interests of the Noteholders or Certificateholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholder or Certificateholder be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Certificateholders and (b) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes and Class of Certificates (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more

Classes of Notes and/or Class of Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class X Certificates, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Class X Certificates Entrenched Rights).

13.10 **Ordinary Resolution** means in respect of the holders of any Class of Notes and/or Certificates:

- (a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and the Certificate Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates held by such Eligible Persons);
- (b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders holding a clear majority of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant class of Noteholders and/or Certificateholders of the relevant Class; or
- (c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes or Certificates.

13.11 **Extraordinary Resolution** means in respect of the holders of any Class of Notes and/or Certificates:

- (a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and the Conditions by at least 75 per cent. of Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates held by such Eligible Persons);
- (b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders of at least 75 per cent. in aggregate Principal Amount Outstanding of the Notes and/or Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant class of Noteholders and/or Certificateholders of the relevant Class; or
- (c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding of at least 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates.

13.12 **Eligible Person** means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a bearer of any Voting Certificate; and

- (b) a proxy specified in any Block Voting Instruction.
- 13.13 **Voting Certificate** means an English language certificate issued by a Paying Agent in which it is stated:
  - (a) that on the date thereof the Notes and/or Certificates (not being the Notes and/or Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes and/or Certificates will cease to be so blocked until the first to occur of:
    - (i) the conclusion of the meeting specified in such Voting Certificate; and
    - (ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and
  - (b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Certificates represented by such Voting Certificate.
- 13.14 **Block Voting Instruction** means an English language document issued by a Paying Agent in which:
  - (a) it is certified that on the date thereof Notes and/or Certificates (not being Notes and/or Certificates (as applicable) in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes and/or such Certificates will cease to be so blocked until the first to occur of:
    - (i) the conclusion of the meeting specified in such Block Voting Instruction; and
    - (ii) the Notes and/or the Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;
  - (b) it is certified that each holder of such Notes and/or such Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes and/or the Certificates so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion thereof, neither revocable nor capable of amendment;
  - (c) the aggregate principal amount or aggregate total amount of the Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
  - (d) one or more persons named in such Block Voting Instruction (each hereinafter called a **proxy**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates so listed in accordance with the instructions referred to in paragraph (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy;

- (i) whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting; and
- (ii) who was originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the meeting when it is resumed.

13.15 The Certificates will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, and the provisions concerning the giving of directions in writing to the Note Trustee or the Security Trustee, set out in the Conditions, the Certificate Conditions, the Deed of Charge and the Trust Deed any reference to the Principal Amount Outstanding of the Class X1 Certificates, the Class X2 Certificates and the Class Y Certificates shall be deemed to be £10,000,000 in respect of each Class of Certificate.

#### 13.16 **Issuer Substitution Condition**

The Note Trustee may agree, subject to such amendment of these Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Certificates and any other Transaction Document and in respect of the other secured obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Notes are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Condition 5 (*Covenants and Undertakings*). In the case of a substitution pursuant to this Condition 13.16, the Note Trustee may in its absolute discretion agree, without the consent of the Noteholders, to a change in law governing the Notes, the Certificates and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders of any Class and the Certificateholders of any Class.

### 14. **INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or pre-funded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

### 15. **REPLACEMENT OF NOTES**



If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange requirements. Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a new one will be issued.

## **16. NOTICE TO NOTEHOLDERS**

### **16.1 Publication of Notice**

- (a) Subject to paragraph (d) below, any notice to Noteholders shall be validly given if published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders (in each case a **Relevant Screen**), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen) publication is required.
- (b) In respect of the Notes in definitive form, notices to Noteholders will be sent to them by (i) email; or (ii) first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any notice sent by email shall be deemed to have been given at the time of dispatch provided that in the case of a notice given by email a confirmation of receipt is received by the sending party and any such notice given by post will be deemed to have been given on the fourth day after the date of posting.
- (c) While the Notes are represented by Global Note, notices to Noteholders will be valid if published as described above or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day such notice is sent to Euroclear and/or Clearstream, Luxembourg.
- (d) So long as the relevant Notes are admitted to trading on, and listed on the official list of, Euronext Dublin all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

### **16.2 Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities and/or quotation systems on or by which the Notes are then listed, quoted and/or traded and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

## **17. SUBORDINATION BY DEFERRAL**

The Issuer shall not be entitled to defer amounts of interest payable in respect of the Notes.

## 18. FURTHER CLASS A2 NOTES ISSUE

18.1 The Issuer will, upon the direction of the Portfolio Option Holder and with the written consent of the Retention Holder (but without the consent of any other Noteholders or Certificateholders) create and issue further Class A2 Notes (the **Further Class A2 Notes**, which are intended to be fungible with the Class A2 Notes that were issued on the Closing Date (such Class A2 Notes being the **Initial Class A2 Notes**) and any other Further Class A2 Notes issued following the Closing Date, in order to redeem the Class A1 Notes (in full or in part). The Further Class A2 Notes will be issued on an Interest Payment Date and will carry the same terms and conditions in all respects (or in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue) as the Initial Class A2 Notes, so that the same shall be consolidated and form a single Class A2 Notes with the Initial Class A2 Notes and rank *pari passu* with the Initial Class A2 Notes provided that:

- (a) the Class A1 Noteholders and the Retention Holder have been notified (via written notice in the form scheduled to the Trust Deed, such notice a **Further Class A2 Note Issue Request** and in accordance with Condition 16 (*Notice to Noteholders*)) by the Issuer of the proposed issuance at least 30 calendar days in advance of the relevant Interest Payment Date (or such shorter time period as the Issuer, the Class A1 Noteholders, the Portfolio Option Holder and the Retention Holder may agree) of the proposed issuance (including the proposed aggregate principal amounts of such Further Class A2 Notes and the proposed issuance date, which shall be an Interest Payment Date) and the Retention Holder has provided its written consent within ten Business Days of such notification (and such consent will be deemed to have been given if the Retention Holder fails to reply within such ten Business Day period);
- (b) the amount of issuance proceeds received by the Issuer in connection with the issue of the Further Class A2 Notes is an amount equal to or greater than the Principal Amount Outstanding of the Further Class A2 Notes issued;
- (c) in the event that the aggregate principal amount of such Further Class A2 Notes will be less than the aggregate principal amount of the Class A1 Notes (as at the date the Further Class A2 Notes are to be issued), the portion of the Class A1 Notes remaining after redemption must not be less than the minimum denomination of the Class A2 Notes, being £100,000;
- (d) the Par Proceeds of the Further Class A2 Notes shall be used solely to redeem the Class A1 Notes (in full or in part) on the Interest Payment Date on which the Further Class A2 Notes are issued. On the Interest Payment Date that the Further Class A2 Notes are issued, the Priority of Payments shall be run, and, following the application of the Priority of Payments, the Par Proceeds will be applied in or towards the redemption of the Class A1 Notes;
- (e) the Issuer will have sufficient funds available to it to cover the costs and expenses of issuing the Further Class A2 Notes (or such costs and expenses will be paid on its behalf) and will prepare a listing document and application will be made by the Issuer, in respect of the Further Class A2 Notes, for such Further Class A2 Notes to be listed on Euronext Dublin to be traded on its Regulated Market or, if the Initial Class A2 Notes are no longer listed on that exchange, such exchange, if any, on which the Initial Class A2 Notes are then listed or admitted to trading on, such conditions to be certified by the Issuer in the Further Class A2 Note Issue Request; and

- (f) the Retention Holder will hold no less than 5 per cent. of the Class A Notes (including any Further Class A2 Notes at any time).

**Par Proceeds** means, in respect of each issue of Further Class A2 Notes, an amount equal to the Principal Amount Outstanding of the Further Class A2 Notes issued.

- 18.2 The Issuer shall give notice to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) that the conditions described in this Condition 18 have been or will be met on the date of issue of such Further Class A2 Notes.
- 18.3 If any such Further Class A2 Notes are issued, the Issuer will advise the Central Bank of Ireland and Euronext accordingly, and will procure the publication of a notice of such issue in accordance with Condition 16 (*Notice to Noteholders*).
- 18.4 Any such Further Class A2 Notes will be constituted by a further deed supplemental to the Trust Deed and have the benefit of the security constituted by the Deed of Charge.
- 18.5 Any of the Transaction Documents, these Conditions or the Certificate Conditions may, without the consent of Noteholders or Certificateholders, be amended (other than a Basic Terms Modification) as provided in Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*) or otherwise, and further Transaction Documents may be entered into without the consent of Noteholders or Certificateholders, in connection with such Further Class A2 Notes.
- 18.6 To the extent that, upon the issuance of the Further Class A2 Notes, the Principal Amount Outstanding of the Class A1 Notes is reduced to zero, the provisions in these Conditions relating to the Class A1 Notes shall be deemed to be deleted provided that, for the avoidance of doubt, any instructions or direction validly given by the Class A1 Noteholders prior to such redemption shall continue to be valid (if applicable).
- 18.7 The Issuer shall pay the arranger(s) and/or manager(s) in respect of any Further Class A2 Notes issued pursuant to this Condition 18 a commission out of any issuance proceeds that are in excess of the Par Proceeds, as directed by the Portfolio Option Holder and the Retention Holder.

## **19. JURISDICTION AND GOVERNING LAW**

- 19.1 Unless specifically stated to the contrary, the Courts of England (the Courts) are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Certificates and/or the Transaction Documents may be brought in such Courts.
- 19.2 The Transaction Documents, the Notes, the Certificates and these Conditions (and any non-contractual obligations arising out of or in connection with them) are, unless specifically stated to the contrary, governed by, and shall be construed in accordance with, English law.

## **20. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following are the terms and conditions of the Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).*

### 1. GENERAL

The Class X1 Certificates (the **Class X1 Certificates**), the Class X2 Certificates (the **Class X2 Certificates**), and together with the Class X1 Certificates, the **Class X Certificates** and the Class Y Certificates (the **Class Y Certificates** and together with the Class X Certificates, the **Certificates**) of Arima Mortgages PLC (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) entered into on 17 October 2023 (the **Closing Date**) and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Noteholders (in such capacity, the **Note Trustee**) for the registered holders for the time being of the Certificates (the **Certificateholders**). Any reference in these certificates terms and conditions (the **Certificate Conditions**) to a **Class** of Notes or of Noteholders shall be a reference to the Class A1 Notes and the Class A2 Notes, together the **Class A Notes**, the Class Z Notes or the Class R Notes, as the case may be, or to the respective holders thereof. Any reference in these Conditions to the **Noteholders** means the registered holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes. Any reference in these Certificate Conditions to a **Class** of the Class X Certificates or the Class Y Certificates or the Class X Certificateholders or the Class Y Certificateholders shall be a reference to the Class X Certificates or to the holders thereof or the Class Y Certificates or the holders thereof. Any reference to **Notes** shall be a reference to the Class A Notes, Class Z Notes and the Class R Notes. The security for the Certificates is constituted by a deed of charge and assignment (the **Deed of Charge**) entered into on the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Secured Creditors (in such capacity, the **Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) entered into on the Closing Date in connection with the issuance of the Notes and made between, among others, the Issuer, the Note Trustee, Elavon Financial Services DAC, UK Branch as principal paying agent (in such capacity, the **Principal Paying Agent** and, together with any further or other paying agent appointed under the Agency Agreement, the **Paying Agent**), Elavon Financial Services DAC, UK Branch as registrar (in such capacity, the **Registrar**) and Elavon Financial Services DAC, UK Branch as agent bank (in such capacity, the **Agent Bank**), provision is made for, inter alia, the payment of amounts in respect of the Certificates.

The statements in these Certificate Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the **Master Definitions and Construction Schedule**) entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date in connection with the issuance of the Notes and the other Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of the Paying Agent. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

### 2. INTERPRETATION

#### 2.1 Definitions

Capitalised terms not otherwise defined in these Certificate Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

## 2.2 Interpretation

These Certificate Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

## 3. FORM, DENOMINATION AND TITLE

### 3.1 Form and Denomination

- (a) Each Certificate will initially be represented by a global certificate in registered form (a **Global Certificate**).
- (b) For so long as any of the Certificates are represented by a Global Certificate, transfers and exchanges of beneficial interests in such Global Certificate and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), as appropriate. The Global Certificate will be deposited with and registered in the name of a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg.
- (c) A Global Certificate will be exchanged for the relevant Certificate in definitive registered form (such exchanged Global Certificate in definitive registered form, the **Definitive Certificates**) only if either of the following applies:
  - (i) both Euroclear and Clearstream, Luxembourg:
    - (A) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or
    - (B) announce an intention permanently to cease business or to cease to make their book-entry systems available for settlement of beneficial interests in the Global Certificate and do in fact do either of those things,and in either case no alternative clearing system satisfactory to the Note Trustee is available; or
  - (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which become effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Certificates which would not be required were the relevant Certificates in definitive registered form.
- (d) If Definitive Certificates are issued in respect of Certificates originally represented by a Global Certificate, the beneficial interests represented by such Global Certificate shall be exchanged by the Issuer for the relevant Certificates in registered definitive form.
- (e) Definitive Certificates will be serially numbered and will be issued in registered form only.

- (f) References to **Certificates** in these Certificate Conditions shall include the Global Certificate and the Definitive Certificates.
- (g) The Class Y Certificates are divisible by 10,000,000 and can be transferred in integrals of 1.
- (h) The Class X1 Certificates are divisible by 10,000,000 and can be transferred in integrals of 1.
- (i) The Class X2 Certificates are divisible by 10,000,000 and can be transferred in integrals of 1.

### **3.2 Title**

- (a) Title to the Global Certificate shall pass by and upon registration in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Certificate may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Certificate regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).
- (b) Title to Definitive Certificates shall only pass by and upon registration of the transfer in the Register.
- (c) Definitive Certificates may be transferred upon the surrender of the relevant Definitive Certificate, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. All transfers of Definitive Certificates are subject to any restrictions on transfer set out on the Definitive Certificates and the detailed regulations concerning transfers in the Agency Agreement.
- (d) Each new Definitive Certificate to be issued upon transfer of such Definitive Certificate will, within five Business Days of receipt and surrender of such Definitive Certificate (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Definitive Certificate to such address as may be specified in the relevant form of transfer.
- (e) Registration of a Definitive Certificate on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

## **4. STATUS AND SECURITY**

### **4.1 Status of the Certificates**

- (a) The Certificates constitute direct, secured and (subject to the limited recourse provision in Certificate Condition 11.4 (*Limited Recourse*)) unconditional obligations of the Issuer).
- (b) The Class X1 Certificate Payments and the Class X2 Certificate Payments rank pro rata and *pari passu* with the payment of interest on the Class A Notes as provided in these Certificate Conditions and the Transaction Documents.
- (c) The Class Y Certificate Payment ranks pro rata and *pari passu* without preference or priority among themselves in relation to payment of the Class Y Certificate Payments at all times, but subordinate to items (a) to (h) of the Pre-Enforcement Revenue Priority of Payments and

subordinate to items (a) to (g) of the Post-Enforcement Priority of Payments, as provided in these Certificate Conditions and the Transaction Documents.

- (d) The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of the holders of each Class of Notes and each Class of Certificates equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Notes and/or Classes of Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes and/or Certificates in the Post-Enforcement Priority of Payments (other than in respect of the Class X Certificates, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only to the Class X Certificates Entrenched Rights).
- (e) The Trust Deed and the Deed of Charge also contain provisions limiting the powers of any Class of Noteholders or Class of Certificateholders to pass an effective Extraordinary Resolution (and at all times to have regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) according to the effect thereof on the interests of the holders of the Class or Classes of Notes and/or Certificates ranking in priority thereto. Except in certain circumstances described in Certificate Condition 12 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*), the Trust Deed and the Deed of Charge contain no such limitation on the powers of the holders of the Most Senior Class, the exercise of which will be binding (save in respect of a Basic Terms Modification, the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) on the holders of all other Classes of Notes and all other Classes of Certificates, in each case irrespective of the effect thereof on their respective interests.
- (f) Subject to the Retained Interest Entrenched Right, the Retention Holder will not be entitled to convene, count in the quorum or pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) in respect of any Notes or Certificates comprising the Retained Interest. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Retention Holder (other than any resolutions in respect of a Retained Interest Entrenched Right unless the Retention Holder has consented) if passed in accordance with the Conditions.
- (g) The Class X Certificateholders shall only be entitled to convene meetings of the Class X Certificateholders and/or pass resolutions in respect of the Class X Certificates in relation to matters affecting a Class X Certificates Entrenched Right. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class X Certificateholders (other than in respect of a Class X Certificates Entrenched Right unless the Class X Certificateholders have consented) if passed in accordance with the Conditions.
- (h) Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class Y Certificateholders (save in respect of a Basic Terms Modification and any resolution which affects a Class Y Certificates Entrenched Right) if passed in accordance with the Conditions.

As long as any Notes or Certificates are outstanding but subject to Certificate Condition 12.5, the Note Trustee and the Security Trustee shall not have regard to the interests of the other Secured Creditors.

## **4.2 Security**

- (a) The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Noteholders, Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.
- (b) The Noteholders, the Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

## 5. COVENANTS AND UNDERTAKINGS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of these Certificate Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Certificate remains outstanding:

- (a) **Negative pledge:** create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertakings;
- (b) **Restrictions on activities:** (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;
- (c) **Corporation tax:** prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations;
- (d) **Disposal of assets:** assign, transfer, sell, lend, lease, part with or otherwise dispose of, declare any trust over or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;
- (e) **Equitable and beneficial interest:** permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (f) **Dividends or distributions by the Issuer:** pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;
- (g) **Indebtedness:** incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person; (excluding, for the purposes of this covenant, the issuance of any Further Class A2 Notes in accordance with the Conditions)
- (h) **Merger:** consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;
- (i) **No modification or waiver:** permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated,



postponed or waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

- (j) **Bank accounts:** have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (k) **Purchase Notes or Certificates:** purchase or otherwise acquire any Notes or Certificates;
- (l) **U.S. activities:** engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles; or
- (m) **VAT:** apply to become part of any group with any other company or group of companies for the purposes of Sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931), or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

## 6. CERTIFICATE PAYMENTS

### 6.1 Right to Certificate Payments

Each Certificate represents a pro rata entitlement of the Certificateholder to receive the relevant Certificate Payments by way of deferred consideration for the purchase by the Issuer of the Portfolio on the Closing Date.

A Certificate Payment shall be payable in respect of the Certificates on each Interest Payment Date.

**Affiliate** means, in relation to any person (i) a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company; or (ii) any other person that controls, is controlled by, or is under common control with such person.

**Certificate Payment** means the Class X Certificate Payments and the Class Y Certificate Payment as applicable.

**Certificate Payment Amount** means, for a Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Certificate Payment for that date, divided by the number of Certificates of that Class then in issue.

**Class X Certificate Payments** means the Class X1 Certificate Payment and/or the Class X2 Certificate Payment (as applicable).

**Class X1 Certificate Payment** means, on any date of determination:

- (i) prior to the First Optional Redemption Date and delivery of an Enforcement Notice and in respect of each Interest Payment Date, an amount equal to:

$$\frac{A \times B \times C}{D}$$

where:

**A** = 0.0009

**B** = the aggregate Current Balance of the Loans calculated as of the Calculation Date immediately preceding the relevant Interest Payment Date

**C** = the number of days in the relevant Interest Period

**D** = 365

with the total figure rounded downwards to the nearest £0.01;

- (ii) following the First Optional Redemption Date but prior to delivery of an Enforcement Notice and in respect of each Interest Payment Date, zero; and
- (iii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, any Class X Certificate Payments calculated in accordance with paragraph (i) above which has accrued but is unpaid on the date of the Enforcement Notice.

**Class X2 Certificate Payment** means, on any date of determination:

- (i) prior to the First Optional Redemption Date and delivery of an Enforcement Notice and in respect of each Interest Payment Date, zero;
- (ii) following the First Optional Redemption Date but prior to delivery of an Enforcement Notice and in respect of each Interest Payment Date, an amount equal to:

$$\frac{A \times B \times C}{D}$$

where:

**A** = 0.0011

**B** = the aggregate Current Balance of the Loans calculated as of the Calculation Date immediately preceding the relevant Interest Payment Date

**C** = the number of days in the relevant Interest Period

**D** = 365,

with the total figure rounded downwards to the nearest £0.01; and

- (iii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, any Class X Certificate Payments calculated in accordance with paragraph (ii) above which has accrued but is unpaid on the date of the Enforcement Notice.

**Class Y Certificate Payment** means, on any date of determination:

- (i) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date from (and including) the Interest Payment Date falling in January 2024, the amount by which Available Revenue Receipts exceeds the amounts required to satisfy items (a) to (h) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and
- (ii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (a) to (g) of the Post-Enforcement Priority of Payments on that date.

**Holding Company** means, in relation to a person, any other person in respect of which it is a Subsidiary.

**in issue** means, in relation to the Certificates, all the Certificates issued from time to time other than:

- (i) those Certificates which have been cancelled in accordance with Certificate Condition 11.4 (*Limited Recourse*);
- (ii) those Certificates which have become void or in respect of which claims have become prescribed, in each case under Certificate Condition 9 (*Prescription*);
- (iii) those mutilated or defaced Certificates which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Certificate Condition 14 (*Replacement of Certificates*);
- (iv) any Global Certificate to the extent that it shall have been exchanged for another Global Certificate or for the Certificates in definitive form pursuant to the Certificate Conditions, provided that for each of the following purposes; namely:
  - (A) the right to attend and vote at any meeting of the Certificateholders, the passing of an Extraordinary Resolution in writing or an Ordinary Resolution in writing or an electronic consent through the relevant Clearing System(s) as envisaged by paragraph 1 (*Definitions*) of Schedule 5 (*Provisions for Meetings of Certificateholders and Consent of Noteholders*) to the Trust Deed and any direction or request by the Certificateholders;
  - (B) the determination of how many and which Certificates are for the time being outstanding for the purposes of Clause 14.1 (*Actions, Proceedings and Indemnification*) and Schedule 5 (*Form of the Global Certificate*) to the Trust Deed, Certificate Condition 10 (*Events of Default*) and Certificate Condition 11 (*Enforcement*);
  - (C) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Certificateholders; and
  - (D) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Certificateholders or any Class or Classes thereof,

those Certificates (if any) (i) comprising the Retained Interest which are for the time being held by or on behalf or for the benefit of the Retention Holder or any Affiliate thereof (each such entity above a **Relevant Person**) and (ii) any other Notes or Certificates for the time being held by or on behalf or for the benefit of a Relevant Person (unless such Relevant Person is separated by information barriers from the Retention Holder, Arranger or Lead Manager teams), shall, in each case, (unless and until ceasing to be so held) be deemed not to remain in issue, provided that where all of the Notes of any Class or all of the Certificates or any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case, such Classes of Notes or Certificates (the **Relevant Class of Notes** or the **Relevant Class of Certificates**, as applicable) shall be deemed to remain outstanding or in issue (as the case may be). The Retention Holder does not have voting or consent rights in relation to Notes and Certificates comprising the Retained Interest other than in respect of the Retained Interest Entrenched Rights.

**Interest Payment Date** means 28 January 2024 and thereafter the 28th day of April, July, October and January in each year or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

**Subsidiary** means any person (referred to as the **first person**) in respect of which another person (referred to as the **second person**):

- (i) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or
- (ii) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or
- (iii) has the right to exercise (directly or indirectly) a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or
- (iv) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or
- (v) has the power to exercise, or actually exercises (in either case, directly or indirectly) dominant influence or control over the first person; or
- (vi) together with the first person are managed on a unified basis,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any subsidiary undertaking the shares of which (if any) are subject to a security interest and where the legal title to the shares so secured are registered in the name of the secured party or its nominee pursuant to such security.

## **6.2 Determination of Certificate Payment**

The Cash Manager shall on each Calculation Date determine the Certificate Payments payable on the immediately following Interest Payment Date (if any) and the Certificate Payment Amounts payable in respect of each Class of Certificates on such Interest Payment Date.

## **6.3 Publication of Certificate Payment and Certificate Payment Amount**

The Cash Manager shall cause the Certificate Payments and Certificate Payment Amounts (if any) for each Class of Certificates for each Interest Payment Date to be notified to the Issuer, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to be published in accordance with Certificate Condition 15 (*Notice to Certificateholders*) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.

## **6.4 Notifications to be Final**

All notifications, opinions, determinations, Certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Certificate Condition 6 by the Cash Manager will (in the absence of manifest error) be binding on the Issuer, the Cash Manager, the Note Trustee, the Registrar, the Paying Agents and all Certificateholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Certificateholders shall attach to the Cash Manager in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Certificate Condition 6.

## **6.5 Termination of Certificate Payments**

When all Class X Certificate Payments and Class Y Certificate Payments (if any) (as set out in Certificate Condition 6.2 (*Determination of Certificate Payment*) and including any Deferred Class X Certificate Payments that may be due in respect of the Class X Certificates as a result of payment deferral in accordance with Certificate Condition 18 (*Subordination by Deferral*)) have been made, no further Certificate Payments will be made by the Issuer and the Certificates shall be cancelled.

## **6.6 Determination and Reconciliation**

Condition 6.8 (*Determinations and Reconciliation*) of the Notes shall have effect in relation to the Class Y Certificates as if set out in full herein.

## **7. PAYMENTS**

### **7.1 Payment of Certificate Payment Amounts**

Subject to Certificate Condition 3.1 (*Form and Denomination*), payments of Certificate Payment Amounts shall be made by:

- (a) (other than in the case of final cancellation) Sterling cheque; or
- (b) (other than in the case of final cancellation) upon application by the relevant Certificateholder to the specified office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London; and

- (c) (in the case of final cancellation) Sterling cheque upon surrender (or, in the case of part-payment only, endorsement) of the relevant Global Certificate or Definitive Certificate (as the case may be) at the specified office of any Paying Agent.

## **7.2 Laws and Regulations**

Payments of any Certificate Payment Amounts are subject, in all cases, to (a) any fiscal or other laws and regulations applicable thereto and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto (**FATCA**). Certificateholders will not be charged commissions or expenses on payments.

## **7.3 Change of Paying Agents**

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents, provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London, and a person appointed to perform the obligations of the Registrar with a specified office in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*).

## **7.4 No Payment on non-Business Day**

If the date for payment of any amount in respect of a Certificate is not a Presentation Date, Certificateholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to interest or other payment in respect of such delay. In this Certificate Condition 7.4, the expression **Presentation Date** means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

## **8. TAXATION**

All payments by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imports, duties, fees, deductions, withholding or charges of any nature whatsoever and wheresoever imposed (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Certificateholders in respect of such withholding or deduction.

## **9. PRESCRIPTION**

9.1 Claims in respect of Certificate Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

9.2 In this Certificate Condition 9, the Relevant Date, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has

not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*).

## 10. EVENTS OF DEFAULT

### 10.1 Certificates

The Note Trustee at its absolute discretion may, and, if so directed in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class then outstanding or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding shall (subject to being indemnified and/or pre-funded and/or secured to its satisfaction as more particularly described in the Trust Deed), serve a notice (an **Enforcement Notice**) on the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest as provided in the Trust Deed (with a copy of such Enforcement Notice being sent simultaneously to the Security Trustee, Servicer Administrator, the Issuer Account Bank, the Servicer and the Cash Manager) if any of the following events (each, an **Event of Default**) occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Most Senior Class and the default continues for a period of (i) seven Business Days in the case of principal, or (ii) 14 Business Days in the case of interest; or
- (b) if default is made in the payment of interest or principal on any Class of Notes or in the payment of any amounts due in respect of the Certificates on the Final Redemption Date (or any other date on which the Notes are due to be redeemed in full); or
- (c) if the Issuer fails to perform or observe any of its other obligations under the Conditions of the Notes, these Certificate Conditions or any Transaction Document to which it is a party which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the failure continues for a period of 30 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is aforementioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (d) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (e) if any order is made by any competent court or any resolution is passed for the winding-up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Most Senior Class and the Class Y Certificateholders; or

- (f) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Most Senior Class, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or (iii) is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or
- (g) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the Issuer, is not discharged within 30 days; or
- (h) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

## **10.2 General**

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Certificate Condition 10.1 (*Certificates*), the Payment for the relevant Class of Certificates pursuant to the Certificates shall thereby immediately become due and payable.

## **11. ENFORCEMENT**

### **11.1 General**

The Note Trustee may, at any time, at its discretion and without notice, take (or direct the Security Trustee to take) such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Certificates or the Trust Deed (including the Conditions of the Notes or the Certificate Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

- (a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding or directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class then outstanding; and



- (b) in all cases, it shall have been indemnified and/or pre-funded and/or secured to its satisfaction.

## 11.2 Preservation of Assets

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a pro rata and *pari passu* basis of all amounts owing to the holders of the Notes and the Certificates (and all persons ranking in priority to the holders of the Notes and the Certificates), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee at the expense of the Issuer for the purpose of giving such advice), that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and Certificateholders (and all persons ranking in priority to the Noteholders and Certificateholders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and Certificateholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to in this Certificate Condition 11.2 without enquiry and shall incur no liability to any person for so doing.

## 11.3 Limitations on Enforcement

No Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the Certificate Conditions or any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless (i) the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a 60-day period and such failure shall be continuing or (ii) the Note Trustee or, as the case may be, the Security Trustee is unable to do so and such inability is continuing, provided that no Certificateholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer. Any proceeds received by a Certificateholder pursuant to any such proceedings shall be paid to the Note Trustee promptly following receipt thereof for application pursuant to the applicable Priority of Payment.

## 11.4 Limited Recourse

Notwithstanding any other Certificate Condition or any provision of any Transaction Document, all obligations of the Issuer to the Certificateholders are limited in recourse to the property, assets and undertakings of the Issuer which are the subject of any security created under and pursuant to the Deed of Charge (the **Charged Assets**). If:

- (a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;

- (b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and
- (c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, any further amounts under the Certificates (including payments of Certificate Payment Amounts),

then the Certificateholders shall have no further claim against the Issuer in respect of any further amounts due or to be paid in respect of the Certificates (including, for the avoidance of doubt, payments of Certificate Payment Amounts in respect of the Certificates) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Certificates and any further payment rights shall be extinguished.

## 12. MEETINGS OF CERTIFICATEHOLDERS AND NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

### 12.1 General

- (a) The Trust Deed contains provisions for convening meetings of the Noteholders and/or Certificateholders of each Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Certificate Conditions, the Conditions or the provisions of any of the Transaction Documents.
- (b) The Trust Deed also provides that, notwithstanding any other provision of these Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made):
  - (i) which the Note Trustee determines in its discretion constitutes a Basic Terms Modification in respect of the Class Y Certificates or which:
    - (A) changes the Class Y Certificateholders' rights under the Servicing and Legal Title Holder Deed;
    - (B) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll;
    - (C) changes the definition of "Class Y Certificates Entrenched Rights"; or
    - (D) is adverse to the Class Y Certificates (and whether or not the interests of that Class Y Certificateholder align with the interests of the holders of the relevant Class or Classes of Notes and/or Certificates)

(paragraphs (A) to (D) above being the **Class Y Certificates Entrenched Rights**), unless each of the Class Y Certificateholders have consented in writing to such modification or waiver;
  - (ii) which the Note Trustee determines in its discretion affects a Class X Certificates Entrenched Right, being a modification or waiver which changes:
    - (A) the date of payment of amounts due in respect of the Class X Certificates;

- (B) the method of calculating the amounts payable in respect of the Class X Certificates;
- (C) the priority of payments of amounts in respect of the Class X Certificates; or
- (D) the definition of "Class X Certificates Entrenched Rights",

(paragraphs (A) to (D) above being the **Class X Certificates Entrenched Rights** unless the Class X Certificateholders have consented in writing to such modification or waiver); or

- (iii) which is in the opinion of the Retention Holder adverse to the holder of the Retained Interest where a corresponding modification or waiver is not made which affects all Noteholders of the relevant Class (the **Retained Interest Entrenched Rights**), unless the Retention Holder has consented in writing to such modification or waiver.

(c) For the purposes of these Certificate Conditions, **Most Senior Class** means:

- (i) the Class A Notes, or if there are no Class A Notes then outstanding,
- (ii) the Class Z Notes or, if there are no Class A Notes or Class Z Notes then outstanding,
- (iii) the Class R Notes or, if there are no Class A Notes, Class Z Notes or Class R Notes then outstanding,
- (iv) the Class Y Certificates (the Class X Certificates shall not at any time constitute the Most Senior Class).

## 12.2 **Most Senior Class, Limitations on powers of other Noteholders and Certificateholders**

- (a) Other than in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of the holders of each affected Class of Notes and/or Certificates then in issue (other than the Class X Certificateholders unless the matter is also a Class X Certificates Entrenched Right), as applicable (unless the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the holders of the relevant affected Class or Classes of Notes and/or Certificates, as applicable) and other than where an Extraordinary Resolution is required under Certificate Condition 12.7 or the consent of the Retention Holder, the Class Y Certificateholders or the Class X Certificateholders is required (as described below):
  - (i) an Extraordinary Resolution passed by the holders of the Most Senior Class shall be binding on such Noteholders and/or Certificateholders and all other Classes of Noteholders and Classes of Certificateholders irrespective of the effect it has upon them;
  - (ii) an Extraordinary Resolution passed by a Class of Noteholders or Certificateholders (other than the Most Senior Class) shall be binding on such Noteholders and/or Certificateholders ranking junior to such Class of Noteholders or Class of Certificateholders in the Post-Enforcement Priority of Payments irrespective of the effect it has upon them;
  - (iii) no Extraordinary Resolution of any Class of Noteholders or Certificateholders shall take effect for any purpose unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion

that it would not be materially prejudicial to the interests of the holders of the Most Senior Class;

- (iv) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Class Y Certificateholders other than any resolution in respect of Class Y Certificates Entrenched Rights which shall only be binding on the Class Y Certificateholders if the relevant Class Y Certificateholders have consented in writing to such modification or waiver;
  - (v) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Class X Certificateholders other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholders if the Class X Certificateholders have consented in writing to such modification or waiver; and
  - (vi) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented in writing to such modification or waiver.
- (b) No Extraordinary Resolution of the holders of a Class of Notes and/or a Class of Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Class of Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of each affected Class of Certificates then in issue which are affected by such Basic Terms Modification (other than the Class X Certificateholders unless the matter is also a Class X Certificates Entrenched Right).
  - (c) No Ordinary Resolution that is passed by the holders of the Certificates shall take effect for any purpose while any of the Notes remain outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.
  - (d) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Class Y Certificateholders other than any resolution in respect of Class Y Certificates Entrenched Rights which shall only be binding on the Class Y Certificateholders if the relevant Class Y Certificateholders have consented in writing to such modification or waiver.
  - (e) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Class X Certificateholders other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholders if the Class X Certificateholders have consented in writing to such modification or waiver.
  - (f) An Ordinary Resolution passed by the holders of any Class of Notes shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented in writing to such modification or waiver.
  - (g) In respect of the Class A Notes, subject to as provided in Certificate Conditions 12.2(a) and 12.3 (*Quorum*), a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:

- (i) the Class A1 Notes and the Class A2 Notes, but does not give rise to a conflict of interest between the holders of such Class A1 Notes and Class A2 Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of the Class A1 Notes and Class A2 Notes; and
  - (ii) the Class A1 Notes and the Class A2 Notes and gives or may give rise to a conflict of interest between the holders of such Class A1 Notes and Class A2 Notes, shall be deemed to have been duly passed only if it shall be duly passed at a separate meeting of the holders of the Class A1 Notes and the Class A2 Notes.
- (h) Notwithstanding the foregoing, any Extraordinary Resolution of the Class A Noteholders to direct the Note Trustee to give an Enforcement Notice pursuant to Certificate Condition 10 (*Events of Default*) shall only be capable of being passed at a single meeting of the Class A Noteholders.

### 12.3 Quorum

- (a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes or Certificateholders of any Class or Classes of Certificates for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable. Subject to Certificate Condition 12.2(g) (*Most Senior Class, Limitations on powers of other Noteholders and Certificateholders*), the Class A1 Notes and the Class A2 Notes shall constitute a single Class of Class A Notes.
- (b) Subject as provided below, the quorum at any meeting of Noteholders and/or Certificateholders of any Class of any Notes or Certificates for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes and/or Class of Certificates then outstanding or in issue, as applicable.
- (c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class of Notes or holders of any Class of Certificates for passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of any Class of the Notes or Certificates, (ii) sanction a modification of the date of payment of principal or interest or amounts due in respect of any Class of the Notes or Certificates, (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of any Class of the Notes, or where applicable, of the method of calculating the amount of any principal or interest payable in respect of any Class of the Notes or of the method of calculating the amounts payable in respect of any Class of the Certificates, (iv) alter the currency in which payments under any Class of the Notes or Certificates are to be made, (v) alter the quorum or majority required in relation to a resolution or a meeting of holders of any Class of the Notes or Class of Certificates, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of the Notes or Class of the Certificates, (vii) alter the priority of payment of interest or principal in respect of any Class of the Notes or amounts in respect of any Class of Certificates and (viii) change the definition of a Basic Terms Modification, provided that neither (A) any amendment made in accordance with Condition 13.6 or Certificate Condition 12.7, nor (B) any issuance of Further Class A2 Notes (or amendments to these Conditions or the Transaction Documents required by such issuance) shall constitute a Basic Terms Modification (each a **Basic Terms Modification**), shall be one or more persons holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class of Notes and/or Class of Certificates then outstanding or in issue, as applicable. For the avoidance of doubt, a proposal to sanction a reduction in the

principal amounts due on a Class or Classes of Notes and/or any Class X Certificate Payments and/or Class Y Certificate Payment shall require the sanction of the holders of the relevant Class of Notes or Certificates to be so reduced, and shall not require the consent of other Classes of Notes or Certificates.

- (d) The quorum at any adjourned meeting will be:
- (i) for an Ordinary Resolution, one or more persons present and holding or representing not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable; and
  - (ii) subject as provided below, for an Extraordinary Resolution, one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable; and
  - (iii) for an Extraordinary Resolution to sanction a Basic Terms Modification, one or more persons present and holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable.

12.4 The terms of the Trust Deed and the Deed of Charge provide for the Noteholders to give directions in writing to the Note Trustee upon which the Note Trustee is bound to act.

12.5 The Note Trustee may at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree (and direct the Security Trustee to agree) with the Issuer and any other parties in making or sanctioning any modification (other than in respect of a Basic Terms Modification, a Class Y Certificates Entrenched Right, a Class X Certificates Entrenched Right or a Retained Interest Entrenched Right):

- (a) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee will not be materially prejudicial to the interests of the Noteholders of any Class or the interests of the Certificateholders of any Class or the Note Trustee or the Security Trustee; or
- (b) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if in the opinion of the Note Trustee such modification is of a formal, minor or technical nature or to correct a manifest error.

12.6 The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach or Event of Default, from time to time and at any time, but only if and in so far as in the sole opinion of the Note Trustee (acting in accordance with the Trust Deed) the interests of the Noteholders of any Class or the Certificateholders of any Class will not be materially prejudiced thereby, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any of the Transaction Documents by any party thereto or determine that any Event of Default shall not be treated as such, provided that the Note Trustee shall not exercise any powers conferred on it by this Certificate Condition 12 in contravention of any express direction given by Extraordinary Resolution of

the holders of the Most Senior Class or by a direction under Certificate Condition 10 (*Events of Default*) but so that no such direction shall affect any waiver, authorisation or determination previously given or made.

12.7 The Note Trustee with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) shall, without the consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Creditors, concur (and direct the Security Trustee to concur) with the Issuer in making any modifications (other than in respect of a Basic Terms Modification, a Class Y Certificates Entrenched Right, a Class X Certificates Entrenched Right or a Retained Interest Entrenched Right) to the Transaction Documents and/or the Certificate Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer (or, where applicable, any other transaction parties) to:

- (a) (i) comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date; or (ii) comply with any changes in the requirements of the U.S. Credit Risk Retention Requirements, including as a result of any other U.S. risk retention legislation, regulations or official guidance in relation thereto, in each case applying in respect of the Transaction;
- (b) enable the Notes to be (or to remain) listed and admitted to trading on Euronext Dublin;
- (c) enable the Issuer or any of the other transaction parties to comply with FATCA;
- (d) comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto;
- (e) change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner), (any such rate, which may include an alternative screen rate, an Alternative Base Rate) and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer (or the Seller on its behalf) to facilitate such change (a **Base Rate Modification**), provided that the Issuer (or the Seller on its behalf) provides a certificate to the Paying Agents, the Register, the Agent Bank, Note Trustee and the Security Trustee certifying (such certificate, a **Base Rate Modification Certificate**) that:
  - (i) such Base Rate Modification is being undertaken due to:
    - (A) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;
    - (B) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;

- (C) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);
  - (D) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);
  - (E) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
  - (F) a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or
  - (G) the reasonable expectation of the Issuer that any of the events specified in paragraphs (A) to (F) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and
- (ii) such Alternative Base Rate is:
- (A) a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);
  - (B) a base rate utilised in a material number of publicly listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification; or
  - (C) such other base rate as the Issuer reasonably determines (to preserve, so far as reasonably and commercially practicable, what would have been the expected Floating Rate of Interest applicable to the Class A Notes or which is proposed by any holder of the Most Senior Class then outstanding or the Class Y Certificates then in issue).

The Paying Agents, the Registrar, the Agent Bank, the Note Trustee and the Security Trustee shall be entitled to rely on a Base Rate Modification Certificate absolutely without liability and enquiry.

For the avoidance of doubt, the Issuer (or the Seller on its behalf) may propose an Alternative Base Rate on more than one occasion, provided that the conditions set out in this paragraph (e) are satisfied;

- (f) facilitate the issuance of Further Class A2 Notes pursuant to Condition 18;
- (g) enter into any new and/or amended collection account agreement or deed in connection with the transfer of legal title from the Interim Legal Title Holder to the Long Term Legal Title Holder;



- (h) enter into the Farringdon Vendor Mortgage Sale Agreement, the Migration Deed, the Mortgage Sale Agreement (Farringdon) and/or the Interim Servicing and Legal Title Holder Deed, in such form approved by the Committee on or after the Closing Date; and
- (i) effect the appointment of a Successor Servicer (including, but not limited to, the Issuer entering into any new and/or amended servicing agreement and/or collection account declaration of trust) provided that the conditions to the appointment of that Successor Servicer set out in the Servicing and Legal Title Holder Deed and Legal Title Holder Deed are satisfied,

(each a **Proposed Amendment**) and subject to:

- (I) receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely absolutely without liability or enquiry) issued by the Issuer signed by two directors of the Issuer (or the Seller on its behalf, signed by two directors of the Seller) certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect, and in the case of a Proposed Amendment under paragraph (a) above shall include a memorandum addressed to the Note Trustee and the Security Trustee for the benefit of Noteholders, by a reputable law firm confirming that the Proposed Amendment seeks to address the non-compliance set out in paragraph (a) above and each of the Note Trustee and the Security Trustee shall be entitled to rely absolutely on such certificate and memorandum without enquiry or liability; and
- (II) the Issuer (or the Seller on its behalf) certifying in writing to the Note Trustee and the Security Trustee that (upon which certificate the Note Trustee and the Security Trustee may rely absolutely and without liability or enquiry):
  - (1) the Issuer has provided at least 30 calendar days' notice to the Noteholders and Certificateholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes and Certificates; and
  - (2) Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding or the Class Y Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or the Class Y Certificates may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding or the Class Y Certificates then in issue have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes or Class Y Certificates may be held within the notification period referred to above that they object to the proposed modification, then such modification will not be made unless an Extraordinary

Resolution of the Noteholders of the Most Senior Class then outstanding and/or of the Class Y Certificates then in issue, as applicable, is passed in favour of such modification in accordance with the Trust Deed.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes or Certificateholder's holding of the Class Y Certificates.

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Certificate Condition 12.7 which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

- (A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or
- (B) increasing the obligations or duties, or decreasing the protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents and/or the Certificate Conditions.

Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any Proposed Amendment pursuant to this Certificate Condition 12.7, the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders or any other Secured Creditor (other than itself (or the Security Trustee) as provided above) or any other person and each of the Note Trustee and the Security Trustee and shall be entitled to rely, without investigation, on any certificate or legal memorandum provided to it by the Issuer pursuant to this Certificate Condition 12.7 as evidence that the Proposed Amendments are made solely for the purpose of enabling the Issuer to satisfy any such obligation applicable to it, and have been drafted solely to such effect and shall not be liable to any Noteholder, Certificateholder or other Secured Creditor for so acting or relying irrespective of whether any such modification is or may be materially prejudicial to the interests of the Noteholders of any Class, the Certificateholders of any Class or any other Secured Creditor or any other person.

Only modifications which comply with this Certificate Condition 12.7 may be made pursuant to this Certificate Condition 12.7. Any other modifications may only be made pursuant to Certificate Condition 12.5 or Certificate Condition 12.8 and Clause 25 and Schedule 6 of the Trust Deed.

- 12.8 Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with the Conditions, these Certificate Conditions or the Transaction Documents shall be binding on the Certificateholders and, unless the Note Trustee or, as the case may be, the Security Trustee (as directed by the Note Trustee) agrees otherwise, any such modification shall be notified by the Issuer to the Certificateholders as soon as practicable thereafter in accordance with Certificate Condition 15 (*Notice to Certificateholders*).
- 12.9 In connection with any such substitution of principal debtor referred to in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) or Certificate Condition 12.17 (*Issuer Substitution Condition*), the Note Trustee may agree, without the consent of the Certificateholders or the other Secured Creditors, to a change of the laws governing the Certificates, these Certificate Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee be materially prejudicial to the interests of the Certificateholders.

- 12.10 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Certificate Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee (acting on the instructions of the Note Trustee) is required to have regard to the interests of the Noteholders or Certificateholders of any Class or Classes, it shall (A) have regard (except as expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) to the general interests of the Noteholders or Certificateholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholders or Certificateholders be entitled to claim from the Issuer, the Note Trustee or the Security Trustee or any other person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Certificateholders and (B) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes and Class of Certificates (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Notes and/or Class of Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class X Certificates, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Class X Certificates Entrenched Rights).
- 12.11 **Ordinary Resolution** means, in respect of the holders of any of the Classes of Notes or Certificates:
- (a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and the Certificate Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates held by such Eligible Persons);
  - (b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders holding a clear majority of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant class of Noteholders and/or Certificateholders of the relevant Class; or
  - (c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes or Certificates.
- 12.12 **Extraordinary Resolution** means:

- (a) in respect of the holders of any Class of Notes and/or Certificates:
  - (i) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed and the Conditions by at least 75 per cent. of Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates held by such Eligible Persons);
  - (ii) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders of at least 75 per cent. in aggregate Principal Amount Outstanding of the Notes and/or Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant class of Noteholders and/or Certificateholders of the relevant Class; or
  - (iii) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding of at least 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates.

12.13 **Eligible Person** means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a bearer of any Voting Certificate; and
- (b) a proxy specified in any Block Voting Instruction.

12.14 **Voting Certificate** means an English language certificate issued by a Paying Agent in which it is stated that on the date thereof the Notes and/or Certificates (not being the Notes and/or Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes and/or Certificates will cease to be so blocked until the first to occur of:

- (a) the conclusion of the meeting specified in such Voting Certificate; and
- (b) the surrender of the Voting Certificate to the Paying Agent who issued the same,

and that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Certificates represented by such Voting Certificate.

12.15 **Block Voting Instruction** means an English language document issued by a Paying Agent in which:

- (a) it is certified that on the date thereof Notes and/or Certificates (not being Notes and/or Certificates (as applicable) in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes and/or such Certificates will cease to be so blocked until the first to occur of:
  - (i) the conclusion of the meeting specified in such Block Voting Instruction; and

- (ii) the Notes and/or the Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Notes and/or such Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes and/or the Certificates so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion thereof, neither revocable nor capable of amendment;
- (c) the aggregate principal amount or aggregate total amount of the Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such Block Voting Instruction (each hereinafter called a **proxy**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates so listed in accordance with the instructions referred to in paragraph (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:
  - (i) whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting; and
  - (ii) who was originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the meeting when it is resumed.

12.16 The Certificates will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, and the provision concerning the giving of directions in writing to the Note Trustee or the Security Trustee, set out in the Conditions, the Certificate Conditions, the Deed of Charge and the Trust Deed any reference to the Principal Amount Outstanding of the Class X1 Certificates, Class X2 Certificates and the Class Y Certificates of any Class shall be deemed to be £10,000,000 in respect of each Class of Certificate.

#### **12.17 Issuer Substitution Condition**

The Note Trustee may agree, subject to such amendment of these Certificate Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Certificates and any other Transaction Document and in respect of the other secured obligations, provided that the conditions set out in the Trust Deed are satisfied including, inter alia, that the Certificates are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Certificate Condition 5 (*Covenants and Undertakings*). In the case of a substitution pursuant to this Certificate Condition 12.17, the Note Trustee may in its absolute discretion agree, without the consent of the Certificateholders, to a change in law governing the Certificates and/or any of the Transaction Documents unless

such change would, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders of any Class and Certificateholders of any Class.

#### **12.18 Further Class A2 Notes**

The Issuer will, upon the direction of the Portfolio Option Holder and with the written consent of the Retention Holder (but without the consent of any other Noteholders or Certificateholders) issue Further Class A2 Notes in accordance with Notes Condition 18.

#### **13. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

13.1 The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or pre-funded and/or secured to their satisfaction.

13.2 The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, inter alia, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

#### **14. REPLACEMENT OF CERTIFICATES**

If any Certificate is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws. Replacement of any mutilated, defaced, lost, stolen or destroyed Certificate will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Certificate must be surrendered before a new one will be issued.

#### **15. NOTICE TO CERTIFICATEHOLDERS**

##### **15.1 Publication of Notice**

(a) While the Certificates are represented by a Global Certificate, notices to Certificateholders will be valid if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid, shall be deemed to have been given on the day such notice is sent to Euroclear and/or Clearstream, Luxembourg.

(b) While the Certificates are represented by Definitive Certificates, the Note Trustee shall be at liberty to sanction any method of giving notice to the Certificateholders if, in its opinion, such method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Certificateholders in such manner as the Note Trustee shall deem appropriate.

##### **15.2 Note Trustee's Discretion to Select Alternative Method**

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Certificateholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the quotation systems on or by which the Certificates are then quoted and/or traded and provided that notice of such other method is given to the Certificateholders in such manner as the Note Trustee shall require.

## **16. JURISDICTION AND GOVERNING LAW**

16.1 Unless specifically stated to the contrary, the Courts of England (the **Courts**) are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Certificates and/or the Transaction Documents may be brought in such Courts.

16.2 The Transaction Documents, the Notes, the Certificates and these Certificate Conditions (and any non-contractual obligations arising out of or in connection with them) are, unless specifically stated to the contrary, governed by, and shall be construed in accordance with, English law.

## **17. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Certificates or these Certificate Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **18. SUBORDINATION BY DEFERRAL**

### **18.1 Class X Certificate Payments**

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of any Class X Certificate Payments (which shall, for the purposes of this Certificate Condition 18, include any Deferred Class X Certificate Payments from prior Interest Payment Dates, each as defined under this Certificate Condition 18) payable in respect of the Class X Certificates (but has sufficient funds available to make payment in full of interest due and payable in respect of the Class A Notes) after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of some or all of the relevant payment due (such deferred amount, the **Deferred Class X Certificate Payments**) in respect of the Class X Certificates to the extent only of any insufficiency of funds.

### **18.2 Notification**

As soon as practicable after becoming aware that any part of a Payment on the Class X Certificates will be deferred or that a previous Deferred Class X Certificate Payments will be made in accordance with this Certificate Condition 18, the Issuer will give notice thereof to the Class X Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*). Any deferral of a Payment or further deferral of a Deferred Class X Certificate Payments in accordance with this Certificate Condition 18 will not constitute an Event of Default. The provisions of this Certificate Condition 18 shall cease to apply on the Final Redemption Date, or any earlier date on which the Class X Certificates are cancelled or

are required to be redeemed in full, at which time all Deferred Class X Certificate Payments shall become due and payable.



## CERTAIN REGULATORY CONSIDERATIONS IN RESPECT OF THE LOANS

### *Regulated Mortgage Contracts*

In the UK, regulation of residential mortgage business under the FSMA came into force on 31 October 2004 (the date known as the **Regulation Effective Date**). Entering into a regulated mortgage contract as a lender, arranging a regulated mortgage contract or advising in respect of a regulated mortgage contract, and administering a regulated mortgage contract, (or agreeing to do any of those activities) are (subject to applicable exemptions) regulated activities under the FSMA and the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the **RAO**) requiring authorisation and permission from the FCA.

The original definition of a regulated mortgage contract was such that if a mortgage contract was entered into on or after the Regulation Effective Date but prior to 21 March 2016, it will be a Regulated Mortgage Contract under the RAO if: (i) the lender provides credit to an individual or to trustees; (ii) the obligation of the borrower to repay was secured by a first legal mortgage on land (other than timeshare accommodation) in the UK; and (iii) at least 40 per cent. of which was used, or was intended to be used, as or in connection with a dwelling by the borrower or (in the case of credit provided to trustees) by an individual who was a beneficiary of the trust, or by a related person.

The current definition of a Regulated Mortgage Contract (a **Regulated Mortgage Contract**) is such that if the mortgage contract was entered into on or after 21 March 2016, it will be a Regulated Mortgage Contract if it meets the following conditions (when read in conjunction with and subject to certain relevant exclusions): (a) the borrower is an individual or trustee; and (b) the contract provides for the obligation of the borrower to repay is secured by a mortgage on land, at least 40 per cent. of which is used, or is intended to be used: (i) in the case of credit provided to an individual, as or in connection with a dwelling; or (ii) (in the case of credit provided to a trustee who is not an individual) as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a Related Person. In relation to a contract entered into before 23:00 on 31 December 2020, 'land' means land in the United Kingdom or within the territory of an EEA State and in relation to a contract entered into on or after 23:00 on 31 December 2020, 'land' means land in the United Kingdom. A related person (in relation to a borrower, or in the case of credit provided to trustees, a beneficiary of the trust) is (1) that person's spouse or civil partner; (2) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife; or (3) that person's parent, brother, sister, child, grandparent or grandchild (a **Related Person**).

On and from the Regulation Effective Date, subject to any exemption, persons carrying on any specified regulated mortgage-related activities by way of business must be authorised under the FSMA. The specified activities currently are: (a) entering into a Regulated Mortgage Contract as lender; (b) "administering" a Regulated Mortgage Contract (administering in this context broadly means notifying borrowers of changes in mortgage payments and/or taking any necessary steps for the purposes of collecting payments due under the mortgage loan); (c) advising in respect of Regulated Mortgage Contracts; and (d) arranging Regulated Mortgage Contracts. Agreeing to carry on any of these activities is also a regulated activity. If requirements as to the authorisation of lenders and brokers are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a criminal offence. An unauthorised person who carries on the regulated mortgage activity of administering a Regulated Mortgage Contract that has been validly entered into may commit an offence, although this will not render the contract unenforceable against the borrower. The regime under the FSMA regulating financial promotions covers the content and manner of the promotion of agreements relating to qualifying credit and who can issue or approve financial promotions. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of secured credit agreements under which the lender is a person (such as an originator) who carries on the regulated activity of entering into a Regulated Mortgage Contract. Failure to comply with the financial promotion

regime (as regards who can issue or approve financial promotions) is a criminal offence and will render the Regulated Mortgage Contract or other secured credit agreement in question unenforceable against the borrower except with the approval of a court.

Each Servicer is required to hold and does hold authorisation and permission to enter into and to administer Regulated Mortgage Contracts. Brokers are in certain circumstances required to hold authorisation and permission to arrange and, where applicable, to advise in respect of Regulated Mortgage Contracts.

The Issuer is not, and does not propose to be, an authorised person under the FSMA. Under the RAO, the Issuer does not require authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract. The Issuer does not carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered pursuant to a servicing agreement by an entity having the required authorisation and permission under the FSMA. If such a servicing agreement terminates, the Issuer will have a period of not more than one month (beginning with the day on which such arrangement terminates) in which to arrange for mortgage administration to be carried out by a replacement servicer having the required FSMA authorisation and permission.

The Issuer will only hold beneficial title to the Loans and their Related Security. In the event that legal title is transferred to the Issuer upon the occurrence of a Perfection Event, the Issuer will have arranged for a servicer to administer these Loans and is not expected to enter into any new Regulated Mortgage Contracts as lender under article 61(1) of the RAO. However, in the event that a mortgage is varied, such that a new contract is entered into and that contract constitutes a Regulated Mortgage Contract, then the arrangement of, advice on, administration of and entering into of such variation would need to be carried out by an appropriately authorised entity.

The FCA's Mortgages and Home Finance: Conduct of Business sourcebook (**MCOB**), which sets out the FCA's rules for regulated mortgage activities, came into force on 31 October 2004. These rules cover, among other things, certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract and start-of-contract and post-contract disclosure, contract changes, charges and arrears and repossessions.

It is possible that further changes may be made to the FCA's MCOB rules as a result of the FCA's ongoing reviews and other related future regulatory reforms. To the extent that any new rules do apply to any of the Loans, failure to comply with these rules may entitle a borrower to claim damages for loss suffered or set off the amount of the claim against the amount owing under the loan.

A borrower who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an authorised person of the FCA rules, and may set off the amount of the claim against the amount owing by the borrower under the loan or any other loan that the borrower has taken with that authorised person.

### ***Regulation of residential secured lending (other than Regulated Mortgage Contracts)***

The UK government had a policy commitment to move second charge lending into the regulatory regime for mortgage lending rather than the regime for consumer credit under which second charge lending previously fell. The UK government concluded that there was a strong case for regulating lending secured on a borrower's home consistently, regardless of whether it is secured by a first or subsequent charge. The UK government also proposed to move the regulation of second (and subsequent) charge loans already in existence before 21 March 2016 to the regulated mortgage contract regime rather than keeping them within the consumer credit regime. The policy of regulating lending secured on a borrower's home consistently also meant that the UK government decided to change the regulatory regime for pre-2004 first charge loans regulated by the CCA. Mortgage regulation under the FSMA began on 31 October 2004. Mortgages entered into before that date were regulated by the CCA,

provided they did not exceed the financial threshold in place when they were entered into and were not otherwise exempt. In November 2015, the UK government made legislation which meant that the administration of and other activities relating to those pre-October 2004 first charge mortgages which were regulated by the CCA became regulated mortgage activities from 21 March 2017, although firms could have adopted the new rules from 21 March 2016 if they chose. The move of CCA regulated mortgages to the FSMA regime was implemented by the Mortgage Credit Directive Order 2015 on 21 March 2016 (the **Mortgage Credit Directive Order**). The government has put in place transitional provisions for existing loans so that some of the CCA protections in place, when the loans were originally taken out, are not removed retrospectively.

The main CCA consumer protection retained in respect of consumer credit back book mortgage contracts is the continuing unenforceability of the agreement if it was rendered unenforceable by the CCA prior to 21 March 2016. Unless the agreement was irredeemably unenforceable, the lender may enforce the agreement by seeking a court order or bringing any relevant period of non-compliance with the CCA to an end in the same manner as would have applied if the agreement were still regulated by the CCA. If a consumer credit back book mortgage contract was void as a result of Section 56(3) of the CCA, that agreement or the relevant part of it will remain void. Restrictions on early settlement fees will also be retained. If interest was not chargeable under a consumer credit back book mortgage contract due to non-compliance with Section 77A of the CCA (duty to serve an annual statement) or section 86B of the CCA (duty to serve a notice of sums in arrears), once the consumer credit back book mortgage contract became regulated by the FSMA under the Mortgage Credit Directive Order as of 21 March 2016, the sanction of interest not being chargeable under Section 77A of the CCA and Section 86D of the CCA ceased to apply, but only for interest payable under those loans after 21 March 2016. A consumer credit back book mortgage contract will also be subject to the unfair relationship provisions described below. Certain provisions of MCOB are applicable to these consumer credit back book mortgage contracts. These include the rules relating to disclosure at the start of a contract and post-sale disclosure (MCOB 7), charges (MCOB 12) and arrears, payment shortfalls and repossessions (MCOB 13). General conduct of business standards will also apply (MCOB 2). This process is subject to detailed transitional provisions that are intended to retain certain customer protections in the FCA's Consumer Credit Sourcebook (CONC) and the CCA that are not contained within MCOB.

The Seller has given or, as applicable, will give, warranties to the Issuer in the Mortgage Sale Agreement (Trinidad) that, among other things, the obligation to pay principal, interest and the Current Balance under each Loan and its Related Security in the Trinidad Portfolio constitute a legal, valid and binding obligation of the relevant Borrower and is enforceable (subject to exceptions). If a Loan or its Related Security in the Trinidad Portfolio does not comply with these warranties, the Issuer may make a warranty claim against the Seller in accordance with the terms of the Mortgage Sale Agreement (Trinidad), which are set out in detail in the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*".

Regulation of buy-to-let mortgages are excluded from the definition of "consumer credit back book mortgage contract" under the Mortgage Credit Directive Order therefore if a buy-to-let mortgage was regulated by the CCA (because the amount of credit fell below the relevant financial limit in place at the time of origination and was not otherwise exempt), it will continue to be regulated by the CCA as it is not a "consumer credit back book mortgage contract".

Buy-to-let mortgage loans can either be unregulated or fall under the following regulatory regimes:

- regulated by the CCA as a regulated credit agreement as defined under article 60B of the RAO (a **Regulated Credit Agreement**);
- regulated by FSMA as a Regulated Mortgage Contract; or

- regulated as a consumer buy-to-let mortgage contract under the consumer buy-to-let regime as defined under the MCDO (a **Consumer Buy-to-let Loan**).

The Portfolio comprises Loans that the Seller believes are unregulated and as described below, the Seller has given a warranty in the Mortgage Sale Agreement (Trinidad) that no agreement for any Loan is in whole or in part a Regulated Credit Agreement. If any of the Loans are in fact Regulated Credit Agreements or Regulated Mortgage Contracts, then breach of the relevant regulations could give rise to a number of consequences (as applicable), including but not limited to: unenforceability of the Loans, interest payable under the Loans being irrecoverable for certain periods of time, or borrowers being entitled to claim damages for losses suffered and being entitled to set off the amount of their claims against the amount owing by the borrower under the Loans.

### ***Unfair relationships***

Under the CCA, the "extortionate credit" regime was replaced by an "unfair relationship" test. The "unfair relationship" test applies to all existing and new credit agreements, except Regulated Mortgage Contracts under the FSMA and also applies to (as described above) "consumer credit back book mortgage contracts. If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make an order, among other things, requiring the relevant Originator, or (any assignee such as the Issuer) to repay amounts received from the borrower. In applying the "unfair relationship" test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the creditor's conduct (or the conduct of anyone acting on behalf of the creditor) before and after making the agreement or in relation to any related agreement. There is no statutory definition of the word "unfair" in the CCA as the intention is for the test to be flexible and subject to judicial discretion and it is therefore difficult to predict whether a court would find a relationship "unfair". However, the word "unfair" is not an unfamiliar term in UK legislation due to the UTCCR and the CRA (each as defined below). The courts may, but are not obliged to, look solely to the CCA for guidance. The principle of "treating customers fairly" under the FSMA, and guidance published by the Financial Services Authority (**FSA**) as the FCA was then known and, as of 1 April 2013, the FCA on that principle and former guidance by the Office of Fair Trading (the **OFT**) on the unfair relationship test, may also be relevant. Under the CCA, once the debtor alleges that an "unfair relationship" exists, the burden of proof is on the creditor to prove the contrary.

*Plevin v Paragon [2014] UKSC 61*, a Supreme Court judgment, has clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules.

If a court determines that there was an unfair relationship between the relevant Legal Title Holder and the Borrowers in respect of the Loans and orders that financial redress be made in respect of such Loans, such redress may adversely affect the ultimate amount received by the Issuer in respect of the relevant Loans, the realisable value of the Portfolio and/or the Issuer's ability to make payment in full on the Notes when due.

Where add-on products such as insurance are sold and are subject to a significant commission payments, it is possible that the non-disclosure of commission by the lender is a factor that could form part of a finding of unfair relationship. The Servicer has confirmed that no such add-on products have been sold since legal title to the Loans and their Related Security was transferred from the Originators to the relevant Legal Title Holder.

### ***Breathing Space Regulations***

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (SI 2020/1311) (the **Breathing Space Regulations**) (which

came into force in England and Wales on 4 May 2021) gives eligible individuals the right to legal protection from their creditors, including almost all enforcement action, during a period of "breathing space". A standard breathing space will give an individual with problem debt legal protection from creditor action for up to 60 days; and a mental health crisis breathing space will give an individual protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days.

However, the Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears. Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the moratorium) during the breathing space period, otherwise the relevant debt adviser may cancel the breathing space period.

In February 2021, the FCA issued a policy statement (PS21/1) on the application of the Breathing Space Regulations, in which they confirm that no changes are currently being made to the rules under MCOB, in relation to how mortgage lenders should treat a "breathing space" as an indicator of payment difficulties. The FCA's view is that this is something that firms should take into account, but should not be treated more specifically than other potential indicators of payment difficulties.

### ***Distance Marketing***

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 (the **Distance Marketing Regulations**) apply to contracts for financial services entered into on or after 31 October 2004 by a "consumer" within the meaning of the Distance Marketing Regulations and by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower).

The Distance Marketing Regulations require suppliers of financial services by way of distance communication to provide certain information to consumers. This information generally has to be provided before the consumer is bound by the contract and includes, but is not limited to, general information in respect of the supplier and the financial service, the contractual terms and conditions, and whether or not there is a right of cancellation.

A regulated mortgage contract under the FSMA, if originated by a United Kingdom lender (who is authorised by the FCA) from an establishment in the United Kingdom, will not be cancellable under the Distance Marketing Regulations, but will be subject to related pre-contract disclosure requirements in MCOB. Failure to comply with MCOB pre-contract disclosure rules could result in, among other things, disciplinary action by the FCA and claims for damages under Section 138D of FSMA.

Certain agreements for financial services (including Consumer Buy-to-Let Loans) will be cancellable under the Distance Marketing Regulations in certain circumstances. Where the credit agreement is cancellable under the Distance Marketing Regulations, the borrower may send notice of cancellation at any time before the expiry of 14 days beginning with: (i) the day after the day on which the contract is made (where all of the prescribed information has been provided prior to the contract being entered into); or (ii) the day after the day on which the last of the prescribed information is provided (where all of the prescribed information was not provided prior to the contract being entered into).

Compliance with the Distance Marketing Regulations may be secured by way of injunction obtained by an enforcement authority, granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the Distance Marketing Regulations may render the originator or intermediaries (and their respective relevant officers) liable to a fine.

If the borrower cancels the contract under the Distance Marketing Regulations, then: (a) the borrower is liable to repay the principal and any other sums paid by or on behalf of the originator to the borrower, under or in relation to the contract, within 30 calendar days of cancellation, beginning with the day of the borrower sending notice of cancellation or, if later, the lender receiving notice of cancellation; (b) the borrower is liable to pay interest, early repayment charges and other charges for services actually provided in accordance with the contract only if: (i) the amount is in proportion to the extent of the service provided (in comparison with the full coverage of the contract) and is not such that it could be construed as a penalty; (ii) the borrower received certain prescribed information at the prescribed time about the amounts payable; and (iii) the originator did not commence performance of the contract before the expiry of the relevant cancellation period (unless requested to do so by the borrower); and (c) any security provided in relation to the contract is to be treated as never having had effect. If a significant portion of the Loans are characterised as being cancellable under the Distance Marketing Regulations, then there is a risk that there could be an adverse effect on the Issuer's receipts in respect of the Loans, affecting the Issuer's ability to make payments in full on the Notes when due.

### ***Unfair Terms in Consumer Contracts Regulations and the Consumer Rights Act 2015***

In the United Kingdom, the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the **1999 Regulations**), together with (in so far as applicable) the Unfair Terms in Consumer Contracts Regulation 1994 (together with the 1999 Regulations, the **UTCCR**), applies to agreements made on or after 1 July 1995 but prior to 1 October 2015 by a "consumer" within the meaning of the UTCCR, where the terms have not been individually negotiated. The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015. The main provisions of the CRA came into force on 1 October 2015. The CRA is only applicable to contracts that (a) were entered into on or after 1 October 2015; or (b) were, since 1 October 2015, subject to a material variation such that they are treated as new contracts falling within the scope of the CRA. The CRA is also applicable, to notices of variation, such as variation of interest rate under contracts on or after 1 October 2015. All of the Loans in the Portfolio were originated prior to 1 October 2015, but it is possible that some of the Loans have been subject to a material variation since 1 October 2015 such that they are treated as new contracts falling within the scope of the CRA.

The UTCCR and the CRA provide that a consumer (which would include a borrower under all or almost all of the Loans) may challenge a term in an agreement on the basis that it is "unfair" within the UTCCR or the CRA as applicable and is therefore not binding on the consumer (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term) and provide that a regulator may take action to stop the use of terms which are considered to be unfair.

The FCA have stated that the finalised FCA guidance "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" applies equally to factors that firms should consider to achieve fairness under the UTCCR.

#### **(i) UTCCR**

The UTCCR will not generally affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal, provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer's attention. The UTCCR may affect terms that are not considered to be terms which define the main subject matter of the contract, such as the lender's power to vary the interest rate and certain terms imposing early repayment charges and mortgage exit administration fees. For example, if a term permitting the lender to vary the interest rate (as the originator is permitted to do) is found to be unfair, the borrower will not be liable to pay interest at the increased rate or, to the extent that the borrower has paid it, will be able, as against the lender, or any assignee such as the Issuer, to claim repayment of the extra interest amounts paid or to set off the amount of the claim against the amount owing by the borrower under the loan or any other loan agreement

that the borrower has taken with the lender. Any such non-recovery, claim or set-off may adversely affect the Issuer's ability to make payments on the Notes.

(ii) CRA

The main provisions of the CRA came into force on 1 October 2015 and applies to agreements made on or after that date. The CRA significantly reforms and consolidates consumer law in the UK. The CRA involves the creation of a single regime out of the Unfair Contract Terms Act 1977 (which essentially deals with attempts to limit liability for breach of contract) and the UTCCR for contracts entered into on or after 1 October 2015. The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015 and introduced a new regime for dealing with unfair contractual terms as follows:

- (A) Under Part 2 of the CRA an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession). Additionally, an unfair notice is not binding on a consumer, although a consumer may rely on the term or notice if the consumer chooses to do so. A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. In determining whether a term is fair it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends.
- (B) Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 of Schedule 2 lists "a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract", although paragraph 22 of Schedule 2 provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.
- (C) A term of a consumer contract which is not on the "grey list" may nevertheless be regarded as unfair.

Where a term of a consumer contract is "unfair" it will not bind the consumer. However, the remainder of the contract will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible of multiple different meanings, the meaning most favourable to the consumer will prevail. It is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings has explicitly raised the issue of fairness.

(iii) Regulatory Developments

Historically the OFT, FSA and FCA (as appropriate) have issued guidance on the UTCCR. This has included: (i) OFT guidance on fair terms for interest variations in mortgage contracts dated February 2000; (ii) an FSA statement of good practice on the fairness of terms in consumer contracts dated May 2005; (iii) an FSA statement of good practice on mortgage exit administration fees dated January 2007; and (iv) FSA finalised guidance on unfair contract terms and improving standards in consumer contracts dated January 2012. On 2 March 2015,

the FCA updated its online unfair contract terms library by removing some of its material (including the above-mentioned guidance) relating to unfair contract terms. The FCA stated that such material "no longer reflects the FCA's views on unfair contract terms" and that firms should no longer rely on the content of the documents that have been removed.

Ultimately, only a court can decide whether a term is fair, however it may take into account relevant guidance published by the CMA or the FCA. On 19 December 2018, the FCA published finalised guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (FG 18/7), outlining factors the FCA considers firms should have regard to when drafting and reviewing variation terms in consumer contracts. The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA state that firms should consider both this guidance and any other rules that apply when they draft and use variation terms in their consumer contracts. The FCA state that the finalised guidance will apply to FCA authorised persons and their appointed representatives in relation to any consumer contracts which contain variation terms.

The Unfair Contract Terms and Consumer Notices Regulation Guide (UNFCOG in the FCA handbook) explains the FCA's policy on how it uses its formal powers under the CRA and the CMA published guidance on the unfair terms provisions in the CRA on 31 July 2015 (the **CMA Guidance**). The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the CRA are regarded to be "effectively the same as those of the UTCCR" (save in applying the consumer notices and negotiated terms). The document further notes that "the extent of continuity in unfair terms legislation means that existing case law generally, and that of the Court of Justice of the European Union particularly, is for the most part as relevant to the Act as it was the UTCCRs".

In general, the interpretation of the UTCCR and/or the CRA is open to some doubt, particularly in the light of sometimes conflicting reported case law between English courts and the CJEU. The broad and general wording of the UTCCR and CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Loans that have been made to Borrowers covered by the UTCCR and/or CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans.

### ***Financial Ombudsman Service***

Under the FSMA, the Financial Ombudsman Service (the **Ombudsman**), an independent adjudicator, is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all circumstances of the case, taking into account, among other things, law and guidance, rather than making determinations strictly on the basis of compliance with law.

Complaints properly brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. The Ombudsman may order a money award to a debtor, which may adversely affect the ability of the Issuer to meet its obligations under the Notes. As the Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a monetary award to a complaining borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments to Noteholders and Certificateholders. The Interim Legal Title Holder has confirmed that, in respect of the Loans in the Farringdon Portfolio, there have been 0 borrower complaints brought before the Ombudsman since the date on which legal title to those Loans was transferred to the Interim Legal Title Holder. The Long Term Legal Title Holder has confirmed that, in respect of the Loans in the



Trinidad Portfolio, there have been 3 borrower complaints brought before the Ombudsman since the date on which legal title to those Loans was transferred to the Long Term Legal Title Holder (of which 0 have been upheld by the Ombudsman, 2 have been dismissed and 1 awaiting adjudication).

### ***Consumer Protection from Unfair Trading Regulations 2008***

The Consumer Protection from Unfair Trading Regulations 2008 (the **CPUTR**) came into force on 26 May 2008. The CPUTR prohibits certain practices that are deemed "unfair" within the terms of the CPUTR. Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but is a criminal offence punishable by a fine and/or imprisonment.

Under the terms of the CPUTR, the possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreements may result in irrecoverable losses on amounts to which such agreements apply. Most of the provisions of the Consumer Protection (Amendment) Regulations 2014 came into force on 1 October 2014 and amended the CPUTR. In certain circumstances, these amendments to the CPUTR give consumers a right to redress for misleading or aggressive commercial practices (as defined in the CPUTR), including a right to unwind agreements.

### ***FCA response to the cost of living crises***

On 16 June 2022, the FCA sent a "Dear CEO" letter which stated that the FCA consider that the Mortgages Tailored Support Guidance published on 25 March 2021 (the **Mortgages Tailored Support Guidance**) which was issued to address exceptional circumstances arising out of coronavirus, is also relevant for borrowers in financial difficulties due to other circumstances such as the rising cost of living. Therefore, if a borrower indicates that they are experiencing or reasonably expect to experience payment difficulties due to the rising cost of living, the FCA have said that lenders should offer prospective forbearance to enable them to avoid, reduce, or manage any payment shortfall that would otherwise arise. This includes borrowers who have not yet missed a payment.

The Mortgages Tailored Support Guidance emphasises the MCOB requirement that a lender must not repossess a property unless all other reasonable attempts to resolve the position have failed. It further states that mortgage lenders must also establish and implement clear, effective and appropriate policies and procedures for the fair and appropriate treatment of borrowers whom the lender understands, or reasonably suspects, to be particularly vulnerable. The Mortgages Tailored Support Guidance also confirms the FCA's expectation that action to seek possession should be a last resort.

In addition, the FCA proposed that lenders considering or resuming possession proceedings, should support and enable borrowers to disclose circumstances that might make them particularly vulnerable to repossession action at this time - and to consider whether additional care may be required as a result.

On 13 March 2023, the FCA published finalised guidance: "Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living" (FG23/2). The FCA stated that the purpose of the finalised guidance was to ensure that lenders are clear about the effect of the FCA rules and the range of options lenders have to support their customers including those who are facing higher interest rates alongside the rising cost of living. The FCA have said that the guidance clarifies the effect of their existing rules and principles and is not intended to set new expectations or requirements of lenders or to repeat the position set out in other documents such as the expectations around repossessions or the treatment of vulnerable customers. It explains how lenders can support borrowers in, or at risk of, payment difficulty and confirms the flexibility lenders have under FCA rules and guidance to support borrowers in different ways. The FCA makes clear in the Tailored Support Guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with the guidance.

In March 2021, the FCA stated that as the more immediate impacts of coronavirus begin to subside, they were considering whether they will need to make any permanent changes to their forbearance regimes for mortgages and credit in light of the Mortgages Tailored Support Guidance. This could include updating the rules and guidance in MCOB and incorporating elements of the Mortgages Tailored Support Guidance. On 25 May 2023, the FCA launched consultation CP23/13 setting out how they plan to incorporate aspects of the Mortgages Tailored Support Guidance into MCOB and withdraw the Mortgages Tailored Support Guidance. The FCA are also proposing targeted additional changes to support consumers in financial difficulty. The FCA expect their new rules to come into force in the first half of 2024 and propose to withdraw the Mortgages Tailored Support Guidance at the same time.

There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Loans, including further amending and extending the scope of the above guidance.

### ***Mortgage Repossession***

There is a protocol for mortgage repossession cases in England and Wales (the **Pre-action Protocol**), which sets out the steps that judges will expect any lender to take before starting a claim. A number of mortgage lenders have confirmed that they will delay the initiation of repossession action for at least three months after a borrower, who is an owner-occupier, is in arrears. The application of such a moratorium may be subject to the wishes of the relevant borrower and may not apply in cases of fraud.

The Mortgage Repossessions (Protection of Tenants etc.) Act 2010 came into force on 1 October 2010. This Act gives courts in England and Wales the same power to postpone and suspend repossession for up to two months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent) as generally exists on application by an authorised tenant. In addition, under the Pre-action Protocol, the lender must consider whether to postpone the start of a possession claim where the borrower has made a genuine complaint to the Ombudsman about the potential possession claim. The lender has to serve notice at the property before enforcing a possession order.

In addition, MCOB rules for Regulated Mortgage Contracts from 25 June 2010 prevent the lender from: (a) repossessing the mortgaged property unless all other reasonable attempts to resolve the position have failed, which include considering whether it is appropriate to offer an extension of the term, change in product type; and (b) automatically capitalising a payment shortfall.

The FCA published "Mortgages and Coronavirus: Tailored Support Guidance" in March 2021 (the "**Tailored Support Guidance**"). The Tailored Support Guidance provides that from 1 April 2021, subject to any relevant government restrictions on repossessions, lenders may enforce repossession as long as they act in accordance with the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Tailored Support Guidance provides that there is no 'one-size-fits-all' approach to how long lenders should offer forbearance before starting a court process but action to seek possession should be a last resort and not be started unless all other reasonable attempts to resolve the position have failed.

Subject to any relevant government restrictions on repossessions, mortgage lenders/administrators may enforce repossession provided they act in accordance with the Mortgages Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. Action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed. The FCA makes clear in the guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with these requirements.

## *Mortgage Charter*

On 26 June 2023, the HM Treasury published the 'Mortgage Charter' in light of the current pressures on households following interest rate rises and the cost-of-living crisis. The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of standards that they will adopt when helping their regulated mortgage borrowers worried about high interest rates (the **Mortgage Charter**). Approximately 85% of the UK mortgage market signed a charter agreeing, among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment. In addition, lenders will permit borrowers who are up to date with their payments to: (i) switch to interest-only payments for six months (the **MC Interest-only Agreement**); or (ii) extend their mortgage term to reduce their monthly payments and give borrowers the option to revert to their original term within six months by contacting their lender (the **MC Extension Agreement**). These options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score. The Mortgage Charter commitments do not apply to buy-to-let mortgages.

With the effect on and from 30 June 2023, the FCA has amended the Mortgages and Home Finance: Conduct of Business Sourcebook (MCOB) to allow (rather than require) lenders to give effect to the MC Interest-only Agreement and the MC Extension Agreement. The amendments made by the FCA do not apply to second ranking mortgages or bridging loans. The FCA announced that it intends to review the impact of the rule changes within 12 months.

The charter is currently voluntary and adhering to it will be a decision for lenders to make individually. The Originators are not signatories to the charter.

There can be no assurance that the FCA or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Loans, including further amending and extending the scope of the Mortgage Charter or related rules.

## *Assured Shorthold Tenancy*

Depending on the level of ground rent payable at any one time it is possible that a long leasehold in England and Wales may also be an Assured Tenancy (AT) or Assured Shorthold Tenancy (AST) under the Housing Act 1988 (**HA 1988**). If it is, this could have the consequences set out below.

A tenancy or lease in England and Wales will be an AT if granted after 15 January 1989 and:

- (i) the tenant or, as the case may be, each of the joint tenants is an individual;
- (ii) the tenant or, as the case may be, at least one of the joint tenants occupies the dwelling-house as their only or principal home; and
- (iii) if granted before 1 April 1990:
  - (A) the property had a rateable value at 31 March 1990 lower than £1,500 in Greater London or £750 elsewhere; and
  - (B) the rent payable for the time being is greater than two-thirds of the rateable value at 31 March 1990;
- (iv) if granted on or after 1 April 1990 the rent payable for the time being is between £251 and £100,000 inclusive (or between £1,001 and £100,000 inclusive in Greater London).

There is no maximum term for an AT and therefore any lease can constitute an AT if it satisfies the relevant criteria.

Since 28 February 1997 all ATs will automatically be ASTs (unless the landlord serves notice to the contrary) which gives landlords the right to recover the property at the end of the term of the tenancy. The HA 1988 also entitles a landlord to obtain an order for possession and terminate an AT/AST during its fixed term on proving one of the grounds for possession specified in Section 7(6) of the HA 1988. The ground for possession of most concern in relation to long leaseholds is Ground 8 – namely that if the rent is payable yearly (as most ground rents are), at least three months' rent is more than three months in arrears both at the date of service of the landlord's notice and the date of the hearing.

Most leases give the landlord a right to forfeit the lease if rent is unpaid for a certain period of time but the courts normally have power to grant relief, cancelling the forfeiture as long as the arrears are paid off. There are also statutory protections in place to protect long leaseholders from unjustified forfeiture action. However, an action for possession under Ground 8 is not the same as a forfeiture action and the court's power to grant relief does not apply to Ground 8. In order to obtain possession, the landlord will have to follow the notice procedure in Section 8 of the HA 1988 and, if the tenant does not leave on expiry of the notice, apply for a court order. However, as Ground 8 is a mandatory ground, the court will have no discretion and will be obliged to grant the order if the relevant conditions are satisfied. There is government consultation underway to review residential leasehold law generally and it is anticipated that this issue will be addressed as part of any resulting reforms.

Currently, however, there is a risk that where:

- (i) a long lease is also an AT/AST due to the level of the ground rent;
- (ii) the tenant is in arrears of ground rent for more than three months;
- (iii) the landlord chooses to use the HA 1988 route to seek possession under Ground 8; and
- (iv) the tenant does not manage to reduce the arrears to below three months' ground rent by the date of the court hearing,

the long lease will come to an end and the landlord will be able to re-enter the relevant property. This may adversely affect the realisable value of the Portfolio, and/or the ability of the Issuer to make payments under the Notes.

### ***Energy Efficiency Regulations 2015***

From 1 April 2018, landlords of relevant domestic properties in England and Wales may not grant a tenancy to new or existing tenants if their property has an EPC rating of band F or G (as shown on a valid Energy Performance Certificate for the property) and from 1 April 2020, landlords must not continue letting a relevant domestic property which is already let if that property has an EPC rating of band F or G (as shown on a valid Energy Performance Certificate for the property). In both cases described above this is referred to in the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (the **Energy Efficiency Regulations 2015**) as the prohibition on letting substandard property. Where a landlord wishes to continue letting property which is currently substandard, they will need to ensure that energy efficiency improvements are made which raise the EPC rating to a minimum of E. In certain circumstances landlords may be able to claim an exemption from this prohibition on letting substandard property; this includes situations where the landlord is unable to obtain funding to cover the cost of making improvements, or where all improvements which can be made have been made, and the property remains below an EPC rating of Band E. Local authorities will enforce compliance with the domestic minimum level of energy efficiency. They may check whether a property meets the minimum level of energy efficiency, and may issue a compliance

notice requesting information where it appears to them that a property has been let in breach of the Energy Efficiency Regulations 2015 (or an invalid exemption has been registered in respect of it). Where a local authority is satisfied that a property has been let in breach of the Energy Efficiency Regulations 2015 it may serve a notice on the landlord imposing financial penalties. In September 2020 the Department for Business, Energy & Industrial Strategy issued a consultation titled "Improving the energy performance of privately rented homes in England and Wales" regarding, among other things, the proposal to raise energy performance standards for the domestic private rented sector to an EPC rating band of C. The consultation period closed on 8 January 2021. No publication date for the results of the consultation has yet been announced by the UK Government.

### ***The Renting Homes (Wales) Act 2016***

The Renting Home (Wales) Act 2016 (the **Renting Homes Act**) received royal assent on 18 January 2016 and fully entered into force on 1 December 2022. The Renting Homes Act converts the majority of existing residential tenancies in Wales into an occupation contract' with retrospective effect. Subject to certain criteria being met, residential lettings and tenancies granted on or after 1 December 2022 will be 'occupation contracts'.

Under the Renting Homes Act, a landlord must, within the requisite time period set out in the act, serve a written statement on the tenant of an occupation contract which sets out certain terms of the occupation contract which are specified in the Act.

Where a tenant has breached the occupation contract the minimum notice that must be given to the tenant by the landlord of termination of the contract is one month. The notice period can be shorter where it relates to acts of anti-social behaviour or serious rent arrears. Where a 'no fault' notice is issued, the minimum notice that must be given to a tenant is six months.

The Renting Homes Act (which only has effect in Wales) does not contain an equivalent mandatory ground for possession that a lender had under the Housing Act 1988 where a property was subject to a mortgage granted before the beginning of the tenancy and the lender required possession in order to dispose of the property with vacant possession.

The Renting Homes Act may result in lower recoveries in relation to buy-to-let mortgage loans over Properties in Wales and may affect the ability of the Issuer to make payments under the Notes.

### ***FCA Consumer Duty***

The FCA has published final rules on the introduction of a new consumer duty on regulated firms (**Consumer Duty**), which aims to set a higher level of consumer protection in retail financial markets by requiring regulated firms to act to ensure good retail customer outcomes. It applies from 31 July 2023 for products and services that remain open to sale or renewal and from 31 July 2024 for closed products and services.

The Consumer Duty will apply to the regulated activities and ancillary activities of all firms authorised under the FSMA.

There are three main elements to the new Consumer Duty, comprising a new consumer principle, that "a firm must act to deliver good outcomes for the retail consumers of its products", cross-cutting rules supporting the consumer principle, and four outcomes, relating to the quality of firms' products and services, price and value, consumer understanding and consumer support.

The Consumer Duty applies not only at origination of a product but throughout its subsistence (so in the case of a mortgage loan, the Consumer Duty will apply at origination and throughout the period the mortgage loan is outstanding). The cross-cutting rules include an obligation to avoid causing

foreseeable harm to the consumer and the outcomes include an obligation to ensure that the product (for example, a mortgage loan) provides fair value to the retail customer. These obligations (as with the remainder of the Consumer Duty) must be assessed on a regular basis throughout the life of the product.

The Consumer Duty will apply in respect of Regulated Mortgage Contracts (as well as loans falling within the consumer credit regime and in very limited circumstances to the servicing of buy to let loans). It will apply to product manufacturers and distributors, which include purchasers of in scope mortgage loans, as well as firms administering or servicing those mortgage loans. Although the Consumer Duty will not apply retrospectively, the FCA will require firms to apply the Consumer Duty to existing products on a forward-looking basis. It is not yet possible to predict the precise effect of the new Consumer Duty on the Loans with any certainty. If (for example) the obligations relating to fair value or not causing harm are not met in relation to the Mortgage Portfolio, it could adversely affect the amounts received or recoverable in relation to the Mortgage Portfolio. This may adversely affect the ability of the Issuer to make payments in full on the Notes and Certificates when due. It is not yet possible to predict the precise effect of the new Consumer Duty on the Loans with any certainty, however the FCA has its usual enforcement powers, such as issuing fines and securing redress for consumers, in relation to breaches of the Consumer Duty.

### ***Right to Buy Loans***

There are some Right to Buy Loans in the Provisional Portfolio. Properties sold under the Right to Buy scheme of the Housing Act 1985 are sold by the landlord at a discount to market value calculated in accordance with the Housing Act 1985. A purchaser under the scheme of the Housing Act 1985 must repay the whole of the discount if they dispose of the property within one year of acquiring it from the landlord, four-fifths if they dispose within two years, three-fifths if within three years, two-fifths if within four years and one-fifth if within five years. The landlord obtains a statutory charge in respect of the contingent liability of the purchaser under the scheme to repay the discount. Under the Housing Act 1985, such statutory charge ranks in priority to other charges including that of any mortgage lenders except in certain circumstances. Such statutory charge shall automatically rank behind any charge on the related property in relation to monies advanced by an approved lending institution to the extent they are advanced for the purpose of enabling the purchaser to exercise his or her right to buy. The purchaser is required, before a sale or disposal of the property within 10 years of the date of purchase, to offer the property to the landlord or another social landlord at full market value and to allow up to eight weeks for acceptance of the offer. A mortgage lender selling the property as a mortgagee in possession in such circumstances will also be obliged to grant such right of first refusal to the landlord.

### ***General***

No assurance can be given that additional legislation, regulations or guidance from Parliament, the FCA, the CMA, the PRA, the Ombudsman or any other regulatory authority will not arise with regard to the mortgage market in the United Kingdom generally, the Legal Title Holder's particular sector in that market or specifically in relation to the Legal Title Holder. Any such action or developments or compliance costs may have a material adverse effect on the Loans, the Legal Title Holder, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full on the Notes when due.

### ***Potential effects of any additional regulatory changes***

In the United Kingdom and elsewhere, there is continuing political and regulatory scrutiny of the banking industry and, in particular, retail banking. In the United Kingdom, the FCA (and previously its predecessor the FSA), the PRA and the CMA have recently carried out, or are currently conducting, several enquiries. In recent years there have been several issues in the UK financial services industry in which the FCA has intervened directly, including the sale of personal pensions, payment protection insurance and the sale of mortgage-related endowments. No assurance can be given that changes will

not be made to the regulatory regime and developments described above in respect of the mortgage market in the United Kingdom generally, the Legal Title Holder's particular sector in that market or specifically in relation to the Legal Title Holder. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the group and its businesses and operations. This may adversely affect the Issuer's ability to make payments in full when due on the Notes.

## UNITED KINGDOM TAXATION

*The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs (HMRC) practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future (possibly with retrospective effect). Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek professional advice.*

The Class X Certificates and the Class Y Certificates are not considered below.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007. Euronext Dublin is a recognised stock exchange for such purposes. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in Member States of the European Economic Area and are admitted to trading on the Regulated Market of Euronext Dublin. Provided, therefore, that such Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on those Notes will be payable without withholding or deduction for or on account of United Kingdom income tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Where Notes are issued at an issue price of less than 100 per cent. of the principal amount, any payments in respect of the discount element on any such Notes should not generally be subject to any withholding or deduction for or on account of United Kingdom income tax. Where Notes are to be, or may fall to be, redeemed at a premium as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.



## UNITED STATES FEDERAL INCOME TAXATION

A discussion of the material U.S. federal income tax consequences of the purchase, ownership and disposition of the Rule 144A Notes is set out below. As set forth in the discussion below it is anticipated that, upon issuance of the Rule 144A Notes, Dentons US LLP will deliver its opinion that, although there is no statutory, judicial or administrative authority directly addressing the characterisation of instruments similar to the Rule 144A Notes, when issued, the Class A1 Notes and the Class A2 Notes should, be treated as debt for U.S. federal income tax purposes.

### *General*

The following is a general summary of certain material U.S. federal income tax consequences that may be relevant with respect to the purchase, ownership and disposition of the Rule 144A Notes (except for the discussions under "*Taxation of Non-United States holders of the Notes*" and "*Back-up withholding and information reporting*" which apply in respect of all Notes). In general, the discussion only addresses a holder that acquires the Notes at original issuance and holds the Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including, without limitation, the following:

- (a) financial institutions;
- (b) insurance companies;
- (c) dealers or traders in stocks, securities, notional principal contracts or currencies;
- (d) tax-exempt entities;
- (e) regulated investment companies;
- (f) real estate investment trusts;
- (g) persons that will hold the Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" for U.S. federal income tax purposes;
- (h) partnerships or other pass-through entities for U.S. federal income tax purposes;
- (i) certain former citizens or residents of the United States;
- (j) persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement; and
- (k) United States holders (as defined below) that have a "functional currency" other than the U.S. Dollar.

This discussion also does not address alternative minimum tax or net investment income tax consequences, or the indirect effects on the holders of equity interests in holders of Notes, nor does it describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government.

This discussion is based on the U.S. Internal Revenue Code of 1986 (the **Code**), U.S. Treasury regulations and judicial and administrative interpretations thereof, all as currently in effect and subject to change at any time, possibly with retroactive effect.

No rulings will be sought from the U.S. Internal Revenue Service (the **IRS**) on any of the issues discussed in this section and there can be no assurance that the IRS or courts will agree with the conclusions expressed herein. Accordingly, investors are encouraged to consult their own tax advisers as to the U.S. federal income tax consequences to the investor of the purchase, ownership and disposition of the Notes to them, including the possible application of state, local, non-U.S. or other tax laws, and other U.S. tax issues affecting the transaction.

As used in this section, the term **United States holder** means a beneficial owner of Notes that is for U.S. federal income tax purposes:

- (a) a citizen or resident of the United States;
- (b) a corporation created or organised in or under the laws of the United States or any state thereof (including the District of Columbia);
- (c) any estate the income of which is subject to U.S. federal income tax regardless of the source of its income; or
- (d) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

A **Non-United States holder** is a beneficial owner of the Notes that is not a United States holder and not a partnership. If a holder of Notes is a partnership for U.S. federal income tax purposes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Such partners of partnerships holding Notes are encouraged to consult their own tax advisers regarding the personal tax consequences to them.

#### ***Characterisation of the Rule 144A Notes***

The Issuer will treat the Class A1 Notes and the Class A2 Notes (the **U.S. Notes**) as indebtedness for U.S. federal income tax purposes. Each United States holder of a U.S. Note, by acceptance of such U.S. Note, will agree to treat such U.S. Note as indebtedness for U.S. federal income tax purposes. Although there is no statutory, judicial or administrative authority directly addressing the characterisation of instruments similar to the U.S. Notes, upon issuance of the U.S. Notes, Dentons US LLP will deliver an opinion that when issued, the Class A1 Notes and the Class A2] Notes should be treated as debt for U.S. federal income tax purposes. This opinion is not binding on the IRS, and no assurance can be given that the characterisation of the U.S. Notes as indebtedness will prevail if the issue were challenged by the IRS. In general, the characterisation of an instrument for such purposes as debt or equity by its issuer as of the time of issuance is binding on a holder, unless the holder takes an inconsistent position and discloses such position in its tax return. This characterisation, however, is not binding on the IRS. Prospective United States holders of the U.S. Notes should consult with their own tax advisers as to the effect of a recharacterisation of the U.S. Notes as equity interests in the Issuer. In general, if a Class of Notes were treated as equity, the discussion under the heading "*Taxation of United States holders of the Equity Notes*" below and elsewhere of the tax consequences of holding Equity Notes (as defined below) would be relevant to holders of that Class as well. Except as otherwise stated below, the remainder of this discussion assumes the U.S. Notes will be treated as indebtedness for U.S. federal income tax purposes.

The Issuer has agreed, and by its acceptance of the Class Z Notes and the Class R Notes (the **Equity Notes**) each United States holder of an Equity Note will be deemed to have agreed, to treat the Equity Notes as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by any governmental authority. The balance of this discussion assumes that the Equity Notes will properly be characterised as equity in the Issuer.

## ***Taxation of United States holders of the U.S. Notes***

### ***Qualified Stated Interest and Original Issue Discount***

United States holders of U.S. Notes generally will be required to include in gross income the U.S. Dollar value of payments of "qualified stated interest" (generally, stated interest unconditionally payable at least annually at a single fixed rate) accrued or received on their U.S. Notes, in accordance with their usual method of tax accounting, as ordinary interest income. The Issuer intends to treat interest on the Class A1 Notes and the Class A2 Notes as "qualified stated interest" under U.S. Treasury regulations (**OID Regulations**) relating to original issue discount (**OID**). As a consequence, discount on a Class A1 Note or a Class A2 Note arising from an issuance at less than par will only be required to be accrued under the OID Regulations if such discount is equal to or exceeds 0.25 per cent. of the Class A1 Note's or the Class A2 Note's stated redemption price at maturity multiplied by the number of complete years to its maturity. In general, the stated redemption price at maturity of a Class A1 Note or a Class A2 Note is the total of all payments provided by the Class A1 Notes or the Class A2 Notes, as applicable that are not payments of qualified stated interest. If the discount on a Class A1 Note or a Class A2 Note does not exceed the above threshold, such discount will be treated as *de minimis* OID and, absent an election by the holder to accrue under the OID rules, will be included in income on a pro rata basis as principal payments are made on the Class A1 Notes and/or the Class A2 Notes, as applicable.

If a United States holder holds a U.S. Note issued with OID (any such Note, a **Discount Note**), such United States holder must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Note. The amount of OID includible in income by a United States holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the United States holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Discount Note may be of any length selected by the United States holder and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year, and (ii) each scheduled payment of interest or principal on the Discount Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of interest on the Discount Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is equal to the "issue price" of the Discount Note (generally, the first price at which a substantial amount of U.S. Notes are sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers), increased by the amount of any OID accrued for each prior accrual period and reduced by any payments received during each prior accrual period other than those of qualified stated interest.

As an alternative to the above treatments, United States holders may elect to include in gross income all interest with respect to the U.S. Notes, including stated interest, OID, *de minimis* OID, and unstated interest using the constant yield method described above.

Interest income on the U.S. Notes will be treated as foreign source income for U.S. federal income tax purposes, which may be relevant in calculating a United States holder's foreign tax credit limitation for U.S. federal income tax purposes. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific classes of income. The foreign tax credit rules are complex, and United States holders are encouraged to consult their own tax advisers regarding the availability of a foreign tax credit and the application of the limitation in their particular circumstances.

### *Sale, exchange or retirement of the U.S. Notes*

In general, a United States holder of a U.S. Note will have an adjusted tax basis in such U.S. Note equal to the cost of the U.S. Note to such holder, increased by any amounts includible in income by the holder as OID, and reduced by any payments thereon other than payments of qualified stated interest. Upon a sale, exchange or retirement of the U.S. Note, a United States holder will generally recognise gain or loss equal to the difference between the amount realised (less amounts attributable to any accrued and unpaid interest, which would be taxable as such) and the holder's adjusted tax basis in the U.S. Note. Such gain or loss will be long-term capital gain or loss if the United States holder has held the U.S. Note for more than one year at the time of disposition. Long-term capital gains recognised by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to limitations.

### *Foreign Currency Gain or Loss*

A United States holder holding U.S. Notes denominated in a non-U.S. Dollar currency will be subject to the U.S. federal income tax rules generally applicable to debt instruments denominated in a non-functional currency. Under those rules, interest income generally will be calculated in the non-U.S. Dollar currency and converted into U.S. Dollars based on an applicable exchange rate. The holder will recognise foreign currency gain or loss (which is ordinary income or loss) as interest payments are received to account for any difference between the amount of reported interest income and the U.S. Dollar value of the interest payments received. OID on U.S. Notes denominated in a non-U.S. Dollar currency for each accrual period will be determined in the non-U.S. Dollar currency that such U.S. Note is denominated in and then translated into U.S. Dollars in the same manner as stated interest accrued by an accrual basis United States holder. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale, exchange or retirement of a Discount Note), a United States holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

Foreign currency gain or loss also may be recognised as principal payments are received, or upon a sale, exchange or retirement of the U.S. Notes (limited by the overall gain or loss on sale, exchange or retirement of the U.S. Notes), reflecting changes in exchange rates over the period in which the U.S. Notes are held. United States holders purchasing U.S. Notes should consult their own tax advisers regarding the calculation and treatment of foreign currency gain or loss.

### ***Taxation of United States holders of the Equity Notes***

#### *Investment in a Passive Foreign Investment Company*

A non-U.S. corporation will be classified as a passive foreign investment company (a **PFIC**) for U.S. federal income tax purposes if 75 per cent. or more of its gross income (including the pro rata share of the gross income of any corporation in which the non-U.S. corporation is considered to own 25 per cent. or more of the shares by value) in a taxable year is passive income. Alternatively, a non-U.S. corporation will be classified as a PFIC if at least 50 per cent. of its assets generally determined based on fair market value (including the pro rata share of the assets of any corporation in which the non-U.S. corporation is considered to own 25 per cent. or more of the shares by value) are held for the production of, or produce, passive income.

Based on the assets that the Issuer expects to hold and the income anticipated thereon, it is highly likely that the Issuer will be classified as a PFIC for U.S. federal income tax purposes. The Issuer intends to treat the Equity Notes as equity in a PFIC. Accordingly, the following discussion assumes that the Issuer will be a PFIC throughout the term of the Equity Notes, and United States holders of Equity

Notes should assume that they will be subject to the U.S. federal income tax consequences described below that result from owning stock in a PFIC (subject to the discussion under "*Investment in a Controlled Foreign Corporation*", below).

If the PFIC rules are otherwise applicable and a United States holder has not elected to treat the Issuer as a "qualified electing fund" (as described in the next paragraph), such United States holder generally will be subject to special rules with respect to (i) any "excess distribution" (generally, any distributions received by the United States holder on the Equity Notes in a taxable year that are greater than 125 per cent. of the average annual distributions received by the United States holder in the three preceding taxable years or, if shorter, the United States holder's holding period for the Equity Notes) and (ii) any gain realised on the sale, exchange or retirement of the Equity Notes. Under these rules, (a) the excess distribution or gain will be allocated rateably over the United States holder's holding period, (b) the amount allocated to the current taxable year will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest tax rate on ordinary income in effect for each taxable year to which the income is allocated, as if such distributions and gain had been recognised rateably over the United States holder's holding period for the Equity Notes. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution.

If a United States holder elects to treat the Issuer as a "qualified electing fund" (a **QEF**), distributions and gain will not be taxed as if recognised rateably over the United States holder's holding period or subject to an interest charge. Instead, a United States holder that makes a QEF election is required for each taxable year to include in income the United States holder's pro rata share of the ordinary earnings of the qualified electing fund as ordinary income and a pro rata share of the net capital gain of the qualified electing fund as capital gain, regardless of whether such earnings or gain have in fact been distributed (assuming the discussion below under "*Investment in a Controlled Foreign Corporation*" does not apply), and pay tax on such income, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. In order to comply with the requirements of a QEF election, a United States holder must receive from the Issuer certain information. The Issuer agrees to make available to any United States holder of Equity Notes or of any other Class of Notes that is determined by the U.S. Internal Revenue Service to be treated as equity in the Issuer, upon such United States holder's request and at the Issuer's expense, the books and records of the Issuer, and to provide information to such United States holder pertinent to the Issuer's status as a PFIC as defined in Section 1297(a) of the Code. Upon request by such United States holder, the Issuer will timely provide to each such United States holder, at the Issuer's expense, all information reasonably available to the Issuer to permit such United States holder to (i) accurately prepare all tax returns and comply with any reporting requirements as a result of the Issuer's status as a PFIC and (ii) make and maintain any tax election (including, without limitation, a QEF election under Section 1295 of the Code) with respect to the Issuer and comply with any reporting or other requirements incident to such election. Except as expressly noted, the discussion below assumes that a QEF election will not be made.

If the Issuer is a PFIC, each United States holder of an Equity Note must make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which the United States holder holds a direct or indirect interest. If a United States holder does not file IRS Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such United States holder for the related tax year may not close before the date which is three years after the date on which such report is filed. Prospective investors should consult their own tax advisers regarding the potential application of the PFIC rules to the Equity Notes and any other Class of Notes.

#### *Investment in a Controlled Foreign Corporation*

Depending on the degree of ownership of the Equity Notes and other equity interests in the Issuer by United States holders, the Issuer may constitute a controlled foreign corporation (**CFC**). In general, a foreign corporation will constitute a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, are owned, directly or indirectly, by **United**

**States shareholders.** A United States shareholder for this purpose is any United States person that owns or is treated as owning under specified attribution rules, 10 per cent. or more of the combined voting power or value of all classes of shares of a foreign corporation. If more than 50 per cent. of the Equity Notes and other equity interests in the Issuer are held by such United States shareholders, the Issuer would be a CFC.

If the Issuer were treated as a CFC, a United States shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a dividend at the end of the taxable year of the Issuer in an amount equal to that person's pro rata share of the Issuer's **subpart F income** and investments of the Issuer's earnings in U.S. property. Among other items, and subject to certain exceptions, subpart F income includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, substantially all of its income would be subpart F income. In addition, distributions of previously taxed amounts included as dividends by a United States shareholder generally will not be treated as income to the United States shareholder when distributed. Instead, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a dividend and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions and certain "dividends" from such CFC could be recharacterised as U.S. source income for U.S. foreign tax credit purposes.

If the Issuer were to constitute a CFC, for the period during which a United States holder of Equity Notes is a United States shareholder of the Issuer, such holder generally would be taxable on the Issuer's subpart F income and investments of the Issuer's earnings in U.S. property under rules described in the preceding paragraph and not under the PFIC rules previously described. The Issuer, at its expense, shall from time to time at the request of a Noteholder provide all information that is reasonably required to determine if United States shareholders' direct or indirect ownership of the Issuer would cause the Issuer to be considered a CFC as defined in Section 957(a) of the Code. If the Issuer or a Noteholder determines that the Issuer is a CFC, the Issuer shall furnish to each Noteholder upon its reasonable request, on a timely basis, and at the Issuer's expense, all information necessary to satisfy the U.S. income tax return filing requirements of such Noteholder arising from its investment in the Issuer.

A United States holder that is a United States shareholder of the Issuer subject to the CFC rules for only a portion of the time during which it holds Equity Notes should consult its own tax adviser regarding the interaction of the PFIC and CFC rules.

#### *Distributions on the Equity Notes*

Except to the extent that distributions are attributable to amounts previously taxed by virtue of a QEF election or pursuant to the CFC rules, some or all of any distributions with respect to the Equity Notes may constitute excess distributions, taxable as previously described. Distributions of current or accumulated earnings and profits of the Issuer, as determined for U.S. federal income tax purposes, which are not excess distributions will be taxed as dividends when received. The amount of such income is determined by translating non-U.S. Dollar currency received into U.S. Dollars at the spot rate on the date of receipt. A United States holder may realise foreign currency gain or loss on a subsequent disposition of the non-U.S. Dollar currency received.

#### *Disposition of the Equity Notes*

In general, a United States holder of an Equity Note will recognise gain or loss upon the sale, exchange or retirement of the Equity Note equal to the difference between the amount realised and such holder's adjusted tax basis in such Equity Note. Initially, the tax basis of a United States holder should equal the amount paid for an Equity Note. Such basis will be increased by amounts taxable to such United States holder by virtue of a QEF election or the CFC rules (if applicable), and decreased by actual

distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital. Unless a QEF election is made, it is highly likely that any gain realised on the sale, exchange or retirement of an Equity Note will be treated as an excess distribution and taxed as ordinary income under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

Subject to a special limitation for individual United States holders that have held the Equity Notes for more than one year, if the Issuer were treated as a CFC and a United States holder were treated as a United States shareholder thereof, any gain realised by such holder upon the sale, exchange or retirement of Equity Notes would be treated as ordinary income to the extent of the United States holder's pro rata share of current and accumulated earnings and profits of the Issuer and any of its subsidiaries. In this respect, earnings and profits would not include any amounts previously taxed pursuant to the CFC rules.

#### *Foreign Currency Gain or Loss*

A United States holder of Equity Notes that recognises income from the Equity Notes under the QEF or CFC rules discussed above will recognise foreign currency gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under those rules and the date when the income actually is distributed. Any such foreign currency gain or loss will be treated as ordinary income or loss.

A United States holder that receives foreign currency upon the sale or other disposition of the Equity Notes generally will realise an amount equal to the U.S. Dollar value of the foreign currency on the date of such sale, exchange or retirement. A United States holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. Any gain or loss realised by a United States holder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss.

#### *Transfer and Other Reporting Requirements*

In general, United States holders that acquire Equity Notes for cash may be required to file IRS Form 926 and to supply certain additional information to the IRS if (i) such United States holder owns (directly or indirectly) immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the transfer when aggregated with all related transfers under applicable regulations exceeds \$100,000. In addition, a United States holder of Equity Notes that owns (actually or constructively) at least 10 per cent. by vote or value of the Issuer may be required to file an information return on IRS Form 5471. A United States holder of Equity Notes generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50 per cent. by vote or value of the Issuer.

Prospective investors in the Equity Notes should consult with their own tax advisers regarding whether they are required to file IRS Form 8886 in respect of this transaction. Such filing generally will be required if such investors file U.S. federal income tax returns or U.S. federal information returns and recognise losses in excess of a specified threshold. Such filing will also generally be required by a United States holder of the Equity Notes if the Issuer both participates in certain types of transactions that are treated as "reportable transactions", such as a transaction in which its loss exceeds a specified threshold, and either (x) such United States holders owns 10 per cent. or more of the aggregate amount of the Equity Notes and makes a QEF election with respect to the Issuer or (y) the Issuer is treated as a CFC and such United States holder is a "United States shareholder" (as defined above) of the Issuer. If the Issuer does participate in a reportable transaction, it will make reasonable efforts to make such information available. Significant penalties may be imposed on taxpayers required to file IRS Form 8886 that fail to do so timely.

### ***Foreign Financial Asset Reporting***

Certain United States holders that own certain foreign financial assets, including debt or equity of foreign entities, with an aggregate value in excess of certain U.S. Dollar thresholds may be required to file an information report with respect to such assets with their tax returns and the understatement of income attributable to such foreign financial assets may extend the statute of limitations with respect to the tax return. Failure to comply with this requirement may result in the imposition of substantial penalties. United States holders are urged to consult their tax advisers regarding the application of these reporting requirements to their ownership of the Rule 144A Notes.

### ***Taxation of Non-United States holders of the Notes***

Subject to the back-up withholding and Foreign Account Tax Compliance Act rules discussed below, a Non-United States holder generally should not be subject to U.S. federal income or withholding tax on any payments on a Note and gain from the sale, redemption or other disposition of a Note unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-United States holder of a trade or business in the U.S. or (ii) in the case of any gain realised on the sale or exchange of a Note by an individual Non-United States holder, that holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Non-United States holders are encouraged to consult their own tax advisers regarding the U.S. federal income and other tax consequences to them of owning Notes.

### ***Back-up withholding and information reporting***

Back-up withholding and information reporting requirements may apply to certain payments on the Notes and to proceeds of the sale or redemption of the Notes to United States holders. The Issuer, its agent, a broker or any paying agent, as the case may be, may be required to withhold tax from any payment that is subject to back-up withholding if the United States holder fails to furnish the United States holder's taxpayer identification number (usually on IRS Form W-9), to certify that such United States holder is not subject to back-up withholding, or to otherwise comply with the applicable certification requirements of the back-up withholding rules. Certain United States holders are not subject to the back-up withholding and information reporting requirements. Non-United States holders may be required to comply with applicable certification procedures (usually on IRS Form W-8BEN or IRS Form W-8BEN-E) to establish that they are not United States holders in order to avoid the application of such information reporting requirements and back-up withholding.

Back-up withholding is not an additional tax. Any amounts withheld under the back-up withholding rules will be refunded or credited against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Holders of Notes are encouraged to consult their own tax advisers as to their qualification for exemption from back-up withholding and the procedure for obtaining an exemption.



## FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the Code, commonly known as FATCA, a **foreign financial institution** may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be treated as a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## ERISA CONSIDERATIONS FOR INVESTORS

The U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to the fiduciary responsibility provisions of Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include for ERISA purposes the assets of such plans (collectively, **ERISA Plans**), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts and Keogh plans, including entities the underlying assets of which include the assets of such plans (together with ERISA Plans, the **Plans**)) and persons (referred to as "parties in interest" under ERISA or "disqualified persons" under the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person, including a Plan fiduciary, who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

The Issuer, the Paying Agent, any transfer agent, the Registrar or any other party to the transactions referred to in this Prospectus may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes is acquired or held by a Plan, including but not limited to where the Issuer, the Paying Agent, any transfer agent, the Registrar or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest solely by reason of providing services to the plan (and neither it nor its affiliate has or exercises discretionary authority or control, or renders investment advice with respect to assets involved in the transaction), provided that the Plan receives no less than and pays no more than adequate consideration for the transaction), Prohibited Transaction Class Exemption (**PTCE**) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisers regarding the prohibited transaction rules and these exemptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code (**Similar Law**). Fiduciaries of any such

plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exempted relief under any Similar Law.

In addition, the U.S. Department of Labor has promulgated a regulation, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the **Plan Asset Regulation**), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for the purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in the form of debt may be considered an equity interest if it has substantial equity features. If the Issuer is deemed under the Plan Asset Regulation to hold plan assets by reason of a Plan's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code. The Plan Asset Regulation provides, however, that if equity participation in any entity by "Benefit Plan Investors" is not significant, then the "look-through" rule will not apply to such entity. The term "**Benefit Plan Investors**" is defined in the Plan Asset Regulation to include (1) any "employee benefit plan" (as defined in Section 3(3) of ERISA) that is subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (2) any "plan" (as defined in Section 4975(e)(1) of the Code) to which Section 4975 of the Code applies, and (3) any entity whose underlying assets include "plan assets" for ERISA purposes by reason of any such employee benefit plan's or plan's investment in the entity. Equity participation by Benefit Plan Investors in any entity is significant if, immediately after the most recent acquisition of any equity interest in the entity, 25 per cent. or more of the total value of any class of equity interests in the entity (excluding the value of any interests held by certain persons, other than Benefit Plan Investors, with discretionary authority or control over the assets of the entity or who provide investment advice to the entity for a fee (direct or indirect) with respect to such assets or certain affiliates of such persons) is held by Benefit Plan Investors. There is little pertinent authority in this area and it is not entirely clear, it is possible that the Certificates and each Class of Notes could be viewed as equity interests for the purposes of the Plan Asset Regulations.

Accordingly, the Notes may not be purchased or held by any Benefit Plan Investor, including any ERISA Plan or other Plan or any entity whose underlying assets include plan assets by reason of such an ERISA Plan or other Plan's investment in such entity within the meaning of the Plan Asset Regulation, and each purchaser and transferee of such Note (or interest therein) will be deemed to have represented, warranted and agreed that (i) it is not, and is not acting on behalf of (and for so long as it holds such Note (or interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor, and (ii) if it is a governmental, church or non-U.S. plan, (A) it is not, and for so long as it holds such Note or interest therein will not be, subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer (or other persons responsible for the investment and operation of the Issuer's assets) to any Similar Law, and (B) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a violation of any Similar Law.

The person who is responsible for making the investment decisions on whether to purchase or commit to purchase and to hold any of the Notes on behalf of any governmental, church or non-U.S. plan should determine whether, under the documents and instruments governing the plan, an investment in such Notes is appropriate for such plan, taking into account the overall investment policy of the plan and the composition of the plan's investment portfolio. Any governmental, church or non U.S. plan proposing

to invest in such Notes should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt violation of Similar Law and will satisfy any Similar Law).

The sale of any Notes to a governmental, church or non-U.S. plan is in no respect a representation by the Issuer, the Paying Agent, any transfer agent, the Registrar, the Lead Manager or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by any such plans generally or any particular plan, or that such an investment is appropriate for such plans generally or any particular plan.

## SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

Barclays (in its capacity as an Arranger, Lead Manager and Retention Holder) has, pursuant to a subscription agreement dated on or about the date of this Prospectus between the Seller, the Arranger, the Lead Manager, the Retention Holder and the Issuer (the **Subscription Agreement**), agreed with the Issuer and Seller (subject to certain conditions) to subscribe or purchase and pay for on the Closing Date:

- (a) in the case of the Lead Manager:
  - (i) £21,201,643.11 of the Class Z Notes at the issue price of 91.57586 per cent.; and
  - (ii) £771,749.60 of the Class R Notes at the issue price of 40.61840 per cent.;(together the **LM Notes**); and
- (b) in the case of the Retention Holder:
  - (i) £54,021,000.00 of the Class A1 Notes at the issue price of 100 per cent.;
  - (ii) £2,844,000.00 of the Class A2 Notes at the issue price of 100 per cent.;
  - (iii) £1,116,309.73 of the Class Z Notes at the issue price of 91.57586 per cent.; and
  - (iv) £40,618.40 of the Class R Notes at the issue price of 40.61840 per cent.;

Only the LM Notes are being sold through the Lead Manager. The Certificates are not being offered by this Prospectus. Any transferee or purchaser of any Certificate is prohibited from relying on this Prospectus in connection with any such transaction.

On the Closing Date, (i) Barclays Bank Plc will acquire 95 per cent. of the Class A Notes (ii) the Retention Holder will acquire 5 per cent of the Class A Notes, 5 per cent of each other Class of Notes, 100 per cent. of the Class X Certificates and 5 per cent. of the Class Y Certificates, (iii) the Lead Manager expects to preplace up to 95 per cent. of the Class Z Notes and Class R Notes with one fund, or related funds, managed or advised by the same investment manager.

The Certificates are not being offered by this Prospectus and will be issued on the Closing Date to the Seller and represent a right to deferred consideration for the sale of the Portfolio by the Seller to the Issuer. The Seller will transfer the Certificates to Barclays immediately following the issue of the Certificates to the Seller on the Closing Date. Barclays will transfer 95 per cent. of the Class Y Certificates to one fund, or related funds, managed or advised by the same investment manager pursuant to a private placement transaction.

Other than admission of the Notes to the Official List and the admission of the Notes to trading Euronext Dublin, no action has been taken by the Issuer, the Seller, the Lead Manager or the Arranger, which would or has been intended to permit a public offering of the Notes, or possession or distribution of this Prospectus or other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

The Retention Holder will covenant to the Arranger and Lead Manager that it will, while any of the Notes remain outstanding, retain on an ongoing basis a material net economic interest of 5 per cent. in the nominal value of each Class of Notes (including, for the avoidance of doubt, the nominal value of any Further Class A2 Notes if and when issued) and of each Class of Certificates, in accordance with the UK Securitisation Regulation, the EU Securitisation Regulation and the U.S. Credit Risk Retention

Requirements. Any change in the manner in which the interest is held will be notified to the Noteholders.

Pursuant to the terms of the Subscription Agreement, the Retention Holder may assign, transfer or novate its rights, obligations and liabilities (other than any obligations relating to retention of 5 per cent. of the material net economic interest of each Class of Notes and of each Class of Certificates) except to the extent such obligation is capable of being transferred or novated in accordance with the applicable legislation and regulation and would not cause the transaction described in this Prospectus to cease to be compliant with the risk retention requirements under Article 6 of the UK Securitisation Regulation, Article 6 of the EU Securitisation Regulation or the U.S. Credit Risk Retention Requirements to one of its subsidiaries. In that event, the obligations, liabilities and rights of the Seller will become the obligations, liabilities and rights of the entity acquiring them.

The Issuer has agreed to indemnify the Lead Manager against certain liabilities and to pay certain costs and expenses in connection with the issue of the Notes. In addition, prospective investors should note that the Lead Manager are entitled to receive amounts due to them under the Subscription Agreement up to a cap pursuant to the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments, in each case in priority to any amounts due under the Notes to the Noteholders.

***This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.***

### ***United States***

Each of the Arranger and the Lead Manager has acknowledged, in the Subscription Agreement, that the LM Notes have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and therefore may not be offered, sold or otherwise transferred directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined under Regulation S of the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Notes are being offered and sold only (i) in the United States, to QIBs acting for their own account or for the account of one or more other QIBs in reliance on Rule 144A, or (ii) outside the United States to persons other than U.S. persons as defined in Regulation S in offshore transactions in reliance on, and in compliance with, Regulation S and, in each case, in compliance with any applicable state or local securities laws. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. In addition, the LM Notes cannot be resold in the United States or to U.S. persons unless they are subsequently registered or an exemption from registration is available.

Each of the Arranger and the Lead Manager has agreed that with respect to the Notes for which it has subscribed that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date (the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 or 904 of Regulation S. Each of the Arranger and the Lead Manager has further agreed that with respect to the Notes for which it has subscribed it will have sent to each affiliate or person receiving a selling commission, fee or other remuneration that purchases Notes from it during the Distribution Compliance Period, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them in Regulation S.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes within the United States by the Lead Manager, or any other manager or dealer that is not participating in the offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### ***United Kingdom***

The Lead Manager have represented and agreed with the Issuer that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issuance or sale of any LM Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the LM Notes in, from or otherwise involving the United Kingdom.

The Arranger and Lead Manager each acknowledge that, save for having applied for the admission of the Notes to the Official List of the Central Bank of Ireland and admission to trading on Euronext Dublin, no further action has been or will be taken in any jurisdiction by the Arranger and Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material in relation to the Notes, in any country or jurisdiction where such further action for that purpose is required.

### ***Ireland***

The Lead Manager have represented and agreed that:

- (a) it will not underwrite the issue of, or place the LM Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 of Ireland, as amended, (the **MiFID Regulations**) including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OTFs)) thereof and in connection with the MiFID Regulations, any applicable codes of conduct or rules and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland, Regulation (EU) No 600/2014, as amended, and any delegated or implementing acts adopted thereunder and the provisions of the Investor Compensation Act 1998 of Ireland, as amended;
- (b) it will not underwrite the issue of, or place, the LM Notes otherwise than in conformity with the provisions of the Companies Act 2014 of Ireland (as amended, the **Companies Act**), the Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 of Ireland, as amended;
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the LM Notes otherwise than in conformity with the provisions of the European Union Prospectus Regulations 2019 and any rules issued by the Central Bank of Ireland under Section 1363 of the Companies Act; and
- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the LM Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU/596/2014), as amended, the Market Abuse Directive on criminal sanctions for market

abuse (Directive 2014/57/EU), the European Union (Market Abuse) Regulations 2016 of Ireland, as amended, (S.I. No 349 of 2016) and any Irish market abuse law as defined in those Regulations and the Companies Act 2014 of Ireland, as amended, and any rules made or guidance issued by the Central Bank of Ireland in connection with the foregoing, including any rules or guidelines issued by the Central Bank of Ireland under Section 1370 of the Companies Act 2014 of Ireland, as amended.

### ***Prohibition of Sales to UK Retail Investors and EEA Retail Investors***

Each Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom.

For the purposes of this provision the expression **retail investor** means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
- (c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation,

each Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area.

For the purposes of this provision the expression **retail investor** means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II;
- (b) a customer within the meaning of Directive (EU) 2016/97 as amended or recast (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (c) not a qualified investor as defined in the EU Prospectus Regulation,

the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### ***General***

Each of the Issuer, the Arranger, the Lead Manager and the Seller has undertaken that it will not, directly or indirectly, offer or sell any Notes or Certificates or have in its possession, distribute or publish any Prospectus, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations (including as stated in the section entitled "*Important Notices*", not to retail investors as defined in such section), and all offers and sales of Notes by it will be made on the same terms.



It is expected that delivery of Notes will be made against payment on the Closing Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within two business days (T+2), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until two days prior to the Closing Date will be required, by virtue of the fact the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes who wish to trade Notes between the date of pricing and the Closing Date should consult their own adviser.

## TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

The Notes and the Class X Certificates are subject to transfer restrictions and are not transferable except in accordance with the restrictions set forth herein. Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes or the Class X Certificates.

### Offers and Sales

The Notes (including any interests therein) have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. Accordingly, the Notes (and any interests therein) are being offered and sold only (i) in the case of the Rule 144A Notes, in the United States, to QIBs acting for their own account or for the account or benefit of one or more other QIBs in reliance on Rule 144A, in each case in accordance with and pursuant to Rule 144A and any state or local securities laws and (ii) in the case of the Regulation S Notes, outside the United States to persons other than U.S. persons in reliance on Regulation S.

The Notes may not be reoffered, resold, pledged or otherwise transferred except (a) (i) to a person whom the transferor reasonably believes is a QIB purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A or (ii) to a non-U.S. person in an offshore transaction complying with Rule 903 or 904 of Regulation S or (b) pursuant to another available exemption from the registration requirements of the Securities Act, in each case in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

On or prior to the expiration of the Distribution Compliance Period, any sale or transfer of interests in a Regulation S Global Note to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A as provided below. Any offers, sales or deliveries of the Notes in the United States or to U.S. persons by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the end of the Distribution Compliance Period may constitute a violation of United States law.

### *Investor Representations and Restrictions on Resale*

Each purchaser (together with any subsequent transferee) of the Notes (including any interests therein) will be deemed to have acknowledged, represented and agreed as follows:

- (a) the Notes are only being offered in a transaction that does not involve a public offering in the United States within the meaning of the Securities Act and the Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described below;
- (b) (i) in the case of the Rule 144A Global Notes, it (A) is a QIB within the meaning of Rule 144A under the Securities Act, (B) is aware, and each beneficial owner of such Notes has been advised, that the sale to it is being made in reliance on Rule 144A under the Securities Act, (C) is acquiring such Notes for its own account or as a fiduciary or agent for others (which others must also be QIBs) for investment purposes and not for distribution in violation of the Securities Act and (D) is able to bear the economic risk of an investment in such Notes and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Notes; or (ii) in the case of the Regulation S Notes, it is not a U.S. person (within the meaning of Regulation S under the Securities Act) and is acquiring

such Regulation S Notes for its own account or as a fiduciary or agent for other non-U.S. persons in an offshore transaction (as defined in Regulation S) pursuant to an exemption from registration provided by Regulation S;

- (c) it understands that the Issuer is not and will not be registered under the Investment Company Act;
- (d) if it decides to resell or otherwise transfer the Notes or any beneficial interest therein prior to the date which is one year after the later of the last issue date for the series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, then it agrees that it will only resell or transfer such Notes or any beneficial interest therein: (i) to the Issuer or any affiliate thereof; (ii) inside the United States to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and to whom notice is given that the resale or other transfer is being made in reliance on Rule 144A; (iii) pursuant to an exemption from registration provided by Rule 144 under the Securities Act (if available); (iv) to a non-U.S. person acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S; or (v) pursuant to another available exemption from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States, provided, that the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control;
- (e) if it is outside the United States and is not a U.S. person, if it should resell or otherwise transfer the notes prior to the expiration of the Distribution Compliance Period, it will do so only (i) (A) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB in compliance with Rule 144A and (ii) in accordance with all applicable U.S. state or local securities laws;
- (f) it will, and will require each subsequent holder to, notify any subsequent purchaser of the Notes of the resale restrictions referred to in paragraph (d) above, if then applicable;
- (g) it is not acquiring the notes with a view to the resale, distribution or other disposition thereof in violation of the Securities Act;
- (h) it understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Notes. Before any interest in the Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;
- (i) it understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Notes. Before any interest in the Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws; and
- (j) it understands that the Issuer, the Registrar, the Arranger, the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the acknowledgments, representations and agreements contained in this section "*Transfer Restrictions and Investor Representations*". If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

## *Legend*

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any Class of Notes is outstanding, a Global Note will bear a legend substantially as set forth below:

NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION OF THE UNITED STATES.

AS A MATTER OF U.S. LAW, PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT: (A) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATIONS UNDER THE SECURITIES ACT (**REGULATION S**), (B) TO OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**)), OR (C) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. ANY PURPORTED TRANSFER OF THIS NOTE OR ANY INTEREST HEREIN THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON SAFEKEEPER OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH PURCHASER OR TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**) WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (EACH OF THE FOREGOING, A **BENEFIT PLAN INVESTOR**), AND (B) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A VIOLATION

OF ANY SIMILAR LAW. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.]

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any Class of the Notes is outstanding, a Rule 144A Global Note will bear a legend substantially as set forth below:

THIS NOTE HAS NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**). ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) (**U.S. PERSONS**) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. ACCORDINGLY, EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE, BY PURCHASING OR OTHERWISE ACQUIRING A BENEFICIAL INTEREST IN THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OR BENEFIT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, UNDER THE SECURITIES ACT, (II) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 OF REGULATIONS OF THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN PARAGRAPH (A) ABOVE. ANY PURPORTED TRANSFER OF THIS NOTE OR ANY INTEREST HEREIN THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR AND CLEARSTREAM, LUXEMBOURG (THE COMMON SAFEKEEPER) TO THE REGISTRAR OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF SUCH ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE COMMON SAFEKEEPER

OR SUCH OTHER REPRESENTATIVE OF THE COMMON SAFEKEEPER OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE COMMON SAFEKEEPER (AND ANY PAYMENT HEREON IS MADE TO SUCH ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE COMMON SAFEKEEPER), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO SUCH NOMINEES OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH PURCHASER OR TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), THAT IS SUBJECT TO SECTION 4975 OF THE CODE OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (EACH OF THE FOREGOING, A BENEFIT PLAN INVESTOR), AND (B) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (I) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE OR INTEREST HEREIN WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (SIMILAR LAW), AND (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.]

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

## GENERAL INFORMATION

1. The LEI of the Issuer is 2138001SMUUR36BSID82 and the STUI is 2138001SMUUR36BSID82N202301.
2. It is expected that the admission of the Notes to the Official List of Euronext Dublin and the admission of the Notes to trading on Euronext Dublin's Regulated Market will be granted on or around 17 October 2023. The Certificates will not be listed.
3. None of the Issuer or Holdings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holdings respectively is aware) in the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or Holdings (as the case may be).
4. The accounting reference date of the Issuer is 31 December 2024. So long as the Notes are admitted to trading on Euronext Dublin's Regulated Market, the most recently published audited annual accounts of the Issuer from time to time shall be available at the specified office of the Principal Paying Agent in London. The Issuer does not publish interim accounts.
5. The auditors of the Issuer will be appointed prior to the Closing Date but are expected to be PwC UK. . The auditor appointed will be registered and authorised for regulated activities under the Institute of Chartered Accountants in England and Wales.
6. For so long as the Notes are admitted to the Official List of Euronext Dublin and to trading on Euronext Dublin's Regulated Market, the Issuer shall maintain a Paying Agent in the United Kingdom.
7. Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
8. The issue of the Notes and the Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on 10 October 2023.
9. The Notes and the Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISINs and Common Codes:

| <b>Class of Notes</b> | <b>ISIN (Reg S / 144A)</b>     | <b>Common Code (Reg S / 144A)</b> |
|-----------------------|--------------------------------|-----------------------------------|
| Class A1 Notes        | XS2698468365 /<br>XS2698472631 | 269846836 / 269847263             |
| Class A2 Notes        | XS2698469686 /<br>XS2698479644 | 269846968 / 269847964             |
| Class Z Notes         | XS2698470189 /<br>XS2698479727 | 269847018 / 269847972             |
| Class R Notes         | XS2698470692 /<br>XS2698480063 | 269847069 / 269848006             |
| Class X1 Certificate  | XS2698481467 /<br>XS2698484487 | 269848146 / 269848448             |
| Class X2 Certificate  | XS2698482192 /<br>XS2698484727 | 269848219 / 269848472             |
| Class Y Certificates  | XS2698484057 /<br>XS2698485021 | 269848405 / 269848502             |

10. The Notes and the Certificates have the following CFIs and FISNs codes:

| <b>Class of Notes</b> | <b>CFI (Reg S / 144A)</b> | <b>FISN (Reg S / 144A)</b>  |
|-----------------------|---------------------------|---|
| Class A1 Notes        | DBVXFR /<br>DBVXFR        | ARIMA MORTGAGES/VAR BD<br>20530728 / ARIMA<br>MORTGAGES/VAR BD 20530728   |
| Class A2 Notes        | DBVXFR /<br>DBVXFR        | ARIMA MORTGAGES/VAR BD<br>20530728 / ARIMA<br>MORTGAGES/VAR BD 20530728   |
| Class Z Notes         | DBVXFR /<br>DBVXFR        | ARIMA MORTGAGES/VAR BD<br>20530728 / ARIMA<br>MORTGAGES/VAR BD 20530728   |
| Class R Notes         | DBVXFR /<br>DBVXFR        | ARIMA MORTGAGES/VAR BD<br>20530728 / ARIMA<br>MORTGAGES/VAR BD 20530728   |
| Class X1 Certificate  | DMMXXR /<br>DMMXXR        | ARIMA MORTGAGES/OTH DBT<br>20530728 / ARIMA<br>MORTGAGES/OTH DBT 20530728 |
| Class X2 Certificate  | DMMXXR /<br>DMMXXR        | ARIMA MORTGAGES/OTH DBT<br>20530728 / ARIMA<br>MORTGAGES/OTH DBT 20530728 |
| Class Y Certificates  | DMMXXR /<br>DMMXXR        | ARIMA MORTGAGES/OTH DBT<br>20530728 / ARIMA<br>MORTGAGES/OTH DBT 20530728 |

### **UK Securitisation Regulation Reporting**

11. The Issuer and Barclays Bank PLC (as SSPE and originator, respectively, within the meaning of the UK Securitisation Regulation), have agreed that the Issuer is designated as the reporting entity (the **Reporting Entity**) as required under Article 7(2) of the UK Securitisation Regulation.

The Reporting Entity has undertaken in the Subscription Agreement:

- (a) that it will fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf;
- (b) that it will procure that:
  - (i) the UK SR Investor Report is published as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards;
  - (ii) the UK SR Data Tape is published as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards; and
  - (iii) any information required to be reported pursuant to Article 7(1)(g) (as applicable) of the UK Securitisation Regulation is published as required by and in accordance with Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards; and



- (c) that:
- (i) the UK SR Investor Report and UK SR Data Tape will be made available to, inter alia, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes or the Certificates by being published on the Reporting Website on each Interest Payment Date (and in any event no later than one month following each such Interest Payment Date); and
  - (ii) any UK SR Significant Event Information will be made available to, inter alia, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes or the Certificates by being published on the Reporting Website without delay,

in each case subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity is only required to do so to the extent that the disclosure requirements under Article 7 of the UK Securitisation Regulation remain in effect.

The Corporate Services Provider has agreed that, upon receipt from the Issuer, the Servicer, the Cash Manager or the Servicer Administrator of any SR Significant Event Information, it will prepare in the requisite format and upload such SR Significant Event Information to the Reporting Website without delay.

The Reporting Entity further confirms that it has made available this Prospectus and the Transaction Documents as required by Article 7(1)(b) of the UK Securitisation Regulation (in draft form) prior to the pricing of the Notes and that it will procure that final documents are provided no later than 15 days after the Closing Date.

**UK Article 7 ITS** means Commission Implementing Regulation (EU) 2020/1225 as it forms part of the domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

**UK Article 7 RTS** means Commission Delegated Regulation (EU) 2020/1224 as it forms part of the domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

**UK Article 7 Technical Standards** means the UK Article 7 RTS and the UK Article 7 ITS, as amended from time to time.

## **EU Securitisation Regulation Reporting**

12. The Reporting Entity has undertaken in the Subscription Agreement to procure the provision of information to Noteholders and (upon request) potential investors in accordance with the requirements of Article 7(1) of the EU Securitisation Regulation and in a manner consistent with Article 7(2) of the EU Securitisation Regulation and the EU Article 7 Technical Standards as if such provisions were applicable to it, subject always to any requirement of law, and

provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; (ii) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply as a result of any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which would impose additional material obligations on the Issuer in order for it to maintain compliance with its EU Article 7 Undertaking provided that it or another party on its behalf, consults with the Retention Holder and the Portfolio Option Holder in relation to potential actions to avert or remedy such non-compliance; and (iii) the Reporting Entity is only required to procure the provision of information pursuant to this undertaking in the manner and form that would apply to a securitisation where no prospectus has been prepared in accordance with the Prospectus Regulation.

**EU Article 7 ITS** means Commission Implementing Regulation (EU) 2020/1225226 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission, as amended from time to time.

**EU Article 7 RTS** means Commission Delegated Regulation (EU) 2020/1224227 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission, as amended from time to time.

**EU Article 7 Technical Standards** mean the EU Article 7 RTS and the EU Article 7 ITS.

13. From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin and admitted to trading on its Regulated Market, physical copies of the following documents may be inspected at the registered office of the Issuer (and, with the exception of paragraph (a) and (b)(xxvii) below at the specified office of the Paying Agents) during usual business hours, on any weekday (public holidays excepted) and made available at <https://www.euroabs.com/IH.aspx?d=21590>

- (a) the memorandum and articles of association of each of the Issuer and Holdings;
- (b) copies of the following documents:
  - (i) Trinidad Accession Undertaking to the Seller Declaration of Trust;
  - (ii) Farringdon Accession Undertaking to the Seller Declaration of Trust;
  - (iii) Administration Agreement;
  - (iv) Agency Agreement;
  - (v) Bank Account Agreement;
  - (vi) Cash Management Agreement;
  - (vii) Corporate Services Agreement;
  - (viii) Deed of Charge;
  - (ix) Portfolio Option Deed Poll;

- (x) Interim Servicing and Legal Title Holder Deed;
- (xi) Long Term Servicing and Legal Title Holder Deed;
- (xii) Farringdon Collection Account Declaration of Trust;
- (xiii) Long Term Collection Account Declaration of Trust;
- (xiv) Migration Deed;
- (xv) Issuer Power of Attorney;
- (xvi) each Legal Title Holder Power of Attorney;
- (xvii) Master Definitions and Construction Schedule;
- (xviii) Mortgage Sale Agreement (Trinidad);
- (xix) Mortgage Sale Agreement (Farringdon);
- (xx) Retention Holder Deed Poll;
- (xxi) Risk Retention Letter;
- (xxii) Servicer Power of Attorney;
- (xxiii) Seller Power of Attorney;
- (xxiv) Seller Security Power of Attorney;
- (xxv) Share Trust Deed;
- (xxvi) Trust Deed; and
- (xxvii) such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and/or the Certificates.

14. The Issuer confirms that the Loans backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. Investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.

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**ISSUER**

**Arima Mortgages PLC**  
1 Bartholomew Lane,  
London EC2N 2AX

**SELLER**

**Isle of Wight Home Loans Limited**  
1 Churchill Place  
London E14 5HP

**INTERIM SERVICER**

**BCMGlobal Mortgage Services Limited**  
1st Floor, Crown House, Crown Street,  
Ipswich, England, IP1 3HS

**LONG TERM SERVICER**

**Mars Capital Finance Limited**  
Belvedere, 12 Booth Street, Manchester,  
United Kingdom, M2 4AW

**CASH MANAGER**

**U.S. Bank Global Corporate Trust Limited**  
Fifth Floor  
125 Old Broad Street  
London EC2N 1AR

**ISSUER ACCOUNT BANK**

**Barclays Bank PLC**  
1 Churchill Place  
London, E14 5HP

**AGENT BANK**

**REGISTRAR AND PRINCIPAL PAYING AGENT**

**Elavon Financial Services DAC, UK Branch**  
Fifth Floor  
125 Old Broad Street  
London EC2N 1AR

**ARRANGER AND LEAD MANAGER**

**Barclays Bank PLC**  
1 Churchill Place  
Canary Wharf, London E14 5HP

**NOTE TRUSTEE AND SECURITY TRUSTEE**

**U.S. Bank Trustees Limited**

125 Old Broad Street  
Fifth Floor  
London EC2N 1AR

**LEGAL ADVISERS TO BARCLAYS AS ARRANGER AND LEAD MANAGER**

(as to English law)

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD

(as to U.S. law)

**Allen & Overy LLP**  
1221 Avenue of the Americas  
New York  
NY 10020  
United States

**LEGAL ADVISERS TO THE SELLER AND RETENTION HOLDER**

**Dentons UK and Middle East LLP**

1 Fleet Place  
London EC4M 7WS  
United Kingdom

**LEGAL ADVISERS TO THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD

**LISTING AGENT**

**Walkers Listing Services Limited**

5th Floor The Exchange  
George's Dock  
IFSC  
Dublin 1, DO1 W3P9  
Ireland