

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

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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 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, THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS IN RELIANCE ON REGULATION S (**REGULATION S**) UNDER THE SECURITIES ACT. IN ADDITION, THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**). THE ACQUISITION AND TRANSFER OF THE NOTES IS SUBJECT TO ANY ADDITIONAL RESTRICTIONS DESCRIBED IN THE PROSPECTUS.

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 NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT), AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS E-MAIL 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, 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.

ADDITIONALLY, ON THE CLOSING DATE, THE NOTES MAY ONLY BE PURCHASED BY PERSONS THAT ARE NOT U.S. PERSONS (**RISK RETENTION U.S. PERSONS**{XE "Risk Retention U.S. Persons"}) WITHIN THE MEANING OF THE CREDIT RISK RETENTION REGULATIONS IMPLEMENTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION PURSUANT TO SECTION 15G OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE **EXCHANGE ACT**{XE "Exchange Act"}, AND SUCH REGULATIONS, THE **U.S. CREDIT RISK RETENTION REQUIREMENTS**{XE "U.S. Credit Risk Retention Requirements"}). PURCHASERS OF THE NOTES, INCLUDING BENEFICIAL INTERESTS THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT EACH PURCHASER (1) IS NOT A RISK RETENTION U.S. PERSON, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. CREDIT RISK RETENTION REQUIREMENTS (INCLUDING ACQUIRING SUCH SECURITY THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. CREDIT RISK RETENTION REQUIREMENTS). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "**U.S. PERSON**{XE "U.S. Person"}" IN THE U.S. CREDIT RISK RETENTION REQUIREMENTS IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF U.S. PERSON UNDER REGULATION S.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

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 Harbour No.1 PLC (the **Issuer**), Isle of Wight Home Loans Limited (the **Seller**), Barclays Bank PLC (**Barclays**), Citigroup Global Markets Limited (**Citigroup**, and together with Barclays, the **Co-Arrangers**), and Deutsche Bank AG, London Branch (**Deutsche Bank**, and together with Barclays and Citigroup, the **Joint Lead Managers**) 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 Joint Lead Managers.

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 Joint Lead Managers.

The Notes are offered subject to prior sale or withdrawal, cancellation or modification of this offering without notice. The Issuer and the Joint Lead Managers 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 Joint Lead Managers or any person affiliated with the Joint Lead Managers 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 fully reviewed or approved by the rating agencies (which are expected to assign ratings to some or all of the securities) and have 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 nor 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 Joint Lead Managers, 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.

The Notes sold under this Prospectus 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 of the United States. The Notes are being offered only in offshore transactions to persons other than U.S. persons in accordance with Regulation S. The Notes will be subject to restrictions on resale and transfer. Please refer to the section entitled "Subscription, Sale and Selling Restrictions" and "Transfer Restrictions and Investor Representations".

HARBOUR NO.1 PLC

(Incorporated in England and Wales with limited liability, registered number 13603842)

Legal Entity Identifier: 213800MBWPF2JNNPVL18

Securitisation Transaction Unique Identifier: 213800MBWPF2JNNPVL18202101

Class	Initial Class Principal Amount	Issue Price	Reference Rate ⁽¹⁾	Initial Margin (per annum)	Step-Up Margin (per annum)	First Optional Redemption Date ⁽²⁾	Expected Ratings ⁽³⁾ (S&P/DBRS/KBRA)	Final Redemption Date
A1	£262,020,000	99.61714 per cent.	Compounded Daily SONIA	0.80 per cent.	1.45 per cent.	Interest Payment Date falling in October 2024	AAA(sf)/AAA(sf)/AAA(sf)	Interest Payment Date falling in January 2054
A2	£74,323,000	98.88333 per cent.	Compounded Daily SONIA	0.90 per cent.	1.60 per cent.	Interest Payment Date falling in October 2024	AA-(sf)/AAA(sf)/AAA(sf)	Interest Payment Date falling in January 2054
B	£35,272,000	98.33527 per cent.	Compounded Daily SONIA	1.10 per cent.	1.65 per cent.	Interest Payment Date falling in October 2024	A(sf)/AA(sf)/AA+(sf)	Interest Payment Date falling in January 2054
C	£15,116,000	98.33911 per cent.	Compounded Daily SONIA	1.25 per cent.	1.88 per cent.	Interest Payment Date falling in October 2024	A-(sf)/A(H)(sf)/AA(sf)	Interest Payment Date falling in January 2054
D	£31,492,000	97.52956 per cent.	Compounded Daily SONIA	1.50 per cent.	2.25 per cent.	Interest Payment Date falling in October 2024	BBB-(sf)/BBB(H)(sf)/A(sf)	Interest Payment Date falling in January 2054
E	£22,674,000	97.54835 per cent.	Compounded Daily SONIA	2.00 per cent.	3.00 per cent.	Interest Payment Date falling in October 2024	BB(sf)/BBB(L)(sf)/BBB(sf)	Interest Payment Date falling in January 2054
F	£17,636,000	96.24380 per cent.	Compounded Daily SONIA	2.50 per cent.	3.50 per cent.	Interest Payment Date falling in October 2024	B-(sf)/BB(sf)/BB-(sf)	Interest Payment Date falling in January 2054
G	£15,116,000	93.70460 per cent.	Compounded Daily SONIA	3.00 per cent.	4.00 per cent.	Interest Payment Date falling in October 2024	CCC-(sf)/B(H)(sf)/B-(sf)	Interest Payment Date falling in January 2054
Z	£30,237,000	44.13680 per cent.	N/A (Zero Coupon)	N/A (Zero Coupon)	N/A (Zero Coupon)	Interest Payment Date falling in October 2024	NR/NR/NR	Interest Payment Date falling in January 2054
R	£7,980,000	77.58231 per cent.	N/A (Zero Coupon)	N/A (Zero Coupon)	N/A (Zero Coupon)	Interest Payment Date falling in October 2024	NR/NR/NR	Interest Payment Date falling in January 2054
X	£7,558,000	99.81069 per cent.	Compounded Daily SONIA	3.40 per cent.	3.40 per cent.	Interest Payment Date falling in October 2024	NR/BB(H)(sf)/NR	Interest Payment Date falling in January 2054
Class X Certificates ⁽⁶⁾	N/A ⁽⁴⁾	N/A	Class X Certificate Payment	N/A ⁽⁵⁾	N/A	N/A	NR/NR/NR	N/A
Class Y Certificates ⁽⁶⁾	N/A ⁽⁴⁾	N/A	Class Y Certificate Payment	N/A ⁽⁵⁾	N/A	N/A	NR/NR/NR	N/A

The Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes, the Class R Notes and the Class X Notes are collectively the **Notes**. The Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes are collectively the **Rated Notes**. The Class Z Notes and the Class R Notes are collectively the **Unrated Notes**. The Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes are collectively the **Floating Rate Notes**.

The Certificates are not being offered by this Prospectus.

- (1) The rate of interest payable on each class of Floating Rate Notes and 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.
- (2) The First Optional Redemption Date is the Interest Payment Date in October 2024. The first Interest Payment Date will occur on the Interest Payment Date falling in January 2022, and thereafter will occur on the Interest Payment Date falling in January, April, July, 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)).
- (3) A designation of "NR" means that the Rating Agencies will not rate that Class of Notes or Certificate as of the Closing Date. The Class Z Notes, the Class R Notes and the Certificates will not be rated by any Rating Agency.
- (4) The Certificates do not have a principal amount outstanding. See "*Transaction Overview – Summary of the Terms and Conditions of the Notes and the Certificates*".
- (5) No rate of interest is earned on the Certificates. Payments on the Certificates will be payable in arrear on each Interest Payment Date.
- (6) On the Closing Date (i) five per cent. of each Class of the Rated Notes and 100 per cent. of the Unrated Notes will be acquired by the Retention Holder; and (ii) 95 per cent. of each of the Class Z Notes and the Class R Notes will be acquired from the Retention Holder by one or more third party investors pursuant to a privately placed, offshore transaction to persons other than U.S. persons in accordance with Regulation S. On the Closing Date, one or more third party investors consisting of a fund, acting directly or through an affiliate, will acquire approximately 27.72 per cent. of the Class A2 Notes, approximately 61.92 per cent. of the Class C Notes and 95 per cent. of each of the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes. The Certificates are not being offered by this Prospectus.

The Certificates 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 expects to transfer 95 per cent. of the Class Y Certificates to one or more third party investors pursuant to a privately placed, offshore transaction to persons other than U.S. persons in accordance with Regulation S. Barclays will be required to retain no less than 5 per cent. of the nominal value of each of the Class X 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 the Class X Certificates for as long as required under the UK Securitisation Regulation and pursuant to the EU 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.

CO-ARRANGERS

BARCLAYS

CITIGROUP

JOINT LEAD MANAGERS

BARCLAYS

CITIGROUP

DEUTSCHE BANK

The date of this Prospectus is 8 December 2021.

Issue Date The Issuer will issue the Notes and the Certificates on or about 10 December 2021 (the **Closing Date**).

**Standalone/
programme
issuance** Standalone issuance.

**Simple,
Transparent and
Standardised
(STS)
Securitisation** 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.

Listing This document comprises a prospectus (the **Prospectus**) for the purposes of Regulation (EU) 2017/1129 (as amended or superseded) (the **EU Prospectus Regulation**). This Prospectus has been approved as a prospectus by the Central Bank of Ireland (the **Central Bank**) 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. This document does not comprise a prospectus for the purposes of the UK Prospectus Regulation (where the **UK Prospectus Regulation** 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 **EUWA**)).

Such approval relates to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class X Notes, the Class Z Notes and the Class R Notes, each of which are to be admitted to trading on an EU regulated market for the purposes of Directive 2014/65/EU (**EU MiFID II**) and/or are to be offered to the public in any Member State of the European Economic Area.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) for the Notes to be admitted to the official list (the **Official List**) and traded on its regulated market (the **Regulated Market**). The Regulated Market of Euronext Dublin is a regulated market for the purposes of EU MiFID II. Investors should make their own assessment as to the suitability of investing in the Notes. Each of the Class X Certificates and Class Y Certificates (the **Certificates**) are not and will not be listed or admitted to trading. The Certificates are not being offered by this Prospectus. Information contained in this Prospectus relating to the Certificates is included herein for completeness.

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.

The Prospectus is valid for 12 months from its date in respect of Notes which are to be admitted to trading on the Regulated Market of Euronext Dublin. 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 its regulated market.

UK Benchmarks Regulation	Amounts payable on the Floating Rate 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 Organisation of Securities Commissions.
The Notes	<p>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 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. For a description of certain further restrictions on offers, sales and transfers of Notes in this Prospectus, see "<i>Subscription, Sale and Selling Restrictions</i>" and "<i>Transfer Restrictions and Investor Representations</i>".</p> <p>The Notes issued in global form are referred to herein as Global Notes.</p>
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 " <i>Effects of the Volcker Rule on the Issuer, the Notes and the holders of the Notes</i> ".
Underlying Assets	<p>The Issuer will make payments on the Notes from, inter alia, payments of principal and revenue received from a portfolio comprising loans the equitable or beneficial interest in which will be sold to the Issuer by Isle of Wight Home Loans Limited (the Seller) and which were purchased by the Seller on the Closing Date from each of:</p> <p>(a) Morag Finance I S.à r.l (the Morag Vendor) in respect of loans originally originated by North Yorkshire Mortgages Limited and Amber Homeloans Limited (the Morag Originators) (such portfolio, the Morag Portfolio); and</p>

- (b) Wall Finance No.1 PLC (the **Wall Vendor**, and together with the Morag Vendor, the **Vendors**) in respect of loans originally originated by:
- (i) Mortgages PLC, Edeus Mortgage Creators Limited (in liquidation), Wave Lending Limited, Heritable Bank PLC (in administration), Victoria Mortgage Funding Limited (dissolved), Amber Homeloans Limited, Associates Capital Corporation PLC, Future Mortgages Limited (in liquidation), Rooftop Mortgages Limited, Southern Pacific Mortgage Limited and Mars Capital Finance Limited (trading as Magellan Homeloans) (the **Wall Originators**) (such portfolio, the **Wall Portfolio**); and
 - (ii) Amber Homeloans Limited, Future Mortgages Limited (in liquidation), Rooftop Mortgages Limited, Southern Pacific Mortgage Limited, GE Money Home Finance Limited, GE Money Home Lending Limited, GE Money Secured Loans Limited and IGroup 2 Limited (the **MAQ Originators** and together with the Morag Originators and the Wall Originators, the **Originators**) (such portfolio, the **MAQ Portfolio**),

and which, other than the Shortfall Loans, are secured over buy-to-let and owner-occupied residential property and certain partially commercial properties located in England and Wales, Scotland and Northern Ireland (the **Portfolio**). The Portfolio will be purchased by the Issuer from the Seller on the Closing Date.

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

**Credit
Enhancement**

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

- over-collateralisation funded by 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, all amounts standing to the credit of the General Reserve Fund and the Liquidity 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 A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G 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 "*Transaction Overview – 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*"

and in relation to the Liquidity Reserve Fund, see the section entitled "*Credit Structure – Liquidity 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 A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G 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 (subject, where applicable, to the relevant PDL Condition being satisfied);
- in respect of the Class A1 Notes, the Class A2 Notes and the Class X Certificates only, prior to the Class A2 Notes being redeemed in full or the service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund (if any) will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts; and
- in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes only, the Principal Addition Amounts to cure any Revenue Shortfall (subject, in the case of the Class A2 Notes to the Class A2 PDL Condition being satisfied and in the case of the Class B Notes to the Class B PDL Condition being satisfied and in the case of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, only to the extent the relevant Class of Notes is the Most Senior Class).

See the sections entitled "*Transaction Overview – 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 "*Transaction Overview – Overview 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 Rating Agencies Standard & Poor's Rating Services, a division of S&P Global Ratings UK Limited (**S&P**), DBRS Ratings Limited (**DBRS**) and Kroll Bond Rating Agency UK Limited (**KBRA**) (each a **Rating Agency** and together, the **Rating Agencies**).

As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the United Kingdom (the **UK**) and is registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the **UK CRA Regulation**).

As of the date of this Prospectus, none of the Rating Agencies are established in the European Union and none of the Rating Agencies have applied for registration under

Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**). The ratings issued by S&P have been endorsed by S&P Global Ratings Europe Limited, the ratings issued by KBRA have been endorsed by Kroll Bond Rating Agency Europe Limited and the ratings issued by DBRS have been endorsed by DBRS Ratings GmbH, in each case in accordance with the EU CRA Regulation. S&P Global Ratings Europe Limited, Kroll Bond Rating Agency Europe Limited and DBRS Ratings GmbH are established in the European Union and registered under the EU CRA Regulation. As such S&P Global Ratings Europe Limited, Kroll Bond Rating Agency Europe Limited and DBRS Ratings GmbH are included in the list of credit rating agencies published by the European Securities and Markets Authority in accordance with the EU CRA Regulation.

Credit Ratings

Ratings from S&P, DBRS and KBRA are expected to be assigned to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes on or before the Closing Date. The Class X Notes are expected to be assigned a rating by DBRS only. The Class Z Notes and the Class R Notes will not be rated.

The ratings assigned by S&P, DBRS and KBRA to the Class A1 Notes address the likelihood of full and timely payment of interest and ultimate payment of principal on the Class A1 Notes.

The ratings assigned by DBRS and KBRA to the Class A2 Notes address the likelihood of full and timely payment of interest and ultimate payment of principal on the Class A2 Notes and the rating assigned by S&P to the Class A2 Notes addresses the likelihood of ultimate payment of interest and principal on the Class A2 Notes.

The rating assigned by DBRS to the Class B Notes addresses the likelihood of full and timely payment of interest on the Class B Notes while the Class B Notes are the Most Senior Class and ultimate payment of principal on the Class B Notes.

The ratings assigned by S&P and KBRA to the Class B Notes and by S&P, DBRS and KBRA to the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes address the likelihood of ultimate payment of interest and principal on such Notes.

The ratings assigned by DBRS to the Class X Notes address the likelihood of ultimate payment of interest and principal on the Class X Notes.

Except as described above, the Seller has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency would rate any Class of Notes, or what rating would be assigned by any such rating agency. Any rating assigned by such other rating agency to a Class of Notes could be lower than the rating assigned by the Rating Agencies to such Class of Notes.

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, 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 no less than 5 per cent. of the nominal value of each Class of Notes 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 (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 Conditions and the Terms and Conditions of the Certificates (the **Certificate Conditions**). 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 U.S. Securities and Exchange Commission (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 and the Certificates.

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

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 X Certificate Payment (in respect of the Class X Certificates) and the Class Y Certificate Payment (in respect of the Class Y Certificates), in accordance with the Certificate Conditions.

In addition, the Class Y Certificates represent the right of the Portfolio Option Holder to exercise the Portfolio Purchase Option.

Immediately following the issue of the Certificates to the Seller on the Closing Date, the Seller will transfer 100 per cent. of each Class 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 privately placed, offshore transaction to persons other than U.S. persons in accordance with Regulation S. 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 will not be listed or rated.

Significant Investors

Significant investors in the Notes:

- On the Closing Date, the Retention Holder will acquire 5 per cent. of each Class of the Rated Notes.
- On the Closing Date, the Retention Holder will acquire 100 per cent. of the Class Z Notes and the Class R Notes and will transfer 95 per cent. of the Class Z Notes and the Class R Notes to one or more third party investors consisting of a fund, acting directly or through an affiliate.
- On the Closing Date, one or more third party investors consisting of a fund, acting directly or through an affiliate, will acquire approximately 27.72 per cent. of the Class A2 Notes, approximately 61.92 per cent. of the Class C Notes and 95 per cent. of each of the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes.

Significant investors in the Certificates:

- On the Closing Date, the Retention Holder will acquire 100 per cent. of the Class X Certificates and the Class Y Certificates and will transfer 95 per cent. of the Class Y Certificates to one or more third party investors consisting of a fund, acting directly or through an affiliate.

The 95 per cent. holding of the Class Z Notes and the Class R Notes and the Class Y Certificates will be, and any material holding in any Class of the Rated Notes may 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 the Class Y 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.

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 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. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS PURSUANT TO REGULATIONS UNDER THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES 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.

IT IS EXPECTED THAT THE CLASS A1 NOTES, THE CLASS A2 NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES WILL BE ERISA-ELIGIBLE NOTES (AS DEFINED HEREIN). EACH PURCHASER OF ANY NOTE THAT IS AN ERISA ELIGIBLE NOTE (OR INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT EITHER (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS SUCH A NOTE (OR INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (A) 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 THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (**THE CODE**), (C) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN 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 (A), (B) AND (C), A **BENEFIT PLAN INVESTOR**), OR (D) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL 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 NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTE OR ANY INTEREST THEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE (OR INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAW. EACH PURCHASER THAT IS A BENEFIT PLAN INVESTOR WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE ISSUER, THE PAYING AGENT, ANY TRANSFER AGENT, THE REGISTRAR OR ANY OTHER PARTY TO THE TRANSACTIONS REFERRED TO IN THIS PROSPECTUS, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH

IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR (**PLAN FIDUCIARY**), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THE NOTES, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THE NOTES; AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE INVESTMENT IN THE NOTES.

EACH PURCHASER OF A CERTIFICATE OR OF ANY NOTE THAT IS NOT AN ERISA-ELIGIBLE NOTE (EACH CLASS OF NOTES OTHER THAN THE CLASS A1 NOTES, THE CLASS A2 NOTES, THE CLASS B NOTES, THE CLASS C NOTES AND THE CLASS D NOTES) 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 CERTIFICATE OR NOTE (OR INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY SIMILAR LAW, AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH CERTIFICATE OR NOTE (OR INTEREST THEREIN) CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON U.S. PLAN, ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH CERTIFICATE OR NOTE (OR INTEREST THEREIN) 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 CO-ARRANGERS, THE JOINT LEAD MANAGERS, THE PAYING AGENTS, THE SERVICER FACILITATOR, THE SERVICER ADMINISTRATOR, THE SERVICERS, THE CASH MANAGER, THE REPLACEMENT CASH MANAGER FACILITATOR, THE ISSUER ACCOUNT BANK, THE 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 Notes and the Certificates are intended to be held in a manner which would allow the 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 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 is not a prospectus for the purposes of Section 12(a)(2) or any other provision of or rule under the Securities Act.

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 EU 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 CO-ARRANGERS 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 EACH 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 IS 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 MANUFACTURERS' 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 MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – SOLELY FOR THE PURPOSES OF EACH 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 IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, **MIFID II**); 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 MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' 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 DIRECTIVE 2014/65/EU (AS AMENDED, **MIFID II**); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (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. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE **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 PRIIPS REGULATION.

THE JOINT LEAD MANAGERS, 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.

NONE OF THE CO-ARRANGERS NOR THE JOINT LEAD MANAGERS 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 ITS KNOWLEDGE, 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 AND THE SPONSOR ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTIONS HEADED "*THE RETENTION HOLDER, THE SPONSOR,*

THE SERVICER ADMINISTRATOR AND THE ISSUER ACCOUNT BANK", "*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 AND THE SPONSOR, 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 AND THE SPONSOR 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 SERVICER ADMINISTRATOR AND THE ISSUER ACCOUNT BANK ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE RETENTION HOLDER, THE SPONSOR, THE SERVICER ADMINISTRATOR AND THE ISSUER ACCOUNT BANK*". TO THE BEST OF THE KNOWLEDGE OF THE SERVICER ADMINISTRATOR AND THE ISSUER ACCOUNT BANK, 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 SERVICER ADMINISTRATOR AND THE ISSUER ACCOUNT BANK AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTION 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 CASH MANAGER*". 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, 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 MORAG SERVICER ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE MORAG SERVICER*". TO THE BEST OF THE KNOWLEDGE OF THE MORAG SERVICER, 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 MORAG SERVICER 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 MORAG LEGAL TITLE HOLDER ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE MORAG LEGAL TITLE HOLDER*". TO THE BEST OF THE KNOWLEDGE OF THE MORAG 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 MORAG 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 WALL SERVICER AND THE WALL LEGAL TITLE HOLDER ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE WALL SERVICER AND WALL LEGAL TITLE HOLDER*". TO THE BEST OF THE KNOWLEDGE OF THE WALL SERVICER AND THE WALL 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 WALL SERVICER OR THE WALL 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 MAQ SERVICER AND THE MAQ LEGAL TITLE HOLDER ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE MAQ SERVICER AND MAQ LEGAL TITLE HOLDER*". TO THE BEST OF THE KNOWLEDGE OF THE MAQ SERVICER AND THE MAQ 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 MAQ SERVICER OR THE MAQ 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, THE REPLACEMENT CASH MANAGER FACILITATOR AND THE SERVICER FACILITATOR ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTION HEADED "*THE CORPORATE SERVICES PROVIDER, THE REPLACEMENT CASH MANAGER FACILITATOR AND THE SERVICER FACILITATOR*". TO THE BEST OF THE KNOWLEDGE OF EACH OF THE CORPORATE SERVICES PROVIDER, THE REPLACEMENT CASH MANAGER FACILITATOR AND THE SERVICER FACILITATOR, 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, THE REPLACEMENT CASH MANAGER FACILITATOR AND THE SERVICER FACILITATOR 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.

NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY THE ORIGINATORS AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION. NONE OF THE ORIGINATORS ARE A TRANSACTION PARTY OR HAS ANY OBLIGATIONS IN RESPECT OF THE ISSUER AND/OR THE NOTES.

THE INFORMATION ON THE WEBSITES TO WHICH THIS PROSPECTUS REFERS DOES NOT FORM PART OF THIS PROSPECTUS AND HAS NOT BEEN SCRUTINISED OR APPROVED BY THE CENTRAL BANK.

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 MORAG SERVICER, THE WALL SERVICER, THE MAQ SERVICER, THE MORAG LEGAL TITLE HOLDER, THE WALL LEGAL TITLE HOLDER, THE MAQ LEGAL TITLE HOLDER, THE SELLER AND THE CORPORATE SERVICES PROVIDER IN THE SECTIONS HEADED "*THE CASH MANAGER*", "*THE RETENTION HOLDER, THE SPONSOR, THE SERVICER ADMINISTRATOR AND THE ISSUER ACCOUNT BANK*", "*THE NOTE TRUSTEE AND THE SECURITY TRUSTEE*", "*THE MORAG SERVICER*", "*THE MORAG LEGAL TITLE HOLDER*", "*THE WALL SERVICER AND WALL LEGAL TITLE HOLDER*", "*THE MAQ SERVICER AND MAQ LEGAL TITLE HOLDER*", "*THE SELLER*" AND "*THE CORPORATE SERVICES PROVIDER, THE REPLACEMENT CASH MANAGER FACILITATOR AND THE SERVICER FACILITATOR*" RESPECTIVELY). NONE OF THE CO-ARRANGERS NOR THE JOINT LEAD MANAGERS 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 THEREOF, 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, which together replaced the Financial Services Authority (the **FSA**) pursuant to the provisions of the UK Financial Services Act 2012.

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.

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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.

The Issuer believes that the risks described below are the material risks inherent in the transaction for Noteholders and the Certificateholders, 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 and/or Certificates 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 and the Certificates should (i) ensure that they understand the nature of the Notes and the Certificates 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 and the Certificates is fully consistent with their respective financial needs, objectives and any applicable investment restrictions and is suitable for them. The Notes and the Certificates 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 and/or the Certificates 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/or Certificates and investors may lose all or part of their investment. Prospective Noteholders and Certificateholders 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 and/or the Certificates 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, the Notes and the Certificates.

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 and the Liquidity Reserve Fund (applied in accordance with the terms of the Cash Management Agreement). Other than the foregoing, 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 – English law 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 and (ii) interest earned on the Issuer Accounts. 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 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 A2 Notes are subordinated in right of payment of interest and principal to the Class A1 Notes and the payment of the Class X Certificate Payment at all times; the Class B Notes are subordinated in right of payment of interest and principal to the Class A1 Notes, the payment of the Class X Certificate Payment and the payment of interest and principal to the Class A2 Notes at all times; the Class C Notes are subordinated in right of payment of interest and principal to the Class A1 Notes, the payment of the Class X Certificate Payment and the payment of interest and principal to the Class A2 Notes and the Class B Notes at all times; the Class D Notes are subordinated in right of payment of interest and principal to the Class A1 Notes, the payment of the Class X Certificate Payment and the payment of interest and principal to the Class A2 Notes, the Class B Notes and the Class C Notes at all times; the Class E Notes are subordinated in right of payment of interest and principal to the Class A1 Notes, the payment of the Class X Certificate Payment and the payment of interest and principal to the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes at all times; the Class F Notes are subordinated in right of payment of interest and principal to the Class A1 Notes, the payment of the Class X Certificate Payment and the payment of interest and principal to the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes at all times; the Class G Notes are subordinated in right of payment of interest and principal to the Class A1 Notes, the payment of the Class X Certificate Payment and the payment of interest and principal to the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes at all times; the Class Z Notes are subordinated in right of payment of principal to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes at all times; the Class R Notes are subordinated in right of payment of principal to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class Z Notes at all times; and the Class X Notes are subordinated in right of payment of interest and principal to payments of interest to the Class A1 Notes, the payment of the Class X Certificate Payment and the payment of interest to the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes and the Class R 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, please see "*Transaction Overview – Fees*".

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 Class G Notes Redemption Date, 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 (subject, in the case of the Class A2 Notes, to the Class A2 PDL Condition being satisfied and in the case of the Class B Notes, to the Class B PDL Condition being satisfied and in the case of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, only to the extent the relevant Class of Notes is the Most Senior Class) (such reapplied amounts, which for the avoidance of doubt, shall not be applied in respect of any Class X Certificate Payment 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 (in each case without double counting): (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; (d) 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 a repurchase or indemnity by the Seller under the Mortgage Sale Agreement or the provisions of the Servicing and Legal Title Holder Deeds (paragraphs (a) to (e) above together, the **Losses** which shall, for the avoidance of doubt, exclude any losses or non-recoveries in respect of the 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, the Class G Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class G Notes then outstanding, the Class F Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class F Notes then outstanding, the Class E Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class E Notes then outstanding, the Class D Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class D Notes then outstanding, the Class C Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class C Notes then outstanding, the Class B Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class B Notes then outstanding, the Class A2 Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class A2 Notes then

outstanding and the Class A1 Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class A1 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 A1 Principal Deficiency Sub-Ledger, *second* the Class A2 Principal Deficiency Sub-Ledger, *third* the Class B Principal Deficiency Sub-Ledger, *fourth* the Class C Principal Deficiency Sub-Ledger, *fifth* the Class D Principal Deficiency Sub-Ledger, *sixth* the Class E Principal Deficiency Sub-Ledger, *seventh* the Class F Principal Deficiency Sub-Ledger, *eighth* the Class G Principal Deficiency Sub-Ledger and *ninth* 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 interest payments

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) due on the Notes (other than the Class A1 Notes) or the Class X Certificate Payment 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 Condition 17 (*Subordination by Deferral*) of the Conditions or Certificate Condition 18 (*Subordination by Deferral*) (as applicable) of the Certificate Conditions to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as the relevant Class of Notes or Certificates becomes due and repayable in full in accordance with the Conditions or Certificate Conditions.

In the event that such amounts of interest are not paid in full on the Notes (other than the Class A1 Notes) or the Certificates as a result of the deferral provisions in Condition 17 (*Subordination by Deferral*) or Certificate Condition 18 (*Subordination by Deferral*) (as applicable) as noted above, 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 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 A1 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.

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

The Liquidity 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 Liquidity Reserve Fund

Ledger shall be an amount equal to the Liquidity 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 Liquidity Reserve Fund in accordance with the requirements described herein. The Liquidity Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts (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 Liquidity Reserve Fund Excess Amount 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*".

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 of interest set by reference to the base rate from time to time of the Bank of England (the **BBR** or **Bank of England Base Rate**), by reference to 3-month LIBOR or by reference to a standard variable rate (**SVR** or **Standard Variable Rate**). The Issuer's liabilities under the Floating Rate 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 Bank of England Base Rate-Linked Loans, the LIBOR-Linked Loans or the SVR Loans, and as a result there is no hedge in respect of the risk of any variance in the interest rates on any of the Bank of England Base Rate-Linked Loans, the LIBOR-Linked Loans or the SVR Loans, and interest set by reference to SONIA on the Notes, 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 Servicing and Legal Title Holder Deeds and the restrictions set out therein, the Servicers shall have full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to determine, set and change the interest rate(s) applicable to the Loans in accordance with the relevant Mortgage Conditions, Applicable Law, the relevant Servicer's or Legal Title Holder's interest rate setting policies and as a Reasonable Prudent Mortgage Lender. In exercising such rights, the Servicers are under no 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 Deeds*".

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 repurchases of (or payments of indemnity amounts in lieu of the Seller repurchasing such Loan, including any accrued interest) such Loans required to be made under the Mortgage Sale Agreement) 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.

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.

Generally, when market interest rates increase, Borrowers are less likely to prepay their Loans, while conversely, when market interest rates decrease, Borrowers (in particular those paying by reference to a fixed interest rate, where there are no or minimal associated Early Repayment Charges) 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 does not comply with the Loan Warranties or Repeating 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 (excluding the Class R Notes and the Class X 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 (excluding the Class R Notes and the Class X 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, 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*". There are 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 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). 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 Notes or additional Notes in order to comply with the Risk Retention Requirements or otherwise impose additional material obligations on any of them in order to ensure compliance with the Risk Retention Requirements (as determined by any of 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 EU Risk Retention Undertaking, 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, 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 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

Issuer may not have direct rights against third parties

Pursuant to the Mortgage Sale Agreement, the Seller will assign to the Issuer (or, in the case of Scottish Loans, procure that the relevant Legal Title Holder holds pursuant to the Scottish Declaration of Trust (as defined below)) the causes and rights of action against solicitors and valuers in respect of the Loans to the extent that they are assignable (the Seller itself having acquired such rights from the relevant Vendor). However, neither the Seller nor the Legal Title Holders was the originator of the Loans and the said rights may therefore not be effectively assigned to the Seller by the relevant Vendor. The Issuer may therefore not have any direct rights against any solicitors or valuers who, when acting for the originator in relation to the origination of any Loan, may have been negligent or fraudulent.

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 English Loans and the Northern Irish Loans and their Related Security will take effect in equity only pursuant to the relevant Vendor Mortgage Sale Agreement. The sale by each of the Vendors to the Seller of the Scottish Loans and their Related Security will be given effect by the Vendors granting assignments to the Seller of their interests in (as beneficiaries of) the existing Scottish declarations of trust that have been declared by each of the Legal Title Holders (or in relation to Morag Loans and their Related Security, by the relevant Morag Originators) in favour of the relevant Vendor (the **Vendor Scottish Declarations of Trust**) by which such declarations of trust the Scottish Loans and their Related Security are currently held on trust by the Legal Title Holders for the benefit of the Vendors and, following the execution and delivery of the relevant assignments pursuant to the relevant Vendor Mortgage Sale Agreement, will be held on trust by the relevant Legal Title Holder for the benefit of the Seller. The sale by the Seller to the Issuer of the English Loans and the Northern Irish Loans and their Related Security (until legal title is conveyed) will also take effect in equity only pursuant to the Mortgage Sale Agreement. The sale by the Seller to the Issuer of the Scottish Loans and their Related Security will be given effect to by Scottish declarations

of trust by each of the Legal Title Holders (with the consent of the Seller) (incorporating the termination of the trusts declared and created by the Vendor Scottish Declarations of Trust) by which such Scottish Loans and their Related Security will be held on trust by the Legal Title Holders for the benefit of the Issuer (the **Scottish Declaration of Trust**). The holding of a beneficial interest under a Scottish trust has (broadly) equivalent legal consequences in Scotland to the holding of an equitable interest in England and Wales.

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

The Issuer has not applied, and prior to the occurrence of a Perfection Event with respect to a Legal Title Holder will not apply, to the Land Registry of England and Wales (the **English Land Registry**) or the Registers of Northern Ireland to register or record its equitable interest in the English Mortgages or the Northern Irish Mortgages, respectively, and may not in any event apply to the General Register of Sasines or Land Register of Scotland (as appropriate) (together the **Registers of Scotland**) to register or record its beneficial interest in the Scottish Mortgages pursuant to the Scottish Declaration of Trust in respect of the Loans in respect of which the relevant Legal Title Holder holds legal title.

Following a Perfection Event with respect to a Legal Title Holder, notice of the transfer of legal title to (or in Scotland, notice of assignation of) the relevant Loans, to the Issuer (or to a nominee of the Issuer) will be given to the Borrowers in respect of such 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. These rights may result in the Issuer receiving reduced payments on the Loans. 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 or assignation 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 the purposes of this Prospectus, references herein to "set-off" shall be construed to include analogous rights in Scotland. For further information on the effects of set-off in relation to the Portfolio, see below under "*Set-off may adversely affect the value of the Portfolio or any part thereof*" below.

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 a 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 a Servicer failed to take any or appropriate enforcement action against the relevant Borrower (in accordance with the Enforcement Procedures of the relevant Servicer or Legal Title Holder), the Issuer or the Security Trustee would either have to take action (where provided for under the terms of the relevant power of attorney entered into pursuant to the relevant Servicing and Legal Title Holder Deed) 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 Legal Title Holder and each Servicer has undertaken, pursuant to the relevant Servicing and Legal Title Holder Deeds, to hold

any money repaid to it in respect of relevant Loans on trust for the Issuer (subject, in relation to Scottish Loans and their Related Security, to the Scottish Declaration of Trust). 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 Deeds*".

Set-off may adversely affect the value of the Portfolio or any part thereof

As described above, the sale by the Seller to the Issuer of the English Loans and the Northern Irish Loans and their Related Security will be given effect by an equitable assignment. For the Scottish Loans and their Related Security, the sale by the Seller to the Issuer of the Scottish Loans and their Related Security will be given effect by the Scottish Declaration of Trust.

Once notice has been given to the Borrowers of the assignment or assignation 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 crystallise and further rights of independent set-off would cease to accrue from that date and no new rights of independent set-off 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) 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 Legal Title Holder's breach of contract 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 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 or (in Scotland) a decree is obtained. For example, where a Legal Title Holder has failed to effect a Porting, having committed to do so, the Borrower could set off against the Issuer, where the relevant Legal Title Holder failed to re-extend the relevant Loan, the difference between the rate of interest on the Loan and the interest rate at which the Borrower could borrow money in the market on the new property. In addition to the difference in the cost of borrowing, the relevant Borrower could also set off any direct losses arising from the relevant Legal Title Holder's breach of contract; namely, the associated costs of obtaining alternative funds (for example, legal fees and survey fees).

Although it is not currently envisaged that any Borrower would have a significant right of set-off against any Legal Title Holder, the effect of the exercise of set-off rights by Borrowers (even if this is 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 Mortgage Sale Agreement

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 or any of the Repeating Loan Warranties proves to have been untrue on the date on which a Port is made (the **Port Date**) in respect of a Loan 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, then notice will be served on the Seller (a **Loan Remedy Notice**) requiring the Seller to indemnify the Issuer and keep indemnified the Issuer against all liabilities relating to the breach of Loan Warranty or Repeating

Loan Warranty, which gave rise to the notice (such liabilities of the Seller under the Mortgage Sale Agreement as remain outstanding from time to time being the **MSA Relevant Liabilities**). The Seller will not provide the Loan Warranties in respect of the Shortfall Loans.

Upon receipt of a Loan Remedy Notice, the Seller may opt, by notice in writing given to the Issuer and the Security Trustee within seven days of delivery of that Loan Remedy Notice (an **Election Notice**) to (instead of making an indemnity payment in respect of the relevant MSA Relevant Liabilities) repurchase the relevant Loan (which, for the avoidance of doubt, shall include any Loan to which a Further Advance relates) and its Related Security (and any other Loan secured or intended to be secured by the same Related Security or any part of it) (a **Loan Repurchase**), in an amount equal to the Repurchase Price of that Loan.

If there are available undrawn commitments under the Harbour Commitment pursuant to the Seller Loan Agreement at such time, the Seller shall draw such amounts for the purposes of paying an amount sufficient to eliminate any debit on the MSA Warranty Claims Ledger when due in accordance with the Mortgage Sale Agreement. See "*The Seller*" and "*Credit Structure – MSA Warranty Indemnity Amounts and MSA Warranty Rebates*" for further detail. The Seller has limited resources to fund any indemnity claim under the Mortgage Sale Agreement in respect of a breach of Loan Warranty or Repeating Loan Warranty (as to which see paragraphs below regarding the Harbour Commitment) and the Seller has no other means of funding any repurchase of the Loans.

Any MSA Relevant Liabilities of the Seller in relation to any Loan shall not exceed an amount equal to the Current Balance of such Loan(s) as at the date of such indemnification payment or repurchase prior to any deductions or downward balance adjustment or payments that may have been applied or made in respect of remediation, claims or set-off related to the relevant Loan Warranty or Repeating Loan Warranty for which such Loan and its Related Security (together with any other Loan secured or intended to be secured by such Related Security or any part of it) is being indemnified or repurchased plus the Issuer's costs and expenses (if any) associated with the indemnity payment. Furthermore, the MSA Relevant Liabilities shall not exceed any of the limitations on liability with respect to a breach of Loan Warranties or Repeating Loan Warranties under the Mortgage Sale Agreement (as further described in the section "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Limitation of liability with respect to a breach of Loan Warranty*").

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 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 the obligations of the Seller pursuant to the Mortgage Sale Agreement are limited recourse obligations and therefore, in the event that the Seller has insufficient funds available to satisfy in full any obligations under the Mortgage Sale Agreement after the Harbour 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 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 be no assurance that the Seller will have the financial resources to repurchase or to make any indemnity payment in respect of any MSA Relevant Liabilities (see "*The Seller*"). Other than its obligation to advance the Harbour Commitment to the Seller under the Seller Loan Agreement, 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. Other than amounts made available to it under the Seller Loan Agreement (which are available for the purposes of making indemnity claims for warranty breaches but not for funding for any repurchase of Loans) and its rights arising under the relevant Vendor Mortgage Sale Agreement, the Seller is not expected to have any material sources of funds. There can be no assurance that the Seller will have the financial resources to repurchase or to make any such indemnity payment in respect of any Loan and its Related Security.

In addition, there are time limits and monetary caps on claims against the Seller in relation to breach of warranties in respect of the Loans (as further described in the section "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Limitation of liability with respect to a breach of Loan Warranty*"). In particular, the Seller (i) will have no liability to the Issuer for breach of warranty in respect of the Loans unless the Issuer has notified the Seller in writing of such breach within the period of two years from and including the Closing Date, and (ii) shall not be required to make payment of any MSA Warranty Indemnity Amount to the extent that payment of any related MSA Warranty Indemnity Amount would result in the debit balance of the Seller MSA Rebate Ledger at that time exceeding £12,600,000. However, Available Revenue Receipts (to the extent available in accordance with the Pre-Enforcement Revenue Priority of Payments) will still be available to remedy any Loss recorded on the Principal Deficiency Ledger that related to an outstanding MSA Relevant Liability of the Seller as described in "*Credit Structure – MSA Warranty Indemnity Amounts and MSA Warranty Rebates*".

Knowledge of matters in representation and warranties in respect of the Loans

Although the Seller will give certain representations and warranties in respect of the Loans (other than the Shortfall 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 mortgage sale agreements entered into on the Closing Date: (i) as between Morag Finance I S.à r.l (the **Morag Vendor**) and the Seller in respect of the Morag Portfolio (the **Morag Vendor Mortgage Sale Agreement**); and (ii) as between Wall Finance No.1 PLC (the **Wall Vendor** and together with the Morag Vendor, the **Vendors**) and the Seller in respect of the Wall Portfolio and the MAQ Portfolio (the **Wall Vendor Mortgage Sale Agreement**, and, together with the Morag Vendor Mortgage Sale Agreement, the **Vendor Mortgage Sale Agreements**, and each a **Vendor Mortgage Sale Agreement**).

The Morag Vendor acquired its interest in the Loans and the Related Security in respect of the Morag Portfolio under an asset purchase agreement dated 7 April 2017 (the **Original Morag Loan Sale Agreement**) from the Morag Originators. The Wall Vendor acquired its interest in the Loans and the Related Security in respect of the Wall Portfolio from an intermediate seller (the **Wall Intermediate Seller**) under an asset purchase agreement dated 14 October 2020 (the **Intermediate Wall Loan Sale Agreement**) and acquired its interest in the Loans and the Related Security in respect of the MAQ Portfolio from an intermediate seller (the **MAQ Intermediate Seller**) under an asset purchase agreement dated 14 October 2020 (the **Intermediate MAQ Loan Sale Agreement** and together with Intermediate Wall Loan Sale Agreement, the **Intermediate Loan Sale Agreements**).

Prior to being acquired by the Wall Vendor, the Loans and the Related Security in respect of the Wall Portfolio were acquired (directly or indirectly) by the Wall Intermediate Seller under an asset purchase agreement dated 25 July 2020 (the **Original Wall Loan Sale Agreement**) and the Loans and the Related Security in respect of the MAQ Portfolio were acquired (directly or indirectly) by the MAQ Intermediate Seller under an asset purchase agreement dated 30 September 2020 (the **Original MAQ Loan Sale Agreement**). The Original Morag Loan Sale Agreement, the Original Wall Loan Sale Agreement and the Original MAQ Loan Sale Agreement are together referred to as the **Original Loan Sale Agreements** and the sellers under the Original Loan Sale Agreements are referred to as the **Original Sellers**.

Whilst the Seller has made certain enquiries of each of the Servicers, neither the Seller, the Retention Holder nor the Servicers have direct knowledge as to the manner in which the Loans were originated, whether the Lending Criteria of the relevant Originators 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, the Retention Holder nor the Servicers have direct knowledge as to matters relating to, amongst other things, the actual origination of the Loans, 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 Originators or the applicable servicer(s) prior to the Seller's acquisition of its interest in the Loans on the Closing Date. 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 relevant Servicer Report or it otherwise becomes aware of a breach.

The sole remedy provided in the Mortgage Sale Agreement for the Issuer in respect of a breach of Loan Warranty or Repeating Loan Warranty is the requirement that the Seller indemnify the Issuer, subject to the Seller's obligations in respect of such indemnity being limited to certain limitations of liability with respect of breaches of Loan Warranties and Repeating Loan Warranties (see further "*Limited remedies available to the Issuer in respect of any breach of representation or warranty made by the Seller under the Mortgage Sale Agreement*" above, "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*" and "*– Limitation of liability with respect to a breach of Loan Warranty*").

There can be no assurance that, should the Issuer claim against the Seller under the Mortgage Sale Agreement, the Seller will have the ability to make a corresponding claim against the relevant Vendor under the relevant Vendor Mortgage Sale Agreement. The Morag Vendor Loan Sale Agreement contains no mortgage loan warranties and although limited warranties were made by the Original Sellers under the Original Morag Loan Sale Agreement, the time limit for making claims in respect of breach of warranty has expired. Whilst the Wall Vendor Mortgage Sale Agreement does contain certain mortgage loan warranties: (i) there is no repurchase obligation on the Wall Vendor in the event of a breach of any loan warranties given thereunder and (ii) the liability of the Wall Vendor in respect of claims for breach of loan warranties is limited to amounts that can be recovered by the Wall Vendor under or pursuant to the relevant Intermediate Loan Sale Agreement, which in turn is limited to amounts recoverable against the Original Sellers under the Original Wall Loan Sale Agreement and Original MAQ Loan Sale Agreement. Both the Original Wall Loan Sale Agreement and Original MAQ Loan Sale Agreement are subject to time limits for making claims, de minimis claim amounts and an aggregate minimum claims threshold. As a result, in the event of a breach of a Loan Warranty under the Mortgage Sale Agreement it may be the case that the Seller either does not have a similar claim against the relevant Vendor or that, where it does have such a claim, the relevant Vendor will not have the resources to meet such a claim by the Seller. In such circumstances, there may be a material and adverse impact on the ability of the Issuer to meet its payment obligations under the Notes and the Certificates.

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.

Claims against third parties

Each Vendor has assigned any causes and rights of actions that it has against solicitors and valuers to the Seller and in turn the Seller has assigned such rights to the Issuer pursuant to the Mortgage Sale Agreement, to the extent that they are assignable. However, no Vendor was the originator of the related Loans, and such rights may not have been legally assigned to the relevant Legal Title Holder or the relevant Vendor by the related Originator or original seller of such Loan. The Issuer may therefore not have any direct rights against any solicitors or valuers who, when acting for the relevant original lender in relation to the origination of any Loan, may have been negligent or fraudulent.

Mortgage prisoner claims

In the fourth quarter of 2019, law firm Harcus Parker Limited launched an advertising campaign to recruit borrowers to their potential litigation. On their website they invite mortgage borrowers whose loans were serviced by a number of lenders to contact them, although none of the lenders listed on the Harcus Parker website includes the Originators.

The Issuer does not have an active mortgage business. Communications to existing customers to inform them that they may be able to switch to a more affordable mortgage may result in an increase in the annualised principal prepayment rate of the Loans (as Borrowers seek to switch or refinance their mortgages with other lenders), and therefore the Notes may be redeemed sooner than expected which may result in Noteholders receiving a lower yield on their investment than otherwise expected. It is possible, that where a significant number of Borrowers are eligible to switch and do so, the concentration of remaining Borrowers with arrears in the Portfolio may increase, and accordingly the overall credit quality of the Portfolio may decrease which could therefore adversely affect the ultimate amount received by the Issuer in respect of the relevant Loans, the realisable value of the Portfolio and/or the ability of the Issuer to make payments under the Notes.

Furthermore, depending on the precise nature of the claim, in the event of a successful claim by a mortgage borrower in relation to the matters described above, it is possible that the relevant court and/or regulatory authority may order that financial compensation must be paid to mortgage borrowers and/or existing variable interest rates under the mortgage loans being lowered and/or other remediation steps taken by relevant mortgage lenders. If this is the case, and compensation is required to be paid to a Borrower or Borrowers under the Loans in the Portfolio, it may result in an adverse effect on 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 of interest and/or principal on the Notes.

For further information on the regulation of firms' treatment of mortgage prisoners in the UK, see the section entitled "*Certain Regulatory Considerations in respect of the Loans – Mortgage Prisoners (FCA)*" below.

Enforcement

In relation to enforcement generally, even assuming that the Properties provide adequate security for the Loans, costs and delays could be encountered in connection with enforcement of the Mortgages and recovery of the Loans with corresponding delays in the receipt of related proceeds by the Issuer.

In order to realise its security in respect of a Property, the relevant mortgagee will need to obtain possession. In England and Wales, there are two means of obtaining possession for this purpose: first, by taking physical possession (seldom done in practice) and secondly, by applying for, obtaining and enforcing a court order. In Northern Ireland, the applicable Pre-Action Protocol for possession proceedings based on mortgage arrears in respect of residential property must first be followed. After that, possession can only be obtained by applying for, obtaining and enforcing a court order.

The courts in England, Wales and Northern Ireland have a very wide discretion and may adopt a sympathetic attitude towards a Borrower at risk of eviction. If a possession order in favour of the relevant mortgagee is granted, it may be suspended to allow the Borrower more time to pay. Once possession of the Property has been obtained, the relevant mortgagee has a duty to the Borrower to take reasonable care to obtain a proper price for the Property. Any failure to do so will put the relevant mortgagee at risk of an action for breach of such duty by the Borrower, although it is for the Borrower to prove breach of such duty. There is also a risk that a Borrower may also take court action to force the relevant mortgagee to sell the Property within a reasonable time.

If a mortgagee takes physical possession, it will, as mortgagee in possession, have an obligation to account to the Borrower for the income obtained from the Property, be liable for any damage to the Property, have a limited liability to repair the Property and may incur certain financial liabilities in respect of the Property. Actions for possession are regulated by statute and the courts have certain powers to adjourn possession proceedings, to stay any possession order or postpone the date for delivery of possession. The court will exercise such powers in favour of a Borrower, broadly, where it appears to the court that such Borrower is likely to be able, within a reasonable period, to pay any sums due under the Mortgage or to remedy any default consisting of a breach of any other obligation arising under or by virtue of the Mortgage.

In Scotland, the position is broadly equivalent to that in England, Wales and Northern Ireland (although references in this Prospectus to a **mortgagee** or **mortgagees** are to be read as **heritable creditor** or **heritable creditors** (being the Scottish equivalent of mortgagees) in relation to Scottish Mortgages).

The Security Trustee has the absolute discretion, at any time, to refrain from taking any action under the Trust Deed or any of the Transaction Documents including becoming a mortgagee in possession in respect of any property contained within the Portfolio, unless it is satisfied at that time that it is indemnified and/or secured and/or prefunded to its satisfaction against any liability which it may incur by so acting.

Remediation

The Seller has made enquiries of each of the Servicers who have confirmed that, as at the Cut-Off Date, there are approximately 431 Loans within the Portfolio which are subject to ongoing remediation action as a result of conduct issues in respect of the Loans relating to the charging of certain arrears fees (in an amount in aggregate equal to £88,550). There can be no assurance that the Loan Warranties in the Mortgage Sale Agreement 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, claims against the Seller under the Mortgage Sale Agreement are subject to a time limit and to financial limits on the amount that can be claimed. 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 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.

Seller's repurchase and indemnification obligations

An indemnity payment may be made by the Seller, or the Seller may opt instead to repurchase the relevant Loan and its Related Security, where the representations and warranties that are required to be given by the Seller pursuant to the Mortgage Sale Agreement are untrue in the circumstances and for the consideration set out in "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*" and/or any of the Repeating Loan Warranties proves to have been untrue in relation to a Port on the relevant Port Date. There can be no assurance that the Seller will have the financial resources to honour its indemnification or repurchase obligations under the Mortgage Sale Agreement. This may adversely affect the quality of the Loans and their Related Security in the Portfolio and accordingly the ability of the Issuer to make payments on the Notes.

Provisional Portfolio

The information in the section entitled "*Characteristics of the Provisional Portfolio*" has been extracted from the systems of each of the Servicers as at 30 September 2021 (the **Cut-Off Date**). The pool of Loans (excluding the Shortfall Loans) held by the Issuer from which the Portfolio will be comprised (the **Provisional Portfolio**) as at the Cut-Off Date comprises 4,169 Loans with an aggregate Current Balance of £503,886,517.38. The characteristics of the 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 Portfolio between the Cut-Off Date and the Closing Date, which may adversely affect the quality of the Loans and their Related Security in the 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.

Risk of Losses Associated with high LTV Loans

As of the Cut-Off Date, approximately 11.49 per cent. of the aggregate Current Balance of the Loans in the Provisional Portfolio have a current loan to value ratio (being the current balance made divided by original valuation) in excess of 100 per cent. There can be no assurance that mortgage loans with higher loan to value ratios will not experience higher rates of delinquency, write offs, enforcement and bankruptcy than mortgage loans with lower loan to value ratios.

Risks of losses associated with self-certified Loans

The Portfolio comprises mortgage loans made to Borrowers that include borrowers who are self-employed individuals or have self-certified their income or 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 (such borrowers, **Non-Conforming Borrowers**) and includes Borrowers who are individuals and who may previously have been subject to a county court judgment, or a Sheriff Court decree (being the Scottish equivalent), an individual voluntary arrangement, debt arrangement scheme or bankruptcy or sequestration order. Loans made to Non-Conforming Borrowers may experience higher rates of delinquency, write-offs, enforcement and bankruptcy than have historically been experienced by mortgage loans made to prime borrowers and therefore carry a higher degree of risk.

As of the Cut-Off Date, approximately 28.75 per cent. of the aggregate Current Balance of the Loans in the Provisional Portfolio constitute mortgage loans in relation to which income and employment details of the Borrower are not substantiated by supporting documentation. The rate of delinquencies, write offs, enforcements and losses on such mortgage loans may be higher from those in respect of mortgage loans where supporting documentation has been provided in respect of the income or employment details of the Borrower.

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 original lender. The Seller has warranted in the Mortgage Sale Agreement that none of the Loans (including any Further Advance in respect of such Loan) was made (including as a result of any Product Switch, as a result of any Port or otherwise as a result of a material variation to the original Loan) after 20 March 2014.

Risks associated with Shortfall Loans

The Portfolio contains Shortfall Loans, being Loans in relation to which the relevant Mortgage has been discharged and the proceeds received on such discharge were insufficient to satisfy the entire Current Balance of that Loan as at the date of such discharge. As of the Cut-Off Date, there are 50 Shortfall Loans in the Provisional Portfolio which have a total aggregate Current Balance of £1,752,546.73. No

consideration will be paid by the Issuer to the Seller in relation to these assets and no assurance can be given that any payment by Borrowers will be made in relation to any Shortfall Loans and as such investors should ascribe no credit to these assets nor should they rely on any cashflows derived from them. If any losses or non-recoveries are incurred in relation to the Shortfall Loans, this will not result in a debit entry on the Principal Deficiency Ledger.

Risk of Losses associated with Loans with Properties in possession

As of the Cut-Off Date, approximately 1.6 per cent. (by Current Balance) of the Wall Loans in the Provisional Portfolio, 0.25 per cent. (by Current Balance) of the Morag Loans in the Provisional Portfolio and 0.29 per cent. (by Current Balance) of the MAQ Loans in the Provisional Portfolio were secured by Loans with Properties in possession (or in the case of the Wall Loans, in possession or in receivership). As a result of a breach of payment or non-payment obligations under the Loans during the period since they were originated, the mortgagee under the Loans may take physical possession of the related Properties. The proceeds of the sale of a Property in possession may not cover the Current Balance of the related Loan.

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

As at the Cut-Off Date, approximately 35.96 per cent. of the Provisional Portfolio (calculated by reference to the Current Balance of the Loans at the sub-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) and approximately 25.58 per cent. of the Provisional Portfolio by the Current Balance at the sub-account level are three months or more in arrears. Please refer to "*Characteristics of the Provisional Portfolio*" for further details.

Some Borrowers may have breached payment or non-payment obligations under the Loans during the period since they were originated. Some breaches (including payment arrears) have been remedied, but some breaches and arrears remain outstanding. Loans in arrears or formerly in arrears may experience higher rates of delinquency, write offs, enforcements and bankruptcy than mortgage loans without such arrears or breaches.

The amount of and timing of receipt by the Issuer of Principal Receipts and Revenue Receipts in respect of Loans which are in arrears is, in part, determined by the relevant Servicer's ability to negotiate restructurings or discounted pay-offs with the relevant Borrowers or, in the case of Borrowers who are unwilling or unable to enter into such transactions, the ability to enforce the related Mortgages. If such Servicer is unable to reach agreement with Borrowers whose loans are in arrears, this may delay receipt by the Issuer of any Principal Receipts and Revenue Receipts, which may in turn affect the ability of the Issuer to make payments on the Notes.

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, the availability of financing, yields on alternative investments, political developments and government policies, 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. Although interest rates are currently low, this may change in the future and an increase in interest rates may adversely affect Borrowers' ability to pay interest or repay principal on their Loans. 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 or (in Scotland) heritable creditor 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 or heritable creditor 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 or heritable creditor 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 – Mortgages and Coronavirus: Tailored Support Guidance*" 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 may have negative effects on the Portfolio

The world is currently experiencing an outbreak of a novel coronavirus (known as COVID-19) which is having severe health, as well as unpredictable economic, effects across the world. Concern about the effects of COVID-19 and the effectiveness of measures being 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. While at the time of this Prospectus, it is difficult to predict the extent of the effect that COVID-19 may have from a public health perspective and the pre-emptive measures that may be adopted with a view to further containing its spread (such as travel bans, quarantine, elective or mandatory self-isolation and temporary business shut-downs), governments and national regulators have already implemented a number of measures and issued guidance to alleviate certain pandemic-related concerns.

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.

Loans were made to Borrowers with credit impairments

The Portfolio comprises certain Loans made to Borrowers who as of the Cut-Off Date may have impairments to their credit profile, including but not limited to county court judgments (or a Sheriff Court decree being the Scottish equivalent of a county court judgment), individual voluntary arrangements, debt arrangement schemes or bankruptcy or sequestration orders. 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 relevant 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 or with a Loan for which the related interest rate adjusts following an initial fixed rate or low introductory rate, as applicable, may be exposed to increased monthly payments if the related mortgage interest rate adjusts upward following an increase in 3-month LIBOR or the Bank of England Base Rate (or, in the case of a Loan with an initial fixed rate or low introductory rate, at the end of the relevant fixed or introductory period). This increase in Borrowers' monthly payments, which (in the case of a Loan with an initial fixed rate or low introductory rate) may be compounded by any further increase in the related mortgage interest rate during the relevant fixed or introductory period, may ultimately result in higher delinquency rates and losses in the future.

Borrowers seeking to avoid increased monthly payments (caused by, for example, the expiry of an initial fixed rate or low introductory rate, or a rise in the related mortgage 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 property values in the United Kingdom. If the residential 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 Legal Title Holders and may (as a result of the circumstances described in "*Delinquencies or default by Borrowers in paying amounts due on their Loans*" above 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.

Risk of losses associated with Buy-to-Let Loans

As of the Cut-Off Date, approximately 5.62 per cent. of the Loans in the Provisional Portfolio by Current Balance are secured by non owner-occupied Properties (such Loans, **Buy-to-Let Loans**). These Properties are generally rented to tenants by the relevant Borrowers.

A Borrower's ability to make payments in respect of a Buy-to-Let Loan is likely to depend on the Borrower's ability to let the relevant Property on appropriate terms. It is expected that Properties which secure Buy-to-Let Loans will be let by the relevant Borrower to tenants but there can be no guarantee that each such Property will be the subject of an existing tenancy at the point any such Loan is acquired by the Issuer or that any tenancy which is granted will subsist throughout the life of the Buy-to-Let Loan and/or that the rental income achievable from tenancies of the relevant Property over time will be sufficient to provide the Borrower with sufficient income to meet the Borrower's obligations in respect of the Buy-to-Let Loan.

Consequently, the Security for the Notes may be affected by the condition of the private residential rental market in the United Kingdom. The condition of the market will influence both the ability of the Borrowers to find tenants and the level of rental income which may be achieved in letting. The obligations of a Borrower to make payment under the Buy-to-Let Loan are unconditional without regard to whether the Property is let or the amount of rent received by the Borrower from the relevant tenant.

Upon enforcement of a Buy-to-Let Loan 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 that Property until the end of the tenancy. 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, 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 (although, in Scotland, private residential tenancies are open-ended).

New CPR Practice Direction 55C (**PD 55C**) is in force from 20 September 2020 until 30 November 2021. PD 55C sets out the steps required to reactivate stayed possession claims, as well as procedural changes applying both to existing possession claims and the issue of new claims. Different requirements apply under PD 55C depending on when the relevant possession claim was first issued.

In Wales, new regulations have been made under Schedule 29 to the Coronavirus Act 2020, that temporarily extend the minimum notice periods landlords must give to tenants with assured and assured shorthold tenancies. A six month notice period applied to notices issued between 24 July 2020 and 28 September 2020 under section 8 of the Housing Act 1988, except those that specified grounds 7A or 14 (relating to anti-social behaviour). A three month notice period continued to apply to notices that specified grounds 7A or 14. A six month notice period applied to notices issued on or after 24 July 2020 under section 21 of the Housing Act 1988. Schedule 29 is temporarily amended so that a landlord serving a notice on or after 24 July will be required to provide extended notice during the remainder of relevant period, which, in accordance with the Coronavirus Act 2020 (Residential Tenancies: Extension of Period of Protection from Eviction) (No. 2) (Wales) Regulations 2021 currently ends on 31 December 2021.

The Coronavirus (Scotland) Act 2020 amended the Private Housing (Tenancies) (Scotland) Act 2016 such that various mandatory grounds for eviction, including the landlord's intention to sell the property, are now discretionary, to allow the First Tier Tribunal flexibility in dealing with eviction cases during the pandemic. The minimum notice period remains 28 days where the tenant no longer occupies the property, but otherwise the notice period has been extended from 84 days to three or six months, depending on the grounds for eviction. In addition, in assessing whether it is reasonable to make an eviction order on the grounds of rent arrears during the period when the Act is in force, the First Tier Tribunal must consider the extent to which the landlord has complied with pre-action requirements before applying for the eviction order. The Act has been extended by the Scottish Ministers by regulation to 31 March 2022. There are similar provisions for assured and other tenancies. Delays to landlords seeking possession of a Property may result in less rental income being available to meet the Borrower's repayment obligations in respect of the Loans.

In Northern Ireland, the Private Tenancies (Coronavirus Modifications) (Northern Ireland) Act 2020 also provides tenants in Northern Ireland with greater protection from eviction by temporarily extending the notice to quit period which a landlord must provide to a tenant. For tenancies of less than five years the notice to quit period has been increased by 8 weeks to 12 weeks. For tenancies of between five and ten years the notice to quit period has been increased by 4 weeks to 12 weeks. For tenancies of 10 or more years the notice to quit period remains the same, 12 weeks. The new law applies in cases where a landlord serves notice on their tenant on or after 5 May 2020. Where a landlord has served notice on their tenant before 5 May 2020 this is not captured under the new law. The provisions introduced by the Private Tenancies (Coronavirus Modifications) (Northern Ireland) Act 2020 were originally expected to remain in place until 30 September 2021, however recently pursuant to The Private Tenancies (Coronavirus Modifications) (No.2) Regulations (Northern Ireland) 2021 (SR.No.242/2021), the effect of the protections have been extended from 30 September 2021 to 4 May 2022.

Upon enforcement of a Mortgage in respect of a Property which is the subject of an existing tenancy, the relevant Servicer may serve notice to the tenant to obtain vacant possession of the Property, in which case such 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. In such a situation, amounts received in rent may not be sufficient to cover all amounts due in respect of the Loan. However, enforcement procedures in relation to such Mortgages (excluding any Scottish Mortgages) 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. Under Scots law, a receiver cannot be appointed under a standard security (the Scottish equivalent to a legal mortgage) and the only enforcement which may be carried out under a standard security is a full enforcement of the security (i.e. it cannot be enforced selectively by, for instance, attaching to rental income). Accordingly, in Scotland, any attempt to secure the rental flows will depend upon the enforcement of the standard security.

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. For example, with effect from 6 April 2020 there is no longer a deduction available for finance costs against rental income for individual landlords and instead all rental income is only eligible for a tax credit at the basic rate of income tax (20%) which may result in higher taxes for the individual landlords depending on their personal circumstances.

Further, a higher rate of stamp duty land tax (**SDLT**), Welsh land transactions tax (**WLTT**) and Scottish land and buildings transaction tax (**LBTT**) applies to the purchase of additional residential properties (such as buy-to-let properties) in England and Northern Ireland, Wales and Scotland, respectively. The current additional tax rates are as follows: (i) in England and Northern Ireland the higher rate is 3 per cent. above the current SDLT rates; (ii) in Wales the higher rate is 4 per cent. above the current WLTT rates; and (iii) in Scotland the additional dwelling supplement (akin to the higher rate) is 4 per cent. above the current LBTT rates.

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

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 (**EPC**) 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 EPC 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 sub-standard property. Where a landlord wishes to continue letting property which is currently sub-standard, 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 sub-standard 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 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.

Minimum standards of energy efficiency for domestic rented properties in Scotland were expected to be introduced in 2020 under the Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations 2020, but their introduction has been delayed due to the impact of COVID-19.

There are currently no such minimum standards of energy efficiency for domestic rented properties in Northern Ireland in place.

The introduction of these measures may adversely affect the private residential rental market in England, Wales and Scotland in general 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

Each Loan in the Portfolio may be repayable either on a capital repayment basis or an interest-only basis or on a part interest-only and part repayment basis (see "*The Loans – Terms of the Loans – Repayment Terms*").

Approximately 78.37 per cent. by of the aggregate Current Balance of the Loans in the Provisional Portfolio constitute interest-only loans (**Interest-only Loans**), 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 2.18 per cent. of the aggregate Current Balance of the Loans in the Provisional 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*". 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 or, 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.

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 the Property, refinance the Property or obtain funds from another source such as savings accounts, a pension policy, investment plans, a repayment vehicle or an endowment policy. None of the Issuer, the Security Trustee, the Note Trustee, the Seller, nor any Servicer has verified 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 on the repayment of principal on Interest-only Loans or Part-and-Part Loans than on repayment loans. Moreover, the Mortgage Conditions in respect of Interest-only Loans and Part-and-Part Loans do not require a Borrower to put in place alternative funding arrangements.

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.

Terms of Interest-only Loans may be amended, resulting in the Issuer and Noteholders receiving earlier redemption payments on the relevant Loans and the relevant Notes

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. A repayment mechanism may also include the sale of the Mortgaged Property. The ability of a Borrower to repay an Interest-only Loan at maturity will often depend on such Borrower's ability to refinance or sell the Property or to obtain funds from another source such as pension policies, personal equity plans or endowment policies (the **Policies**). The Seller does not have and the Issuer will not have the benefit of any Policies taken out by Borrowers.

Borrowers of Interest-only Loans may not make payment of the premiums 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 (**PEPs**), 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. If a Borrower cannot repay an Interest-only Loan and a loss occurs, this may affect repayments on the Notes if the resulting Principal Deficiency Ledger entry cannot be cured from Available Revenue Receipts being applied for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments. 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 Loans 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 the 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.

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

It will be difficult in practice for the relevant Servicer and/or the Issuer to determine whether the relevant Borrower has valid buildings insurance in place at any time and such Servicer does 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 may have the benefit of property in possession cover taken out by or on behalf of the relevant Legal Title Holders, which would 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.

Non-disclosure of broker commissions

Certain of the Loans were originated through intermediaries, including mortgage brokers and mortgage advisers. In line with market practice, the relevant original lenders would have paid commission to such intermediaries in consideration for such activities in the form of a procuration fee.

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 legal title holder of 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.

The Seller has warranted to the Issuer that, so far as the Seller is aware (having made due and careful enquiries of the relevant Servicer), in respect of each Loan in respect of which an Originator paid to a third party or intermediary appointed by a Borrower in respect of such Loan a procuration, broker's or finder's fee or commission the existence and the amount of each such payment was clearly disclosed to the Borrower prior to the time such Loan was originated. If that warranty is untrue because either the existence or amount of the relevant commission was not disclosed to the Borrower before origination of a Loan, the Seller would be required to make an indemnity payment in respect of the relevant Loan and its Related Security, or elect to repurchase such Loan and its Related Security. In the event that the Seller does not have sufficient funds available to make any such repurchase or indemnity payment or pay such repurchase price, then this may adversely affect the ability of the Issuer to make payments on the Notes and the Certificates. See further "*Limited remedies available to the Issuer in respect of any breach of representation or warranty made by the Seller under the Mortgage Sale Agreement*" above and the section "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Obligation of Seller to make an indemnity payment and option to repurchase*".

Payment protection insurance

The FCA set a deadline of 29 August 2019 by which consumers needed to make their PPI complaints or lose their right to have them assessed by firms or the Financial Ombudsman Service (**FOS**) (although consumers will still be able to bring claims in court after the deadline). A consumer may also be able to still submit a complaint (i) if they were sold the PPI policy after 29 August 2017, (ii) if the complaint is about a claim being turned down by an insurer or (iii) if the consumer can clearly show that there were exceptional circumstances that prevented them from making a complaint by the deadline. Each of the Servicers has confirmed that, as at the date of this Prospectus, it currently does not receive a material volume of PPI claims made in respect of the Loans and the Seller will warrant that, so far as it is aware (having made due and careful enquiries of the Servicers), none of the relevant Originators mis-

sold, or sold in breach of any relevant regulatory requirements (nor has any person or entity mis-sold on their behalf), any payment protection insurance to a Borrower in respect of any Loan.

Set-off by Borrowers in respect of any successful PPI claim amounts against the amount due by the Borrower under the relevant Loans 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 under the Notes.

Loans are subject to certain legal and regulatory risks

Certain 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 Legal Title Holders. 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*" 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 MCOB, 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 (or exercise analogous rights in Scotland). Any such set off in respect of the Loans may adversely affect the Issuer's ability to make payments on the Notes. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Regulated Mortgage Contracts*".

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*".

Unfair Relationships. If a court determined that there was an unfair relationship between the lender and the Borrowers in respect of the Loans 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 under the Notes. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Unfair relationships*".

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*".

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*".

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*".

Financial Ombudsman Service. Under the FSMA, the Financial Ombudsman Service (the FOS) is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction. The FOS 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 FOS makes its decisions, it is not possible to predict how any future decision of the FOS would affect the ability of the Issuer to make payments to Noteholders. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Financial Ombudsman Service*".

Mortgage repossessions. The protocols for mortgage repossession may have adverse effects in relation to the ability of the Legal Title Holders to repossess properties in markets 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 to Noteholders. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Mortgage repossession*".

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 – Mortgages and Coronavirus: Tailored Support Guidance*" 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.

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 when due. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Assured Shorthold Tenancy (AST)*".

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 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 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 Certificate Condition 11 (*Enforcement*) of the Certificates below.

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 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 and Noteholders and Certificateholders who voted in a manner contrary to the requisite majority for such a vote).

The Conditions and Certificate Conditions also provide that, other than in respect of a Basic Terms Modification or matters affecting a Class Y Certificates Entrenched Right, Class X Certificates Entrenched Right or Retained Interest Entrenched Right, the Issuer may (i) enter into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank or the Collection Account Bank are downgraded below the required rating and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Document) in order to maintain the ratings of the Notes at their then current rating) and (ii) take any actions that are required 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 relevant Servicing and Legal Title Holder Deeds are satisfied, provided that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment (including, for the avoidance of doubt, any new appointment made thereunder) which, in the sole opinion of the Note Trustee 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 under the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

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 it 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) comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
- (b) (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;

- (c) enable the Notes to be (or to remain) listed on Euronext Dublin;
- (d) enable the Issuer or any of the other transaction parties to comply with FATCA;
- (e) 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; and
- (f) 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 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 (f) 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 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. 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 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 of Notes 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.

If Noteholders or Certificateholders representing at least ten per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes 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 of Notes then outstanding (if the objection to the proposed modification was from the Noteholders of the Most Senior Class of Notes) and/or the holders of the Class Y Certificates then in issue (if the objection to the proposed modification was from the holders of the Class Y Certificates), 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 Certificateholder 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 affected Class of 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 Certificateholder, Class Y Certificateholder and/or Retained Interest 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 of any Class 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.

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 of Floating Rate Notes 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*).

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 Retained Interest 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 or the Security Trustee when the Note Trustee or the Security 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 an investor will acquire a majority holding in each Class of Notes, 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 and Condition 13.4 and Certificate Condition 12.4.

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 Retained Interest Holder has consented to such modification or waiver in writing. There can be no assurance that the Retained Interest Holder will provide consent to any such modification in a timely manner or at all. The Retained Interest 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 Certificateholder has consented to such modification or waiver in writing. There can be no assurance that the Class X Certificateholder will provide consent to any such modification in a timely manner or at all. The Class X Certificateholder 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 or any of the Repeating Loan Warranties proves to have been untrue on the Port 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 option to repurchase*" and "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*". The Seller will not provide the Loan Warranties in respect of the Shortfall Loans.

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 Seller Loan Agreement (described below) and certain rights under the Wall Vendor Mortgage Sale Agreement in respect of the Wall Portfolio and the MAQ Portfolio, as applicable. The Wall Vendor 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 amounts it may be able to claim under the Wall Original Loan Sale Agreement and the MAQ Original Loan Sale Agreement.

Further, investors should note that (i) the obligations of the Seller pursuant to the Mortgage Sale Agreement are limited recourse obligations and therefore, in the event that the Seller has insufficient funds in respect of the Harbour Trust Property available to satisfy in full any obligations under the Mortgage Sale Agreement, 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 and (ii) the obligations of the Wall Vendor under the Wall Vendor Loan Sale Agreement and the MAQ Vendor Loan Sale Agreement, as applicable, are limited to any amounts that the Wall Vendor recovers from the relevant Original Sellers under the Wall Original Loan Sale Agreement and the MAQ Original Loan Sale Agreement.

The payment obligations of the Seller to the Issuer under the Mortgage Sale Agreement 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.

On the Closing Date, the Seller will enter into a loan agreement with the Retention Holder (the **Seller Loan Agreement**) pursuant to which the Retention Holder will agree to advance to the Seller, inter alios, an amount equal to any MSA Warranty Indemnity Amount due to be paid on such date by the Seller to the Issuer in accordance with the Transaction Documents. The agreement to advance such amounts applies from the Closing Date to the date on which all claims made prior to the date falling two years following the Closing Date have been paid in full (the **Harbour Commitment Period**) and applies up to a facility limit of £12,600,000 (the **Harbour Commitment**). Any amounts drawn by the Seller under the Harbour Commitment shall be repaid from time to time out of the proceeds of any MSA Warranty Rebate paid to the Seller by the Issuer in accordance with the Transaction Documents. The Harbour Commitment, once repaid, may be reborrowed only during the Harbour Commitment Period and subject to the Harbour Facility Limit. Other than its obligation to advance the Harbour Commitment to the Seller under the Seller Loan Agreement, 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 Seller liability in relation to a breach of Loan Warranty or Repeating Loan Warranty is based in part upon the amount of, inter alia, actual costs, damages or loss suffered by the Issuer, such Seller liability may not be known at the time at which the breach of a Loan Warranty or Repeating 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 or Repeating 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 and the Legal Title Holders have agreed to provide certain administration services and legal title holder services, as applicable, in respect of the Portfolio pursuant to the Servicing and Legal Title Holder Deeds; 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 Replacement Cash Manager Facilitator has agreed to provide replacement Cash Manager facilitation services pursuant to the Cash Management Agreement; and 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

Each Servicer will be appointed by the Issuer as servicer to service the relevant Loans pursuant to the Servicing and Legal Title Holder Deeds. Each Servicer will be entitled to subcontract or delegate all or a portion of the servicing services under the Servicing and Legal Title Holder Deeds to one or more counterparties, subject to the terms set out in the Servicing and Legal Title Holder Deeds. However, each Servicer remains liable at all times for servicing the relevant Loans and their Related Security and for the acts or omissions of any subcontractor or delegate.

If default is made by a Servicer in the performance or observance of any of its covenants and obligations under the relevant Servicing and Legal Title Holder Deed to which it is a party 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 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 Servicer becoming aware of such default and receipt by such 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 described in the Servicing and Legal Title Holder Deeds, a Servicer Termination Event in respect of that Servicer will have occurred and the appointment of the relevant Servicer may be terminated by the Issuer (on the direction of the Committee) or, following delivery of an Enforcement Notice, the Security Trustee. In addition, the Servicer and/or Legal Title Holder under each Servicing and Legal Title Holder Deed may have the right to terminate the Servicing and Legal Title Holder Deed in certain situations (including the right to resign) and the Issuer (acting on the instructions of the Committee) may remove the Servicer and/or Legal Title Holder under each Servicing and Legal Title Holder Deed without cause (subject to certain notice periods and in some situations payment of a makewhole fee). The occurrence of a Servicer Termination Event (or other situation where the appointment of the Servicer and/or Legal Title Holder is terminated) 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 the delivery of a notice of a Servicer Termination Event or other termination event in respect of the Servicer and/or Legal Title Holder, the appointment of a substitute servicer (and/or, if applicable, legal title holder) will be required as a condition for the termination of the relevant servicer's (and/or, if applicable, legal title holder's) appointment. There is no guarantee that a substitute servicer and/or legal title holder would be found, which could delay collection of the payments on the affected Loans and ultimately could adversely affect payments on the Notes. No replacement or termination of the

appointment of the Servicer or Legal Title Holder may be made without the consent of the Committee and the Security Trustee (the latter being deemed to be provided if the replacement satisfies the replacement conditions specified in the relevant Servicing and Legal Title Holder Deed).

There can be no assurance that a substitute servicer and/or legal title holder with sufficient experience of servicing the relevant 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 and/or legal title holder may be appointed are substantially different from those set out in the relevant Servicing and Legal Title Holder Deed 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 and/or legal title holder 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.

None of the Servicers have any obligation themselves 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 any of the Joint Lead Managers) 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 EU 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.

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 Co-Arranger, Joint Lead Manager, Sponsor, Retention Holder 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.

Interests of the Co-Arrangers and Joint Lead Managers

The Co-Arrangers and/or the Joint Lead Managers 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 Joint Lead Managers 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 Co-Arrangers and/or the Joint Lead Managers 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 Co-Arranger and/or the Joint Lead Managers 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 Co-Arranger and/or such Joint 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 Co-Arrangers and/or the Joint Lead Managers 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

The relationship of the United Kingdom with the EEA may affect the market value and/or liquidity of the Notes in the secondary market

The United Kingdom (UK) left the European Union (EU) on 31 January 2020 at 11pm, and the transition period ended on 31 December 2020 at 11pm. As a result, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The UK is also no longer part of the European Economic Area (EEA).

The EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), which governs the relations between the EU and the UK following the end of the transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May

2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under powers provided in this Act ensure that there is a functioning statute book in the UK. While the UK introduced a temporary permission regime to allow EEA firms to continue to do business in the UK for a limited period of time, once the passporting regime fell away, the majority of EEA states have not introduced similar transitional regimes. The Trade and Cooperation Agreement is only part of the overall package of agreements reached. Other supplementing agreements included a series of joint declarations on a range of important issues where further cooperation is foreseen, including financial services. The declarations state that the EU and the UK will discuss how to move forward with equivalence determinations in relation to financial services. It should be noted that even if equivalence arrangements for certain sectors of the financial services industry are agreed, market access is unlikely to be as comprehensive as the market access that the UK enjoyed through its EU membership.

Prospective investors should also note that the regulatory treatment, including the availability of any preferential regulatory treatment, of the Notes may be affected (as to which, see the section entitled "*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*" below).

It is difficult to determine what the precise impact of the new relationship between the UK and the EU will be on general economic conditions in the UK, including any implications for the UK sovereign ratings, ratings of the relevant transaction parties or the performance of the UK housing market.

In addition, following the UK's withdrawal from the EU, future UK political developments and/or any changes in government structure and policies could affect the fiscal, monetary and regulatory landscape. No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market.

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. Any investor in the Notes must be prepared to hold its Notes until the Final Redemption Date.

Reduction or withdrawal of the ratings assigned to the Notes after the issue date may affect the market value of the Notes

The expected ratings of the Rated Notes to be assigned on the Closing Date are set out under "*Ratings*". A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency if, in its judgement, circumstances (including a reduction in the perceived creditworthiness of third parties, including a reduction in the credit rating of the Issuer Account Bank) in the future so warrant. See also the section entitled

"Counterparty Risks – Change of counterparties may reduce amounts available to the Issuer to make payments to Noteholders and Certificateholders" above.

The rating process addresses structural and legal aspects associated with the securities, including the nature of the Loans. The ratings assigned to mortgage-backed securities do not represent any assessment of the likelihood that principal prepayments will be made by the borrowers or the degree to which such prepayments will differ from those originally anticipated. The ratings of the Rated Notes do not address the possibility that the holders of those Notes might suffer a lower than anticipated yield due to non-credit events.

At any time, any Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Rated Notes may be withdrawn, lowered or qualified. A qualification, downgrade or withdrawal of any of the ratings mentioned above may adversely impact upon the value of the Notes. The Issuer has not requested that the Class Z Notes, the Class R Notes or the Certificates be rated by the Rating Agencies.

Except as described above, the Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency will rate any Class of Notes or, if it does, what rating would be assigned by such rating agency. Any rating assigned by such other rating agency to a Class of Notes could be lower than the rating assigned by the Rating Agencies to such Class of Notes, and could have an adverse effect on the value of the Rated Notes. Rating agencies other than the Rating Agencies could seek to rate the Rated Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Rated Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Rated Notes. For the avoidance of doubt and unless the context otherwise requires, any reference to **ratings** or **rating** in this Prospectus is to the ratings assigned by the Rating Agencies only.

As highlighted above, the ratings assigned to the Rated Notes by each Rating Agency are based on, among other things, the issuer default rating and the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings of the Issuer Account Bank and the Collection Account Bank and any replacement Collection Account Bank. In the event one or more of these transaction parties are downgraded below the requisite ratings trigger, there can be no assurance that a replacement to that counterparty will be found which has the ratings required to maintain the then current ratings of the Rated Notes. If a replacement counterparty with the requisite ratings cannot be found, this is likely to have an adverse impact on the rating of the Rated Notes and, as a consequence, the resale price of the Rated Notes in the market and the prima facie eligibility of certain classes of the Rated Notes for use in liquidity schemes established by, inter alios, various central banks.

Credit ratings assigned to the Notes may not reflect all the risks associated with an investment in the Notes

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and

such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the Rating Agencies rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Rating Agency confirmation in relation to the Rated Notes in respect of certain actions

The terms of certain Transaction Documents provide that certain actions to be taken by the Issuer and/or the other parties to the Transaction Documents are contingent on such actions not having an adverse effect on the ratings assigned to the Rated Notes. In such circumstances, the Note Trustee or the Security Trustee may require the Issuer to seek confirmation from the Rating Agencies that certain actions proposed to be taken by the Issuer and the Note Trustee, or, as the case may be, the Security Trustee will not have an adverse effect on the then current ratings of the Rated Notes (a **Rating Agency Confirmation**).

A Rating Agency Confirmation that any action or inaction proposed to be taken by the Issuer or the Note Trustee or, as the case may be, the Security Trustee will not have an adverse effect on the then current ratings of the Rated Notes does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Noteholders of the Rated Notes. While entitled to have regard to the fact that the Rating Agencies have confirmed that the then current ratings of the Rated Notes would not be adversely affected, the above does not impose or extend any actual or contingent liability on the Rating Agencies to the Secured Creditors (including the Noteholders of the Rated Notes), the Issuer, the Note Trustee, the Security Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Noteholders of the Rated Notes), the Issuer, the Note Trustee, the Security Trustee or any other person whether by way of contract or otherwise. In addition the Note Trustee and/or the Security Trustee, as applicable, may, but is not required to, have regard to any Rating Agency Confirmation.

Any such Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency. Certain Rating Agencies have indicated that they will no longer provide Rating Agency Confirmations as a matter of policy. To the extent that a Rating Agency Confirmation cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance

with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions. It should be noted that, depending on the nature of the request, the timing of delivery of the request and of any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. A Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities have formed part since the Closing Date. A Rating Agency Confirmation represents only a restatement of the opinions given as at the Closing Date and cannot be construed as advice for the benefit of any parties to the transaction.

Where the Transaction Documents allow the Note Trustee to seek a Rating Agency Confirmation and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer and (i) (A) one or more Rating Agencies (each such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given and (ii) the Issuer has otherwise received no indication from that Rating Agency that its then current rating of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such step, action or matter, then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that (I) a written request for such Rating Agency Confirmation has been delivered to each Rating Agency by or on behalf of the Issuer and (II) each of the events in paragraph (i)(A) or (B) and paragraph (ii) has occurred, and each of the Note Trustee and the Security Trustee shall be entitled to rely on such certificate absolutely without further enquiry or liability. Where a Rating Agency Confirmation is a condition to any action or step under any Transaction Document and it is deemed to be modified as a result of a Non-Responsive Rating Agency not having responded to the relevant request from the Issuer within 30 days, there remains a risk that such Non-Responsive Rating Agency may subsequently downgrade, qualify or withdraw the then current ratings of the Rated Notes as a result of the action or step. Such a downgrade, qualification or withdrawal to the then current ratings of the Rated Notes may have an adverse effect on the value of the Rated Notes.

Unsolicited ratings and the selection and qualification of rating agencies rating the Notes may impact the value of the Notes

Rating agencies other than S&P, DBRS and KBRA could seek to rate the Notes and if any such unsolicited ratings are issued with respect to any particular Class of Notes, there can be no assurance that they will not be lower than the rating(s) assigned by any of the Rating Agencies engaged by the Issuer to rate that Class of Notes on the Closing Date. The issuance of any such unsolicited ratings with respect to any particular Class of Notes that are lower than the rating(s) assigned to it by any of the engaged rating agencies on the Closing Date may negatively impact the liquidity, market value and regulatory characteristics of that Class of Notes. Although unsolicited ratings may be issued by any rating agency, a rating agency might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback to the Issuer.

The Issuer selected S&P, DBRS and KBRA to rate all of the Rated Notes (other than the Class X Notes, which are expected to be assigned a rating by DBRS only). There can be no assurance that, had the Issuer selected other rating agencies to rate the Notes, the ratings that such rating agencies would have ultimately assigned to those Classes of Notes would have been equivalent to those assigned by S&P,

DBRS and KBRA. Neither the Issuer nor any other person or entity will have any duty to notify you if any other rating agency issues, or delivers notice of its intention to issue, unsolicited ratings on one or more Classes of the Notes after the Closing Date. Furthermore, the U.S. Securities and Exchange Commission may determine that one or more of the rating agencies engaged by the Issuer no longer qualifies as a nationally recognised statistical rating organisation and that determination may have an adverse effect on the liquidity, market value and regulatory characteristics of the Notes.

Changes or uncertainty in respect of 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 the London Inter-Bank Offered Rate (**LIBOR**) and SONIA) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. 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.

Investors should be aware that the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. On 5 March 2021, ICE Benchmark Administration Limited (**IBA**), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the **IBA announcement**). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the **FCA announcement**). Permanent cessation will occur immediately after 31 December 2021 in respect of certain currencies including Sterling. In relation to the remaining LIBOR settings (such as 1-month, 3-month and 6-month Sterling settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after the end of 2021. The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling settings.

These reforms and other pressures may cause one or more interest rate benchmarks (including 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 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) if LIBOR is discontinued or is otherwise unavailable, then the rate of interest on the relevant Loans may be determined for a period by any applicable fall-back provisions under the Mortgage Conditions, although such provisions may not operate as intended (depending on market circumstances and the availability of rates information at the time);
- (c) 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 Floating Rate 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 Floating Rate 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
- (d) 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.

Moreover, any of the above matters or any other significant change to the setting or existence of LIBOR and/or 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 LIBOR and/or SONIA could result in adjustment to the Conditions, early redemption, delisting or other consequences in relation to the Floating Rate Notes. No assurance may be provided that relevant changes will not occur with respect to SONIA and/or LIBOR 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.

Investors should also note that, as of the Cut-Off Date, there are approximately 39.18 per cent. by Current Balance of Loans in the Provisional Portfolio that pay, or will pay a variable rate of interest set by reference to a benchmark rate, are linked to 3-month LIBOR (**LIBOR-Linked Loans**). In respect of the majority of these LIBOR-Linked Loans, the applicable terms and conditions contain no express fallback provisions for an alternative rate, in the event of the unavailability of LIBOR, and do not expressly permit the relevant Servicer or Legal Title Holder to select an alternative rate to apply to the Loans except with the prior consent of the relevant Borrower.

In relation to any LIBOR-Linked Loans in the Morag Portfolio (the **LIBOR-linked Morag Loans**), if in the opinion of the Morag Servicer, acting as a Prudent Mortgage Servicer, the Mortgage Conditions of such LIBOR-linked Morag Loans permit the Morag Servicer to move to an alternative rate, the Morag Servicer shall amend the reference rate in respect of such LIBOR-linked Morag Loans to the reference rate set by reference to the Bank of England Base Rate, plus a credit adjustment spread, plus a margin, and if in the opinion of the Morag Servicer, acting as a Prudent Mortgage Servicer, the Mortgage Conditions of such LIBOR-linked Morag Loans do not permit a move to an alternative rate, the Morag Servicer shall change the reference rate for such LIBOR-linked Morag Loans to a reference rate determined on the basis of a "synthetic" methodology (**Synthetic LIBOR**), a series of rates required by the FCA to be calculated and made publicly available and which it is expected mortgage loan lenders will be permitted to use (and which at the date of this Prospectus is expected to be a forward-looking term version of the relevant risk-free rate, SONIA, plus a margin). For further details, please see the section "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds – Setting of Interest Rates – Morag Loans*".

In relation to any LIBOR-Linked Loans in the Wall Portfolio (the **LIBOR-linked Wall Loans**), it is expected that, in accordance with the Wall Servicer's policy to prepare for the discontinuance of LIBOR, the Wall Servicer will transition to the Bank of England Base Rate as an appropriate alternative rate immediately after the discontinuance of LIBOR where the terms of the relevant LIBOR-linked Wall Loans allow for unilateral variation. Other LIBOR-linked Wall Loans may require borrower consent to facilitate the transition. If, however, the relevant Borrower does not consent to such application of an alternative rate, following the discontinuance of LIBOR, the Wall Servicer currently expects that it will apply the Synthetic LIBOR rate provided that the Wall Servicer shall further amend the rate on such loan to the reference rate set by reference to the Bank of England Base Rate if it is permitted to do so in certain circumstances and therefore, will be reliant on the continued publication of the Synthetic LIBOR rate until such time that the customer consents to the transition or alternative legislation is effected. For further details, please see the section "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds – Setting of Interest Rates – Wall Loans*".

In relation to any LIBOR-Linked Loans in the MAQ Portfolio (the **LIBOR-linked MAQ Loans**), the MAQ Servicer shall provide written notice to the relevant Borrowers requesting their written consent for the rate on such LIBOR-linked MAQ Loans to be amended to SONIA, and to the extent that no such consent has been provided for any LIBOR-linked MAQ Loans, the MAQ Servicer shall change the reference rate for the LIBOR-linked MAQ Loans to Synthetic LIBOR (using a forward-looking term version of the relevant risk-free rate, which is 3-month SONIA in the case of sterling, plus a credit swap adjustment amount) after the end of 2021. For further details, please see the section "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds – Setting of Interest Rates – MAQ Loans*".

Accordingly, following the discontinuance of LIBOR there can be no assurance as to precisely which rate is selected to apply to the Loans by the relevant Servicer, whether relevant Borrowers will grant the necessary consent (and in the absence thereof, and the application of Synthetic LIBOR or the Bank of England Base Rate (as applicable), whether and to what extent this will continue to be published), and the transition to such alternative rate, or rates, may have a material adverse effect on the value of and return on the Notes. Please see the section entitled "*The Loans – Characteristics of the Loans*" for

a summary of limitations under certain terms and conditions applicable to the LIBOR-Linked Loans on the relevant Servicer's ability to select an appropriate alternative rate to apply to the Loans, in the event of the unavailability of LIBOR.

Investors should also note that the liquidity of the Notes will be affected as a result of payments on Loans being calculated by reference to LIBOR, as to which please refer to "*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*" below.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to the Notes.

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 LIBOR. For example, in the context of backwards-looking SONIA rates, market participants and relevant working groups are currently assessing the differences between compounded rates and weighted average rates, and such groups are also exploring alternative reference rates based on SONIA, including forward-looking 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 SONIA to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes.

In addition, the manner of adoption or application of SONIA reference rates in the bond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA.

Investors should carefully consider these matters when making their investment decision with respect to any 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. See "*The Volcker Rule*" for information on the Issuer's status under 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.

6. LEGAL AND REGULATORY RISKS

English law 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 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 and, if applicable, Northern Irish and Scottish 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, 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 any 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 on floating charge realisation will reduce amounts available to satisfy the claims of the secured creditors of the Issuer

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 amended).

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.

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 certain UK incorporated entities, including authorised deposit-taking institutions and investment firms and powers to take 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. Relevant transaction parties for these purposes include the Seller, the Sponsor, the Retention Holder, the Cash Manager, the Servicer Administrator, the Issuer Account Bank, Principal Paying Agent, Agent Bank, the Registrar and the 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 contractual arrangements in certain circumstances) and special insolvency procedures which may be commenced by the UK authorities. It is possible that the 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 action may (amongst 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 (such as the Scottish Declaration of Trust), (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, subject to certain conditions, powers would apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred (which events may include trigger events included in the Transaction Documents in respect of the Relevant Entities, including termination events and trigger events in respect of perfection of legal title to the Loans). 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 to be 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 transactions described in this Prospectus (including the issue of the Notes) and the ratings which are to be assigned to the Rated Notes are based on the relevant 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 the law (including any change in regulation which may occur without a change in primary legislation) and administrative 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. 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 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. Investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect. None of the Issuer, Co-Arrangers, the Joint Lead Managers, the Seller or any other Transaction Party makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date, or at any time in the future.

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, may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The BCBS continues to work on new policy initiatives. 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 framework in Europe. 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 the Securitisation Regulation 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 applies in general (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 regime 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 on which the European Commission is required to report (with legislative proposals, if appropriate) by 1 January 2022.

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). The EU Securitisation Regulation 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 11pm (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 application of the UK Securitisation Regulation is also subject to the temporary transitional relief being available in certain areas. The UK Securitisation Regulation regime is currently subject to a review, which is likely to result in further changes being introduced in the UK in due course. Therefore, some divergence between EU and UK regimes exists already and the risk of more divergence in the future between EU and UK regimes cannot be ruled out.

The UK Securitisation Regulation and/or the EU Securitisation Regulation requirements will apply to the Notes. As such, certain UK-regulated institutional investors or European-regulated institutional investors, which include relevant credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities 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 UK or EU STS requirements, as applicable.

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 and the EU Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear, and it should be noted that under the UK

Securitisation Regulation regime certain temporary transitional relief may be available until 31 March 2022 for the purposes of compliance with the UK institutional investor due diligence requirements. Prospective investors should therefore make themselves aware of the requirements 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 (and any corresponding national measures which may be relevant), as applicable.

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. Non-compliance with the relevant requirements directly applicable to such transaction parties under the UK Securitisation Regulation may give rise to certain administrative sanctions (including fines), which may adversely impact on the relevant parties' ability to perform their functions under the Transaction Documents and, in the case of any fines imposed on the Issuer, such fines will rank ahead of amounts payable to the Noteholders and may therefore adversely affect the ability of the Issuer to make payments under the Notes.

In addition, various parties to the securitisation transaction described in this Prospectus (including the Issuer, the Servicers and the Cash Manager) have contractually elected and agreed to assist the Retention Holder and the Issuer to comply with the requirements of the EU Securitisation Regulation relating to transparency and reporting. The relevant parties will not be in breach of such undertakings where they fail to 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 in order to maintain compliance with the EU Securitisation Regulation requirements relating to transparency and reporting provided that the relevant party has consulted with the Retention Holder and the Portfolio Option Holder in relation to potential actions to avert or remedy such non-compliance.

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 Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

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 five 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 (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 (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 on the Closing Date an EVI equal to five per cent. in each Class of Notes and the 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

Whilst 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.

Investors should also note that, as a result of payments on some of the Loans being calculated by reference to LIBOR (as to which please refer to "*Macro-Economic and Market Risks – Changes or uncertainty in respect of LIBOR, SONIA and/or other interest rate benchmarks may affect the value, liquidity or payment of interest under the Loans or the Notes*" above), the eligibility of the Notes is affected for the purposes of the BoE's liquidity schemes and will attract the application of progressively increased haircuts from 1 April 2021 and will result in the loss of eligibility from 31 December 2021.

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.

The minimum denominations of the Notes may adversely affect payments on the Notes if issued in definitive form

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 their 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 an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

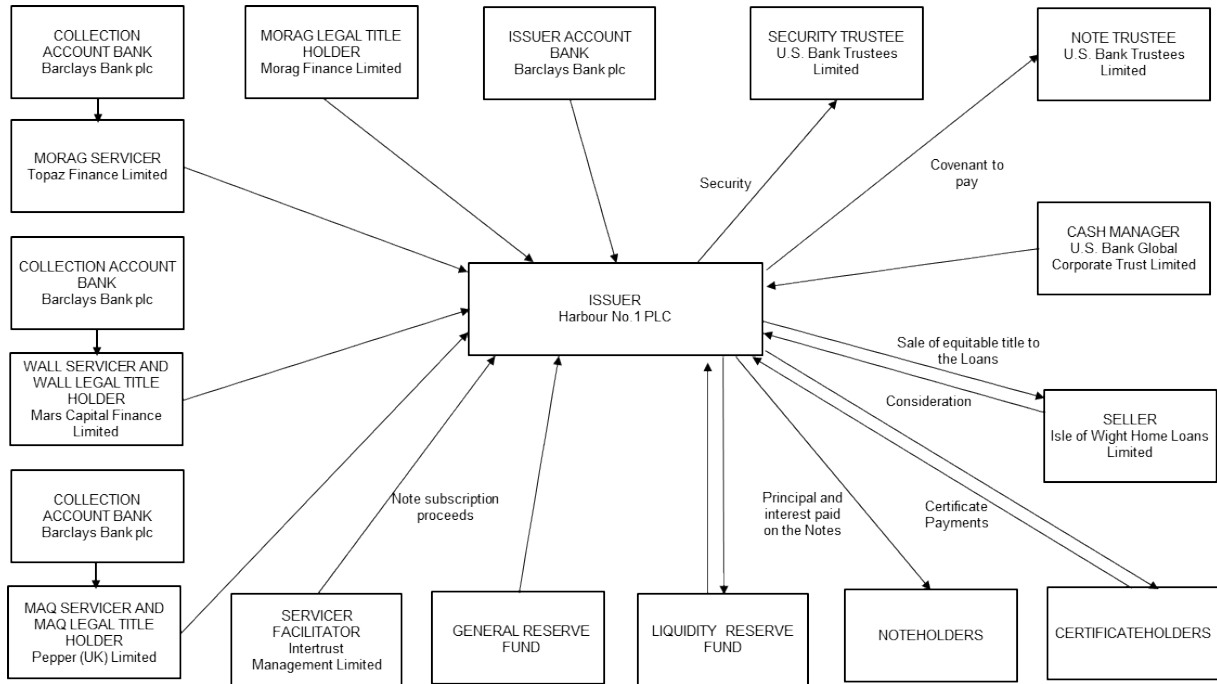
Considerations relating to Book-Entry Interests

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.

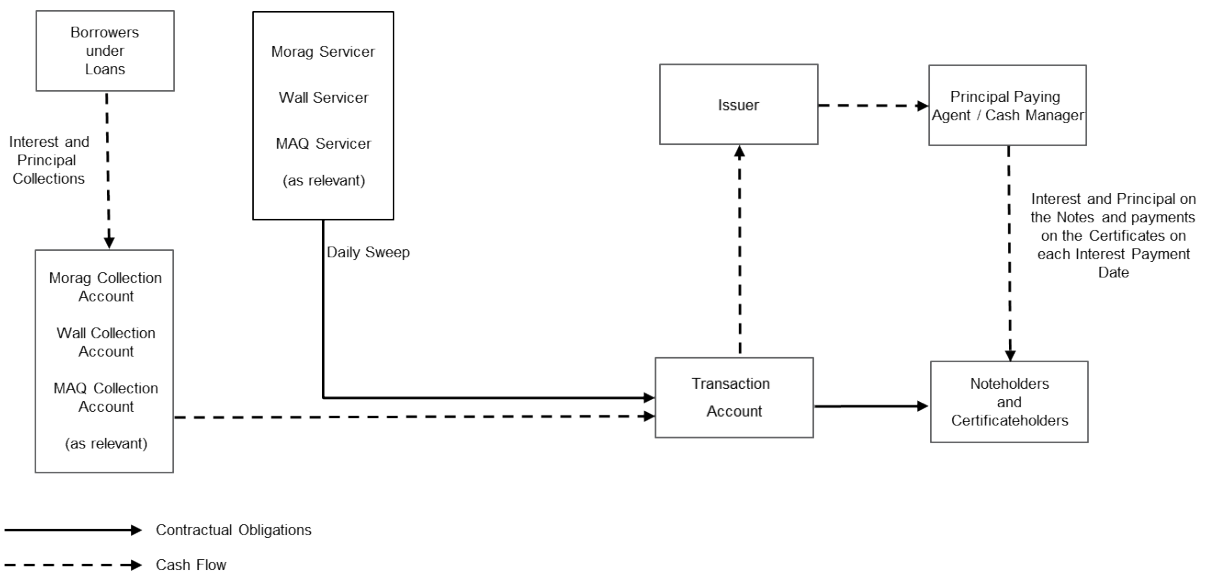
Unlike the holders of the Notes and the Certificates themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes and the Certificates. The procedures to be implemented through 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



DIAGRAMMATIC OVERVIEW OF THE TRANSACTION'S ONGOING CASHFLOWS



OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER

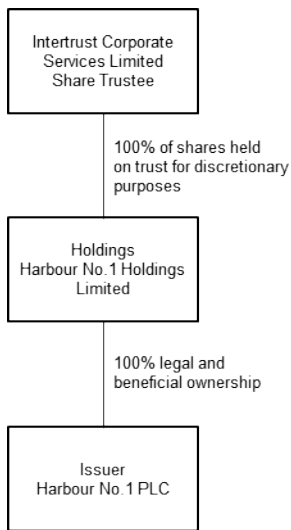


Figure 3 illustrates the ownership structure of the special purpose companies that are parties to the Transaction Documents, as follows:

- 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.

TRANSACTION OVERVIEW – 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.

Party	Name	Address	Document under which appointed/Further Information
Issuer	Harbour No.1 PLC	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	See the section entitled " <i>The Issuer</i> " for further information.
Holdings	Harbour No.1 Holdings Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	See the section entitled " <i>Holdings</i> " for further information.
Seller	Isle of Wight Home Loans Limited	1 Churchill Place, London E14 5HP, United Kingdom	See the section entitled " <i>The Seller</i> " for further information.
Sponsor and Retention Holder for U.S. risk retention purposes, and Retention Holder for UK and EU risk retention purposes	Barclays Bank PLC	5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom	See the section entitled " <i>The Retention Holder, the Sponsor, the Servicer Administrator and the Issuer Account Bank</i> " for further information.
Morag Vendor	Morag Finance I S.à r.l.	5, rue Guillaume Kroll, L-1882, Luxembourg	N/A
Wall Vendor (and together with the Morag Vendor, the Vendors)	Wall Finance No. 1 PLC	10th Floor, 5 Churchill Place, London E14 5HU	N/A
Morag Legal Title Holder	Morag Finance Limited	C/O Alter Domus (UK) Limited, 18 St. Swithin's Lane, London, EC4N 8AD, United Kingdom	The Morag Servicing and Legal Title Holder Deed. See the sections entitled " <i>The Morag Legal Title</i> "

Party	Name	Address	Document under which appointed/Further Information
Morag Servicer and Topaz	Topaz Finance Limited	The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom	<i>Holder</i> " and <i>"Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds"</i> . The Morag Servicing and Legal Title Holder Deed. See the sections entitled <i>"The Morag Servicer"</i> and <i>"Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds"</i> for further information.
Wall Legal Title Holder, Wall Servicer and Mars Capital	Mars Capital Finance Limited	Belvedere, 12 Booth Street, Manchester, M2 4AW, United Kingdom	The Wall Servicing and Legal Title Holder Deed. See the sections entitled <i>"The Wall Servicer and Wall Legal Title Holder"</i> and <i>"Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds"</i> for further information.
MAQ Legal Title Holder, MAQ Servicer and Pepper	Pepper (UK) Limited	Harman House, 1 George St, Uxbridge UB8 1QQ, United Kingdom	The MAQ Servicing and Legal Title Holder Deed. See the sections entitled <i>"The MAQ Servicer and MAQ Legal Title Holder"</i> and <i>"Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds"</i> for further information.
Cash Manager	U.S. Bank Global Corporate Trust Limited	Fifth Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom	Cash Management Agreement. See the sections entitled <i>"Summary of the Key Transaction Documents – Cash Management Agreement"</i> and <i>"The Cash Manager"</i> for further information.
Replacement Cash Manager Facilitator	Intertrust Management Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Cash Management Agreement. See the sections entitled <i>"Summary</i>

Party	Name	Address	Document under which appointed/Further Information
			<i>of the Key Transaction Documents – Cash Management Agreement" and "The Corporate Services Provider, the Replacement Cash Manager Facilitator and the Servicer Facilitator" for further information.</i>
Servicer Facilitator	Intertrust Management Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Administration Agreement. See the sections entitled " <i>Summary of the Key Transaction Documents – Administration Agreement" and "The Corporate Services Provider, the Replacement Cash Manager Facilitator and the Servicer Facilitator"</i> for further information.
Servicer Administrator	Barclays Bank PLC	5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom	Administration Agreement. See the sections entitled " <i>Summary of the Key Transaction Documents – Administration Agreement" and "The Retention Holder, the Sponsor, the Servicer Administrator and the Issuer Account Bank"</i> for further information.
Issuer Account Bank	Barclays Bank PLC	1 Churchill Place, London E14 5HP, United Kingdom	Bank Account Agreement. See the sections entitled " <i>Summary of the Key Transaction Documents – The Bank Account Agreement" and "The Retention Holder, the Sponsor, the Servicer Administrator and the Issuer Account Bank"</i> for further information.

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

Party	Name	Address	Document under which appointed/Further Information
		EC2N 1AR, United Kingdom	sections entitled " <i>Terms and Conditions of the Notes</i> " and " <i>Terms and Conditions of the Certificates</i> " for further information.
Corporate Services Provider	Intertrust Management Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Corporate Services Agreement. See the sections entitled " <i>Summary of the Key Transaction Documents – The Corporate Services Agreement</i> " and " <i>The Corporate Services Provider, the Replacement Cash Manager Facilitator and the Servicer Facilitator</i> " for further information.
Share Trustee	Intertrust Corporate Services Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Share Trust Deed.
Co-Arranger and Joint Lead Manager	Barclays Bank PLC	5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom	Subscription Agreement. See the section entitled " <i>Subscription, Sale and Selling Restrictions</i> " for further information.
Co-Arranger and Joint Lead Manager	Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom	Subscription Agreement. See the section entitled " <i>Subscription, Sale and Selling Restrictions</i> " for further information.
Joint Lead Manager	Deutsche Bank AG, London Branch	Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom	Subscription Agreement. See the section entitled " <i>Subscription, Sale and Selling Restrictions</i> " for further information.

TRANSACTION OVERVIEW – 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 sold 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 and buy-to-let Loans which, other than the Shortfall Loans, are secured over primarily residential properties and certain commercial or mixed properties located in England, Wales, Scotland and Northern Ireland.

The Loans and their Related Security are governed by English law, Scottish law or Northern Irish law (as applicable).

Each Loan and its Related Security comprising the Portfolio was originated by parties other than the Seller. As such, as at the date of this Prospectus the Seller has no direct contractual relationship with any of the Borrowers in respect of any Loan or its Related Security.

Sale of Portfolio:

On the Closing Date:

- (a) pursuant to the Morag Vendor Mortgage Sale Agreement, the Seller agreed to acquire from the Morag Vendor the Loans and their Related Security comprising the Morag Portfolio which were originated by the Morag Originators (the **Morag Loans**); and
- (b) pursuant to the Wall Vendor Mortgage Sale Agreement, the Seller agreed to acquire from the Wall Vendor:
 - (i) the Loans and their Related Security comprising the Wall Portfolio which were originated by the Wall Originators (the **Wall Loans**); and
 - (ii) the Loans and their Related Security comprising the MAQ Portfolio which were originated by the MAQ Originators (the **MAQ Loans**).

On the Closing Date, pursuant to the Mortgage Sale Agreement, the Seller will sell the Loans and their Related Security comprising the Portfolio (comprising the Morag Portfolio, the Wall Portfolio and the MAQ Portfolio) to the Issuer, in exchange for the Consideration. No consideration will be paid by the Issuer to the Seller for the Shortfall Loans.

The sale by the Seller to the Issuer of each English Loan and each Northern Irish Loan and its Related Security in the Portfolio will initially be effected by way of an equitable assignment.

The sale by the Seller to the Issuer of each Scottish Loan and its Related Security in the Portfolio will be given effect by the grant of the Scottish Declaration of Trust.

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: (i) in relation to the English Loans and the Northern Irish Loans, the equitable assignment of the transferor's right, title and interest in and to each relevant loan and its Related Security; or (ii) in relation to the Scottish Loans, the creation of a beneficial interest under the Scottish Declaration of Trust.

The terms **repurchase** and **repurchased** when used in this Prospectus in connection with a Loan and its Related Security shall be construed to include the repurchase by the Seller of: (i) in relation to the English Loans and the Northern Irish Loans, the equitable interest of the Issuer in respect of the relevant Loan and its Related Security; or (ii) in relation to the Scottish Loans, the interest of the Issuer or, as applicable, the Security Trustee as beneficiary under the relevant Scottish Declaration of Trust in respect of the relevant Loan and its Related Security, in each case, pursuant to the terms of the Mortgage Sale Agreement.

Perfection and Notification:

Notice of the sale of the Loans and their related security comprising the Portfolio will not be given to Borrowers and the Issuer has not applied, and prior to the occurrence of a Perfection Event with respect to a Legal Title Holder, will not apply to the Land Registry of England and Wales (the **English Land Registry**) or the Registers of Northern Ireland to register or record its equitable interest in the relevant Mortgage, and may not in any event apply to the General Register of Sasines or the Land Register of Scotland (the **Registers of Scotland**, and together with the English Land Registry and the Registers of Northern Ireland, the **Land Registry**) to register or record its beneficial interest under the Scottish trust.

Accordingly, prior to the occurrence of a Perfection Event with respect to a Legal Title Holder, the legal title to the relevant Loans and their Related Security comprising the Morag Portfolio, the Wall Portfolio or the MAQ Portfolio, as applicable, will be held by the relevant Legal Title Holders and the Issuer will hold only the equitable title (and in respect of the Scottish Loans the beneficial interest under the Scottish Declaration of Trust) 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*".

Features of the Loans:

The following is a summary of certain features of the Loans comprising the Provisional Portfolio as at the Cut-Off 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 the relevant individual or individuals or entities specified as borrowers in respect of that Loan or the individual or individuals or entities (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, other than the Shortfall Loans, are secured by first ranking charges (and, in relation to the MAQ Second Charge Loans, second ranking charges) or (in Scotland) standard securities over freehold, heritable and leasehold properties in England and Wales, Scotland and Northern Ireland.

Number of sub-accounts in the Provisional Portfolio: 4,169*

Current Balance* £122,899.15 (average)

Indexed Current Loan To Value* 58.40 per cent. (weighted average)

Seasoning (months)* 14.62 (weighted average)

Remaining Term (months)* 8.94 (weighted average)

*As at the Cut-Off Date and excluding the Shortfall Loans.

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 shall comprise: (a) an amount equal to £486,334,637.75 (the **Closing Date 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**). No consideration will be payable by the Issuer to the Seller in respect of the Shortfall Loans.

Outstanding Principal Balance and Current Balance:

The **Outstanding Principal Balance** in relation to a Loan at any given date, means the aggregate of paragraphs (a) and (b) of the definition of "**Current Balance**" below.

The **Current Balance** of a Loan means, at any given date, the aggregate (but avoiding double counting) of:

- (a) the original principal amount advanced to the relevant Borrower and any further amount (including any Further Advance) advanced on or before the given date to the relevant Borrower and secured or intended to be secured by the Related Security and which, in each case, has not been paid, repaid or prepaid by the relevant Borrower;
- (b) 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 capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent or capitalised in accordance with the relevant Servicer's normal charging practices and any applicable regulatory obligation and added to the amounts secured or intended to be secured by the related Mortgage (including any Protective Advance); and
- (c) any other amount (including Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised 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 date but is exclusive of any other payments or postings on such date) and any reference to the Current Balance of a loan contained in the Provisional Portfolio shall be construed as if it were a Loan contained in the Portfolio.

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 (other than the Shortfall Loans) and Related Security comprised in the Portfolio on the Closing Date (and, in respect of the Repeating Loan Warranties, on the relevant Port Date (with respect to the relevant Port)). The Seller will not provide the Loan Warranties in respect of the Shortfall Loans.

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

Upon a breach of the Loan Warranties or Repeating Loan Warranties in respect of a Loan and/or its Related Security which is not capable of remedy or, if capable of remedy, which is not remedied within the

the Loans and Related Security:

agreed grace period, the Seller shall (subject to certain limitations as described herein) be required to either (i) make an MSA Warranty Payment or otherwise pay the MSA Warranty Indemnity Amount or (ii) repurchase the relevant Loan and its Related Security (together with any other Loan secured by, or intended to be secured by, such Related Security or any part of it) (as further described below).

The Seller shall be liable under the Mortgage Sale Agreement for any MSA Relevant Liabilities, provided that the security granted by the Seller in favour of the Issuer is limited to the amounts available to it under the Seller Loan Agreement from time to time and any amounts that it can claim from the Vendors under the relevant Vendor Mortgage Sale Agreements.

For a summary of the recourse the Issuer has against the Seller in respect of Loan Warranty breaches, 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.

Consideration for repurchase:

The consideration payable by the Seller in respect of the repurchase of an affected Loan and its Related Security (together with any other Loan secured or intended to be secured by such Related Security or any part of it) as a result of a breach of a Loan Warranty or Repeating Loan Warranty shall be an amount in cash (not less than zero) equal to the Current Balance of such Loan(s) as at the date of such repurchase prior to any deductions or downward balance adjustment or payments that may have been applied, or made in respect of, remediation, claims or set-off related to the relevant Loan Warranty or Repeating Loan Warranty for which such Loan and its Related Security (together with any other Loan secured or intended to be secured by such Related Security or any part of it) is being repurchased, plus the Issuer's costs and expenses (if any) associated with the repurchase (the **Repurchase Price**).

Limit on indemnity amount:

The amount payable by the Seller pursuant to an indemnity in respect of MSA Relevant Liabilities shall not exceed an amount equal to the Repurchase Price of the relevant Loan(s) as at the date of such indemnification payment. In addition, the Seller's liability in respect of breach of Loan Warranty or Repeating Loan Warranty is further limited (in respect of de minimis claim amounts, required claim thresholds and aggregate liability amounts) as more fully set out in the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Limitation of liability with respect to a breach of Loan Warranty*" for further details.

Protective Advances:

Each Servicer may, in accordance with the terms of the relevant 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 relevant Servicer by or on behalf of the relevant Legal Title Holder to the extent of Collections available in the relevant Collection Account(s) (or, in the case of the Wall Portfolio, the Wall Servicer

Expense Account) and shall be added to the Current Balance of the relevant Loan.

Protective Advance means:

- (a) in respect of any Morag Loans and any MAQ Loans and their Related Security, a payment of ground rent, service charges, insurance premia and similar items made by or on behalf of the Morag Legal Title Holder (in respect of the Morag Loans) or the MAQ Legal Title Holder (in respect of the MAQ Loans) to protect the security for the Loan, which is deemed to be a further advance made by the Morag Legal Title Holder (in respect of the Morag Loans) or the MAQ Legal Title Holder (in respect of the MAQ Loans) to the relevant Borrower; and
- (b) in respect of any Wall Loans and their Related Security, 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 Cut-Off Date;
 - (ii) which was made by or on behalf of the Wall 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 Wall Portfolio as a whole.

Collections means Revenue Receipts and Principal Receipts.

Porting:

A number of the Loans in the Wall Portfolio are portable. The Wall Servicer's current Porting conditions include requirements that there is no additional borrowing and that the LTV does not exceed the initial product LTV. The Wall Servicer's Porting process is such that no new loan is originated, with the full existing contract being ported with the associated registration of the new property charge and release of the old property charge. The Wall Servicer's current porting conditions require that conveyancers must act for both lender and customer in the same way as for the origination of a new mortgage.

Each Servicer has covenanted not to agree to any application for a Port which is not required to be made in accordance with the Mortgage Conditions or Applicable Law.

Porting or **Port** means any substitution of a Property which is subject to a Mortgage in respect of a Loan with another Property.

Further Advances:

Each Servicer has covenanted not to agree to any application for a Further Advance which is not required to be made in accordance with the Mortgage Conditions or Applicable Law.

Principal Receipts shall not be applied by the Issuer in purchasing Further Advances. After the Closing Date, if a Legal Title Holder agrees to make any Further Advance in accordance with the relevant Servicing and Legal Title Holder Deed, then the Seller shall be obliged to either (A) buy back such Loan and its Related Security together with any other Loan secured or intended to be secured by such Related Security or any part of it (subject to the steps set out in the Mortgage Sale Agreement being taken) at an amount equal to its Current Balance as of the date of completion of such repurchase plus any expenses in connection with the servicing of the Loan payable thereon to such date or (B) make an indemnity payment to the Issuer in an amount equal to the relevant Repurchase Price.

Further Advance means, in relation to a Loan and its Related Security, any advance of further sums to the relevant Borrower on the security of the relevant Mortgage after the date of completion of such Loan 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.

Product Switch:

Each Servicer has covenanted not to agree to any application for a Product Switch which is not required to be made in accordance with the Mortgage Conditions or Applicable Law. To the extent that a Servicer agrees to a Product Switch, the Seller has undertaken in the Mortgage Sale Agreement to either repurchase the relevant Loan and its Related Security for a consideration equal to the Repurchase Price or make an indemnity payment to the Issuer in an amount equal to the relevant Repurchase Price.

Product Switch means a variation to the financial terms and conditions of any Loan but excluding:

- (a) any variation agreed with a Borrower to control or manage arrears on a Loan;
- (b) any variation imposed by statute or by Applicable Laws and such variation is being applied generally by the relevant Servicer and/or the relevant Legal Title Holder and/or their Affiliates in relation to its mortgage and loan portfolios (or the mortgage and loan portfolios managed by it, as applicable) that have substantially the same characteristics as

the Loans (including, without limitation and for the avoidance of doubt, any variation arising as a result of regulatory guidance on "mortgage prisoners" and the COVID-19 pandemic);

- (c) a change from an interest-only to repayment Loan or a change from a repayment to interest-only Loan (or an extension of the maturity date of the relevant Loan in connection with a change from interest-only to repayment, provided that the new final maturity date of the relevant Loan following such extension falls on or before two years prior to the Final Redemption Date);
- (d) a transfer of equity;
- (e) a release of a party to a Loan provided that at least one party to that Loan remains unreleased;
- (f) extending the term of the Mortgage (**Term Extension**), including but not limited to (i) a Term Extension relating to an endowment policy mismatch, where the relevant Legal Title Holder permits a Term Extension for forbearance reasons and (ii) where a Borrower is unlikely to be able to complete the repayment of the Loan on the agreed maturity date and the relevant Legal Title Holder agrees to a Term Extension to prevent the Borrower going into arrears; and/or
- (g) where the relevant Legal Title Holder agrees to a Borrower's request for consent to reside or consent to let.

Legal Title Holders:

The Morag Legal Title Holder (in respect of the Morag Portfolio), the Wall Legal Title Holder (in respect of the Wall Portfolio) and the MAQ Legal Title Holder (in respect of the MAQ Portfolio) (together, the **Legal Title Holders** and each a **Legal Title Holder**) will agree to continue to hold the legal title and any other right, title, interest and benefit held by it with respect to the relevant Loans in the Portfolio, from time to time, on bare trust (or in the case of the Scottish Loans and their Related Security, will agree to hold the same in terms of the relevant Scottish Declaration of Trust) for and on behalf of the Issuer absolutely in accordance with the terms of, in the case of the Morag Legal Title Holder, a servicing and legal title holder deed in respect of the Morag Portfolio (the **Morag Servicing and Legal Title Holder Deed**), in the case of the Wall Legal Title Holder, a servicing and legal title deed in respect of the Wall Portfolio (the **Wall Servicing and Legal Title Deed**) and, in the case of the MAQ Legal Title Holder, a servicing and legal title deed in respect of the MAQ Portfolio (the **MAQ Servicing and Legal Title Deed**), each of which is entered into on or about the Closing Date (together, the **Servicing and Legal Title Holder Deeds**).

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*".

Perfection Events in respect of the Loans:

The Issuer (or, following the delivery of an Enforcement Notice, the Security Trustee) may by notice in writing (a **Perfection Notice**) to a Legal Title Holder (with a copy to the Seller and the Security Trustee) require the relevant Legal Title Holder to complete the transfer by way of the assignment or assignation 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) that 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 that 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 or, in respect of the MAQ Portfolio, a termination or resignation of the MAQ Servicer's appointment under the MAQ Servicing and Legal Title Holder Deed;
- (f) the occurrence of an Insolvency Event in relation to that 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 Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of that Legal Title Holder becoming aware of such default and receipt by that Legal Title Holder of written notice from the Issuer or (following the 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 that Legal Title Holder.

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

**Servicing of the Portfolio
– Servicer Facilitator:**

The Servicer Facilitator (in consultation with the Committee) is required to procure the appointment, on behalf of the Issuer, of a replacement servicer if the relevant Servicer's appointment is terminated. The Servicer Facilitator will also provide certain directions to the Legal Title Holders in respect of the exercise of discretions reserved to it at law as legal title holder of the Loans and their Related Security. The appointment of the Servicer Facilitator may be terminated by the Issuer and/or (following delivery of an Enforcement Notice) the Security Trustee, upon the occurrence of a Servicer Facilitator Termination Event (see further "*Summary of the Key Transaction Documents – Administration Agreement*").

**Servicing of the Portfolio
– the Servicers and Legal
Title Holders:**

On or about the Closing Date the Issuer will appoint each of the Morag Servicer and Morag Legal Title Holder (in respect of the Morag Portfolio), the Wall Servicer and Wall Legal Title Holder (in respect of the Wall Portfolio) and the MAQ Servicer and MAQ Legal Title Holder (in respect of the MAQ Portfolio) (the Morag Servicer, MAQ Servicer and Wall Servicer being, together, the **Servicers** and each a **Servicer** and the Morag Legal Title Holder, MAQ Legal Title Holder and Wall Legal Title Holder being, together, the **Legal Title Holders** and each a Legal Title Holder) and will enter into, in respect of the Morag Servicer and Morag Legal Title Holder, the Morag Servicing and Legal Title Holder Deed, in respect of the Wall Servicer and Wall Legal Title Holder, the Wall Servicing and Legal Title Deed and, in respect of the MAQ Servicer and MAQ Legal Title Holder, the MAQ Servicing and Legal Title Deed (together, the **Servicing and Legal Title Holder Deeds**).

The appointment of a Servicer or Legal Title Holder may be terminated by the Issuer and/or (following the service of an Enforcement Notice) the Security Trustee, upon the occurrence of a Servicer Termination Event with respect to that Servicer (or Perfection Event in respect of the Legal Title Holder) and provided that a Successor Servicer or legal title holder has been appointed. The Issuer or (following the delivery of an Enforcement Notice) the Security Trustee on becoming aware of the occurrence of a Servicer Termination Event may give notice in writing to the relevant Servicer and the Servicer Facilitator of the occurrence of a Servicer Termination Event and request it to identify and select a Successor Servicer. Upon being so notified, the Servicer Facilitator (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 following consultation with the Servicer Facilitator 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.

The Committee and the Security Trustee shall be required to consent to the replacement or termination of the Servicer or Legal Title Holder (the latter consent to be provided if a replacement that complies with the conditions in the relevant Servicing and Legal Title Holder Deed have been satisfied).

Promptly upon being notified of the identity of the Proposed Successor and/or legal title holder the Issuer shall appoint the Proposed Successor as Successor Servicer and/or legal title holder 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 on receipt by the Security Trustee 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). The Issuer shall notify the Rating Agencies in writing of the identity of the Successor Servicer.

The Morag Servicer may resign by giving not less than 12 months' written notice to the Issuer (with a copy to the Security Trustee) and subject to, inter alia, a replacement Servicer in respect of the Morag Portfolio having been appointed. The MAQ Servicer may resign by giving not less than 18 months' written notice to the Issuer (with a copy to the Security Trustee) and subject to, inter alia, a replacement Servicer in respect of the MAQ Portfolio having been appointed. In addition, the Issuer (on the direction of the Committee) may terminate the appointment of the Servicer and/or Legal Title Holder under each Servicing and Legal Title Holder Deed without cause subject to the relevant notice period specified and payment of the relevant make whole fee (if applicable).

Each Servicer and Legal Title Holder may delegate performance of the Services in accordance with the terms of each 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 Legal Title Holder is also limited under the relevant Servicing and Legal Title Holder Deeds. 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*". In addition, Noteholders should note the section "*Risk Factors – Counterparty Risks – The Servicers*".

Collection Accounts:

Collections in respect of the Morag Portfolio will be credited to the Morag Collection Account, Collections in respect of the Wall Portfolio will be credited to the relevant Wall Collection Account and Collections in respect of the MAQ Portfolio will be credited to the MAQ Collection Account.

Each 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 relevant Legal Title Holder in favour of the Issuer (the **Collection Account Declaration 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.

Amounts credited to each Collection Account from (and including) the Closing Date will be identified on a daily basis and the relevant Servicer shall procure that the Collection Account Bank shall transfer or procure the transfer of the Issuer's share of such amounts from the relevant Collection Account into the Transaction Account on the next Business Day after such amounts are identified as received in the relevant Collection Account (subject to (i) the deduction of any amount required by the relevant Servicer to pay costs and expenses due at such time in accordance with the relevant Servicing and Legal Title Holder Deed and (ii) in the case of the Wall Collection Accounts, to the retention of an agreed aggregate amount in the Wall Collection Accounts and the transfer of an agreed amount to the Wall Servicer Expense Account).

On each Interest Payment Date, amounts standing to the credit of the Transaction Account will be applied by the Cash Manager on behalf of the Issuer in accordance with the relevant Priority of Payments.

Collection Accounts means (i) in respect of the Morag Portfolio, the collection account in the name of the Morag Legal Title Holder held with the Collection Account Bank into which all payments due by Borrowers under the Morag Loans beneficially owned by the Issuer are made (the **Morag Collection Account**), (ii) in respect of the Wall Portfolio, the collection accounts in the name of the Wall Legal Title Holder held with the Collection Account Bank into which all payments due by Borrowers under the Wall Loans beneficially owned by the Issuer are made (the **Wall Collection Accounts**), and (iii) in respect of the MAQ Portfolio, the collection account in the name of the MAQ Legal Title Holder held with the Collection Account Bank into which all payments due by Borrowers under the MAQ Loans beneficially owned by the Issuer are made (the **MAQ Collection Account**).

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 and 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 relevant Servicer; and

(c) to attend meetings of each Committee.

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

Committees:

A committee will be established in respect of each of the Morag Servicer (the **Morag Committee**), the Wall Servicer (the **Wall Committee**) and the MAQ Servicer (the **MAQ Committee**), in each case, to comprise 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**).

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

Under the terms of each Servicing and Legal Title Holder Deed, 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 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 Servicers acting in accordance with the relevant Servicing Standard or the Legal Title Holders acting as a Prudent Mortgage Servicer or Reasonable Prudent Mortgage Lender, as applicable.

In addition, each Committee shall have consent rights in relation to several matters, including: (i) replacement or termination of the relevant Servicer; (ii) any material modifications to the Services; and (iii) the delegation of a material portion of the Servicers' or the Legal Title Holders' power and obligations under Servicing and Legal Title Holder Deeds, and the relevant Servicer shall not be permitted to undertake such activities without the consent of the relevant Committee, as more fully set out in the section "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds*".

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

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 Deeds*".

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

The Portfolio Option Holder may exercise the Portfolio Purchase Option to effect an early redemption of the Notes:

- (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 (excluding the Class R Notes and the Class X 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 (excluding the Class R Notes and the Class X 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 may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Seller, the Legal Title Holder(s) and each of the Rating Agencies with such purchase to take effect on the Calculation Date immediately preceding the Optional Redemption Date (the **Portfolio Sale Completion Date**). The Notes shall be redeemed on the Interest Payment Date falling 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.

The **Portfolio Option Holder** is the holder of all of the Class Y Certificates or an entity representing the holder (or holders in aggregate) of all of the Class Y Certificates (in each case other than any Class Y Certificates held directly or indirectly by or on behalf of the Retention Holder).

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 an amount equal to the Portfolio Purchase Option Purchase Price which is the higher of:

- (a) the sum of:
 - (i) the aggregate Principal Amount Outstanding of the Notes (other than the Class R Notes and the Class Z 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 (excluding, for the avoidance of doubt, any amounts due in respect of the Class R Notes and the Class Z Notes); less
 - (iii) any amounts standing to the credit of the Transaction Account as at the date of the most recent Servicer Reports (but disregarding (A) any amounts standing to the credit of the Issuer Profit Ledger and (B) amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger to the extent applied to redeem the Class R Notes). For the avoidance of doubt, Revenue Receipts and Principal Receipts received by the Issuer after the date of the reporting period referred to in the most recent Servicer Reports will not be distributed in accordance with the Post-Enforcement Priority of Payments on the Interest Payment Date after the Portfolio Sale Completion Date,

(the **Base Portfolio Purchase Option Purchase Price**); 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**).

For the avoidance of doubt, projected future payments are not discounted for this purpose.

To the extent that the Portfolio Option Holder holds any of the Notes 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.

Amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger shall be used firstly to repay amounts due and payable on the Class R Notes in connection with the redemption of the Notes in accordance with Condition 8.4 (*Mandatory Redemption 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 thereafter shall be applied in accordance with the Post-Enforcement Priority of Payments.

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 in full 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 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 the 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. The consideration payable by the Seller shall be an amount equal to the Option Repurchase Price as at the close of business on the immediately preceding Business Day. For these purposes, **Option Repurchase Price** means an amount

equal to the higher of: (a) the Base Portfolio Purchase Option Purchase Price and (b) the Portfolio Purchase Option Current Value Purchase Price provided that such Option Repurchase 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.

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 a price equal to the higher of (a) the Base Portfolio Purchase Option Purchase Price as calculated three Business Days prior to acquisition and (b) the Portfolio Purchase Option Current Value 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*) 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.

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 Notes over and above those required to be maintained by it under its 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; or

- (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 EU Risk Retention Undertaking, would, in respect of the Retention Holder, have an analogous effect or result to those specified in paragraphs (a) and (b) above.

TRANSACTION OVERVIEW – SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES AND THE CERTIFICATES

Please refer to the sections entitled "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 B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes	Class Z Notes	Class R Notes	Class X Notes	Class X Certificate	Class Y Certificates	
Principal Amount:	£262,020,000	£74,323,000	£35,272,000	£15,116,000	£31,492,000	£22,674,000	£17,636,000	£15,116,000	£30,237,000	£7,980,000	£7,558,000	N/A	N/A	
Credit enhancement features:	Over collateralisation funded by other Notes, Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes and the Class A2 Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes, the Class A2 Notes and the Class B Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Class C Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes) Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class F Notes) Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes) Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund	Over collateralisation funded by other Notes (other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund, prior to the service of an Enforcement Notice and following the Class G Notes Redemption Date, all amounts standing to the credit of the General Reserve Fund applied as Available Principal Receipts and, following service of an	Over collateralisation funded by other Notes (other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, prior to the service of an Enforcement Notice and following the Class G Notes Redemption Date, all amounts standing to the credit of the General Reserve Fund applied as Available Principal Receipts and, following service of an	Excess Available Revenue Receipts and, following service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	N/A	N/A

	Class A1 Notes	Class A2 Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes	Class Z Notes	Class R Notes	Class X Notes	Class X Certificate	Class Y Certificates
									Enforcement Notice, all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Reserve Fund and the Liquidity Reserve Fund			
Liquidity support features:	Subordination in payment of the Class A2 Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class X Notes and 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 and the Liquidity Reserve Fund	Subordination in payment of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the Class A2 PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Subordination in payment of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the Class B PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the Class C Notes being the Most Senior Class) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class E Notes, the Class F Notes, the Class G Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the Class D Notes being the Most Senior Class) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class F Notes, the Class G Notes, the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the Class E Notes being the Most Senior Class) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class G Notes, the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the Class F Notes being the Most Senior Class) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the Class G Notes being the Most Senior Class) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	N/A	N/A	N/A	Subordination in payment of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Certificates, and amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	N/A
Issue Price:	99.61714 per cent.	98.88333 per cent.	98.33527 per cent.	98.33911 per cent.	97.52956 per cent.	97.54835 per cent.	96.24380 per cent.	93.70460 per cent.	44.13680 per cent.	77.58231 per cent.	99.81069 per cent.	N/A	N/A
Reference Rate:	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	N/A (Zero Coupon)	N/A (Zero Coupon)	Compounded Daily SONIA	N/A	N/A
Coupon:	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	N/A	N/A	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	N/A	N/A
Initial Margin (payable to but excluding the First Optional Redemption Date) (per annum):	0.80 per cent.	0.90 per cent.	1.10 per cent.	1.25 per cent.	1.50 per cent.	2.00 per cent.	2.50 per cent.	3.00 per cent.	N/A	N/A	3.40 per cent.	Class X Certificate Payment	Class Y Certificate Payment

	Class A1 Notes	Class A2 Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes	Class Z Notes	Class R Notes	Class X Notes	Class X Certificate	Class Y Certificates
Step-Up Margin (payable on and from the First Optional Redemption Date) (per annum):	1.45 per cent.	1.60 per cent.	1.65 per cent.	1.88 per cent.	2.25 per cent.	3.00 per cent.	3.50 per cent.	4.00 per cent.	N/A	N/A	3.40 per cent.	N/A	N/A
Interest Accrual Method:	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	N/A	N/A	Actual/365	N/A	N/A
Interest Payment Dates:	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year	N/A	N/A	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year	28th day of January, April, July and October in each year
First Interest Payment Date:	The Interest Payment Date falling in January 2022	The Interest Payment Date falling in January 2022	The Interest Payment Date falling in January 2022	The Interest Payment Date falling in January 2022	The Interest Payment Date falling in January 2022	The Interest Payment Date falling in January 2022	The Interest Payment Date falling in January 2022	The Interest Payment Date falling in January 2022	N/A	N/A	The Interest Payment Date falling in January 2022	N/A	N/A
Business Day Convention:	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following	Modified following
Final Redemption Date:	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	The Interest Payment Date falling in January 2054	N/A	N/A
First Optional Redemption Date:	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	The Interest Payment Date falling in October 2024	N/A	N/A
Application for Exchange Listing:	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	N/A	N/A
ISIN:	XS2401174953	XS2407279434	XS2401175174	XS2401175414	XS2401175687	XS2401175844	XS2401176222	XS2407284517	XS2401176495	XS2401176651	XS2401176735	XS2401176818	XS2401176909
Common Code:	240117495	240727943	240117517	240117541	240117568	240117584	240117622	240728451	240117649	240117665	240117673	240117681	240117690
Ratings (S&P/DBRS/KBRA)	AAA(sf) / AAA(sf) / AAA(sf)	AA-(sf) / AAA(sf) / AAA(sf)	A(sf) / AAAsf) / AA+(sf)	A-(sf) / A(H)(sf) / AA(sf)	BBB-(sf) / BBB(H)(sf) / A(sf)	BB(sf) / BBB(L)(sf) / BBB(sf)	B-(sf) / BB(sf) / BB-(sf)	CCC-(sf) / B(H)(sf) / B-(sf)	Not Rated	Not Rated	BB(H)(sf) by DBRS Not Rated by S&P/KBRA	Not Rated	Not Rated
Minimum Denomination:	£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	£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	£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
Governing law of the Notes:	English	English	English	English	English	English	English	English	English	English	English	English	English

TRANSACTION OVERVIEW – OVERVIEW 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 January 2054 (the **Class A1 Notes**);
- Class A2 Mortgage Backed Floating Rate Notes due January 2054 (the **Class A2 Notes**);
- Class B Mortgage Backed Floating Rate Notes due January 2054 (the **Class B Notes**);
- Class C Mortgage Backed Floating Rate Notes due January 2054 (the **Class C Notes**);
- Class D Mortgage Backed Floating Rate Notes due January 2054 (the **Class D Notes**);
- Class E Mortgage Backed Floating Rate Notes due January 2054 (the **Class E Notes**);
- Class F Mortgage Backed Floating Rate Notes due January 2054 (the **Class F Notes**);
- Class G Mortgage Backed Floating Rate Notes due January 2054 (the **Class G Notes**);
- Class Z Mortgage Backed Zero Rate Notes due January 2054 (the **Class Z Notes**);
- Class R Mortgage Backed Zero Rate Notes due January 2054 (the **Class R Notes**); and
- Class X Mortgage Backed Floating Rate Notes due January 2054 (the **Class X Notes**),

and the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes are together the **Rated Notes**. The Rated Notes together with 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 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 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 X Certificates, the Class X 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*".

The Certificates will 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 £1,000,000 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 of such Class of Certificates held by that person shall be a reference to their pro rata proportion of such amount.

Sequential Order:

The Class A1 Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest (in respect of the Class A1 Notes) and the Class X Certificate Payment (in respect of the Class X Certificates), as provided in the Conditions and the Transaction Documents.

The Class A2 Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payment and payments of interest and principal in respect of the Class A1 Notes, as provided in the Conditions and the Transaction Documents.

The Class B Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payment and payments of interest and principal in respect of the Class A1 Notes and the Class A2 Notes, as provided in the Conditions and the Transaction Documents.

The Class C Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payment and payments of interest and principal in respect of the Class A1 Notes, the Class A2 Notes and the Class B Notes, as provided in the Conditions and the Transaction Documents.

The Class D Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payment and payments of interest and principal in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes and the Class C Notes, as provided in the Conditions and the Transaction Documents.

The Class E Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payment and payments of interest and principal in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes, as provided in the Conditions and the Transaction Documents.

The Class F Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payment and payments of interest and principal in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as provided in the Conditions and the Transaction Documents.

The Class G Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payment and payments of interest and principal in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as provided in the Conditions and the Transaction Documents.

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 A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G 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 A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class Z Notes as provided in the Conditions and the Transaction Documents.

The Class X Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payment and payments of interest in respect of the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G 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, present and future in, to and under the Transaction Documents (other than the Trust Deed, the Deed of Charge, the Scottish Declaration of Trust, any Scottish Sub-Security and the Scottish Supplemental 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 rights, title, interest and benefit, present and future in, to and under the English Loans and their Related Security and the Northern Irish Loans and their Related Security and other related rights comprising the Portfolio (other than in respect of Scottish Loans) 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, present and future, to, in and under the Insurance Contracts and any sums derived therefrom;
- (d) as assignation in security of the Issuer's interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the Scottish Declaration of Trust (the **Scottish Supplemental Charge**));
- (e) a charge by way of first fixed charge over the Issuer's rights, title, interest and benefit, present and future, in and to monies now or at any time hereafter standing to the credit of the Issuer Accounts and each other account (if any) (including any securities accounts and any securities standing to the credit thereto) maintained with the Issuer Account Bank and all interest accruing from time to time thereon and the debt represented thereby;
- (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, under or in respect of the Collection Account Declaration of Trust;

- (g) an assignment by way of first fixed security of (and to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) all of its rights, title, interest and benefit, present and future, under or in respect of each and every trust constituted by the Mortgage Sale Agreement, the Administration Agreement and the Servicing and Legal Title Holder Deeds;
- (h) a charge by way of first fixed charge over the Issuer's rights, title, interest and benefit, present and future, to, under or in respect of any Authorised Investments permitted to be made by the Issuer or the Cash Manager on its behalf;
- (i) 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 and future, in, or and under the Accession Undertaking to the Seller Declaration of Trust; and
- (j) a floating charge over all assets of the Issuer, including any fixed charges which may take effect as floating charges, not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security and including all of the Issuer's property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of the charges or fixed security referred to above as aforesaid).

See "*Summary of the Key Transaction Documents – Deed of Charge*".

Interest Provisions: Please refer to the "*Transaction Overview – Summary of the Terms and Conditions of the Notes and the Certificates – Full Capital Structure Of The Notes And Certificates*" table above and as fully set out in Condition 6 (*Interest*).

Deferral: Interest due and payable but unpaid on the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes may be deferred in accordance with Condition 17 (*Subordination by Deferral*). Payments in respect of the Class X Certificates may be deferred in accordance with Certificate Condition 18 (*Subordination by Deferral*). The Issuer shall not be entitled to defer amounts of interest payable in respect of the Class A1 Notes.

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 in respect of the Notes in whole, and cancellation of the Certificates, on the Interest Payment Date falling in January 2054 (the **Final Redemption Date**), as fully set out in Condition 8.1 (*Redemption at Maturity*);
- (b) 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*);
- (c) 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) 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*);
- (d) mandatory redemption of the Notes in whole (other than the Class R Notes and the Class Z Notes), 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 pursuant to the exercise of the Portfolio Purchase Option*); and
- (e) mandatory redemption in respect of the Notes in whole (other than the Class R Notes and the Class Z Notes), 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 Note 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 Class A1 Notes 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 or in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class, 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.

Other than in respect of the Class A1 Notes, non-payment of any interest in respect of any Notes as a result of the deferral provisions in Condition 17 (*Subordination by Deferral*) will not constitute an Event of Default unless such amounts remain unpaid on the Final Redemption Date.

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.

Eurosystem Eligibility:

The Notes and the Certificates are intended upon issue to be held in a manner which will allow Eurosystem eligibility. This means that the Notes and the Certificates are intended to be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that any of the Notes or the Certificates will be recognised as eligible collateral for Eurosystem monetary policy and intra-day operations by the Eurosystem either upon issue or at any or all times during their life. See "*Risk Factors – 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*". Such recognition will depend upon the ECB being satisfied that all Eurosystem eligibility has been met (and, for the avoidance of doubt, such Eurosystem eligibility is not, as at the Closing Date, expected to be satisfied by any Notes or Certificates).

Governing Law:

The Notes will be governed by English law. Each of the Transaction Documents will also be governed by English law or, in the case of certain security and sale provisions, Scots law and Northern Irish law (as applicable).

ERISA Considerations:

It is expected that the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes will be ERISA-Eligible Notes (as defined herein). Any Note that is an ERISA-Eligible Note may not be purchased or held by, or with the assets of, (a) 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 the provisions of Part 4 of Subtitle B of Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), (c) an entity whose underlying assets include plan assets by reason of such an employee benefit plan 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**), or (d) a governmental, church or non-U.S. plan which is subject to any state, local, other federal 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**), unless the acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Each purchaser of such Note (or interest therein) will be deemed to have represented, warranted and agreed that either (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 or a governmental, church or non-U.S. plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Note or any interest therein constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or (ii) its acquisition, holding and

disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Each purchaser that is a Benefit Plan Investor will be further deemed to represent, warrant and agree that (i) none of the Issuer, the Paying Agent, any transfer agent, the Registrar or any other party to the transactions referred to in this Prospectus, or other persons that provide marketing services, or any of their respective affiliates, has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor (**Plan Fiduciary**), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes; and (ii) the Plan Fiduciary is exercising its own independent judgement in evaluating the investment in the Notes.

Each purchaser of a Note that is not an ERISA-Eligible Note (each Class of Notes other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes) 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 a Note (or interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan which is subject to any Similar Law, and (ii) no part of the assets to be used by it to acquire or hold such Note or any interest therein constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or if it is a governmental, church or non-U.S. plan, its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a violation of any Similar Law. See the section entitled "*ERISA Considerations for Investors*".

TRANSACTION OVERVIEW – RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to the sections entitled "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 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 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 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 Retained Interest 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 Certificateholder 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 Retained Interest 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 Retained Interest Holder will be required.

Following an Event of Default:

Following the occurrence of an Event of Default which is continuing, Noteholders and/or Certificateholders may, if they hold not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class, or if an Extraordinary Resolution of the holders of the Most Senior Class 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. In addition, Noteholders and/or Certificateholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Notes and/or Certificates are entitled to convene a Noteholders' and/or Certificateholders' meeting, as applicable.

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	Subject to more detailed provisions of the Trust Deed, (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

business including the passing of an Ordinary Resolution. The quorum for passing 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.

Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable; or

(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 75 per cent. 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.

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 13.19 (*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 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.

For the avoidance of doubt, a proposal to sanction a reduction in the principal amounts due on a Class of Notes or any Class X Certificate Payment 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 one or more of the Servicing and Legal Title Holder Deeds;
- (b) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll; or
- (c) changes the definition of "Class Y Certificates Entrenched Rights",

paragraphs (a) to (c) above being the **Class Y Certificates Entrenched Rights**, unless the same is authorised or sanctioned by the holders of the Class Y Certificates (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 adverse to the holder of the Retained Interest (the **Retained Interest 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 Retained Interest 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 Certificateholder has 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; and (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 X Certificates and the Class Y Certificates shall each be deemed to be a reference to at all times to £1,000,000 (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,

Subject to the provisions governing a Basic Terms Modification, Class Y Certificates Entrenched Rights, Class X Certificates Entrenched

Certificateholders and Retained Interest Holder:

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 the affected Class of Notes and/or Certificates (other than the Class X Certificateholder 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 Retained Interest 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 Retained Interest 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 Right 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, as the case may be, the

Security Trustee will have regard only 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, those 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, Co-Arranger, Joint Lead Manager or Issuer Account Bank teams) as certified in writing by the Issuer and the Retention Holder to the Note Trustee as to such holdings of Notes or Certificates, 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

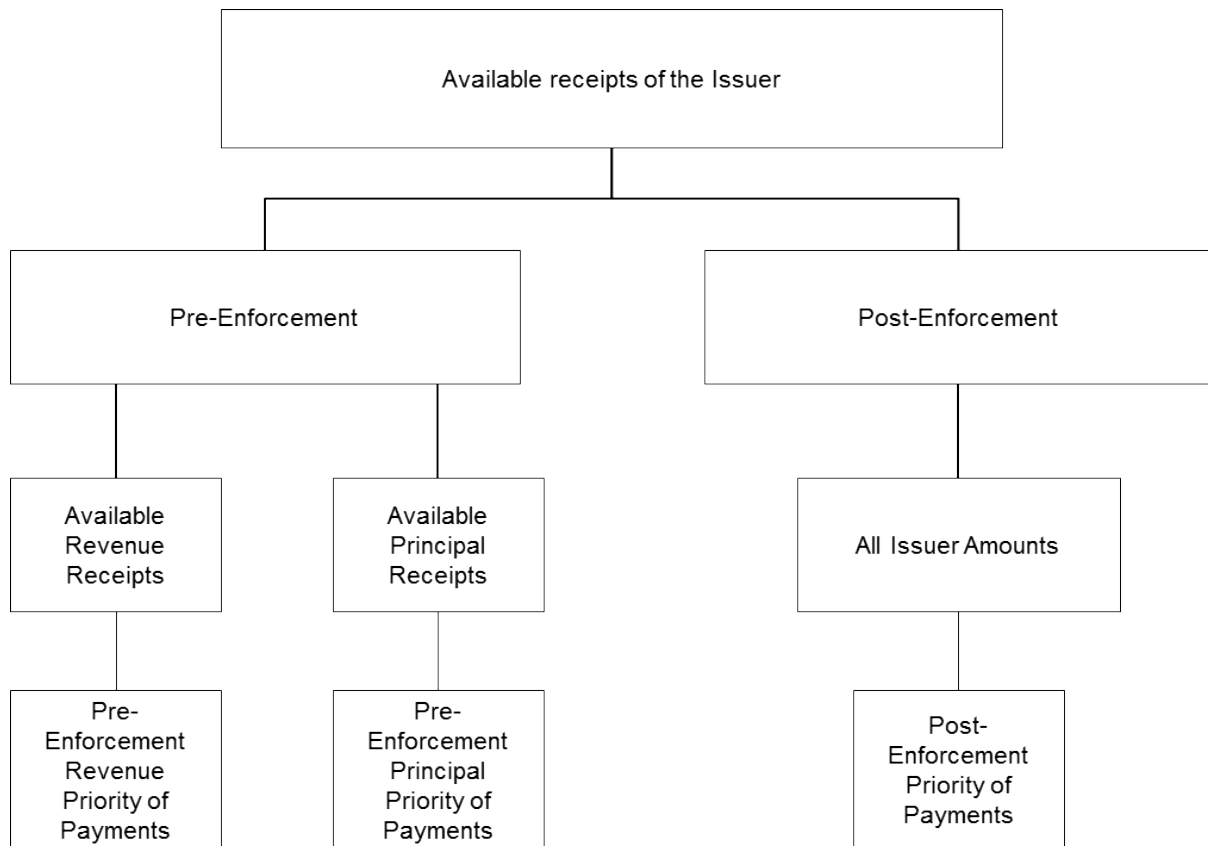
case a **Relevant Screen**), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice.

- (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.

TRANSACTION OVERVIEW – 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 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 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 Liquidity Reserve Fund 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 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 and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) below of this definition of Available Revenue Receipts)) to make a General Reserve Fund Payment;
 - (h) any amounts standing to the credit of the Liquidity 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 pay Senior Revenue Amounts; and
 - (i) any Available Principal Receipts to be applied as Available Revenue Receipts pursuant to item (m) of the Pre-Enforcement Principal Priority of Payments;
- less
- (j) 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 the 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;
- (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 Holders, as applicable;
- (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; and
- (v) any Borrower Fees (and other fees) charged to a Borrower by the Servicers (for the avoidance of doubt, excluding Recovery Proceeds but including any Shortfall Debt Recovery Fees), which are permitted to be retained by the Servicers in accordance with the Servicing and Legal Title Holder Deeds,

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

- (k) 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
- (l) (taking into account any amount paid by way of Permitted Withdrawals) amounts to remedy any overdraft in relation to the relevant Collection Account of the relevant Legal Title Holder, or to pay any amounts due to the 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 A1 Principal Deficiency Sub-Ledger and/or Class A2 Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger and/or the Class G 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 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 and the Liquidity Reserve Fund;
- (f) all Liquidity Reserve Fund Excess Amounts;
- (g) following redemption in full of the Class G 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 and the Liquidity Reserve Fund.

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 Priority of Payments</u>	<u>Revenue</u>	<u>Pre-Enforcement Priority of Payments</u>	<u>Principal</u>	<u>Post-Enforcement Priority of Payments</u>	<u>Priority of Payments</u>
(a)	Amounts due to the Note Trustee and the	(a)	Principal Addition Amounts to be applied	(a)	Amounts due in respect of the Note Trustee, the

<u>Pre-Enforcement Priority of Payments</u>	<u>Revenue</u>	<u>Pre-Enforcement Priority of Payments</u>	<u>Principal</u>	<u>Post-Enforcement Priority of Payments</u>
	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;		to meet any Revenue Shortfall (such amounts to be applied as Available Revenue Receipts), provided that Available Principal Receipts shall only be applied to provide for any such Revenue Shortfall in relation to item (g) of the Pre-Enforcement Revenue Priority of Payments if the Class A2 PDL Condition is satisfied, item (j) of the Pre-Enforcement Revenue Priority of Payments if the Class B PDL Condition is satisfied, and in relation to items (l), (n), (p), (r) and (t) of the Pre-Enforcement Revenue Priority of Payments if the relevant Class of Notes is the Most Senior Class;	Security Trustee, the Receiver and any Appointee (in their personal capacities as such) including all charges, fees, costs, liabilities, expenses and all other amounts;
(b)	Pro rata and <i>pari passu</i> , amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Replacement Cash Manager Facilitator, the Servicers (excluding any Subordinated Servicing Amounts), the Legal Title Holders, the Corporate Services Provider, the Issuer Account Bank, the Collection Account Bank and the Servicer Facilitator, in each case including all fees, costs, liabilities and expenses;	(b)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class A1 Notes;	(b) Pro rata and <i>pari passu</i> , amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Replacement Cash Manager Facilitator, the Servicers (excluding any Subordinated Servicing Amounts), the Legal Title Holders, the Corporate Services Provider, the Issuer Account Bank, the Collection Account Bank and the Servicer Facilitator, in each case including all fees, costs, liabilities and expenses;
(c)	Amounts due and payable to third parties including, but not limited to, audit fees, legal fees, tax compliance fees and amounts due to the Joint Lead Managers (under the Subscription Agreement), up to a maximum amount of £1,000,000 per annum;	(c)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class A2 Notes;	(c) Amounts (if any) due to the Joint Lead Managers under the Subscription Agreement, up to a maximum amount of £4,250,000;
(d)	Issuer Profit Amount;	(d)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class B Notes;	(d) Pro rata and <i>pari passu</i> , to (i) amounts of interest due on the Class A1 Notes and any principal due on the Class A1 Notes and (ii) any Class X Certificate Payment due and payable;
(e)	Pro rata and <i>pari passu</i> , (i) any interest due on the Class A1 Notes and	(e)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class C Notes;	

<u>Pre-Enforcement Priority of Payments</u>	<u>Revenue</u>	<u>Pre-Enforcement Priority of Payments</u>	<u>Principal</u>	<u>Post-Enforcement Priority of Payments</u>	
	(ii) the Class X Certificate Payment due on the Class X Certificate;	(f)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class D Notes;	(e)	Pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class A2 Notes;
(f)	Amounts to be credited to the Class A1 Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);	(g)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class E Notes;	(f)	Pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class B Notes;
(g)	Pro rata and <i>pari passu</i> , any interest due on the Class A2 Notes;	(h)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class F Notes;	(g)	Pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class C Notes;
(h)	To credit the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;	(i)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class G Notes;	(h)	Pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class D Notes;
(i)	Amounts to be credited to the Class A2 Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);	(j)	MSA Warranty Rebate payments due to the Seller;	(i)	Pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class E Notes;
(j)	Pro rata and <i>pari passu</i> , any interest due on the Class B Notes;	(k)	Pro rata and <i>pari passu</i> , to the principal amounts due on the Class Z Notes;	(j)	Pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class F Notes;
(k)	Amounts to be credited to the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);	(l)	Pro rata and <i>pari passu</i> , to the then principal amounts due on the Class R Notes; and	(k)	Pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class G Notes;
		(m)	Any excess in or towards application as Available Revenue Receipts.		

<u>Pre-Enforcement</u> <u>Priority of Payments</u>	<u>Revenue</u>	<u>Pre-Enforcement</u> <u>Priority of Payments</u>	<u>Principal</u>	<u>Post-Enforcement</u> <u>Priority of</u> <u>Payments</u>
(l)	Pro rata and <i>pari passu</i> , any interest due on the Class C Notes;			(l) Amounts due to the Joint Lead Managers under the Subscription Agreement to the extent not covered by item (c) above;
(m)	Amounts to be credited to the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);			(m) Where the Notes are being redeemed following exercise of the Portfolio Purchase Option or the Risk Retention Regulatory Change Option, pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class X Notes;
(n)	Pro rata and <i>pari passu</i> , any interest due on the Class D Notes;			(n) Pro rata and <i>pari passu</i> , to the amount of principal due on the Class Z Notes;
(o)	Amounts to be credited to the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);			(o) Pro rata and <i>pari passu</i> , to the amount of principal due on the Class R Notes (after application of amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger where the Notes are being redeemed following exercise of the Portfolio Purchase Option or the Risk Retention Regulatory Change Option);
(p)	Pro rata and <i>pari passu</i> , any interest due on the Class E Notes;			
(q)	Amounts to be credited to the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);			
(r)	Pro rata and <i>pari passu</i> , any interest due on the Class F Notes;			(p) Other than where the Notes are being redeemed following exercise of the Portfolio Purchase Option or the Risk
(s)	Amounts to be credited to the Class F Principal Deficiency Sub-Ledger			

<u>Pre-Enforcement</u> <u>Priority of Payments</u>	<u>Revenue</u>	<u>Pre-Enforcement</u> <u>Priority of Payments</u>	<u>Principal</u>	<u>Post-Enforcement</u> <u>Priority of</u> <u>Payments</u>
	in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);			Retention Regulatory Change Option, pro rata and <i>pari passu</i> , first, to the amounts of interest and, secondly, to the amount of principal due on the Class X Notes;
(t)	Pro rata and <i>pari passu</i> , any interest due on the Class G Notes;			(q) Pro rata and <i>pari passu</i> , amounts due to third parties incurred without breach by the Issuer (including the Subordinated Servicing Amounts), where payment has not been provided for elsewhere and any amounts required to pay or discharge any corporation tax liability;
(u)	Amounts to be credited to the Class G Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);			(r) MSA Warranty Rebate payments due to the Seller;
(v)	Credit the General Reserve Fund up to the General Reserve Fund Required Amount;			(s) to the Issuer Profit Amount; and
(w)	Amounts (if any) due to the Joint Lead Managers under the Subscription Agreement (to the extent not satisfied pursuant to item (c) above);			(t) Pro rata and <i>pari passu</i> , to any Class Y Certificate Payment.
(x)	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);			
(y)	Pro rata and <i>pari passu</i> , any interest due on the Class X Notes;			
(z)	Pro rata and <i>pari passu</i> , to the principal			

<u>Pre-Enforcement Revenue</u> <u>Priority of Payments</u>	<u>Pre-Enforcement Principal</u> <u>Priority of Payments</u>	<u>Post-Enforcement Priority of</u> <u>Payments</u>
amounts due on the Class X Notes;		
(aa) Costs and expenses of the Issuer (including the Subordinated Servicing Amounts) which remain unpaid following the application of Available Revenue Receipts to the above items;		
(bb) MSA Warranty Rebate due to the Seller (after application of amounts applied in accordance with item (j) of the Pre-Enforcement Principal Priority of Payments); and		
(cc) Pro rata and <i>pari passu</i> , to the 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 and amounts standing to the credit

of the Liquidity Reserve Fund under paragraph (h) 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 (v) of the Pre-Enforcement Revenue Priority of Payments. Following the Class G Notes Redemption Date, 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 payments required to be made pursuant to items (a) to (g) and (i) to (u) of the Pre-Enforcement Revenue Priority of Payments, subject in respect of items (j), (l), (n), (p), (r) and (t) of the Pre-Enforcement Revenue Priority of Payments to the relevant PDL Condition being satisfied.

General Reserve Fund Required Amount means an amount equal to:

- (a) on the Closing Date and on any Interest Payment Date prior to the date on which the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes are each redeemed in full (the **Class G Notes Redemption Date**), an amount equal to 1.25 per cent. of the Current Balance (as at the Cut-Off Date) of all Loans (excluding the Shortfall Loans) comprising the Portfolio as at the Closing Date; and
 - (b) on any Interest Payment Date falling on or after the Class G Notes Redemption Date, zero.
2. The availability of the liquidity reserve fund (the **Liquidity 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 Liquidity Reserve Fund Required Amount. The amount required, from time to time, to be standing to the credit of the Liquidity Reserve Fund Ledger within the Transaction Account shall be an amount equal to the Liquidity Reserve Fund Required Amount. The Issuer may invest the amounts standing to the credit of the Liquidity Reserve Fund Ledger from time to time in Authorised Investments.

On and from the first Interest Payment Date, the Liquidity Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts

(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 Liquidity Reserve Fund will be credited up to the Liquidity Reserve Fund Required Amount in accordance with item (h) of the Pre-Enforcement Revenue Priority of Payments. On and from the first Interest Payment Date, any Liquidity Reserve Fund Excess Amount will be available to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

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

Liquidity Reserve Fund Required Amount means an amount calculated as follows:

- (a) on the Closing Date, an amount equal to 0.50 per cent. of the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes;
- (b) on any Interest Payment Date on which the Liquidity Reserve Fund Trigger Condition is not satisfied, the lower of:
 - (i) an amount equal to 0.50 per cent. of the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes as at the Closing Date; and
 - (ii) an amount equal to 1.00 per cent. of the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes as at such Interest Payment Date (as determined prior to any redemptions of the Class A1 Notes and the Class A2 Notes on such Interest Payment Date); and
- (c) on any Interest Payment Date on which the Liquidity Reserve Fund Trigger Condition is satisfied, an amount equal to 1.00 per cent. of the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes as at such Interest Payment Date (as determined prior to any redemptions of the Class A1 Notes and the Class A2 Notes on such Interest Payment Date).

Liquidity Reserve Fund Trigger Condition means the condition which is satisfied where, on the relevant Interest Payment Date, the amount standing to the credit of the General Reserve Fund as at such Interest Payment Date (after application of Available Revenue Receipts) would be less than 1.00 per cent. of the Current Balance (as at the Cut-Off Date) of all Loans (excluding the Shortfall Loans) comprising the Portfolio on the Closing Date (and for the purposes of making such determination, the Cash Manager shall determine the amount that would be standing to the credit of the General Reserve Fund after the application of Available Revenue Receipts on the basis of the Liquidity Reserve Fund Trigger Condition not being satisfied).

Senior Revenue Amounts means all payments required to be made pursuant to items (a) to (e) and (g) of the Pre-Enforcement Revenue Priority of Payments.

3. On each Calculation Date prior to the service of an Enforcement Notice or the Class G Notes Redemption 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 (amounts so applied, which for the avoidance of doubt, shall not be applied in respect of any Class X Certificate Payment due on the Class X Certificates, being **Principal Addition Amounts**), subject in respect of item (g) of the Pre-Enforcement Revenue Priority of Payments, to the Class A2 PDL Condition being satisfied and in respect of item (j) of the Pre-Enforcement Revenue Priority of Payments, to the Class B PDL Condition being satisfied, and in respect of items (l), (n), (p), (r) and (t) of the Pre-Enforcement Revenue Priority of Payments, to the relevant Class of Notes being the Most Senior Class.

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), (e)(i), (g), (j), (l), (n), (p), (r) and (t) of the Pre-Enforcement Revenue Priority of Payments.

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

the Class A1 Notes (the **Class A1 Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class A2 Notes (the **Class A2 Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class B Notes (the **Class B Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class C Notes (the **Class C Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class D Notes (the **Class D Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class E Notes (the **Class E Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class F Notes (the **Class F Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class G Notes (the **Class G 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 that the Cash Manager is informed of such Losses by the Servicers 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 G Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class G Notes; (c) third, to the Class F Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class F Notes; (d) fourth, to the Class E Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class E Notes; (e) fifth, to the Class D Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class D Notes; (f) sixth, to the Class C Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class C Notes; (g) seventh, to the Class B Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes; (h) eighth, to the Class A2 Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A2 Notes; and (i) ninth, to the Class A1 Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A1 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 any Available Revenue Receipts applied

pursuant to items (f), (i), (k), (m), (o), (q), (s) and (x) of the Pre-Enforcement Revenue Priority of Payments.

5. A ledger will be established to record any MSA Warranty Indemnity Amounts due by the Seller in accordance with the Mortgage Sale Agreement (the **MSA Warranty Claims Ledger**). The Cash Manager will make all debits and or credits to the MSA Warranty Claims Ledger on the basis of and on reliance on information provided to it by the Issuer, the Seller and/or the Servicers. Any MSA Warranty Indemnity Amounts will be recorded as a debit on the MSA Warranty Claims Ledger by the Cash Manager on the date that the Cash Manager is informed by the Seller, the Issuer or the Servicers that such payments are due. The Cash Manager will record as a credit to the MSA Warranty Claims Ledger (i) any MSA Warranty Payments made by the Seller (with a corresponding debit being made to the Seller MSA Rebate Ledger) and (ii) any Available Revenue Receipts applied pursuant to items (f), (i), (k), (m), (o), (q), (s) and (x) of the Pre-Enforcement Revenue Priority of Payments to the extent of any Loss recorded on the Principal Deficiency Ledger that related to an outstanding MSA Relevant Liability of the Seller, and in each case this will result in a reduction of the MSA Relevant Liabilities.
6. A ledger will be established to record any MSA Warranty Payments made by the Seller to the Issuer in accordance with the Mortgage Sale Agreement (the **Seller MSA Rebate Ledger**). The Cash Manager will make all debits and/or credits to the Seller MSA Rebate Ledger on the basis of, and on reliance on, information provided to it by the Issuer, the Seller and/or the Servicers. Any MSA Warranty Payments will be recorded as a debit on the Seller MSA Rebate Ledger by the Cash Manager on the date that such amount is deposited in the Transaction Account (with a corresponding credit being made to the MSA Warranty Claims Ledger). The Cash Manager will record as a credit to the Seller MSA Rebate Ledger any MSA Warranty Rebate paid pursuant to item (bb) of the Pre-Enforcement Revenue Priority of Payments, item (j) of the Pre-Enforcement Principal Priority of Payments or item (r) of the Post-Enforcement Priority of Payments, as applicable.

MSA Warranty Indemnity Amount means any amounts which the Issuer is entitled to claim (following any applicable grace periods) from the Seller in respect of any representations, warranties, undertakings, covenants and indemnities provided to the Issuer by the Seller in respect of the relevant Loan and Related Security pursuant to the Mortgage Sale Agreement.

MSA Warranty Payment means any amounts which the Seller pays to the Issuer in respect of the MSA Warranty Indemnity Amount due pursuant to the Mortgage Sale Agreement (excluding (i) amounts which the Seller receives from the relevant Vendor in respect of any representations,

warranties, undertakings, covenants and indemnities provided to the Seller by the relevant Vendor in respect of the relevant Loan and Related Security pursuant to the relevant Vendor Mortgage Sale Agreement and (ii) the purchase price paid in respect of any Loan which the Seller elects to repurchase following service of a Loan Remedy Notice).

MSA Warranty Rebate means the amount paid by the Issuer pursuant to the Priority of Payments to compensate the Seller for any MSA Warranty Payment not previously compensated.

7. 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 all amounts of interest (including any accrued interest thereon) due on the Notes (other than the Class A1 Notes) or the Class X Certificate Payment in respect of the Class X Certificates that would otherwise be payable absent the deferral provisions in respect of the Notes (other than the Class A1 Notes) 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 Condition 17 (*Subordination by Deferral*) and Certificate Condition 18 (*Subordination by Deferral*), as applicable, to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as the relevant Class of Notes or Certificates becomes due and repayable in full in accordance with the Conditions or Certificate Conditions. Any such deferral in accordance with the deferral provisions contained in the Conditions will not constitute an Event of Default.

Failure to pay interest on the Class A1 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.

TRANSACTION OVERVIEW – TRIGGERS TABLES

Rating Triggers Table

Transaction Party:	Required Ratings/Triggers:	Possible effects of Trigger being breached include the following:
Issuer Account Bank:	<p>(a) in the case of S&P, a short-term unsecured, unguaranteed and unsubordinated debt rating of at least "A-1" by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least "A" by S&P, or should the Issuer Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least "A-1" from S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least "A+" by S&P;</p> <p>(b) in the case of KBRA, a rating of at least "BBB-" by KBRA or, if not rated by KBRA, such other rating as is consistent with KBRA's structured finance counterparty methodology;</p> <p>(c) in the case of DBRS, the higher of (A) if a COR is currently maintained in respect of the Issuer Account Bank, a rating one notch below the Issuer Account Bank's COR, being a rating of "A" from DBRS, and (B) a long-term senior unsecured debt rating or deposit rating of "A" from DBRS or (C) if none of (A) or (B) above are currently maintained in respect of the Issuer Account Bank, a DBRS Equivalent Rating at least equal to "A"; or</p> <p>(d) (in each case) such other credit rating as would not adversely affect the then current rating of</p>	<p>If the Issuer Account Bank fails to maintain any of the Account Bank Ratings, then the Issuer shall use all reasonable endeavours to, within 60 calendar days (but no sooner than 35 calendar days) following the first day on which such downgrade occurred, either:</p> <p>(a) close the relevant Issuer Accounts held with the Issuer Account Bank (including, for the avoidance of doubt, the Transaction Account) and use all reasonable endeavours to open replacement accounts with a financial institution (i) having the Account Bank Rating and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or</p> <p>(b) use all reasonable endeavours to obtain a guarantee of the obligations of the Issuer Account Bank under the Bank Account Agreement from a financial institution which has the Account Bank Ratings,</p> <p>in each case as prescribed in the Bank Account Agreement, and in the case of (a) above, transfer amounts standing to the credit of the relevant Issuer Accounts and all Ledgers on the relevant Issuer Account(s) to the replacement Issuer Account(s).</p>

Transaction Party:	Required Ratings/Triggers: the Rated Notes (the Account Bank Rating).	Possible effects of Trigger being breached include the following:
Collection Account Bank:	<p>(a) in the case of S&P, a short-term unsecured, unguaranteed and unsubordinated debt rating of at least "A-2" by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least "BBB" by S&P, or should the Collection Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least "A-2" by S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least "BBB+" by S&P;</p> <p>(b) in the case of KBRA, a rating of at least "BBB-" by KBRA or, if not rated by KBRA, such other rating as is consistent with KBRA's structured finance counterparty methodology;</p> <p>(c) in the case of DBRS, a long-term COR of at least "BBB (high)" by DBRS or, if a COR is not available on the Collection Account Bank, an issuer rating or a long-term unsecured, senior unsecured debt rating of "BBB (high)" by DBRS (either by way of a public rating or, in its absence, by way of a private rating supplied by DBRS), provided that if the Collection Account Bank is not rated by DBRS, at least a DBRS Equivalent Rating; or</p> <p>(d) such other lower rating which is consistent with the then current rating methodology of the relevant Rating Agency in respect of the then current ratings of the Rated Notes,</p>	<p>If the Collection Account Bank fails to maintain any of the Collection Account Bank Ratings then the Issuer (or the relevant Servicer or Legal Title Holder) will use reasonable endeavours to:</p> <p>(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 of the Income Tax Act 2007 and which will pay interest in relation to the relevant Collection Accounts (as applicable) in the ordinary course of its business;</p> <p>(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;</p> <p>(c) procure that a new collection account is opened and established at the replacement institution and further procure that all amounts held on trust for the Issuer and standing to the credit of the relevant Collection Account(s) are transferred to the replacement account at such replacement institution as soon as practicable or, where the Collection Account Bank ceases to have the Collection Account Bank Rating, (i) in the case of the Morag Servicer, within 30 calendar days of such downgrade, (ii) in the case of the MAQ Legal Title Holder, as soon as reasonably practicable and within 60 calendar days following instruction from the Issuer following such</p>

**Transaction
Party:**

Required Ratings/Triggers:

(the **Collection Account Bank Rating**).

**Possible effects of Trigger being
breached include the following:**

downgrade, and (iii) in the case of the Wall Legal Title Holder, within 60 calendar days (but not less than 35 calendar days) from the date on which the Collection Account Bank has ceased to maintain the Collection Account Bank Rating); 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.

DBRS Equivalent Chart means:

DBRS		Moody's		S&P		Fitch		Rating Strength
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Highest
AAA	R-1 H	Aaa	P-1	AAA	A-1+	AAA	F1+	
AA(high)	R-1 H	Aa1	P-1	AA+	A-1+	AA+	F1+	
AA	R-1 M	Aa2	P-1	AA	A-1+	AA	F1+	
AA(low)	R-1 M	Aa3	P-1	AA-	A-1+	AA-	F1+	
A(high)	R-1 L	A1	P-1	A+	A-1	A+	F1	
A	R-1 L	A2	P-1	A	A-1	A	F1	
A(low)	R-1 L	A3	P-2	A-	A-1	A-	F2	
BBB(high)	R-2 H	Baa1	P-2	BBB+	A-2	BBB+	F2	
BBB	R-2 M	Baa2	P-2	BBB	A-2	BBB	F3	
BBB(low)	R-2 L	Baa3	P-2	BBB-	A-3	BBB-	F3	Lowest

DBRS Equivalent Rating means with respect to the long-term senior debt rating: (i) if a Fitch public rating, a Moody's public rating and an S&P public rating are all available; (a) the remaining rating (upon conversion on the basis of the DBRS Equivalent Chart) once the highest and lowest ratings have been excluded or (b) in the case of two or more same ratings, any of such ratings (upon conversion on the basis of the DBRS Equivalent Chart); (ii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) above, but public ratings by any two of Fitch, Moody's and S&P are available, the lower rating available (upon conversion on the basis of the DBRS Equivalent Chart); and (iii) if the DBRS Equivalent Rating cannot be determined under paragraph (i) or (ii) above, and therefore only a public rating by one of Fitch, Moody's and S&P is available, such rating will be the DBRS Equivalent Rating (upon the conversion on the basis of the DBRS Equivalent Chart).

Non-Rating Triggers Table

Perfection Events:

The Issuer (or, following the delivery of an Enforcement Notice, 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 complete the transfer by way of the assignment or assignation to the Issuer (or to its nominee), of the legal title to the relevant 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) that 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 that 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 or, in the case of the MAQ Portfolio, termination or resignation of the MAQ Servicer's appointment under the MAQ Servicing and Legal Title Holder Deed;
- (f) the occurrence of an Insolvency Event in relation to that 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 Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of that Legal Title Holder becoming aware of such default and receipt by that Legal Title Holder of

written notice from the Issuer or (following the 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 that Legal Title Holder.

Servicer Facilitator Termination Events:

The appointment of the Servicer Facilitator may be terminated by the Issuer if any of the following events (each a **Servicer Facilitator Termination Event**) occurs:

- (a) default is made by the Servicer Facilitator in the performance or observance of any of its covenants and obligations under the Transaction Documents to which it is a party, which (in the opinion of the Note Trustee) is materially prejudicial to the interests of the Noteholders of any Class and such default continues unremedied for a period of 15 Business Days after the earlier of the Servicer Facilitator becoming aware of such default and receipt by the Servicer Facilitator 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
- (b) an Insolvency Event in respect of the Servicer Facilitator,

provided that the Servicer Facilitator's appointment shall not be terminated until a successor servicer facilitator has been appointed.

Servicer Termination Events:

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

- (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 Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (following the delivery 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 Certificateholders and such default continues unremedied for a period of 15 Business Days after the

earlier of that 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;

- (c) 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;
- (d) the occurrence of an Insolvency Event in respect of that Servicer;
- (e) a Change of Control occurs with respect to that Servicer (in the case of the MAQ Servicer, where such Change of Control (A) results in the Issuer or any relevant party being in breach of any Applicable Law, or (B) has a material adverse effect on the MAQ Servicer's ability to perform its material obligations under the MAQ Servicing and Legal Title Holder Deed and provided that the Issuer must deliver a termination notice within 30 days following notification of such event);
- (f) in respect of the Wall Servicer or the MAQ Servicer, that Servicer or the relevant Legal Title Holder repudiates or otherwise disaffirms its material obligations under the relevant Servicing and Legal Title Holder Deed in writing;
- (g) in respect of the Wall Servicer or the MAQ Servicer, 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;
- (h) a Perfection Event occurs (in respect of the MAQ Portfolio, being a fault based Perfection Event); or
- (i) in respect of the Wall Servicer, the Wall Servicer commits a persistent breach of its obligation to seek directions from the Wall Legal Title Holder before taking restricted actions pursuant to the Wall Servicing and Legal Title Holder Deed.

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

The Morag Servicer may resign upon giving not less than 12 months' written notice provided that, inter alia, a replacement Servicer has been appointed in respect of the Morag Portfolio. The MAQ Servicer may resign upon giving not less than 18 months' written notice provided that, inter alia, a replacement Servicer has been appointed in respect of the MAQ Portfolio. In addition, under each Servicing and Legal Title Holder Deed, the Servicer may be replaced without cause on the instruction of the Committee, subject to the relevant notice periods and payment of make whole payments (if applicable).

Change of Control means:

- (a) in respect of the Morag Servicer, that it ceases to be Controlled, directly or indirectly, by Computershare Limited (a company incorporated in Australia with its registered address at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067, Australia);
- (b) in respect of the Wall Servicer and the Wall Legal Title Holder, that Arrow Global Group PLC ceases to own 100 per cent. of the issued share capital of the Wall Servicer and the Wall Legal Title Holder; or
- (c) in respect of the MAQ Servicer and MAQ Legal Title Holder, a change of control within the meaning of the FCA Handbook provided that, as to the MAQ Servicer and/or the MAQ Legal Title Holder, no Change of Control shall be deemed to occur from (a) any internal reorganisation which does not result in a change to the ultimate beneficial ownership or control of Pepper (UK) Limited; or (b) the listing or trading of the shares of Pepper (UK) Limited or any of its Affiliates on a recognised securities exchange.

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.

TRANSACTION OVERVIEW – 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
Servicing Fees	<p>The fees payable by the Issuer on each Interest Payment Date, subject to there being sufficient Available Revenue Receipts and/or Available Principal Receipts and payable, in each case, in accordance with the applicable Priority of Payments.</p> <p><i>Topaz Servicing Fee</i></p> <p><i>Topaz Senior Servicing Fee</i></p> <p>For so long as Topaz is the Morag Servicer:</p> <p>(a) an annual amount payable quarterly on a pro-rata basis on each Interest Payment Date and equal to (A) an administration and management fee of 0.10 per cent. per annum of the aggregate Current Balance of all Loans serviced by the Morag Servicer at the end of each calendar month (Master Servicing Fee), plus (B) an administration and management fee of 0.20 per cent. per annum of the aggregate Current Balance of all Loans serviced by the Morag Servicer at the end of each calendar month (Primary Servicing Fee), subject to a minimum fee of £80,000 per month until the Interest Payment Date falling in October</p>	<p>Servicing Fees (excluding any Subordinated Servicing Amounts) payable ahead of all outstanding Notes and Certificates but after the fees of the Note Trustee and the Security Trustee.</p> <p>Subordinated Servicing Amounts are subordinated to payments on the Notes and Class X Certificates but ahead of payments on the Class Y Certificates, as more fully set out in the Priority of Payments.</p>	<p>Payable quarterly on a pro-rata basis on each Interest Payment Date.</p>

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	2022, and thereafter £10,400 per month;		
	(b) £200 per Loan for processing a Loan redemption for a Borrower (Redemption Fee);		
	(c) £65 per live Loan account in respect of Loans serviced by the Morag Servicer that has an arrears balance with a value equal to or greater than one monthly payment as at the last day of the immediately preceding calendar month (Arrears Fee);		
	(d) for processing certain contract variations where the Borrower is not advised in respect of such variation, £300 for each contract variation request (Contract Variation Fee);		
	(e) for any Loan serviced by the Morag Servicer in respect of which the property to which the Loan relates has been sold and there remains a shortfall owed by the Borrower, 40% of any monies recovered from the Borrower (Shortfall Debt Recovery Fee);		
	(f) £65 per month for each month or part month for each Loan account in relation to which the Loan or any part of the Loan remained outstanding from the		

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	Borrower (Post Term Date Passed Fee);		
	(g) for processing a request by a Borrower for a data subject access request (DSAR), the Issuer shall pay to the Servicer £90 per request (DSAR Fee);		
	(h) £30 per Loan in respect of which a COVID-19 Payment Deferral has been granted (Payment Deferral Fee);		
	(i) £50,000 as a project fee payable on the Closing Date; and		
	(j) where in any month the Cash Collected Rate in respect of all Arrears Loans serviced by the Morag Servicer is greater than 100%, Topaz shall be entitled to be paid the PBP Fee,		
	in each case exclusive of VAT (together, the Topaz Senior Servicing Fee).		
	<i>Topaz Subordinated Servicing Fee</i>		
	For so long as Topaz is the Morag Servicer, any remuneration payable to the Morag Servicer as a result of any annual RPI fee adjustment under the Morag Servicing and Legal Title Holder Deed, with such remuneration being exclusive of VAT (the Topaz Subordinated Servicing Fee , and together with the Topaz Senior Servicing Fee, the Topaz Servicing Fee).		

Mars Capital Servicing Fee

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
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The Mars Capital Servicing Fee (**Mars Capital Servicing Fee**) comprises:

- (a) an implementation fee (inclusive of VAT) in an amount equal to £30,000 payable to the Wall Servicer on or before the first Interest Payment Date;
- (b) 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 Wall Fee Rate (as defined below) by the aggregate Current Balance of the Wall Loans 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);

For these purposes the **Wall Fee Rate** shall mean (i) with respect to Wall Loans whose Collections are less than or equal to 30 days in arrears, 0.13% per annum (the **Mars Base Rate**), and (ii) with respect to Wall Loans whose Collections are more than 30 days in arrears, 0.35% per annum (applicable only until such time as the relevant Wall Loan is less than or equal to 30 days in arrears, at which point the rate

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
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shall revert to 0.13%);
and

- (c) 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 Wall Loans serviced by the Wall Servicer where the relevant security was released during that Collection Period, calculated on a monthly basis and payable on each Interest Payment Date.

Pepper Servicing Fee

On the Closing Date a project fee of £76,000 (exclusive of VAT) is payable by the Issuer (the **Pepper Servicing Project Fee**).

From the Closing Date, the Issuer shall pay to the MAQ Servicer the following fees:

- (a) the Pepper Base Servicing Fee in relation to each Collection Period, equal to the greater of
 - (i) an amount calculated on the basis of the number of days elapsed in that Collection Period and a 365 day year, at a rate of 0.1661% per annum on the aggregate outstanding Current Balance of the Loans serviced by the MAQ Servicer, as determined as at the first day of the Collection Period; and
 - (ii) £17,300 for each

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	<p>Collection Period, provided that if the Pepper Base Servicing Fee at any time exceeds the Pepper Base Servicing Fee Cap, the portion of the Pepper Base Servicing Fee exceeding this amount shall constitute Pepper Subordinated Servicing Fees and shall be subordinated in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);</p>		
	<p>(b) the Pepper Arrears Fee equal to the product of £67.47 multiplied by the number of Arrears Loans or Term Expired Loans serviced by the MAQ Servicer during the Collection Period (without double counting), provided that if the Pepper Arrears Fee at any time exceeds the Pepper Arrears Fee Cap, the portion of the Pepper Arrears Fee exceeding the Pepper Arrears Fee Cap shall constitute Pepper Subordinated Servicing Fees and shall be subordinated in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);</p>		

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
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(c) the Pepper Redemption Fee in relation to each Collection Period equal to the product of £114.18 multiplied by the number of redemptions of Loans serviced by the MAQ Servicer in whole where the relevant security was released during that Collection Period, provided that if the Pepper Redemption Fee at any time exceeds the Pepper Redemption Fee Cap, the portion of the Pepper Redemption Fee exceeding the Pepper Redemption Fee Cap shall constitute Pepper Subordinated Servicing Fees and shall be subordinated in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable); and

(d) the Pepper Payment Holiday Fee in relation to each Collection Period equal to the product of £25.95 multiplied by the number of Loans serviced by the MAQ Servicer for which a Payment Deferral arrangement was established, extended or modified during that Collection Period, provided that if the Pepper Payment Holiday Fee at any time exceeds the Pepper

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	<p>Payment Holiday Fee Cap, the portion of the Pepper Payment Holiday Fee exceeding the Pepper Payment Holiday Fee Cap shall constitute Pepper Subordinated Servicing Fees and shall be subordinated in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable),</p> <p>in each case exclusive of VAT (together with the Pepper Servicing Project Fee, the Pepper Servicing Fee, and together with the Topaz Servicing Fee and the Mars Capital Servicing Fee, the Servicing Fees).</p>		
Legal Title Holder Fees	<p><i>Wall Legal Title Holder Fee</i></p> <p>A legal title holder fee (inclusive of VAT) payable to the Wall Legal Title Holder equal to 0.05% per annum multiplied by the Current Balance of the Wall Loans.</p> <p><i>Morag Legal Title Holder Fee</i></p> <p>A legal title holder fee (inclusive of VAT) payable to the Morag Legal Title Holder of an amount equal to £100 per calendar month (the Morag Legal Title Holder Fee) (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>
Other fees and expenses of the Issuer	<p>Estimated at £125,000 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</p>	<p>Quarterly on each Interest Payment Date.</p>

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
		Security Trustee) after the Fees of the Note Trustee and the Security Trustee.	
Expenses related to the admission to trading of the Notes	Estimated at €14,040 (exclusive of VAT).	Ahead of all outstanding Notes and Certificates but after the fees of the Note Trustee and the Security Trustee.	On or about the Closing Date.

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 (the **Retention Holder**) for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation, on an ongoing basis a material net economic interest of not less than five 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 five per cent. of the nominal value of each Class of Notes 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) 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 Co-Arrangers, the Joint Lead Managers, 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) and provide the Issuer with access to any reasonable and relevant additional data as necessary for the Issuer to comply with its contractual obligation to comply with the requirements of Article 7 of the EU Securitisation Regulation, 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.

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, as amended, varied or substituted 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 European Banking Authority (**EBA**), the **ESMA**, the European Insurance and Occupational Pensions Authority (**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 and/or the European Commission; 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.

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 Deeds – Portfolio information and reporting – general*", "*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.

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. The Seller has represented in the Mortgage Sale Agreement that none of the Loans (including any Further Advance in respect of such Loan) was made (including as a result of any Product Switch, as a result of any Port or otherwise as a result of a material variation to the original Loan) after 20 March 2014.

As of the Cut-Off Date, approximately 28.75 per cent. of the Current Balance of the Loans in the Provisional Portfolio constitute mortgage loans in relation to which income and employment details of the Borrower are not substantiated by supporting documentation. See "*Risk Factors – Risks Relating to the Underlying Assets – Risks of losses associated with self-certified Loans*" and "*Characteristics of the Provisional Portfolio*" for further information.

Adverse selection – Information on credit risk profile of the 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 Seller, the Co-Arrangers or the Joint Lead Managers 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 of the UK Securitisation Regulation and Article 5 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 (i) if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertaking or (ii) if it fails to 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 a Noteholder in order for it to maintain compliance with Article 5 of the EU Securitisation Regulation.

None of the Issuer, the Co-Arrangers or the Joint Lead Managers 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*", "*Summary of the Key Transaction Documents – Servicing and Legal Title Holder Deeds – Portfolio information and reporting – general*", "*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, acting as Sponsor, is required under the U.S. Credit Risk Retention Requirements, 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 five 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 five per cent. of the nominal value of each Class of Notes and Certificates issued by the Issuer (an EVI). For a description of the Notes and Certificates, see "*Transaction Overview – Summary 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 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 (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 portion of the EVI that is in excess of the portion 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 Option on the First Optional Redemption Date, in the first scenario (as set out in the table headed "*Weighted Average Life Tables – Scenario 1 – Weighted Average Life (Years)*" below), or the Portfolio Option Holder does not exercise the Portfolio Purchase Option on the First Optional Redemption Date, but instead exercises the Portfolio Purchase Option on the Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X 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 (excluding the Class R Notes and the Class X Notes) on the Closing Date (as set out in the table headed "*Weighted Average Life Tables – Scenario 2 – Weighted Average Life (Years)*" below);
- (b) the Loans are subject to a constant annual rate of prepayment (excluding scheduled principal redemptions) of between 0 and 15 per cent. per annum as shown on the table below;
- (c) 100 per cent. of the Loans in the Provisional Portfolio are purchased 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 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 Portfolio will be identical to those of the Loans in the Provisional Portfolio;
- (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 repurchase, or make an indemnity payment in respect of, any Loan in accordance with the Mortgage Sale Agreement;
- (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 A1 Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 52.00 per cent.;
 - (ii) the Class A2 Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 14.75 per cent.;

- (iii) the Class B Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 7.0 per cent.;
 - (iv) the Class C Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 3.0 per cent.;
 - (v) the Class D Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 6.25 per cent.;
 - (vi) the Class E Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 4.5 per cent.;
 - (vii) the Class F Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 3.5 per cent.;
 - (viii) the Class G Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 3.0 per cent.; and
 - (ix) the Class Z Notes balance as at the Closing Date to the Current Balance of the Portfolio as at the Cut-Off Date is 6.0 per cent.;
- (l) the interest and principal collections of the 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 28 November 2021;
 - (o) the first Interest Payment Date occurs on or about 28 January 2022;
 - (p) the first interest period includes 3 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 (whether or not those dates are Business Days);
 - (r) all Mortgages in the Portfolio which are not repayment Mortgages are assumed to be Interest-only Loans;
 - (s) all expired Mortgages redeem in the first month;
 - (t) there are no Mortgages in the Portfolio with future reversion dates so the current interest rate for each of the BBR and SVR loans is assumed to remain constant going forward;
 - (u) no Further Advance and no variation is made in respect of any Mortgage in the Portfolio;
 - (v) the weighted average lives of the Notes are calculated on an 30/360 basis;
 - (w) there is no debit balance on the Principal Deficiency Ledger on any Interest Payment Date;
 - (x) no interest or expense shortfalls occur that would result in the use of the Liquidity Reserve Fund or application of any Principal Addition Amounts; and

- (y) Available Principal Receipts are assumed not to include Liquidity Reserve Fund Excess Amounts;
- (z) the rates of interest payable on the Notes and Portfolio include certain assumptions regarding the relevant margins, such as:
 - (i) SONIA is assumed to be 0.05% flat;
 - (ii) BBR is assumed to be 0.1% flat; and
 - (iii) LIBOR is assumed to be 0.2% flat.

WEIGHTED AVERAGE LIFE TABLES

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

Scenario 1								
Weighted Average Life (Years)								
	0.0% CPR	1.00% CPR	2.5% CPR	5.0% CPR	6.5% CPR	7.5% CPR	10.0% CPR	15.0% CPR
Class A1 Notes	2.44	2.37	2.26	2.09	1.99	1.92	1.76	1.45
Class A2 Notes	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92
Class B Notes	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92
Class C Notes	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92
Class D Notes	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92
Class E Notes	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92
Class F Notes	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92
Class G Notes	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92

* Pricing CPR is equal to 6.5%, where **CPR** means Constant Prepayment Rate.

Scenario 2: No exercise of the Portfolio Purchase Option on the First Optional Redemption Date, but the Portfolio Purchase Option is exercised on the Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X 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 (excluding the Class R Notes and the Class X Notes) on the Closing Date:

Scenario 2								
Weighted Average Life (Years)								
	0.0% CPR	1.0% CPR	2.5% CPR	5.0% CPR	6.5% CPR	7.5% CPR	10.0% CPR	15.0% CPR
Class A1 Notes	4.80	4.32	3.72	2.97	2.62	2.42	2.00	1.47
Class A2 Notes	9.95	9.46	8.64	7.32	6.67	6.31	5.55	4.23
Class B Notes	10.67	10.58	10.22	9.09	8.39	7.96	6.90	5.57
Class C Notes	10.92	10.70	10.67	10.00	9.27	8.84	7.82	6.14
Class D Notes	11.02	10.94	10.79	10.50	10.11	9.73	8.63	6.85
Class E Notes	11.17	11.17	11.05	10.82	10.42	10.17	8.92	7.17
Class F Notes	11.17	11.17	11.17	10.92	10.42	10.17	8.92	7.17
Class G Notes	11.17	11.17	11.17	10.92	10.42	10.17	8.92	7.17

* Pricing CPR is equal to 6.5%, where **CPR** means Constant Prepayment Rate.

**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 transfer legal title to the Portfolio Option Holder or its nominee specified as such in the exercise notice; and (iv) serve all relevant notices, enter into such documents as may be reasonably required and take all steps (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 pursuant to the exercise of the Portfolio Purchase Option*):

- (a) 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) 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 (excluding the Class R Notes and the Class X 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 (excluding the Class R Notes and the Class X 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,

with each date on which the Notes are redeemed pursuant to Condition 8.4 (*Mandatory Redemption 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*) being an **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, the Legal Title

Holders and each of the Rating Agencies with the purchase to take effect on the Calculation Date immediately preceding 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.

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:
 - (i) the aggregate Principal Amount Outstanding of the Notes (other than the Class R Notes and the Class Z 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 (excluding, for the avoidance of doubt, any amounts due in respect of the Class R Notes and the Class Z Notes); *less*
 - (iii) any amounts standing to the credit of the Transaction Account as at the date of the most recent Servicer Reports (but disregarding (A) any amounts standing to the credit of the Issuer Profit Ledger and (B) amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger to the extent needed to repay the Class R Notes); 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.

The Portfolio Option Holder or its nominee will be required to provide irrevocable payment instructions for an amount to be transferred equal to the Portfolio Purchase Option Purchase Price 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 (and in the case of the Scottish Loans being sold the Issuer shall be required to procure that the interest of the beneficiary in such Scottish Loans and their Related Security under the relevant Scottish Declaration of Trust is assigned to the Portfolio Option Holder or its nominee or that a new declaration of trust in respect of such Scottish Loans and their Related Security is granted by the Legal Title Holders in favour of the Portfolio Option Holder or its nominee).

Portfolio Option Holder means the holder of all of the Class Y Certificates or an entity representing the holder (or holders in aggregate) of all of the Class Y Certificates (in each case other than 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 (other than the Class R Notes and the Class Z Notes). Any funds remaining after the payment in full of all items ranking in priority to the Class Y Certificates will be paid to the Class Y Certificateholders before the Class Y Certificates are cancelled.

Amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger shall be used firstly to repay amounts due and payable on the Class R Notes in connection with the redemption of the Notes in accordance with Condition 8.4 (*Mandatory Redemption 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 thereafter shall be applied in accordance with the Post-Enforcement Priority of Payments.

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.

To the extent that the purchaser of the Loans 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 to 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 to 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 (or its delegate or nominee) may, pursuant to the terms of the 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). 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 10 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

10 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 described 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. 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 10 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 10 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.

EU Risk Retention Undertaking means the Retention Holder's covenant in the Risk Retention Letter to retain on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation, determined in accordance with Article 6(1) of the EU Securitisation Regulation.

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 Notes over and above those required to be maintained by it under its 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;

- (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 EU Risk Retention Undertaking, 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 Requirements means Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation and in each case any replacement thereof and the U.S. Credit Risk Retention Requirements.

Risk Retention Undertaking means the undertakings made by the Retention Holder to the Issuer, the Security Trustee, the Co-Arrangers and the Joint Lead Managers as set out in the Risk Retention Letter.

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 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 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 use the net proceeds of the Notes of £495,110,113.91 on the Closing Date to: (i) pay the Consideration payable by the Issuer for the Portfolio to be acquired from the Seller on the Closing Date; (ii) pay certain fees and expenses of the Issuer incurred in connection with the issue of the Notes on the Closing Date; and (iii) establish the General Reserve Fund and the Liquidity Reserve Fund.

RATINGS

The Rated Notes on issue are expected to be assigned the following ratings by S&P, DBRS and KBRA (collectively, the **Rating Agencies**):

<u>Class of Rated Notes</u>	<u>S&P</u>	<u>DBRS</u>	<u>KBRA</u>
A1	AAA(sf)	AAA(sf)	AAA(sf)
A2	AA-(sf)	AAA(sf)	AAA(sf)
B	A(sf)	AA(sf)	AA+(sf)
C	A-(sf)	A(H)(sf)	AA(sf)
D	BBB-(sf)	BBB(H)(sf)	A(sf)
E	BB(sf)	BBB(L)(sf)	BBB(sf)
F	B-(sf)	BB(sf)	BB-(sf)
G	CCC-(sf)	B(H)(sf)	B-(sf)
X	Not Rated	BB(H)(sf)	Not Rated

The assignment of a rating to the Rated Notes by a Rating Agency is not a recommendation to invest in any Class of Rated Notes or to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency.

Except as described above, the Issuer has not requested a rating of any Class of Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency would rate any Class of Notes, or what rating would be assigned by any such rating agency. Any rating assigned by such other rating agency to a Class of Notes could be lower than the rating assigned by the Rating Agencies to such Class of Notes.

The Class Z Notes, the Class R Notes and the Certificates will not be rated by any of the Rating Agencies.

As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the UK and is registered under the UK CRA Regulation.

As of the date of this Prospectus, none of the Rating Agencies are established in the European Union and have not applied for registration under the EU CRA Regulation. The ratings issued by S&P have been endorsed by S&P Global Ratings Europe Limited, the ratings issued by KBRA have been endorsed by Kroll Bond Rating Agency Europe Limited and the ratings issued by DBRS have been endorsed by DBRS Ratings GmbH, in each case in accordance with the EU CRA Regulation.

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 6 September 2021 (registered number 13603842) as a public limited company under the Companies Act 2006. The registered office of the Issuer is 1 Bartholomew Lane, London EC2N 2AX, United Kingdom. The telephone number of the Issuer's registered office is +44 (0)20 7398 6300. The issued share capital of the Issuer comprises 1 ordinary share of £1 each, of which 1 share is fully paid up and all shares are held by Holdings (see "*Holdings*"). The legal entity identifier (**LEI**) of the Issuer is 213800MBWPF2JNNPVL18 and the securitisation transaction unique identifier (**STUI**) is 213800MBWPF2JNNPVL18202101.

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.

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations 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. As at the date of this Prospectus, statutory accounts have not yet been prepared or delivered to the Registrar of Companies on behalf of the Issuer. The accounting reference date of the Issuer is 30 September and the first statutory accounts of the Issuer will be drawn up to 30 September 2021.

There is no intention to accumulate surpluses in the Issuer (other than amounts standing to the credit of the Issuer Profit Ledger, the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger).

Directors

The directors of the Issuer and their respective business addresses and occupations are:

Name	Business Address	Business Occupation
Intertrust Directors 1 Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Corporate Director
Intertrust Directors 2 Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Corporate Director
Arun Vivek	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director

The company secretary of the Issuer is Intertrust Corporate Services Limited, whose principal office is at 1 Bartholomew Lane, London EC2N 2AX, United Kingdom.

As at the date of this Prospectus, other than the Notes and the Certificates, the Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees).

HOLDINGS

Introduction

Holdings was incorporated in England and Wales on 3 September 2021 (registered number 13601406) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 1 Bartholomew Lane, London EC2N 2AX, United Kingdom. The issued share capital of Holdings comprises 1 ordinary share of £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>
Intertrust Directors 1 Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Corporate Director
Intertrust Directors 2 Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Corporate Director
Arun Vivek	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director

The company secretary of Holdings is Intertrust Corporate Services Limited, whose principal office is at 1 Bartholomew Lane, London EC2N 2AX, United Kingdom.

The accounting reference date of Holdings is 30 September and the first statutory accounts of Holdings will be drawn up to 30 September 2021.

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 9527.

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.

On the Closing Date, the Seller will acquire the beneficial interest in the Loans and their Related Security comprising the Portfolio from each of the Vendors. On the Closing Date, the Seller will on-sell such Loans and their Related Security to the Issuer.

Pursuant to the Mortgage Sale Agreement, in certain circumstances related to a breach of the Loan Warranties or Repeating Loan Warranties in respect of the Loans and their Related Security, the Seller will be required to make an indemnity payment in respect of the relevant Loan and its Related Security, or opt instead to repurchase such Loan and its Related Security at the relevant Repurchase Price (together with any other Loan secured or intended to be secured by such Related Security or any part of it) (see the section "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*").

Business of the Seller

On the Closing Date, the Seller will enter into a loan agreement with the Retention Holder (the **Seller Loan Agreement**) pursuant to which the Retention Holder will agree to advance to the Seller on any date following the Closing Date until the date on which all claims submitted to the Seller by the Issuer prior to the date falling two (2) years following the Closing Date have been paid in full (the **Harbour Commitment Period**), an amount equal to any MSA Warranty Indemnity Amount due to be paid on such date by the Seller to the Issuer in accordance with the Transaction Documents, for the purpose of providing the Seller with funds to satisfy such payment obligations, up to a facility limit of £12,600,000 (the **Harbour Facility Limit**) (the **Harbour Commitment**).

Any amounts drawn by the Seller under the Harbour Commitment shall be repaid from time to time out of the proceeds of any MSA Warranty Rebate paid to the Seller by the Issuer in accordance with the Transaction Documents. The Harbour Commitment, once repaid, may be reborrowed only during the Harbour Commitment Period and subject to the Harbour Facility Limit.

Other than its obligation to advance the Harbour Commitment to the Seller under the Seller Loan Agreement, 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 obligations of the Seller in connection with the Transaction, including in respect of the Seller's obligation to repurchase Loans pursuant to the Mortgage Sale Agreement. The Seller will pay to the Issuer amounts received in respect of warranty claims made under the relevant Vendor Mortgage Sale Agreements in respect of the Wall Portfolio and the MAQ Portfolio from the Wall Vendor. There will not be any amounts received by the Seller in respect of warranty claims made under the Morag Vendor Mortgage Sale Agreement.

On the Closing Date, the Seller will enter into an accession undertaking to the Seller Declaration of Trust (the **Accession Undertaking to the Seller Declaration of Trust**) pursuant to which the Seller will hold, among other things, (i) the Harbour Commitment and (ii) all proceeds of the Harbour Commitment, and (iii) all of its rights under the Vendor Mortgage Sale Agreements (paragraphs (i), (ii) and (iii) collectively the **Harbour Trust Property**) on bare trust for the Issuer absolutely.

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 Harbour 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.

The Seller's obligations pursuant to the Mortgage Sale Agreement are limited recourse obligations pursuant to the terms of the Mortgage Sale Agreement and therefore, in the event that the Seller has insufficient funds available to satisfy in full any obligations under the Mortgage Sale Agreement after the Harbour 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 and the various Vendor Mortgage Sale Agreements, 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:

Name	Business Address	Business Occupation
Matthew Weir	5 The North Colonnade, London E14 4BB	Banking
Sean White	5 The North Colonnade, London E14 4BB	Banking
Steven Penketh	5 The North Colonnade, London E14 4BB	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, THE SERVICER ADMINISTRATOR AND THE ISSUER ACCOUNT BANK

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 with a diversified and connected portfolio of businesses, serving retail and wholesale customers and clients globally. The Group's businesses include consumer banking and payment operations around the world, as well as a top-tier, full service, global corporate and investment bank. The Group operates as two operating divisions – the Barclays UK division (**Barclays UK**) and the Barclays International division (**Barclays International**) which are supported by Barclays Execution Services Limited. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by Barclays Bank UK PLC and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payment businesses. These businesses are carried on by the Bank and its subsidiaries, as well as by certain other entities within the Group. Barclays Execution Services Limited is the Group-wide service company providing technology, operations and functional services to businesses across 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 long term unsecured unsubordinated 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 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 the EU CRA Regulation.

Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2020, the Barclays Bank Group had total assets of £1,059,731m (2019: £876,672m), loans and advances at amortised cost of £134,267m (2019: £141,636m), total deposits at amortised cost of £244,696m (2019: £213,881m), and total equity of £53,710m (2019: £50,615m). The profit before tax of the Barclays Bank Group for the year ended 31 December 2020 was £3,075m (2019: £3,112m) after credit impairment charges of £3,377m (2019: £1,202m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Issuer for the year ended 31 December 2020.

Based on the Barclays Bank Group's unaudited financial information for the six months ended 30 June 2021, the Barclays Bank Group had total assets of £1,064,337m, loans and advances at amortised cost of £133,815m, total deposits at amortised cost of £249,732m, and total equity of £53,696m. The profit before tax of the Barclays Bank Group for the six months ended 30 June 2021 was £3,334m (30 June

2020: £1,523m) after credit impairment releases/(charges) of £288m (30 June 2020: £(2,674)m). 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 2021.

The Bank has been involved in the purchase of the Loans and their Related Security comprising the Portfolio from the Vendors and their subsequent sale by the Seller to the Issuer and has been involved in the organisation and initiation of the securitisation transaction described in this Prospectus.

The Bank formed the Seller as its direct wholly-owned subsidiary on 5 July 2019 and provided all directors of the Seller. As sole shareholder of the Seller, the Bank will cause the Seller to enter into the Vendor Mortgage Sale Agreements and the Mortgage Sale Agreement on the Closing Date. On the Closing Date, the Bank will enter into the Seller Loan Agreement with the Seller pursuant to which it will agree to advance to the Seller, during the Harbour Commitment Period, the Harbour Commitment. Other than its obligation to advance the Harbour Commitment to the Seller under the Seller Loan Agreement, the Bank will have no obligation to advance amounts or to provide financial or other support of any nature to the Seller and the Bank will not guarantee or act as surety for any obligations of the Seller.

Prior to their execution, the Bank has reviewed and commented on the Transaction Documents, including the Mortgage Sale Agreement pursuant to which, on the Closing Date, the Bank, acting through the Seller, will transfer the Portfolio to the Issuer. 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. The Bank's involvement in the transaction prior to the Closing Date has also comprised the determination of cash-flow and collateral modelling, the 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*". 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 Servicers 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 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.

THE MORAG SERVICER

General

Topaz Finance Limited (**Topaz**) is a private limited company incorporated under the laws of England and Wales with registered number 5946900 and with its registered address at The Pavilions, Bridgwater Road, Bristol, BS13 8AE.

Topaz, which operates a number of consumer facing brands, is a subsidiary of Computershare Limited, an Australian global financial administration company and is authorised and regulated by the Financial Conduct Authority (FCA Number 461671) with permissions to, among other things, enter into and administer regulated mortgage contracts in the United Kingdom.

The information in the preceding two paragraphs has been provided solely by Topaz for use in this Prospectus. Except for the foregoing two paragraphs, Topaz and its affiliates do not accept any responsibility for this Prospectus.

THE MORAG LEGAL TITLE HOLDER

Morag Finance Limited

Morag Finance Limited (**Morag Legal Title Holder**) is a private limited company incorporated under the laws of England and Wales with registered number 10727355 and with its registered address at C/O Alter Domus (UK) Limited, 18 St. Swithin's Lane, London, EC4N 8AD United Kingdom. Morag Finance Limited changed its name from "Morag Loans Finance Limited" to "Morag Finance Limited" on 23 August 2017.

The Morag Legal Title Holder was established solely for the purpose of holding legal title to the Loans and the Related Security comprising the Morag Portfolio. The Morag Legal Title Holder is not regulated by the Financial Conduct Authority.

The information in the preceding two paragraphs has been provided solely by the Morag Legal Title Holder for use in this Prospectus. Except for the foregoing two paragraphs, the Morag Legal Title Holder and its affiliates do not accept any responsibility for this Prospectus.

THE WALL SERVICER AND WALL LEGAL TITLE HOLDER

Mars Capital Finance Limited

Mars Capital Finance Limited (**Mars**) in its capacities as the **Wall Legal Title Holder** and the **Wall 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 acquires (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 Mars Acquisition Limited which is a 100% subsidiary of Arrow Global Investments Holdings Limited.

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. The Arrow Global Group was founded in 2015 and presently has £62bn of assets under management across Europe and multiple asset classes including 1st and 2nd lien mortgages.

Servicing overview

Mars has primary, special and master servicing capability, and utilise 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 plus the Arrow Global support functions from Complaints, Compliance & Risk, Conduct Risk and Quality Control;
- 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/Arrow Global 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.

Overview of Arrow Global Group

Founded in 2015, Arrow Global Group is a leading European investor and asset manager in the non-performing and non-core assets sector. It specialises in the collection and servicing of non-performing loans. It has a deep local expertise on a granular basis and is a trusted servicer to some of Europe's largest banks and the world's largest investors in its chosen markets. It has full asset servicing capabilities in performing and non-performing loans across consumer, residential, small and medium-sized enterprises, corporate and real estate.

Arrow Global Group

The Arrow Global Group operates in five key European markets, the UK, Ireland, Italy, Portugal and the Netherlands, as follows:

- *UK* – Capquest Investments Limited, Drydens Ltd, Mars Capital Finance Limited, Erudio Student Loans Limited and Bergen Capital Management Limited

- *Ireland* – Mars Capital Finance Ireland DAC
- *Italy* – Europa Investimenti S.p.A., Whitestar Asset Solutions Italy and Zenith Service S.p.A.
- *Netherlands* – Vesting Finance Servicing B.V. and Focum
- *Portugal* – Whitestar Asset Solutions S.A. and Norofin

The Arrow Global Group has £62 billion assets under management, 10 billion customer accounts and 35 million data records.

Multi-asset class

The Arrow Global Group is a multi-asset class servicer which includes the following classes of assets: credit cards, loans, motor, residential, student loans, first lien mortgages, second lien mortgages, retail, commercial real estate, real estate owned assets, buy-to-let, CQS (payroll-deductible loans), utilities, other real estate backed, small and medium-term enterprises, and telecommunications.

Regulated and rated business

Entities within the Arrow Global Group are regulated by the following entities: the Financial Conduct Authority (FCA), the Portuguese Securities Market Commission (CMVM), the Dutch Authority for the Financial Markets (AFM), the Lending Standards Board (LSB), Banco de Portugal, the Central Bank of Ireland (CBI), the Solicitors Regulatory Authority and Banca d'Italia.

The Arrow Global Group is rated by Fitch, S&P and Moody's.

Overview of Mars Capital in Europe

Below is an overview of Mars Capital's operations in Europe since 2008.

- In 2008, Mars Capital commenced operations as a UK regulated servicer/originator.
- In 2009, Mars Capital commenced operations as a UK debt purchase activity.
- In 2013, Mars Capital completed its first private RMBS, Thrones-2013, and commenced a soft launch of new originations under the Magellan Homeloans brand.
- In 2014, Mars Capital entered into its first public UK residential mortgage backed securitisation Thrones-2014. Mars Master Services acquired mortgage and real estate owned assets in Ireland.
- In 2015, Mars Capital entered into its second public residential mortgage backed securitisation, Thrones-2015, and re-launched its Magellan Homeloans product range.
- In 2016, Mars Master Services acquired mortgage assets in Spain.
- In 2017, Arrow Global acquired the Mars UK/Ireland platforms. The Spanish operation, Irish real estate owned assets and UK new origination line remained with Mars' previous owners. Mars Capital continues to service the new UK loans on a forward flow basis.
- In 2018, Mars Capital Finance Ireland DAC set up as a servicer. Mars Capital entered into its third UK public residential mortgage backed securitisation, Thrones-2018.

- In 2019, Mars Capital created a satellite servicing team in Arrow's Glasgow office.
- In 2020, Mars Capital obtained permission to service home purchase products.

THE MAQ SERVICER AND MAQ LEGAL TITLE HOLDER

Pepper (UK) Limited

Pepper (UK) Limited (trading as Engage Credit) is a private limited company incorporated in England, on 29 March 2008 (registered number 06548489). Among other services, Pepper (UK) Limited provides third party residential mortgage administration services to its clients on mortgage loans secured by residential real estate in the United Kingdom.

Pepper (UK) Limited is authorised and regulated by the Financial Conduct Authority under registration number 484078. Pepper (UK) Limited holds relevant licences under the CCA and maintains applicable registrations under the Data Protection Act 2018.

The residential servicer ratings for Pepper (UK) Limited, as provided by S&P are:

- Primary: Above average with stable outlook; and
- Special: Above average with stable outlook.

The registered office of Pepper (UK) Limited is at Harman House, 1 George Street, Uxbridge, London UB8 1QQ.

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.

Amber Homeloans Limited

Amber Homeloans Limited is a private limited company incorporated under the laws of England and Wales (registration number 02819645), having its registered office at The Bailey, Skipton, North Yorkshire BD23 1DN.

Amber Homeloans Limited is closed for new business.

Associates Capital Corporation PLC

Associates Capital Corporation plc (which changed its name to CitiFinancial Europe plc on 11 April 2003) is a public limited company incorporated under the laws of England and Wales (registration number 01375237), having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

CitiFinancial Europe PLC is closed for business.

Edeus Mortgage Creators Limited (in liquidation)

Edeus Mortgage Creators Limited (in liquidation) went into liquidation on 27 May 2010 and is closed for business.

Future Mortgages Limited (in liquidation)

Future Mortgages Limited is a private limited company incorporated under the laws of England and Wales (registration number 03300794), having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

Future Mortgages Limited is closed for business.

GE Money Home Finance Limited

GE Money Home Finance Limited (**GEMHF**) is a private limited company incorporated in England and Wales under the Companies Act 1948 on 4 November 1957 with company number 00592986. The registered office of GEMHF is Building 2 Marlins Meadow, Watford, United Kingdom, WD18 8YA.

GEMHF was originally known as First National Securities Limited but changed its name to First National Bank PLC on 03 May 1988 and to First National Home Finance Limited on 31 October 2003 before changing its name to First National Home Finance Limited on 03 October 2005.

GE Money Home Lending Limited

GE Money Home Lending Limited (**GEMHLL**) is a private limited company incorporated in England and Wales under the Companies Act 1985 on 14 May 1999 with company number 03770763. The registered office of GEMHLL is Building 4 Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire WD18 8YF.

GEMHLL was originally known as Ocwen P Limited but changed its name to igroup Securities Limited on 27 March 2000 and to igroup5 Limited on 5 June 2000 before changing its name to GE Money Home Lending Limited on 5 March 2004.

GE Money Secured Loans Limited

GE Money Secured Loans Limited (**GEMSL**L) is a private limited company incorporated in England and Wales under the Companies Act 1985 on 12 October 1999 with company number 03860257. The registered office of GEMSL is Building 4 Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire WD18 8YF.

GEMSL was originally known as Firstline Group Limited but changed its name to IGroup Limited on 10 December 1999, MHA1 1 Limited on 27 March 2000, IGroup UK Loans 1998 Limited on 14 June 2000, CMR Loans Limited on 8 September 2000 and to IGroup Loans Limited on 17 October 2000 before changing its name to GE Money Secured Loans Limited on 3 October 2005.

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/aboutheritablebank/index.html>.

IGroup 2 Limited

IGroup2 Limited is a private limited company incorporated in England and Wales under the Companies Act 1985 on 5 August 1998 with company number 03610605. The registered office of IGroup2 Limited is Building 4 Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire WD18 8YF, United Kingdom.

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 Wall Servicer and Wall Legal Title Holder*".

Mortgages PLC

Mortgages PLC is a public limited company incorporated under the laws of England and Wales (registration number 3320975), having its registered office at 2 King Edward Street, London EC1A 1HQ.

Mortgages PLC is a servicing company specialising in loans from the UK non-conforming market.

North Yorkshire Mortgages Limited

North Yorkshire Mortgages Limited is a private limited company incorporated in England and Wales under the Companies Act 1985 on 30 March 1988 with company number 02238645. The registered office of North Yorkshire Mortgages Limited is The, Bailey, Skipton, North Yorkshire, BD23 1DN.

North Yorkshire Mortgages Limited is closed for new business.

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 25 Bank Street, Canary Wharf, London E14 5JP.

Rooftop Mortgages Limited is closed for business.

Southern Pacific Mortgage Limited

Southern Pacific Mortgage Limited is a private limited company incorporated under the laws of England and Wales (registration number 03266119) under the Companies Act 1985 on 15 October 1996, having its registered office at 1 Chamberlain Square Cs, Birmingham, United Kingdom, B3 3AX.

Southern Pacific Mortgage Limited is closed for business.

Victoria Mortgage Funding Limited (dissolved)

Victoria Mortgage Funding Limited was dissolved on 10 June 2009 and is closed for business.

Wave Lending Limited

Wave Lending Limited is a private limited company incorporated under the laws of England and Wales (registration number 03312246), having its registered office at 2 King Edward Street, London EC1A 1HQ. Wave Lending Limited is closed for business.

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 office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom.

U.S. Bank Global Corporate Trust Limited is part of the worldwide corporate trust business of the U.S. Bancorp group. In Europe, the corporate trust business is conducted in combination with Elavon Financial Services DAC (the legal entity through which corporate trust banking and certain agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which corporate trust trustee appointments are conducted) and U.S. Bank National Association (the legal entity through which corporate trust conducts business in the United States).

The corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and 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 <https://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 office at 125 Old Broad Street, Fifth Floor, London EC2N 1AR, United Kingdom.

U.S. Bank Trustees Limited is part of the worldwide corporate trust business of the U.S. Bancorp group. In Europe, the corporate trust business is conducted in combination with Elavon Financial Services DAC., U.S. Bank Global Corporate Trust Limited (the legal entities through which corporate trust banking and agency appointments are conducted) and U.S. Bank National Association, (the legal entity through which corporate trust conducts business in the United States).

The corporate trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and 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 <https://www.usbank.com>.

THE CORPORATE SERVICES PROVIDER, THE REPLACEMENT CASH MANAGER FACILITATOR AND THE SERVICER FACILITATOR

Intertrust Management Limited (registered number 03853947), having its principal address at 1 Bartholomew Lane, London EC2N 2AX, United Kingdom, will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement, Cash Manager Facilitator pursuant to the Cash Management Agreement and Servicer Facilitator pursuant to the Servicing and Legal Title Holder Deeds.

Intertrust Management Limited has served and is currently serving as corporate services provider for numerous securitisation transactions and programmes involving pools of mortgage loans.

The Corporate Services Provider will be entitled to terminate its appointment under the Corporate Services Agreement on one month's prior written notice to the Issuer and/or Holdings and the Security Trustee, provided that a substitute corporate services provider has been appointed on substantially the same terms as those set out in the Corporate Services Agreement.

In addition, the Corporate Services Provider shall have the right to terminate its appointment under the Corporate Services Agreement immediately upon notice in writing to the Issuer and/or Holdings, copied to the Security Trustee, if the Issuer or Holdings commits a material breach of any of the terms or conditions of the Corporate Services Agreement and fails to remedy the same within 30 days (or such other period as shall be agreed between the parties) of being required to do so. The Issuer and Holdings (with the prior written consent of the Security Trustee) or, following delivery of an Enforcement Notice, the Security Trustee can terminate the appointment of the Corporate Services Provider on one month's written notice, provided that a substitute corporate services provider has been appointed on substantially the same terms as those set out in the Corporate Services Agreement.

In addition, the Issuer and Holdings (with the prior written consent of the Security Trustee) or, following delivery of an Enforcement Notice, the Security Trustee, shall have the right to terminate the appointment of the Corporate Services Agreement immediately upon notice in writing if the Corporate Services Provider commits a material breach of any of the terms or conditions of the Corporate Services Agreement and fails to remedy the same within 30 days (or such other period as shall be agreed between the parties) of being required so to do and/or certain insolvency-related events occur in relation to the Corporate Services Provider.

THE LOANS

Introduction

The following is a description of some of the characteristics of the Loans comprised in 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 have been sold to the Issuer as part of the Portfolio as at the Closing Date. Neither the Seller nor the Issuer have commissioned, or are aware of, any independent revaluation of the Mortgaged Properties comprised in the Portfolio since the date of acquisition by the Issuer.

Summary of the Portfolio

The Portfolio is comprised of loans advanced to the borrowers upon the security of buy-to-let and owner-occupied residential property and certain partially commercial properties situated in England and Wales, Scotland and Northern Ireland. On the Closing Date the Portfolio will consist of the Loans and their Related Security. 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 portfolio of Loans sold by the Morag Vendor to the Seller pursuant to the Morag Vendor Mortgage Sale Agreement and onsold by the Seller to the Issuer (the **Morag Loans**) were originated by the originators as indicated below (the **Morag Originators**).

The portfolio of Loans sold by the Wall Vendor to the Seller pursuant to the Wall Vendor Mortgage Sale Agreement and onsold by the Seller to the Issuer (the **Wall Loans**) were originated by the originators as indicated below (the **Wall Originators**).

The portfolio of Loans sold by the Wall Vendor to the Seller pursuant to the Wall Vendor Mortgage Sale Agreement and onsold by the Seller to the Issuer (the **MAQ Loans**, and together with the Morag Loans and the Wall Loans, the **Loans**) were originated by the originators as indicated below (the **MAQ Originators** and, together, with the Wall Originators and MAQ Originators, the **Originators**).

	Morag Portfolio	MAQ Portfolio	Wall Portfolio
Originators:	Amber Homeloans Limited	Amber Homeloans Limited	Amber Homeloans Limited
	North Yorkshire Mortgages Limited	Future Mortgages Limited (in liquidation)	Associates Capital Corporation PLC
		GE Money Home Finance Limited	Edeus Mortgage Creators Limited (in liquidation)
		GE Money Home Lending Limited	Future Mortgages Limited (in liquidation)
		GE Money Secured Loans Limited	Heritable Bank PLC (in administration)
		IGroup 2 Limited	

		Rooftop Mortgages Limited	Mars Capital Finance Limited (trading as Magellan Homeloans)
		Southern Pacific Mortgage Limited	Mortgages PLC
			Rooftop Mortgages Limited
			Southern Pacific Mortgage Limited
			Victoria Mortgage Funding Limited (dissolved)
			Wave Lending Limited

As at the Cut-Off Date, 99.63 per cent. of the Loans in the Provisional Portfolio (calculated by reference to Current Balance) were originated by the Originators between 2000 and 2008. All Properties relating to Loans in the Portfolio are located in England and Wales, Northern Ireland or Scotland.

Characteristics of the Loans

The Portfolio includes owner-occupied and buy-to-let loans as well as some Right to Buy loans (Right to Buy loans comprise 0.94 per cent. of the Provisional Portfolio calculated by reference to the Current Balance of the Loans at the sub-account level as at the Cut-Off Date).

Security

All of the Loans (other than the MAQ Second Charge Loans and the Shortfall Loans) are secured by first ranking mortgages or, as applicable, first ranking standard securities. In addition, certain MAQ Loans are also secured by second ranking mortgages or, as applicable, second ranking standard securities (the **MAQ Second Charge Loans**).

Terms of the Loans

Repayment Terms

The Loans have different repayment methods, described as follows:

(a) ***Repayment***

A Loan under the terms of which monthly instalments covering both interest and principal are payable so that by the stated maturity date for that Loan (a **Repayment Loan**) the full amount of principal advanced to the Borrower (in addition to the interest) has been repaid.

(b) ***Interest Only***

A Loan under the terms of which the Borrower is only obliged to pay interest during the term of that Loan (an **Interest-only Loan**) with the entire principal amount being payable only upon the relevant maturity date. As the principal amount associated with an Interest-only Loan is repayable only upon the maturity of the Loan, a life insurance or endowment policy or other

repayment vehicle may have been taken out by a Borrower as a means of repayment of the Loan.

(c) ***Combination repayment and interest-only***

This situation most often occurs when the Borrower had an interest-only Loan with a repayment vehicle on a prior mortgaged property, and after selling that mortgaged property the Borrower purchased a property with a Loan where the subsequent home was either more expensive than the prior home or the Borrower took out a larger Loan or further advance. The Borrower used the existing interest-only repayment vehicle for the substitute Loan or further advance and made up the difference between the anticipated maturity value of the interest only repayment vehicle and the higher Loan amount with a repayment mortgage (a **Part-and-Part Loan**). The required monthly payment in connection with repayment Loans or interest-only Loans may vary from month to month for various reasons, including changes in interest rates.

Of the Loans in the Provisional Portfolio, approximately 19.27 per cent. by Current Balance as at the Cut-Off Date are Repayment Loans, approximately 78.37 per cent. by Current Balance as at the Cut-Off Date are Interest-only Loans and approximately 2.18 per cent. by Current Balance as at the Cut-Off Date are Part-and-Part Loans.

Interest Rate Setting

The applicable rate of interest accruing under each Loan is referred to as the **Mortgage Rate**. The Portfolio consists of:

- (i) SVR Loans;
- (ii) LIBOR-Linked Loans; and
- (iii) Bank of England Base Rate-Linked Loans.

As at the Cut-Off Date, the Provisional Portfolio consists of approximately: (i) 5.97 per cent. by Current Balance of Loans which are subject to the relevant Legal Title Holder's applicable prevailing published standard variable rate (**SVR**) from time to time (the **SVR Loans**); (ii) 39.18 per cent. by Current Balance of Loans which are linked to 3-month LIBOR (the **LIBOR-Linked Loans**) where the applicable Mortgage Rate is calculated by reference to LIBOR; and (iii) 54.84 per cent. by Current Balance of Loans which are Bank of England base rate-linked mortgage loans (the **Bank of England Base Rate-Linked Loans**) where the applicable Mortgage Rate is calculated by reference to the Bank of England base rate plus a fixed margin expressed as a percentage over the Bank of England base rate.

Overpayments

Subject to the terms and conditions of the Loans (which may require in some cases notification or consent of the relevant Legal Title Holder), a Borrower may make overpayments or may repay the entire current balance under its Loan at any time. 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

No Borrower is entitled to require a Further Advance in respect of a Loan. The Legal Title Holders have agreed 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.

Product Switches

The MAQ Servicer has covenanted not to agree to any application for a Product Switch which is not required to be made in accordance with the Mortgage Conditions. The Wall Servicer and the Morag Servicer have each covenanted not to agree to any application for a Product Switch which is not required to be made in accordance with the Mortgage Conditions, without prior consultation with the Committee. Each of the Servicers has agreed to notify the Issuer in the event that they receive a request for a Product Switch in respect of any Loan. To the extent that a Servicer agrees to a Product Switch, the Seller has undertaken in the Mortgage Sale Agreement to repurchase the relevant Loan and its Related Security.

Porting

A number of the Loans in the Wall Portfolio are portable. The Wall Servicer's current porting conditions include requirements that there is no additional borrowing and that the LTV does not exceed the initial product LTV. The Wall Servicer's porting process is such that no new loan is originated, with the full existing contract being ported with the associated registration of the new property charge and release of the old property charge. The Wall Servicer's current porting conditions require that conveyancers must act for both lender and customer in the same way as for the origination of a new mortgage.

Monthly Payment Dates

All Borrowers under the Loans are obliged to make Contractual Monthly Payments as required by the conditions of the relevant Loans contained in the Mortgage Conditions on the relevant Monthly Payment Date.

Mortgage Early Repayment Charges

Certain of the Loans may be prepaid in full or in part at any time and early redemption will generally take place in certain circumstances. The Borrowers may voluntarily redeem the Loans when, for example, re-mortgaging or selling the underlying property or the Loan may be redeemed as a result of enforcement proceedings following default by the Borrowers in making scheduled payments. Where applicable, an early redemption payment would typically be charged to a Borrower in connection with any repayment if the relevant Mortgage is prepaid within the first few years of its term. The level of early repayment charges depends upon the terms of the relevant Loan but is typically on a decreasing sliding scale over the first two to five years. Early redemption payments, once received by the Issuer, constitute Revenue Receipts and will be distributed, prior to the delivery of an Enforcement Notice, in accordance with the Pre-Enforcement Revenue Priority of Payments.

General provisions applicable to the Loans

Valuation

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 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.

Lending Criteria

Each Loan in the Portfolio was originated according to each respective Originator's Lending Criteria applicable at the time the Loan was offered. It should be noted that the relevant Originator exercised discretion within its respective Lending Criteria in applying those factors that were used to determine the maximum amount of the Loan(s). Each Originator took the following into account when exercising discretion: credit history results, LTV, quality of security (such as type of property, repairs, location or saleability) and (in respect of buy to let properties) rental assessment.

Criteria for Credit-Granting

In respect of the Loans, the Seller and the Retention Holder have each received from the Vendors, Original Sellers or their respective legal counsel or other publicly available information all the necessary information to allow it to assess whether the criteria applied by the relevant Originator in the credit-granting for the Loans were as sound and well-defined as the criteria applied to loans advanced by the relevant Originator 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:

- (a) in respect of the Morag Portfolio:
 - (i) standard loan documentation review and loan file due diligence report prepared by a law firm as to English law;
 - (ii) due diligence report prepared by an independent third party;
 - (iii) legal due diligence report prepared by a law firm as to Scots law;
 - (iv) standard loan documentation review and loan file due diligence report prepared by a law firm as to Northern Irish law; and
 - (v) due diligence review, data report, exception report, title review, portfolio review and evident risk grade loan summary prepared by a risk advisory firm;
- (b) in respect of the Wall Portfolio:
 - (i) standard documentation due diligence report prepared by a law firm as to English law;
 - (ii) due diligence review on 400 loans prepared by an asset review and due diligence company;
 - (iii) due diligence review prepared by a risk advisory firm;
 - (iv) AUP report prepared by an independent third party;
 - (v) property valuations, based on an Automated Valuation Model, on the Wall Portfolio; and
 - (vi) drive-by valuation summary on 113 properties in the Wall Portfolio;
- (c) in respect of the MAQ Portfolio:
 - (i) legal due diligence report prepared by a law firm as to English law;

- (ii) title review of the entire MAQ Portfolio prepared by an asset review and due diligence company;
 - (iii) title review of 332 sample loans in the MAQ Portfolio prepared by a law firm as to English law; and
 - (iv) AUP report prepared by an independent third party; and
- (d) in respect of the Portfolio:
- (i) red flags report prepared by a law firm as to English law;
 - (ii) reliance on a previous legal due diligence report prepared by a law firm as to Scots law;
 - (iii) red flags report prepared by a law firm as to Northern Irish law;
 - (iv) AUP report prepared by an independent third party; and
 - (v) certain prospectuses or other publicly available information relating to previous securitisations of similar assets by the Originators.

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 Cut-Off Date, unless otherwise indicated.

The 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 £503,886,517.38 as at the Cut-Off Date. The information contained in this section has not been updated to reflect any decrease in size of the Portfolio from that of the Provisional Portfolio. For the avoidance of doubt, the statistical and other information contained in this section does not include any data in respect of the Shortfall Loans.

Except as otherwise indicated, these tables have been prepared using the Current Balance as at the Cut-Off Date. Columns may not add up to the total due to rounding.

Key Highlights – The Portfolio

As at the Cut-Off Date, each of the Provisional Portfolio, the Morag Portfolio, the Wall Portfolio and the MAQ Portfolio had the following summary characteristics:

Summary Statistics	Provisional	Morag	Wall	MAQ
Total Original Balance (£)	560,108,838.82	144,466,020.11	185,615,058.68	230,027,760.03
Total Current Balance (£)	503,886,517.38	137,965,029.08	166,651,203.25	199,270,285.05
Number of Accounts	4,100	1,001	1,325	1,774
Number of Sub-Accounts	4,169	1,023	1,348	1,798
Number of Properties*	4,104	1,010	1,314	1,780
Average Current Balance (£, Account level)	122,899.15	137,827.20	125,774.49	112,328.23
Minimum Loan Current Balance (£, Account level)	120.00	120.00	1,620.19	729.37
Maximum Loan Current Balance (£, Account level)	1,745,781.41	573,462.57	1,745,781.41	841,262.28
Average Current Balance (£, Sub-Account level)	120,865.08	134,863.18	123,628.49	110,828.86
Minimum Loan Current Balance (£, Sub-Account level)	120.00	120.00	1,620.19	729.37
Maximum Loan Current Balance (£, Sub-Account level)	1,745,781.41	524,891.87	1,745,781.41	841,262.28
Weighted-average Original LTV (% , Property level)*	84.10%	82.89%	86.18%	83.23%
Weighted-average Current LTV (% , Property level)*	81.48%	83.45%	82.76%	79.09%
Weighted-average Indexed LTV (% , Property level)*	58.40%	61.90%	60.17%	54.70%
Weighted-average Loan Term (Months, Sub-Account level)	282.25	273.78	284.41	286.24
Weighted-average Seasoning (Years, Sub-Account level)	14.62	14.23	14.56	14.93
Weighted-average Remaining Term (Years, Sub-Account level)	8.94	8.69	9.15	8.95
Weighted-average Current Interest rate (% , Sub-Account level)	3.13%	3.40%	3.10%	2.98%
Interest-only (% of Current Balance, Sub-Account level) - incl. P&P	78.37%	85.12%	83.06%	69.76%
Buy-to-let (% of Current Balance, Property level)*	5.68%	8.52%	8.42%	1.49%
Accounts with Self-Employed (% of Current Balance, Account level)	30.55%	51.02%	50.27%	3.71%

Summary Statistics	Provisional	Morag	Wall	MAQ
Accounts with CCJs (% of Current Balance, Account level)**	24.65%	-	24.65%	-
Accounts with Bankruptcy Flag (% of Current Balance, Account level)	1.30%	0.26%	2.15%	-
Performing Loans (% of Current Balance - Sub Account level)	64.04%	61.39%	71.62%	59.55%
Loans in Arrears >= 1 month (% of Current Balance – Sub-Account level)	35.96%	38.61%	28.38%	40.45%
Loans in Arrears >= 3 month (% of Current Balance – Sub-Account level)	25.57%	27.94%	17.66%	30.55%

*25 sub-accounts belonging to the Wall Portfolio are cross-collateralised and have therefore been aggregated into a single property identifier at the property level.

**No CCJ data was available for the Morag and MAQ Portfolios. Hence, the total CCJ percentage solely reflects the Wall Portfolio.

As at the Cut-Off Date, the Provisional Portfolio had the following additional characteristics:

Sub-Portfolio	£	%	#	%
Morag Portfolio	137,965,029.08	27.38%	1,023	24.54%
Wall Portfolio	166,651,203.25	33.07%	1,348	32.33%
MAQ Portfolio	199,270,285.05	39.55%	1,798	43.13%
	503,886,517.38	100.00%	4,169	100.00%
Originator (Sub-Account level)	£	%	#	%
Amber Homeloans Ltd	72,030,568.15	14.29%	539	12.93%
Associates	97,669.45	0.02%	4	0.10%
Edeus	13,194,540.58	2.62%	91	2.18%
Future Mortgages Ltd	135,734,103.27	26.94%	1,043	25.02%
GE Money Ltd	144,886,736.73	28.75%	1,458	34.97%
GMAC	37,671,155.10	7.48%	279	6.69%
Heritable Bank Plc.	14,713,689.50	2.92%	87	2.09%
IGROUP 2 LTD	30,824.83	0.01%	1	0.02%
Magellan Homeloans	1,051,172.73	0.21%	17	0.41%
MBS Lending Limited	671,262.90	0.13%	6	0.14%
MPLC	16,873,230.62	3.35%	163	3.91%
North Yorkshire Mortgages Ltd	20,781,418.07	4.12%	151	3.62%
Norwich Union	64,036.30	0.01%	2	0.05%
Preferred Mortgages Ltd	602,535.30	0.12%	5	0.12%
Rooftop	9,877,742.61	1.96%	53	1.27%
Southern Pacific Mortgages Ltd	3,598,261.90	0.71%	36	0.86%
Victoria Mortgage Funding	28,679,653.70	5.69%	210	5.04%
Wave	2,902,935.53	0.58%	19	0.46%
No Data	424,980.11	0.08%	5	0.12%
	503,886,517.38	100.00%	4,169	100.00%

Original Balance (Sub-Account level)	£	%	#	%
0 < x <= 50,000	4,753,575.75	0.94%	205	4.92%
50,000 < x <= 100,000	88,658,198.89	17.59%	1,451	34.80%
100,000 < x <= 150,000	134,589,873.21	26.71%	1,243	29.82%
150,000 < x <= 200,000	97,368,422.96	19.32%	607	14.56%
200,000 < x <= 250,000	73,959,083.51	14.68%	343	8.23%
250,000 < x <= 300,000	37,612,265.12	7.46%	140	3.36%
300,000 < x <= 350,000	17,323,054.41	3.44%	55	1.32%
350,000 < x <= 400,000	9,761,258.63	1.94%	27	0.65%
400,000 < x <= 450,000	11,709,621.15	2.32%	28	0.67%
450,000 < x <= 500,000	11,004,174.80	2.18%	24	0.58%
500,000 < x <= 550,000	2,155,698.62	0.43%	4	0.10%
550,000 < x	13,588,356.31	2.70%	18	0.43%
No Data	1,402,934.02	0.28%	24	0.58%
	503,886,517.38	100.00%	4,169	100.00%

Min 8,988.12
Max 1,749,809.00
Weighted Average 199,356.12

Current Balance (Sub-Account level)	£	%	#	%
0 < x <= 50,000	25,810,843.73	5.12%	834	20.00%
50,000 < x <= 100,000	95,794,723.96	19.01%	1,288	30.89%
100,000 < x <= 150,000	111,573,084.07	22.14%	903	21.66%
150,000 < x <= 200,000	86,721,964.00	17.21%	503	12.07%
200,000 < x <= 250,000	70,440,942.60	13.98%	317	7.60%
250,000 < x <= 300,000	40,827,959.12	8.10%	151	3.62%
300,000 < x <= 350,000	20,742,403.91	4.12%	65	1.56%
350,000 < x <= 400,000	13,270,247.96	2.63%	36	0.86%
400,000 < x <= 450,000	10,496,530.46	2.08%	25	0.60%
450,000 < x <= 500,000	7,666,096.40	1.52%	16	0.38%
500,000 < x <= 550,000	7,804,134.97	1.55%	15	0.36%
550,000 < x	12,737,586.20	2.53%	16	0.38%
	503,886,517.38	100.00%	4,169	100.00%

Min 120.00
Max 1,745,781.41
Average 120,865.08

Original LTV (Property level)*	£	%	#	%
0% < x <= 50%	8,265,711.37	1.64%	160	3.90%
50% < x <= 55%	5,437,506.56	1.08%	74	1.80%
55% < x <= 60%	10,297,554.36	2.04%	125	3.05%
60% < x <= 65%	10,519,910.43	2.09%	121	2.95%
65% < x <= 70%	18,714,681.71	3.71%	206	5.02%
70% < x <= 75%	33,934,775.57	6.73%	304	7.41%
75% < x <= 80%	55,965,250.70	11.11%	450	10.96%
80% < x <= 85%	97,254,779.33	19.30%	708	17.25%
85% < x <= 90%	143,090,824.77	28.40%	1,007	24.54%
90% < x <= 95%	64,907,800.97	12.88%	501	12.21%
95% < x <= 100%	41,020,517.86	8.14%	375	9.14%
100% < x	7,817,030.22	1.55%	47	1.15%
No Data	6,660,173.53	1.32%	26	0.63%
	503,886,517.38	100.00%	4,104	100.00%
Min	8.21%			
Max	183.98%			
Weighted-Average	84.10%			

* 25 sub-accounts belonging to the Wall Portfolio are cross-collateralised and have therefore been aggregated into a single property identifier at the property level.

Current LTV (Property level)*	£	%	#	%
0% < x <= 50%	47,871,741.05	9.50%	995	24.24%
50% < x <= 55%	19,969,305.69	3.96%	265	6.46%
55% < x <= 60%	16,448,758.97	3.26%	194	4.73%
60% < x <= 65%	18,090,959.99	3.59%	185	4.51%
65% < x <= 70%	18,551,454.80	3.68%	177	4.31%
70% < x <= 75%	22,399,660.10	4.45%	181	4.41%
75% < x <= 80%	27,808,550.34	5.52%	190	4.63%
80% < x <= 85%	37,934,771.53	7.53%	221	5.38%
85% < x <= 90%	73,596,190.47	14.61%	412	10.04%
90% < x <= 95%	105,633,132.09	20.96%	584	14.23%
95% < x <= 100%	52,515,713.95	10.42%	330	8.04%
100% < x	57,873,712.29	11.49%	357	8.70%
No Data	5,192,566.11	1.03%	13	0.32%
	503,886,517.38	100.00%	4,104	100.00%
Min	0.10%			
Max	379.77%			
Weighted-Average	81.48%			

* 25 sub-accounts belonging to the Wall Portfolio are cross-collateralised and have therefore been aggregated into a single property identifier at the property level.

Indexed LTV (Property level)*	£	%	#	%
0% < x <= 50%	150,594,768.45	29.89%	1,833	44.66%
50% < x <= 55%	52,128,838.73	10.35%	328	7.99%
55% < x <= 60%	52,582,425.58	10.44%	334	8.14%
60% < x <= 65%	56,085,184.28	11.13%	336	8.19%
65% < x <= 70%	49,708,870.95	9.87%	317	7.72%
70% < x <= 75%	41,167,780.59	8.17%	275	6.70%
75% < x <= 80%	37,191,220.04	7.38%	267	6.51%
80% < x <= 85%	23,054,763.44	4.58%	155	3.78%
85% < x <= 90%	12,186,412.98	2.42%	96	2.34%
90% < x <= 95%	4,924,022.12	0.98%	40	0.97%
95% < x <= 100%	4,166,240.43	0.83%	29	0.71%
100% < x	5,124,127.93	1.02%	27	0.66%
No Data	14,971,861.86	2.97%	67	1.63%
	503,886,517.38	100.00%	4,104	100.00%

Min	0.08%
Max	138.98%
Weighted-Average	58.40%

* 25 sub-accounts belonging to the WALL Portfolio are cross-collateralised and have therefore been aggregated into a single property identifier at the property level.

** Indexed using Nationwide Regional, Quarterly, Seasonally-adjusted House Price Index as at Q2 2021.

Origination Year (months, Sub-Account level)	£	%	#	%
x < 2000	229,652.87	0.05%	5	0.12%
2000	1,083,719.72	0.22%	9	0.22%
2001	851,878.96	0.17%	22	0.53%
2002	4,730,975.39	0.94%	70	1.68%
2003	7,314,512.57	1.45%	100	2.40%
2004	30,108,711.80	5.98%	292	7.00%
2005	34,430,691.31	6.83%	321	7.70%
2006	66,285,508.77	13.15%	591	14.18%
2007	262,006,253.85	52.00%	1,961	47.04%
2008	95,210,681.41	18.90%	777	18.64%
2008 < x	1,633,930.73	0.32%	21	0.50%
	503,886,517.38	100.00%	4,169	100.00%

Loan term (months, Sub-Account level)	£	%	#	%
x <= 150	4,853,396.69	0.96%	33	0.79%
150 < x <= 175	6,834,775.53	1.36%	49	1.18%
175 < x <= 200	26,180,554.88	5.20%	217	5.21%
200 < x <= 225	20,467,352.64	4.06%	174	4.17%
225 < x <= 250	79,714,537.15	15.82%	612	14.68%
250 < x <= 275	23,676,974.98	4.70%	223	5.35%
275 < x <= 300	271,482,955.61	53.88%	2,176	52.19%
300 < x <= 325	8,364,176.50	1.66%	69	1.66%
325 < x <= 350	6,653,435.71	1.32%	58	1.39%
350 < x <= 375	47,023,645.27	9.33%	461	11.06%
375 < x <= 400	887,491.58	0.18%	8	0.19%
400 <= x	6,344,406.82	1.26%	66	1.58%
No Data	1,402,814.02	0.28%	23	0.55%
	503,886,517.38	100.00%	4,169	100.00%

Min	96.00
Max	528.00
Weighted-Average	282.25

Remaining Term (years, Sub-Account level)	£	%	#	%
<= 5	78,049,446.83	15.49%	666	15.98%
5 < x <= 6	37,739,968.44	7.49%	315	7.56%
6 < x <= 7	37,330,433.04	7.41%	310	7.44%
7 < x <= 8	29,221,294.18	5.80%	279	6.69%
8 < x <= 9	35,331,918.26	7.01%	301	7.22%
9 < x <= 10	37,773,592.22	7.50%	337	8.08%
10 < x <= 11	115,722,325.91	22.97%	821	19.69%
11 < x <= 12	67,712,229.77	13.44%	511	12.26%
12 < x <= 13	5,814,672.79	1.15%	57	1.37%
13 < x <= 14	6,473,873.66	1.28%	66	1.58%
14 < x <= 15	7,685,475.39	1.53%	77	1.85%
15 < x	45,031,286.89	8.94%	429	10.29%
	503,886,517.38	100.00%	4,169	100.00%

Min* -
Max 29.13
Weighted-Average 8.94

*Loans which were past their maturity date have not been included in determining the minimum

Seasoning (years, Sub-Account level)	£	%	#	%
x <= 10	1,302,367.51	0.26%	19	0.46%
10 < x < 11	229,651.57	0.00	1.00	0.00
11 < x < 12	-	-	-	-
12 < x < 13	1,593,330.30	0.32%	12	0.29%
13 < x < 14	159,650,065.23	31.68%	1,254	30.08%
14 < x < 15	222,049,756.28	44.07%	1,702	40.83%
15 < x < 16	51,118,459.75	10.14%	476	11.42%
16 < x < 17	32,939,414.01	6.54%	287	6.88%
17 < x < 18	22,202,909.36	4.41%	235	5.64%
18 < x	12,800,563.37	2.54%	183	4.39%
	503,886,517.38	100.00%	4,169	100.00%

Min 0.14
Max 24.34
Weighted-Average 14.62

Lien (Sub-Account level)	£	%	#	%
1 st	503,426,083.81	99.91%	4,151	99.57%
2 nd	460,433.57	0.09%	18	0.43%
	503,886,517.38	100.00%	4,169	100.00%

Repayment Method (Sub-Account level)	£	%	#	%
Repayment	97,082,666.82	19.27%	1,684	40.39%
Interest Only	394,874,537.27	78.37%	2,377	57.02%
ISA/PEP	921,492.17	0.18%	6	0.14%
Part & Part	11,007,821.12	2.18%	102	2.45%
	503,886,517.38	100.00%	4,169	100.00%

Interest Rate Type (Sub-Account level)	£	%	#	%
Floating for life	503,886,517.38	100.00%	4,169	100.00%
	503,886,517.38	100.00%	4,169	100.00%

Current Interest Rate Index (Sub-Account level)	£	%	#	%
3 month LIBOR	197,446,160.60	39.18%	1,481	35.52%
BoE Base Rate	276,352,718.67	54.84%	2,454	58.86%
SVR	30,086,399.06	5.97%	233	5.59%
Other*	1,239.05	0.00%	1	0.02%
	503,886,517.38	100.00%	4,169	100.00%

* The "Other" Index relates to a BOE Base Rate product where the rate has been frozen for forbearance reasons.

Current Interest Rate (Sub-Account level)	£	%	#	%
x <= 2%	21,128,478.17	4.19%	245	5.88%
2% < x <= 2.5%	96,496,790.09	19.15%	803	19.26%
2.5% < x <= 3.0%	152,177,467.66	30.20%	1,221	29.29%
3.0% < x <= 3.5%	92,558,456.11	18.37%	758	18.18%
3.5% < x <= 4.0%	70,343,644.87	13.96%	562	13.48%
4.0% < x <= 4.5%	30,293,970.82	6.01%	231	5.54%
4.5% < x <= 5.0%	9,412,014.35	1.87%	83	1.99%
5.0% < x <= 5.5%	21,038,809.39	4.18%	146	3.50%
5.5% < x <= 6.0%	7,516,013.67	1.49%	68	1.63%
6.0% <= x	2,920,872.25	0.58%	52	1.25%
	503,886,517.38	100.00%	4,169	100.00%

Min 0.00%
Max 15.56%
Weighted-Average 3.13%

Current Interest Rate (SVR, Sub-Account level)	£	%	#	%
x <= 2%	120.00	0.00%	1	0.43%
2% < x <= 2.5%	3,262,161.32	10.84%	29	12.45%
2.5% < x <= 3.0%	-	0.00%	-	0.00%
3.0% < x <= 3.5%	-	0.00%	-	0.00%
3.5% < x <= 4.0%	145,343.83	0.48%	1	0.43%
4.0% < x <= 4.5%	-	0.00%	-	0.00%
4.5% < x <= 5.0%	251,074.78	0.83%	1	0.43%
5.0% < x <= 5.5%	18,463,590.83	61.37%	115	49.36%
5.5% < x <= 6.0%	5,975,967.54	19.86%	49	21.03%
6.0% <= x	1,988,140.76	6.61%	37	15.88%
	30,086,399.06	100.00%	233	100.00%

Min 0.00%
Max 15.56%
Weighted-Average 5.15%

Current Interest Rate Margin (LIBOR, Sub-Account level)	£	%	#	%
x <= 2%	5,508,387.14	2.79%	31	2.09%
2% < x <= 2.5%	70,245,330.13	35.58%	551	37.20%
2.5% < x <= 3.0%	70,646,735.55	35.78%	497	33.56%
3.0% < x <= 3.5%	29,140,368.92	14.76%	230	15.53%
3.5% < x <= 4.0%	9,587,772.04	4.86%	75	5.06%
4.0% < x <= 4.5%	10,344,779.55	5.24%	72	4.86%
4.5% < x <= 5.0%	1,227,417.89	0.62%	14	0.95%
5.0% < x <= 5.5%	291,782.61	0.15%	4	0.27%
5.5% < x <= 6.0%	453,586.77	0.23%	7	0.47%
6.0% <= x	-	0.00%	-	0.00%
	197,446,160.60	100.00%	1,481	100.00%
Min	1.50%			
Max	5.90%			
Weighted-Average	2.82%			
Current Interest Rate Margin (BBR, Sub-Account level)	£	%	#	%
x <= 2%	35,897,338.55	12.99%	379	15.44%
2% < x <= 2.5%	89,163,540.07	32.26%	740	30.15%
2.5% < x <= 3.0%	52,276,951.31	18.92%	490	19.97%
3.0% < x <= 3.5%	40,510,199.18	14.66%	350	14.26%
3.5% < x <= 4.0%	33,533,906.05	12.13%	278	11.33%
4.0% < x <= 4.5%	18,714,316.05	6.77%	144	5.87%
4.5% < x <= 5.0%	2,414,574.42	0.87%	26	1.06%
5.0% < x <= 5.5%	2,245,596.29	0.81%	26	1.06%
5.5% < x <= 6.0%	1,175,310.32	0.43%	12	0.49%
6.0% <= x	420,986.43	0.15%	9	0.37%
	276,352,718.67	100.00%	2,454	100.00%
Min	0.00%			
Max	7.94%			
Weighted-Average	2.86%			
Current Interest Rate Margin (SVR, Sub-Account level)	£	%	#	%
x <= 2%	29,812,315.56	99.09%	227	97.42%
2% < x <= 2.5%	176,414.05	0.59%	2	0.86%
2.5% < x <= 3.0%	-	0.00%	-	0.00%
3.0% < x <= 3.5%	-	0.00%	-	0.00%
3.5% < x <= 4.0%	-	0.00%	-	0.00%
4.0% < x <= 4.5%	-	0.00%	-	0.00%
4.5% < x <= 5.0%	-	0.00%	-	0.00%
5.0% < x <= 5.5%	-	0.00%	-	0.00%
5.5% < x <= 6.0%	-	0.00%	-	0.00%
6.0% <= x	97,669.45	0.32%	4	1.72%
	30,086,399.06	100.00%	233	100.00%
Min	-0.70%			
Max	15.56%			
Weighted-Average	0.28%			

Months in Arrears (Sub-Account level)	£	%	#	%
x <= 0	286,746,523.21	56.91%	2,474	59.34%
0 < x < 1	35,957,711.65	7.14%	303	7.27%
1 <= x < 3	52,325,996.33	10.38%	452	10.84%
3 <= x < 6	41,267,405.62	8.19%	328	7.87%
6 <= x < 12	47,038,117.55	9.34%	338	8.11%
12 <= x	40,550,763.02	8.05%	274	6.57%
	503,886,517.38	100.00%	4,169	100.00%
Min*	-			
Max	223.76			
Weighted-Average	2.64			

*Loans with negative arrears balances have not been included in determining the minimum

Loans past maturity date (Sub-Account level)	£	%	#	%
Yes	12,159,574.57	2.41%	79	1.89%
No	491,726,942.81	97.59%	4,090	98.11%
	503,886,517.38	100.00%	4,169	100.00%

Right to Buy (Sub-Account level)	£	%	#	%
Yes	4,766,655.85	0.95%	51	1.22%
No	499,119,861.53	99.05%	4,118	98.78%
	503,886,517.38	100.00%	4,169	100.00%

Income Verification (Account level)	£	%	#	%
Self-Certified	144,882,564.64	28.75%	963	23.49%
Verified	22,587,822.16	4.48%	189	4.61%
No Data	336,416,130.58	66.76%	2,948	71.90%
	503,886,517.38	100.00%	4,100	100.00%

Geographic Region (Property level)*	£	%	#	%
North East	22,490,976.83	4.46%	285	6.94%
South West	27,504,081.11	5.46%	207	5.04%
West Midlands	43,115,696.42	8.56%	411	10.01%
Yorkshire & Humberside	42,551,859.24	8.44%	484	11.79%
North West	70,509,221.40	13.99%	710	17.30%
East Midlands	33,489,951.10	6.65%	312	7.60%
South East	74,870,203.71	14.86%	443	10.79%
East of England	34,187,176.02	6.78%	226	5.51%
London	90,634,793.76	17.99%	453	11.04%
Northern Ireland	10,362,420.12	2.06%	78	1.90%
Wales	21,638,787.73	4.29%	249	6.07%
Scotland	18,290,000.08	3.63%	193	4.70%
No Data	14,241,349.86	2.83%	53	1.29%
	503,886,517.38	100.00%	4,104	100.00%

* 25 sub-accounts belonging to the Wall Portfolio are cross-collateralised and have therefore been aggregated into a single property identifier at the property level.

Total CCJs (Account level)*	£	%	#	%
0	98,363,781.09	19.52%	748	18.24%
1	18,098,922.68	3.59%	177	4.32%
2	8,234,378.35	1.63%	74	1.80%
3	2,711,240.36	0.54%	23	0.56%
4	1,389,186.46	0.28%	13	0.32%
>=5	1,742,980.00	0.35%	14	0.34%
No Data	373,346,028.44	74.09%	3,051	74.41%
	503,886,517.38	100.00%	4,100	100.00%

* satisfied and unsatisfied CCJs occurring in the last 3 years

Bankruptcy/ IVA Flag (Account level)	£	%	#	%
Yes	3,949,141.35	0.78%	30	0.73%
No	300,624,679.54	59.66%	2,294	55.95%
No Data	199,312,696.49	39.56%	1,776	43.32%
	503,886,517.38	100.00%	4,100	100.00%

Litigation Status (Account level)	£	%	#	%
Yes	22,528,004.00	4.47%	149	3.63%
No	481,358,513.38	95.53%	3,951	96.37%
	503,886,517.38	100.00%	4,100	100.00%

Property Type (Property level)*	£	%	#	%
Residential (House, detached or semi-detached)	287,434,462.36	57.04%	2,238	54.53%
Residential (Flat/Apartment)	40,178,053.45	7.97%	316	7.70%
Residential (Bungalow)	16,510,093.76	3.28%	110	2.68%
Residential (Terraced House)	119,470,544.74	23.71%	1,171	28.53%
Partially commercial use	11,098,961.55	2.20%	76	1.85%
Other	864,155.76	0.17%	9	0.22%
No Data	28,330,245.76	5.62%	184	4.48%
	503,886,517.38	100.00%	4,104	100.00%

* 25 sub-accounts belonging to the Wall Portfolio are cross-collateralised and have therefore been aggregated into a single property identifier at the property level.

Employment Type (Account level)	£	%	#	%
Employed	248,603,910.41	49.34%	2,371	57.83%
Civil/government servant	1,132,611.53	0.22%	10	0.24%
Unemployed	1,166,093.59	0.23%	11	0.27%
Self-employed	110,639,749.23	21.96%	690	16.83%
Pensioner	533,674.52	0.11%	6	0.15%
Other	112,152.21	0.02%	1	0.02%
No Data	141,698,325.89	28.12%	1,011	24.66%
	503,886,517.38	100.00%	4,100	100.00%

Shortfall Loans

As at the Cut-Off Date there are 50 Shortfall Loans in the Provisional Portfolio with an aggregate Current Balance (as at the Cut-Off Date) of £1,752,546.73.

HISTORICAL PERFORMANCE

The following tables show various historical performance characteristics relevant to the Loans.

1. *Pre-payment rates*

Historical Annualised Constant Prepayment Rate (**CPR**) is shown on a quarterly basis and covers all loans within the Morag Portfolio, the Wall Portfolio and the MAQ Portfolio, including any loans that have redeemed since (i) in the case of the Morag Portfolio, 31 January 2017, (ii) in the case of the Wall Portfolio, 6 August 2015 and (iii) in the case of the MAQ Portfolio, 30 June 2020.

CPR is calculated as $1 - ((1 - \text{SMMn})^4)$

Where **SMMn** is:

- (i) The collection of principal categorised as unscheduled during the relevant period, divided by
- (ii) the aggregate outstanding principal balance of the pool as at the start of that period

Quarter	Morag (%)	Wall (%)	MAQ (%)
2015 Q4		6.93%	
2016 Q1		7.59%	
2016 Q2		5.87%	
2016 Q3		9.01%	
2016 Q4		5.66%	
2017 Q1		10.53%	
2017 Q2	6.34%	9.76%	
2017 Q3	3.71%	13.36%	
2017 Q4	7.02%	7.62%	
2018 Q1	6.37%	6.89%	
2018 Q2	7.45%	5.21%	
2018 Q3	4.66%	6.78%	
2018 Q4	6.49%	6.46%	
2019 Q1	4.42%	6.49%	
2019 Q2	5.33%	7.63%	
2019 Q3	5.37%	8.72%	
2019 Q4	8.04%	6.77%	
2020 Q1	7.19%	8.53%	
2020 Q2	2.40%	5.30%	
2020 Q3	5.37%	1.24%	5.71%
2020 Q4	6.04%	5.03%	5.13%
2021 Q1	7.77%	6.10%	8.12%
2021 Q2	12.64%	7.91%	6.43%

2. *Delinquencies - dynamic*

The dynamic historical arrears experience is shown on a monthly basis and covers all loans within the Provisional Portfolio, the Morag Portfolio, the Wall Portfolio and the MAQ Portfolio, including any loans that have redeemed since (i) in the case of the Morag Portfolio, 31 January 2017, (ii) in the case of the Wall Portfolio, 31 July 2021 and (iii) in the case of the MAQ Portfolio, 30 June 2020. Months in Arrears is calculated as Arrears Balance divided by the Scheduled Payment.

Collection Period End Date	Provisional (%)		Morag (%)		Wall (%)		MAQ (%)	
	MIA >= 1	MIA >= 3	MIA >= 1	MIA >= 3	MIA >= 1	MIA >= 3	MIA >= 1	MIA >= 3
31/05/2015	64.84%	43.30%	58.87%	33.72%	44.27%	24.25%	85.10%	65.27%
30/06/2015	62.74%	42.31%	57.58%	32.04%	41.79%	23.48%	82.64%	64.67%
31/07/2015	62.09%	41.49%	55.49%	31.46%	41.93%	23.92%	82.55%	62.72%
31/08/2015	64.78%	41.81%	59.66%	30.91%	45.21%	24.57%	83.64%	63.49%
30/09/2015	62.46%	41.34%	56.88%	30.38%	41.58%	24.55%	82.68%	62.74%
31/10/2015	62.69%	40.96%	56.07%	29.76%	43.37%	24.83%	82.57%	62.07%
30/11/2015	62.97%	40.67%	58.02%	30.33%	42.95%	25.27%	82.08%	60.55%
31/12/2015	63.22%	40.29%	58.42%	30.16%	43.81%	25.07%	81.76%	59.89%
31/01/2016	64.05%	41.16%	59.41%	31.39%	44.45%	25.62%	82.61%	60.74%
29/02/2016	63.29%	40.10%	58.92%	30.24%	43.24%	24.54%	81.99%	59.76%
31/03/2016	62.04%	39.46%	58.65%	30.23%	41.65%	23.45%	80.23%	59.00%
30/04/2016	62.36%	39.63%	59.15%	30.60%	41.53%	24.17%	80.74%	58.60%
31/05/2016	61.61%	38.42%	59.25%	29.45%	40.02%	22.00%	79.92%	58.08%
30/06/2016	60.87%	37.94%	59.00%	29.07%	38.92%	22.26%	79.05%	56.96%
31/07/2016	60.67%	37.37%	58.83%	28.78%	41.06%	21.03%	77.09%	56.68%
31/08/2016	58.59%	35.45%	56.43%	27.18%	38.43%	19.52%	75.66%	54.19%
30/09/2016	57.99%	35.88%	58.09%	27.81%	36.80%	19.66%	74.07%	54.73%
31/10/2016	56.51%	35.37%	54.50%	27.68%	36.80%	19.68%	73.15%	53.50%
30/11/2016	56.01%	34.11%	53.99%	26.57%	36.51%	19.00%	72.51%	51.70%
31/12/2016	55.83%	34.17%	53.92%	26.78%	36.48%	19.55%	72.15%	51.28%
31/01/2017	54.19%	33.15%	52.37%	26.30%	33.33%	18.81%	71.60%	49.61%
28/02/2017	54.29%	33.04%	50.45%	25.71%	36.67%	18.72%	70.86%	49.88%
31/03/2017	51.88%	32.14%	48.04%	25.65%	34.32%	18.31%	68.40%	47.96%
30/04/2017	52.70%	31.56%	48.63%	25.42%	36.62%	18.35%	68.30%	46.63%
31/05/2017	50.08%	30.32%	46.92%	24.47%	33.27%	17.21%	65.51%	45.07%
30/06/2017	48.61%	29.75%	46.58%	25.06%	29.92%	14.99%	64.59%	44.85%
31/07/2017	47.16%	28.86%	46.15%	23.83%	28.23%	14.22%	62.49%	44.17%
31/08/2017	46.71%	28.76%	45.31%	24.74%	27.86%	14.76%	62.31%	42.75%
30/09/2017	46.94%	28.13%	44.47%	24.91%	30.49%	14.49%	61.58%	41.21%
31/10/2017	45.66%	27.17%	45.49%	25.66%	26.69%	13.27%	60.38%	39.08%
30/11/2017	46.14%	26.49%	46.76%	25.27%	27.46%	12.06%	60.02%	38.57%
31/12/2017	46.96%	26.28%	45.90%	25.44%	29.63%	13.01%	61.15%	37.17%
31/01/2018	45.36%	26.47%	46.49%	25.94%	24.66%	12.02%	60.42%	38.02%
28/02/2018	46.58%	26.81%	46.28%	26.34%	29.05%	11.91%	60.33%	38.64%
31/03/2018	45.77%	26.13%	44.68%	25.63%	28.17%	12.26%	60.19%	37.22%
30/04/2018	45.02%	25.81%	46.15%	25.91%	25.53%	11.10%	59.16%	37.09%
31/05/2018	44.26%	26.16%	45.42%	26.51%	26.32%	11.61%	57.22%	37.13%
30/06/2018	44.71%	26.03%	45.98%	26.11%	27.60%	11.27%	56.96%	37.38%
31/07/2018	43.51%	25.56%	44.15%	26.13%	25.24%	11.69%	57.13%	35.85%
31/08/2018	44.16%	25.37%	43.09%	25.31%	27.72%	11.93%	57.71%	35.82%
30/09/2018	44.34%	24.70%	43.88%	24.99%	28.93%	11.99%	56.61%	34.32%
31/10/2018	42.32%	23.84%	42.23%	24.51%	24.57%	11.10%	56.15%	33.21%
30/11/2018	42.00%	23.13%	42.21%	24.38%	25.00%	9.86%	55.00%	32.48%
31/12/2018	43.00%	23.62%	42.12%	24.26%	27.33%	11.32%	55.82%	32.68%
31/01/2019	41.89%	23.28%	42.68%	24.38%	24.82%	10.87%	54.54%	32.08%
28/02/2019	42.96%	22.81%	43.53%	23.31%	26.86%	11.13%	55.03%	31.51%
31/03/2019	42.64%	22.07%	43.57%	22.32%	26.43%	11.56%	54.55%	30.06%
30/04/2019	41.50%	21.60%	43.10%	20.87%	25.26%	11.57%	52.93%	29.94%
31/05/2019	40.66%	21.31%	41.75%	21.22%	24.99%	11.52%	52.06%	29.00%
30/06/2019	43.58%	22.60%	42.74%	22.02%	30.11%	12.49%	54.71%	30.90%

Collection Period End Date	Provisional (%)		Morag (%)		Wall (%)		MAQ (%)	
	MIA >= 1	MIA >= 3	MIA >= 1	MIA >= 3	MIA >= 1	MIA >= 3	MIA >= 1	MIA >= 3
31/07/2019	40.73%	22.04%	41.02%	21.65%	26.16%	12.38%	51.89%	29.85%
31/08/2019	41.39%	22.24%	41.57%	22.03%	27.24%	12.92%	52.28%	29.67%
30/09/2019	40.17%	21.46%	40.32%	21.27%	26.43%	12.74%	50.78%	28.42%
31/10/2019	39.92%	21.03%	39.97%	20.78%	27.30%	12.99%	49.74%	27.49%
30/11/2019	40.68%	21.19%	40.79%	21.16%	27.87%	13.37%	50.59%	27.33%
31/12/2019	40.53%	21.86%	40.82%	21.82%	27.48%	15.20%	50.52%	27.08%
31/01/2020	39.62%	21.20%	40.58%	20.98%	25.82%	13.37%	49.74%	27.48%
29/02/2020	41.13%	22.25%	41.33%	21.53%	29.45%	15.08%	50.13%	28.38%
31/03/2020	42.17%	23.14%	43.78%	23.09%	29.47%	16.06%	50.97%	28.72%
30/04/2020	43.92%	25.05%	47.85%	26.69%	31.28%	16.58%	51.04%	30.54%
31/05/2020	43.32%	25.85%	44.40%	26.55%	32.31%	18.05%	51.18%	31.45%
30/06/2020	41.32%	24.80%	42.61%	26.06%	33.44%	18.15%	46.59%	29.13%
31/07/2020	40.05%	25.30%	40.65%	26.33%	32.94%	19.07%	45.22%	29.48%
31/08/2020	39.65%	25.04%	40.92%	25.97%	32.08%	19.06%	44.74%	29.12%
30/09/2020	37.88%	24.84%	39.56%	25.39%	29.04%	18.16%	43.73%	29.76%
31/10/2020	38.56%	24.93%	40.25%	25.31%	29.16%	18.12%	44.88%	30.12%
30/11/2020	38.28%	25.31%	39.83%	25.36%	29.91%	18.31%	43.89%	30.90%
31/12/2020	38.92%	26.35%	39.99%	27.41%	30.72%	18.46%	44.77%	31.94%
31/01/2021	39.18%	26.26%	40.70%	26.58%	30.69%	18.61%	44.97%	32.24%
28/02/2021	40.17%	26.51%	41.18%	26.88%	33.07%	19.05%	45.25%	32.33%
31/03/2021	36.82%	26.35%	39.07%	27.16%	27.59%	19.05%	42.80%	31.77%
30/04/2021	37.39%	25.97%	40.67%	27.14%	29.87%	18.37%	41.28%	31.40%
31/05/2021	38.16%	25.99%	40.28%	27.79%	30.94%	18.19%	42.66%	31.18%
30/06/2021	37.22%	26.24%	39.99%	28.26%	29.04%	18.54%	42.12%	31.26%
31/07/2021	36.46%	25.80%	40.16%	27.36%	27.56%	18.12%	41.35%	31.13%

3. *Delinquencies - cumulative*

The cumulative historical arrears experience is summarised below and covers all loans within the Provisional Portfolio, the Morag Portfolio, the Wall Portfolio and the MAQ Portfolio, including any loans that have redeemed since (i) in the case of the Morag Portfolio, 31 January 2017, (ii) in the case of the Wall Portfolio, 31 July 2021 and (iii) in the case of the MAQ Portfolio, 30 June 2020.

	Provisional (%)	Morag (%)	Wall (%)	MAQ (%)
MIA >= 3 currently	25.80%	27.36%	18.12%	31.13%
MIA >= 3 at any point since July 2020	33.40%	34.37%	25.39%	39.42%
MIA >= 3 at any point since July 2019	40.62%	40.83%	28.74%	50.39%
MIA >= 3 at any point since July 2018	47.53%	47.66%	32.66%	59.87%
MIA >= 3 at any point since July 2017	53.71%	52.69%	37.37%	68.06%
MIA >= 3 at any point since July 2016	61.21%	57.67%	44.04%	77.99%
MIA >= 3 at any point since July 2015	68.68%	65.89%	49.80%	86.38%

4. *Weighted average Pay-rate*

The historical weighted average Pay-rate is summarised below and covers all loans within the Provisional Portfolio, the Morag Portfolio, the Wall Portfolio and the MAQ Portfolio, including any loans that have redeemed since (i) in the case of the Morag Portfolio, 31 January 2017, (ii) in the case of the Wall Portfolio, 31 July 2021 and (iii) in the case of the MAQ Portfolio, 30 June 2020. Pay-rate is weighted by current balance and is calculated on a loan level basis as Payment Made divided by Payment Due, with a 200% ceiling.

Collection Period End Date	Provisional (%)	Morag (%)	Wall (%)	MAQ (%)
31/05/2015	97.84%	102.53%	94.07%	96.95%
30/06/2015	105.35%	107.47%	104.63%	104.22%
31/07/2015	101.98%	105.17%	99.18%	101.56%
31/08/2015	92.41%	94.75%	89.99%	92.38%
30/09/2015	104.58%	107.25%	101.97%	104.43%
31/10/2015	99.30%	102.82%	93.48%	100.91%
30/11/2015	99.91%	98.00%	98.38%	102.58%
31/12/2015	96.67%	96.77%	94.36%	98.34%
31/01/2016	94.46%	94.88%	94.00%	94.48%
29/02/2016	103.00%	104.00%	101.53%	103.32%
31/03/2016	102.53%	102.87%	101.14%	103.31%
30/04/2016	99.70%	101.13%	97.60%	100.16%
31/05/2016	104.51%	100.84%	104.21%	107.67%
30/06/2016	102.24%	101.22%	102.23%	103.07%
31/07/2016	101.69%	101.27%	99.56%	103.63%
31/08/2016	105.54%	106.15%	103.85%	106.34%
30/09/2016	105.74%	102.58%	104.05%	109.57%
31/10/2016	104.90%	107.34%	104.77%	103.04%
30/11/2016	106.71%	103.67%	102.67%	112.24%
31/12/2016	102.03%	100.53%	101.87%	103.35%
31/01/2017	106.98%	104.12%	106.52%	109.64%
28/02/2017	103.41%	105.21%	101.53%	103.40%
31/03/2017	110.08%	108.74%	106.80%	113.68%
30/04/2017	99.02%	96.45%	99.50%	100.74%
31/05/2017	109.90%	105.36%	108.18%	114.90%
30/06/2017	104.32%	101.41%	103.96%	106.94%
31/07/2017	106.49%	106.08%	105.67%	107.45%
31/08/2017	104.07%	102.83%	102.28%	106.46%
30/09/2017	101.94%	100.48%	99.60%	104.92%
31/10/2017	105.23%	96.02%	107.72%	110.78%
30/11/2017	100.65%	91.86%	103.99%	105.12%
31/12/2017	94.36%	91.24%	96.68%	95.06%
31/01/2018	101.56%	93.46%	105.20%	105.20%
28/02/2018	96.57%	94.81%	95.53%	98.78%
31/03/2018	100.45%	98.59%	100.08%	102.20%
30/04/2018	100.92%	92.54%	104.28%	104.91%
31/05/2018	100.56%	96.28%	99.59%	104.64%
30/06/2018	95.48%	90.53%	99.97%	95.84%
31/07/2018	102.51%	97.50%	104.19%	105.06%
31/08/2018	97.72%	95.46%	96.59%	100.33%
30/09/2018	95.38%	90.28%	98.41%	96.94%
31/10/2018	102.29%	97.82%	103.57%	104.71%
30/11/2018	100.10%	95.13%	101.76%	102.59%
31/12/2018	93.97%	92.26%	95.32%	94.21%
31/01/2019	101.08%	94.79%	101.31%	105.63%
28/02/2019	95.32%	93.88%	97.71%	94.55%
31/03/2019	99.23%	94.39%	98.19%	103.67%
30/04/2019	101.39%	99.29%	101.73%	102.68%
31/05/2019	100.75%	98.71%	99.62%	103.14%
30/06/2019	91.72%	91.82%	91.45%	91.85%
31/07/2019	103.85%	98.99%	103.49%	107.69%
31/08/2019	96.30%	93.36%	95.99%	98.69%

Collection Period End Date	Provisional (%)	Morag (%)	Wall (%)	MAQ (%)
30/09/2019	100.14%	96.37%	99.11%	103.71%
31/10/2019	99.50%	96.99%	98.43%	102.17%
30/11/2019	95.90%	94.19%	96.96%	96.31%
31/12/2019	95.67%	92.99%	95.01%	98.11%
31/01/2020	94.56%	93.96%	99.47%	91.14%
29/02/2020	93.02%	91.78%	92.75%	94.12%
31/03/2020	86.36%	83.29%	82.84%	91.29%
30/04/2020	64.37%	61.55%	62.15%	68.11%
31/05/2020	63.21%	58.56%	63.67%	66.13%
30/06/2020	66.73%	59.36%	69.14%	70.07%
31/07/2020	75.34%	66.69%	83.26%	75.21%
31/08/2020	75.84%	69.29%	85.55%	72.79%
30/09/2020	87.57%	82.13%	94.79%	85.67%
31/10/2020	89.59%	83.09%	97.11%	88.21%
30/11/2020	88.29%	85.45%	94.14%	85.60%
31/12/2020	87.38%	82.07%	92.25%	87.21%
31/01/2021	87.17%	82.63%	90.58%	87.62%
28/02/2021	86.67%	86.08%	88.16%	85.86%
31/03/2021	100.26%	93.67%	102.79%	102.83%
30/04/2021	94.84%	90.48%	97.21%	95.93%
31/05/2021	90.64%	88.00%	95.43%	88.52%
30/06/2021	98.99%	96.45%	101.13%	98.96%
31/07/2021	96.26%	92.27%	100.34%	95.61%

5. *Weighted average Pay-rate by arrears status*

The historical weighted average Pay-rate by arrears status is summarised below and covers all loans within the Provisional Portfolio, the Morag Portfolio, the Wall Portfolio and the MAQ Portfolio, including any loans that have redeemed since (i) in the case of the Morag Portfolio, 31 January 2017, (ii) in the case of the Wall Portfolio, 31 July 2021 and (iii) in the case of the MAQ Portfolio, 30 June 2020. Pay-rate is weighted by current balance and is calculated on a loan level basis as Payment Made divided by Payment Due, with a 200% ceiling.

Collection Period End Date	Current	0 < x <= 1 MIA	1 < x <= 3 MIA	3 < x <= 6 MIA	6 < x <= 12 MIA	12 < x MIA
31/05/2015	112.32%	98.61%	94.42%	86.60%	92.99%	97.74%
30/06/2015	116.31%	108.25%	99.27%	95.81%	102.74%	106.79%
31/07/2015	115.64%	102.49%	95.04%	92.31%	95.93%	106.19%
31/08/2015	110.83%	86.98%	87.21%	80.47%	85.52%	99.11%
30/09/2015	117.05%	103.52%	96.13%	96.69%	100.69%	110.82%
31/10/2015	112.26%	97.68%	93.31%	89.91%	96.63%	100.95%
30/11/2015	110.67%	100.21%	93.73%	95.92%	94.47%	99.22%
31/12/2015	113.89%	97.38%	89.11%	86.51%	88.52%	95.96%
31/01/2016	112.30%	93.50%	88.37%	80.76%	90.13%	94.25%
29/02/2016	116.36%	100.82%	99.72%	94.05%	98.31%	100.61%
31/03/2016	113.42%	104.72%	99.40%	87.73%	103.63%	100.01%
30/04/2016	113.71%	102.20%	92.14%	87.46%	96.90%	98.60%
31/05/2016	114.59%	101.65%	97.67%	97.00%	104.60%	107.92%
30/06/2016	115.55%	96.79%	95.89%	96.02%	97.70%	102.15%
31/07/2016	114.29%	94.04%	96.14%	92.41%	103.95%	100.58%
31/08/2016	118.74%	100.27%	97.70%	97.18%	102.67%	106.59%
30/09/2016	115.59%	106.79%	96.10%	94.14%	109.10%	107.15%
31/10/2016	115.42%	102.89%	99.90%	90.74%	104.51%	105.94%
30/11/2016	116.00%	100.04%	99.85%	98.01%	106.05%	114.23%
31/12/2016	115.90%	94.53%	90.55%	94.00%	99.53%	104.69%
31/01/2017	116.38%	106.19%	97.42%	92.60%	109.83%	111.74%
28/02/2017	114.28%	94.84%	95.47%	94.57%	106.02%	104.58%
31/03/2017	119.69%	106.25%	102.06%	95.09%	112.92%	115.14%
30/04/2017	113.19%	86.57%	91.26%	89.95%	94.51%	98.43%
31/05/2017	117.08%	107.49%	98.43%	99.11%	114.81%	120.06%

Collection Period End Date	Current	0 < x <= 1 MIA	1 < x <= 3 MIA	3 < x <= 6 MIA	6 < x <= 12 MIA	12 < x MIA
30/06/2017	114.93%	98.87%	94.22%	88.79%	104.96%	112.96%
31/07/2017	116.33%	100.20%	98.63%	93.08%	100.86%	118.63%
31/08/2017	113.51%	97.87%	95.50%	87.57%	106.88%	112.79%
30/09/2017	113.94%	93.06%	88.26%	91.74%	94.14%	120.83%
31/10/2017	113.07%	102.42%	96.20%	91.76%	104.47%	112.44%
30/11/2017	111.23%	92.04%	90.00%	88.38%	98.50%	107.86%
31/12/2017	110.77%	82.84%	81.78%	79.33%	88.53%	90.19%
31/01/2018	112.73%	101.91%	86.48%	86.15%	96.88%	114.57%
28/02/2018	109.76%	87.46%	85.82%	83.53%	94.03%	96.63%
31/03/2018	113.22%	96.84%	87.11%	86.41%	97.53%	92.43%
30/04/2018	110.46%	99.39%	85.21%	93.02%	100.89%	101.67%
31/05/2018	112.51%	96.20%	90.71%	83.00%	95.55%	101.38%
30/06/2018	109.64%	86.49%	85.37%	82.28%	87.36%	82.36%
31/07/2018	111.97%	98.49%	91.30%	93.22%	96.85%	104.71%
31/08/2018	110.54%	90.70%	87.99%	86.81%	87.25%	82.20%
30/09/2018	109.06%	85.81%	86.46%	79.23%	90.31%	90.73%
31/10/2018	112.22%	102.70%	93.23%	90.00%	90.47%	94.84%
30/11/2018	109.69%	95.66%	94.66%	89.35%	90.21%	84.34%
31/12/2018	108.39%	90.19%	83.09%	77.44%	77.80%	82.44%
31/01/2019	110.46%	97.32%	95.84%	83.75%	100.74%	87.52%
28/02/2019	107.27%	92.25%	87.92%	74.71%	90.87%	76.55%
31/03/2019	110.43%	90.09%	93.32%	88.09%	89.97%	89.34%
30/04/2019	111.13%	98.82%	95.78%	88.40%	89.72%	80.55%
31/05/2019	110.26%	102.23%	88.40%	86.22%	97.04%	81.95%
30/06/2019	107.16%	81.63%	81.28%	73.39%	85.96%	74.46%
31/07/2019	113.35%	106.86%	95.42%	84.97%	101.14%	70.22%
31/08/2019	108.91%	91.11%	88.88%	74.08%	89.55%	72.74%
30/09/2019	109.18%	101.09%	91.75%	87.68%	91.07%	65.57%
31/10/2019	109.36%	95.25%	93.15%	87.64%	93.94%	51.17%
30/11/2019	107.81%	95.62%	84.07%	81.41%	82.92%	61.65%
31/12/2019	110.67%	93.05%	85.48%	71.40%	84.35%	47.09%
31/01/2020	108.90%	101.19%	71.43%	77.88%	89.37%	29.77%
29/02/2020	106.68%	87.43%	83.74%	75.83%	82.21%	55.58%
31/03/2020	103.47%	86.55%	73.05%	62.04%	72.60%	38.18%
30/04/2020	85.41%	65.80%	49.51%	37.61%	36.26%	29.10%
31/05/2020	81.38%	63.44%	51.93%	39.93%	41.10%	20.96%
30/06/2020	86.03%	62.87%	54.20%	40.38%	40.58%	31.38%
31/07/2020	96.18%	69.67%	64.58%	49.94%	39.56%	32.82%
31/08/2020	97.21%	69.84%	64.05%	52.37%	39.78%	30.34%
30/09/2020	105.91%	82.80%	82.05%	67.06%	51.79%	35.26%
31/10/2020	108.30%	86.66%	76.52%	75.55%	58.30%	30.04%
30/11/2020	107.87%	91.22%	74.74%	70.16%	50.29%	29.70%
31/12/2020	106.80%	86.84%	72.46%	69.86%	55.41%	33.69%
31/01/2021	107.05%	84.65%	79.92%	66.84%	54.63%	28.21%
28/02/2021	105.35%	78.58%	87.36%	74.80%	55.98%	30.61%
31/03/2021	116.43%	101.65%	93.24%	88.81%	73.88%	36.57%
30/04/2021	110.38%	84.84%	100.48%	88.73%	65.97%	37.80%
31/05/2021	109.62%	78.19%	79.61%	83.44%	67.51%	35.24%
30/06/2021	113.98%	92.86%	86.62%	96.17%	75.28%	54.36%
31/07/2021	110.98%	91.67%	89.17%	89.56%	81.25%	39.90%

6. Loss-severity

Historical Loss Severity was first calculated on a loan level basis by comparing the Loss on Sale with Balance at Default. By grouping the data by Month of Default since May 2015, Loss Severity was then weighted by the Total Balance at Default attributable to that month.

Month of Default	Provisional		Morag		Wall		MAQ	
	Number of Sales	Weighted Average Loss Severity (%)	Number of Sales	Weighted Average Loss Severity (%)	Number of Sales	Weighted Average Loss Severity (%)	Number of Sales	Weighted Average Loss Severity (%)
May-15	22	21.73%	-	-	-	-	22	21.73%
Jun-15	22	23.10%	-	-	-	-	22	23.10%
Jul-15	19	26.24%	-	-	-	-	19	26.24%
Aug-15	12	26.45%	-	-	-	-	12	26.45%
Sep-15	12	25.56%	-	-	-	-	12	25.56%
Oct-15	12	27.06%	-	-	-	-	12	27.06%
Nov-15	7	30.64%	-	-	-	-	7	30.64%
Dec-15	11	18.49%	-	-	-	-	11	18.49%
Jan-16	8	31.61%	-	-	-	-	8	31.61%
Feb-16	13	26.62%	-	-	1	53.29%	12	25.77%
Mar-16	13	23.98%	-	-	1	16.74%	12	24.63%
Apr-16	12	19.12%	-	-	2	2.35%	10	21.53%
May-16	13	28.31%	-	-	2	0.46%	11	36.60%
Jun-16	5	41.68%	-	-	1	68.30%	4	30.40%
Jul-16	8	17.97%	-	-	1	5.02%	7	21.02%
Aug-16	9	13.28%	-	-	3	12.00%	6	14.22%
Sep-16	13	35.48%	-	-	3	36.09%	10	35.31%
Oct-16	12	30.91%	-	-	1	40.41%	11	29.85%
Nov-16	9	32.78%	-	-	4	35.30%	5	31.64%
Dec-16	8	29.35%	-	-	3	31.92%	5	27.86%
Jan-17	11	40.50%	-	-	4	23.27%	7	47.22%
Feb-17	7	11.53%	-	-	6	9.02%	1	25.92%
Mar-17	9	22.60%	-	-	5	19.90%	4	26.26%
Apr-17	7	26.72%	-	-	4	20.64%	3	34.47%
May-17	5	8.28%	-	-	2	3.96%	3	10.45%
Jun-17	12	25.77%	1	26.61%	8	28.87%	3	13.96%
Jul-17	9	15.06%	-	-	6	15.53%	3	14.21%
Aug-17	2	23.22%	1	16.75%	-	-	1	30.63%
Sep-17	10	35.16%	-	-	1	49.53%	9	33.96%
Oct-17	7	27.70%	-	-	5	33.12%	2	15.93%
Nov-17	6	24.00%	-	-	3	15.27%	3	46.74%
Dec-17	9	52.38%	3	21.97%	3	36.85%	3	79.00%
Jan-18	6	43.44%	-	-	3	13.23%	3	73.08%
Feb-18	3	31.33%	-	-	1	21.06%	2	33.78%
Mar-18	4	37.99%	-	-	1	52.72%	3	31.19%
Apr-18	6	34.11%	-	-	3	33.93%	3	34.46%
May-18	3	35.31%	1	45.75%	2	26.73%	-	-
Jun-18	8	19.13%	3	18.58%	2	34.98%	3	11.42%
Jul-18	2	36.34%	1	31.81%	1	41.04%	-	-
Aug-18	7	25.21%	1	55.50%	3	22.91%	3	21.78%
Sep-18	4	18.83%	-	-	3	20.47%	1	10.68%
Oct-18	5	31.27%	-	-	3	44.67%	2	21.47%
Nov-18	6	39.80%	1	34.24%	3	33.76%	2	71.96%
Dec-18	7	17.53%	3	22.26%	1	15.75%	3	14.58%
Jan-19	5	28.99%	-	-	1	19.79%	4	30.20%
Feb-19	4	27.06%	2	15.87%	-	-	2	35.86%
Mar-19	6	35.95%	-	-	2	46.89%	4	32.63%
Apr-19	4	35.45%	1	39.66%	1	42.82%	2	31.99%
May-19	4	16.65%	2	24.16%	1	-	1	18.65%

	Provisional		Morag		Wall		MAQ	
Month of Default	Number of Sales	Weighted Average Loss Severity (%)	Number of Sales	Weighted Average Loss Severity (%)	Number of Sales	Weighted Average Loss Severity (%)	Number of Sales	Weighted Average Loss Severity (%)
Jun-19	3	18.25%	1	11.64%	-	-	2	20.58%
Jul-19	4	15.68%	-	-	1	48.08%	3	9.83%
Aug-19	2	23.79%	1	31.78%	-	-	1	11.82%
Sep-19	2	38.47%	-	-	1	57.13%	1	18.88%
Oct-19	3	42.36%	-	-	1	24.18%	2	50.57%
Nov-19	4	27.59%	1	78.44%	-	-	3	20.01%
Dec-19	1	22.27%	1	22.27%	-	-	-	-
Jan-20	2	13.29%	-	-	-	-	2	13.29%
Feb-20	4	14.01%	1	3.94%	-	-	3	28.03%
Mar-20	1	5.77%	-	-	-	-	1	5.77%
Apr-20	1	40.47%	1	40.47%	-	-	-	-
Jul-20	2	27.45%	2	27.45%	-	-	-	-
Oct-20	2	19.32%	1	33.53%	-	-	1	9.53%
Dec-20	1	55.01%	1	55.01%	-	-	-	-
Feb-21	2	33.29%	1	42.64%	-	-	1	22.46%
Mar-21	2	27.24%	1	35.01%	-	-	1	8.51%
Apr-21	-	-	-	-	-	-	-	-
May-21	-	-	-	-	-	-	-	-
Jun-21	-	-	-	-	-	-	-	-
Jul-21	-	-	-	-	-	-	-	-
Aug-21	-	-	-	-	-	-	-	-

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 (outlined separately for owner-occupied 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 2007.

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	9,208,200	1.02%	0.06%
2017	9,109,900	0.92%	0.05%
2018	9,031,000	0.88%	0.05%
2019	9,038,400	0.80%	0.06%
2020	9,001,100	0.90%	0.02%
2021 Q2	9,008,100	0.89%	0.00%

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 2007.

Year	Number of BTL Mortgages Outstanding (at end of period)	>3 months arrears rate (excluding ROR) at end of period	Repossession rate
2007	1,025,500	0.73%	0.20%
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%
2015	1,782,700	0.58%	0.17%
2016	1,854,800	0.46%	0.13%
2017	1,885,900	0.40%	0.14%
2018	1,918,400	0.37%	0.12%
2019	1,946,300	0.37%	0.14%
2020	1,992,600	0.52%	0.06%
2021 Q2	2,024,500	0.49%	0.02%

Source: UK Finance

Quarterly House Price Index

Date	UK Retail Price Index		Nationwide House Price Index (SA)*	
	Index	% annual change	Index	% annual change
1996 Q1	150.9	2.79%	103.5	0.5%
1996 Q2	152.8	2.21%	105.2	2.8%
1996 Q3	153.1	2.13%	107.1	5.2%
1996 Q4	154	2.60%	110.4	8.3%
1997 Q1	154.9	2.65%	112.4	8.6%
1997 Q2	156.9	2.68%	115.9	10.2%
1997 Q3	158.4	3.46%	120.4	12.5%
1997 Q4	159.7	3.70%	123.8	12.2%
1998 Q1	160.2	3.42%	126.6	12.7%
1998 Q2	163.2	4.02%	129.4	11.7%
1998 Q3	163.7	3.35%	131.5	9.2%
1998 Q4	164.4	2.94%	132.9	7.4%
1999 Q1	163.7	2.18%	135.7	7.2%
1999 Q2	165.5	1.41%	138.9	7.3%
1999 Q3	165.6	1.16%	143.2	9.0%
1999 Q4	166.8	1.46%	149.7	12.6%
2000 Q1	167.5	2.32%	156.3	15.2%
2000 Q2	170.6	3.08%	161.1	16.0%
2000 Q3	170.9	3.20%	160.1	11.8%
2000 Q4	172	3.12%	163.7	9.4%
2001 Q1	171.8	2.57%	169.0	8.2%
2001 Q2	173.9	1.93%	173.8	7.9%
2001 Q3	174	1.81%	180.1	12.4%
2001 Q4	173.8	1.05%	185.6	13.3%
2002 Q1	173.9	1.22%	192.1	13.7%
2002 Q2	176	1.21%	205.1	18.1%
2002 Q3	176.6	1.49%	219.1	21.7%
2002 Q4	178.2	2.53%	232.5	25.3%
2003 Q1	179.2	3.05%	241.9	25.9%
2003 Q2	181.3	3.01%	248.4	21.1%
2003 Q3	181.8	2.94%	256.6	17.1%
2003 Q4	182.9	2.64%	268.5	15.5%
2004 Q1	183.8	2.57%	280.4	15.9%
2004 Q2	186.3	2.76%	293.9	18.4%
2004 Q3	187.4	3.08%	303.8	18.4%
2004 Q4	189.2	3.44%	305.5	13.8%
2005 Q1	189.7	3.21%	308.0	9.8%
2005 Q2	191.9	3.01%	311.8	6.1%
2005 Q3	192.6	2.77%	312.4	2.8%
2005 Q4	193.7	2.38%	315.2	3.2%
2006 Q1	194.2	2.37%	323.0	4.9%
2006 Q2	197.6	2.97%	326.8	4.8%
2006 Q3	199.3	3.48%	334.0	6.9%
2006 Q4	201.4	3.98%	344.3	9.2%
2007 Q1	203	4.53%	353.9	9.5%
2007 Q2	206.3	4.40%	360.1	10.2%
2007 Q3	207.1	3.91%	365.1	9.3%
2007 Q4	209.8	4.17%	367.8	6.8%
2008 Q1	211.1	3.99%	361.9	2.3%
2008 Q2	215.3	4.36%	345.7	-4.0%

Date	UK Retail Price Index		Nationwide House Price Index (SA)*	
	Index	% annual change	Index	% annual change
2008 Q3	217.4	4.97%	327.5	-10.3%
2008 Q4	215.5	2.72%	313.4	-14.8%
2009 Q1	210.9	-0.09%	302.4	-16.4%
2009 Q2	212.6	-1.25%	305.0	-11.8%
2009 Q3	214.4	-1.38%	317.3	-3.1%
2009 Q4	216.9	0.65%	324.0	3.4%
2010 Q1	219.3	3.98%	329.3	8.9%
2010 Q2	223.5	5.13%	333.8	9.4%
2010 Q3	224.5	4.71%	331.5	4.5%
2010 Q4	227	4.66%	325.9	0.6%
2011 Q1	230.9	5.29%	328.2	-0.3%
2011 Q2	234.9	5.10%	329.7	-1.2%
2011 Q3	236.2	5.21%	330.1	-0.4%
2011 Q4	238.6	5.11%	329.7	1.2%
2012 Q1	239.6	3.77%	328.8	0.2%
2012 Q2	242.2	3.11%	326.0	-1.1%
2012 Q3	243.1	2.92%	325.0	-1.5%
2012 Q4	246	3.10%	326.1	-1.1%
2013 Q1	247.4	3.26%	329.1	0.1%
2013 Q2	249.7	3.10%	330.7	1.4%
2013 Q3	250.9	3.21%	339.1	4.3%
2013 Q4	252.5	2.64%	349.1	7.1%
2014 Q1	253.9	2.63%	359.2	9.1%
2014 Q2	256	2.52%	369.0	11.6%
2014 Q3	256.9	2.39%	374.7	10.5%
2014 Q4	257.4	1.94%	378.2	8.3%
2015 Q1	256.4	0.98%	379.9	5.8%
2015 Q2	258.5	0.98%	384.7	4.2%
2015 Q3	259.3	0.93%	388.4	3.7%
2015 Q4	260	1.01%	394.2	4.2%
2016 Q1	260	1.40%	399.7	5.2%
2016 Q2	262.2	1.43%	404.9	5.3%
2016 Q3	264.2	1.89%	409.4	5.4%
2016 Q4	265.8	2.23%	412.0	4.5%
2017 Q1	267.7	2.96%	415.7	4.0%
2017 Q2	271.5	3.55%	416.7	2.9%
2017 Q3	274.2	3.79%	419.8	2.5%
2017 Q4	276.4	3.99%	423.0	2.7%
2018 Q1	277.5	3.66%	425.7	2.4%
2018 Q2	280.6	3.35%	426.2	2.3%
2018 Q3	283.3	3.32%	428.5	2.1%
2018 Q4	284.9	3.08%	428.5	1.3%
2019 Q1	284.4	2.49%	427.4	0.4%
2019 Q2	289	2.99%	429.1	0.7%
2019 Q3	290.7	2.61%	429.8	0.3%
2019 Q4	291.1	2.18%	432.0	0.8%
2020 Q1	291.7	2.57%	437.9	2.5%
2020 Q2	292.5	1.21%	437.4	1.9%
2020 Q3	293.9	1.10%	444.7	3.5%
2020 Q4	294.4	1.13%	459.8	6.4%
2021 Q1	295.8	1.41%	465.5	6.3%
2021 Q2	302.3	3.35%	482.2	10.2%

UK Retail Price Index			Nationwide House Price Index (SA)*	
Date	Index	% annual change	Index	% annual change
2021 Q3	307.2	4.53%	490.7	10.3%

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 Agreement

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 Loans and their Related Security comprising the Portfolio (the **Mortgage Sale Agreement**).

Portfolio

Under the terms of the Mortgage Sale Agreement, on the Closing Date the Seller will (in consideration for payment of the Consideration):

- (a) sell, assign or otherwise transfer to the Issuer a portfolio of English and Welsh residential owner-occupied and buy-to-let mortgage loans each secured by (or in relation to a Shortfall Loan, previously secured by) an English Mortgage and, where applicable, other Related Security (the **English Loans**);
- (b) sell, assign or otherwise transfer to the Issuer a portfolio of Northern Irish residential owner-occupied and buy-to-let mortgage loans each secured by (or in relation to a Shortfall Loan, previously secured by) a Northern Irish Mortgage and, where applicable, other Related Security (the **Northern Irish Loans**); and
- (c) sell to the Issuer a portfolio of Scottish residential owner-occupied and buy-to-let mortgage loans each secured by (or in relation to a Shortfall Loan, previously secured by) a Scottish Mortgage and, where applicable, other Related Security (the **Scottish Loans**) and procure that the Legal Title Holders grant the Scottish Declaration of Trust in respect of the Scottish Loans and their Related Security in favour of the Issuer incorporating the termination of the trusts declared and created by the Vendor Scottish Declarations of Trust.

The English Loans and the Northern Irish Loans and their Related Security comprising the Portfolio will be assigned by way of equitable assignment by the Seller to the Issuer, while the Scottish Loans and their Related Security comprising the Portfolio will be held on trust for the Issuer by each Legal Title Holder (with the consent of the Seller) under the Scottish Declaration of Trust effective on the Closing Date, in each case referred to as the **sale** by the Seller to the Issuer of the Loans and their Related Security. The Loans and Related Security comprising the portfolio and all monies derived therefrom from time to time are referred to herein as the **Portfolio**.

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 shall comprise (a) the Closing Date Purchase Price; and (b) deferred consideration consisting of Class X Certificate Payments and 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**). No consideration will be paid by the Issuer to the Seller in respect of the Shortfall Loans.

Product Switches, Further Advances, Protective Advances and Porting

The sale of the Loans and their Related Security comprised in the Portfolio did not impose or include any obligation on the Issuer: (i) to pay or make any Further Advances; (ii) to agree to a Product Switch; (iii) to agree to any payment holiday; (iv) to agree to any Underpayment or (v) to agree to a Porting request and the obligations referred to in paragraphs (i) to (v) above (if any) remain an obligation of the relevant Originator, notwithstanding the sale of such Loans and their Related Security to the Issuer. The Servicers 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.

Where the Servicer, on behalf of the Issuer, determines that a Protective Advance is required to protect the security of a Loan, the relevant Servicer will provide notice to the Issuer (copied to the Seller and the relevant 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 relevant Servicer by or on behalf of the relevant Legal Title Holder to the extent of Collections available in the relevant Collection Account(s) (or, in the case of the Wall Portfolio, the Wall Servicer Expense Account) and shall be added to the Current Balance of the relevant Loan.

The Issuer is not obliged to make Further Advances and Principal Receipts shall not be applied by the Issuer in purchasing Further Advances. Each Servicer has covenanted not to consent to any request for a Further Advance, Product Switch or a Port which is not required to be made under the applicable Mortgage Conditions and/or any Applicable Law. After the Closing Date, if the relevant Legal Title Holder agrees to make any Further Advance in accordance with the terms of the Servicing and Legal Title Holder Deeds, then the Seller shall be obliged to buy back such Loan and its Related Security together with any other Loan secured or intended to be secured by such Related Security or any part of it (subject to the steps set out in the Mortgage Sale Agreement being taken) at an amount equal to its Current Balance as of the date of completion of such repurchase plus any expenses in connection with the servicing of the Loan payable thereon to such date or shall make an indemnity payment to the Issuer in an amount equal to the relevant Repurchase Price.

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.

Representations and Warranties

On the Closing Date, the Loan Warranties will be given by the Seller to the Issuer in respect of the Loans (excluding, for the avoidance of doubt, the Shortfall Loans) 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 Mortgage Sale Agreement (the **Loan Warranties** and each a **Loan Warranty**) include, inter alia, similar statements to the effect set out below (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also "*The Loans*" above. For the purposes of the Loan Warranties, references to the "knowledge" or "awareness" (or similar phrases) of the Seller shall be limited to the actual knowledge 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.

1. Accuracy of information provided of As of the Cut-Off Date, the information relating to each Loan in respect of the Outstanding Principal Balance of that Loan set out in the Mortgage Sale Agreement is true and accurate in all respects.

As of the Cut-Off Date, the information relating to the Loans in respect of origination date, loan maturity date, current interest rate type (including current interest rate and current interest rate margin), monthly contractual payment due, arrears balance and outward postcode of the Mortgaged Property and main account number set out in the information provided pursuant to the Mortgage Sale Agreement is true and accurate in all material respects.

2. Record-keeping (i) The Seller has, since the Purchase Date, and (ii) as far as the Seller is aware, each Vendor and each Original Seller has, during their respective ownership of the relevant Loans, kept or procured the keeping of such accounts, books and records as are necessary to show all material transactions, payments, receipts and proceedings made during that period in relation to that Loan, and (iii) all such accounts, books and records from part of the Loan Files and are in the possession of the Seller or held to its order.

3. Legal title/no encumbrance Each Legal Title Holder is the absolute unencumbered legal title holder of the relevant Loans and their Related Security (which, in the case of each Scottish Loan and its related Scottish Mortgage shall mean is in right of the creditor's part or, in respect of such Scottish Mortgages, is heritable creditor, and in the case of a Northern Irish Loan and its Mortgage shall mean is the registered owner) and is not on the Closing Date holding the same subject to any declaration of trust in favour of any other party, subject to the relevant Borrower's equity of redemption.

4. Beneficial title/no encumbrance The Seller is the absolute unencumbered beneficial owner of the Loans and their Related Security and is not holding the same subject to any declaration of trust in favour of any other party subject, in each case, only to the Mortgage Sale Agreement and the relevant Borrower's equity of redemption.

5. Holding of title deeds and customer files The Title Deeds are currently in the Seller's or relevant Servicer's possession, or held to the Seller's or relevant Legal Title Holder's order, save for those Title Deeds held or being dealt with by solicitors in accordance with the Seller's or relevant Legal Title Holder's instructions or held at the Land Registry, the Registers of Northern Ireland or the Registers of Scotland.

6. Transferability without further approvals or consents Subject in the case of the mortgage loans originated by Amber Homeloans Limited and forming part of the Wall Portfolio to the requirement to disclose to the Borrower the assignee's policies on arrears handling and the setting of interest rates at the time of sale, each Loan documented on the basis of the Standard Documentation (and so far as the Seller is aware, all mortgage loans that were not documented on the basis of the Standard Documentation) is capable of being assigned and/or sold pursuant to the Mortgage Sale Agreement without breaching the Mortgage 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.

7. Location of property Each of the Properties is situated in England, Wales, Northern Ireland or Scotland and all of the Loans in respect of Properties located in (i) England and Wales are governed by the laws of England and Wales, (ii) Scotland are governed by Scots law and (iii) Northern Ireland are governed by Northern Irish law.

8. Enforceability With respect to each Loan, so far as the Seller is aware (having made due and careful enquiries of the relevant Servicer), each such Loan constitutes legal, valid, binding and enforceable obligations of the Borrower (except that (i) enforceability may be limited by the

bankruptcy or insolvency of the relevant Borrower or other obligor in respect of the Loan or other laws of general applicability affecting the enforcement of creditors rights' generally and the court's discretion in relation to equitable remedies or by the application of the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the **UTCCR**), the Consumer Protection from Unfair Trading Regulations 2008 (the **CPUTRs**) and, in relation to Scottish Loans and their Related Security, the applicable provisions of the Conveyancing and Feudal Reform (Scotland) Act 1970 and (ii) no warranty is given in relation to any obligation of the relevant Borrower or other obligor in respect of the Loan to pay prepayment charges, mortgage administration exit fees or charges payable in the event of Borrower default).

9. Security ranking Other than in relation to MAQ Second Charge Loans, 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 (or (i) in Scotland, first ranking standard security, or (ii) in Northern Ireland, first ranking legal mortgage or charge) 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 (subject to completion of any registration or recording requirements at the Land Registry of England and Wales or the Registers of Northern Ireland (as applicable) or the Registers of Scotland (as applicable) and (in those cases) so far as the Seller is aware there is nothing to prevent that registration or recording being effected).

In relation to each MAQ Second Charge Loan:

- (i) there is also a Loan secured by a first ranking mortgage or standard security over the same Property in favour of the Legal Title Holder, the beneficial title to which is being sold by the Seller to the Issuer on the Closing Date; and
- (ii) the whole of each such Loan, including any interest, fees, costs, expenses and other amounts which are now or may in the future become due or payable under such Loan, is secured by a valid and subsisting second-ranking legal mortgage or standard security in relation to the relevant Property.

10. UTCCR To the extent that any Loan and related Mortgage is subject to the UTCCR, no action whether formal or informal has been taken by the Competition and Markets Authority, the FOS, the FCA or a qualifying body as defined in the UTCCR, against the Seller or, so far as the Seller is aware (having made due and careful enquiries of the relevant Servicer), the relevant Servicer or Legal Title Holder pursuant to the UTCCR or other applicable legislation which might restrict or prevent the operation of any material term of any Loan and related Mortgage or the enforcement thereof.

11. Administration and performance of obligations Neither the Seller nor so far as the Seller is aware (having made due and careful enquiries of the relevant Servicer) any Servicer, Legal Title Holder, Vendor or Original Seller has received any notice from any Borrower or any Competent Authority alleging that the Seller, any

Servicer, Legal Title Holder, Vendor or Original Seller has failed to, nor, to the Sellers' knowledge, are there any circumstances which would lead to an investigation by a Competent Authority being forthcoming relating to a failure to:

- (a) administer any Loan in any material respect in accordance with all Applicable Laws; or
- (b) perform its obligations as lender under the Loans in any material respect in accordance with all Applicable Laws and in accordance with the Mortgage Conditions,

other than in respect of certain historic claims in respect of the capitalisation of arrears, fees and/or charges to a mortgage balance, in relation to which the Seller warrants that all related remediation action has been concluded.

- 12. No set-off/lien No lien or right of set-off, compensation or counterclaim has been created or arisen or now exists between the Seller or (so far as the Seller is aware) the Legal Title Holder and any Borrower which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Loan.
- 13. Litigation As at the date of the Mortgage Sale Agreement, neither the Seller nor (as far as the Seller is aware having made due and careful enquiries of the relevant Servicer), any Legal Title Holder, Vendor or Original Seller has received any written notice of any litigation or claim (in each case, pending, subsisting or threatened and including, without limitation, forfeiture or irritancy proceedings and which would be reasonably likely to be upheld) and which, if so upheld, would materially reduce the value of a Loan or call 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.
- 14. Loan on pro forma terms As far as the Seller is aware, each Loan in the Portfolio and its related Mortgage was originated substantially on the basis of the 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 operating in the market of the time the relevant Loan was approved (except no warranty is given in relation to the Loans originated by Associates Capital Corporation plc and forming part of the Wall Portfolio).
- 15. Further Advances and Flexible Terms No Loan contains an obligation to make any Further Advance to or to accept any request for re-drawings, overpayments or (other than the Wall Loans) porting by any Borrower.
- 16. Compliance with obligations and rights and satisfaction with Applicable Laws The Seller and, so far as the Seller is aware, having made due and careful enquiries, the relevant Servicer (and any previous servicers), Legal Title Holder (and any predecessors in title), Vendor and Original Seller has, since the relevant Purchase Date (and, so far as the relevant Seller is

aware, the relevant lender and the servicer prior to the relevant Purchase Date):

- (a) administered each Loan in all material respects in accordance with Applicable Laws;
 - (b) charged interest, fees, expenses and all other sums due on each Loan in accordance with the Mortgage Conditions and Applicable Laws; and
 - (c) performed its obligations and exercised its rights as lender under each Loan in all material respects in accordance with Applicable Laws.

- 17. Natural person Each Borrower of a Loan in the Portfolio is a natural person, other than the Corporate Loans in which case the Borrower was incorporated in England and Wales.

- 18. Borrower non-breach of obligations and non-waiver of rights Neither the Seller nor, as far as the Seller is aware, any Servicer, Legal Title Holder, Vendor or Original Seller, as applicable, (a) has waived or agreed to waive any of its rights against any valuer, solicitor or other professional who has provided information, carried out work or given advice in connection with any Loan other than waivers or settlements that a Reasonable Prudent Mortgage Lender might make nor (b) has 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.

- 19. Consumer Credit Act Other than 4 Loans in the Wall Portfolio, no agreement for any Loan or variation of such agreement (i) at any time, is or was a regulated credit agreement within the meaning of, and as regulated by, the Consumer Credit Act 1974, (ii) constitutes any other agreement regulated or partly regulated by the Consumer Credit Act 1974, (iii) constitutes a Regulated Credit Agreement within the meaning of the RAO or (iv) is a "Consumer Buy-to-Let Mortgage Contract" as defined in the Mortgage Credit Directive Order 2015.

- 20. Broker's commission So far as the Seller is aware (having made due and careful enquiries of the Servicers), in respect of each Loan in respect of which an Originator paid to a third party or intermediary appointed by a Borrower in respect of such Loan a procuration, broker's or finder's fee or commission the existence and the amount of each such payment was clearly disclosed to the Borrower prior to the time such Loan was originated.

- 21. Payment Protection Insurance So far as the Seller is aware (having made due and careful enquiries of the Servicers), none of the relevant Originators mis-sold, or sold in breach of any relevant regulatory requirements (nor has any person or entity mis-sold on their behalf), any payment protection insurance to a Borrower in respect of any Loan.

22. Denomination of mortgage of Each Loan is denominated in, and all amounts in respect of such Loan are payable only in, pounds sterling and may not be changed by the relevant Borrower to any other currency.
23. Tax/status of loans of So far as the Seller is aware (i) no Loan advanced to a Borrower that is an individual which is assigned under the Mortgage Sale Agreement 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, 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; (ii) no Loan advanced to a Borrower that is not an individual which is assigned under the Mortgage Sale Agreement consists of or includes any "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, 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 and each such loan is one or both of: (A) a "debenture" which is not a "marketable security" for the purposes of paragraph 25 of Schedule 13 to the Finance Act 1999; and (B) "exempt loan capital" (that is, loan capital that is exempt from stamp duty on transfer under section 79(4) Finance Act 1986); and (iii) none of the property (other than the Loans) which is assigned under the Mortgage Sale Agreement consists of or includes any "stock" or "marketable securities" within the meaning of section 125 of Finance Act 2003, "chargeable securities" for the purposes of section 99 Finance Act 1986 or a "chargeable interest" for the purposes of section 48 of the Finance Act 2003, 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.

Definitions:

Corporate Loans means a Loan where the Borrower is a corporate entity.

Lending Criteria means, in respect of a Loan, the relevant lending criteria applied by the relevant Originator, as applicable, in respect of that Loan and its Related Security as such criteria applied at the date on which the relevant Loan was made.

MAQ Second Charge Loan means, in respect of certain MAQ Loans, those Loans secured by a second ranking legal charge over a Property located in England or Wales or by a second ranking standard security over a Property located in Scotland.

Purchase Date means the date on which the Seller acquired the beneficial interest in the Morag Portfolio, the Wall Portfolio and the MAQ Portfolio, as applicable, in each case pursuant to the relevant Vendor Mortgage Sale Agreement.

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, Wales, Northern Ireland and Scotland, where the Loan is secured over residential, commercial or mixed property of the type contemplated in the lending criteria of each Legal

Title Holder from time to time on terms similar to those set out in the lending criteria of each Legal Title Holder from time to time.

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. As at the Cut-Off Date there are 50 Shortfall Loans in the Provisional Portfolio with an aggregate Current Balance (as at the Cut-Off Date) of £1,752,546.73.

None of the Security Trustee, the Co-Arrangers or the Joint Lead Managers 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 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 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 and option to repurchase

If any of the Loan Warranties in respect of a Loan and/or its Related Security 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 agreed grace period, the Seller shall (subject to certain limitations below) be required to (i) pay the MSA Warranty Indemnity Amount or, at its option, (ii) repurchase the relevant Loan and its Related Security (together with any other Loan secured by, or intended to be secured by, such Related Security or any part of it) (as further described below).

If any of the Repeating Loan Warranties in respect of a Port proves to have been untrue or incorrect on the relevant Port Date by reference to the applicable facts and circumstances as at that Port Date and such breach is not capable of remedy within the agreed grace period or, if capable of remedy, is not remedied within the grace period, the Seller shall (subject to certain limitations below) be required to (i) pay the MSA Warranty Indemnity Amount or, at its option, (ii) repurchase the relevant Loan and its Related Security (together with any other Loan secured by, or intended to be secured by, such Related Security or any part of it) (as further described below). For the avoidance of doubt, the Seller will only make the Repeating Loan Warranties on any Port Date in relation to the relevant Port, and by reference to the facts and circumstances subsisting as at that Port Date.

If the Seller does not opt to repurchase the relevant Loan and its Related Security, 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 or Repeating Loan Warranty. The Seller shall be liable under the Mortgage Sale Agreement for any MSA Relevant Liabilities which remain outstanding on any Interest Payment Date, such amount being reduced by Available Revenue Receipts applied pursuant to items (i), (k), (m), (o), (q), (s) and (x) of the Pre-Enforcement Revenue Priority of Payments to the extent of any Loss recorded on the Principal Deficiency Ledger that related to an outstanding MSA Relevant Liability of the Seller, and in each case this will result in a reduction of the MSA Relevant Liabilities.

The Seller (i) will have no liability to the Issuer for breach of warranty in respect of the Loans unless the Issuer has notified the Seller in writing of such breach within the period of two years from and including the Closing Date, and (ii) shall not be required to make payment of any MSA Warranty Indemnity Amount to the extent that payment of any related MSA Warranty Indemnity Amount would result in the debit balance at such time of the Seller MSA Rebate Ledger exceeding £12,600,000. Where

the Seller is not required to make payment of any MSA Warranty Indemnity Amount because such payment would cause the debit balance of the Seller MSA Rebate Ledger to exceed £12,600,000, the amount of such unpaid MSA Warranty Indemnity Amount shall remain due and will become payable if and to the extent that such payment would subsequently no longer cause the debit balance of the Seller MSA Rebate Ledger to exceed £12,600,000 (and subject, for the avoidance of doubt, to the Issuer having notified the Seller in writing of the relevant breach giving rise to the MSA Warranty Indemnity Amount within the period of two years from and including the Closing Date).

The MSA Warranty Indemnity Amount to be paid by the Seller for any such indemnification shall be an amount sufficient to indemnify (on an after-Tax basis) and keep indemnified (on an after-Tax basis) the Issuer against all Liabilities relating to the breach of Loan Warranty or Repeating Loan Warranty, provided that the amount payable by the Seller pursuant to such indemnity shall not exceed an amount equal to the Current Balance of such Loan(s) as at the date of such indemnification payment prior to any deductions or downward balance adjustment or payments that may have been applied or made in respect of, remediation, claims or set-off related to the relevant Loan Warranty or Repeating Loan Warranty for which such Loan and its Related Security (together with any other Loan secured or intended to be secured by such Related Security or any part of it) is being indemnified plus the Issuer's costs and expenses (if any) associated with the indemnity payment. As described and subject to the above, however, if the Seller so chooses, instead of indemnifying the Issuer (on an after Tax basis) against all Liabilities relating to the breach of Loan Warranty or Repeating Loan Warranty (as the case may be), the Seller may repurchase the relevant Loan and its Related Security at the Repurchase Price (together with any other Loan secured or intended to be secured by such Related Security or any part of it).

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 Agreement.

Limitation of liability with respect to a breach of Loan Warranty or Repeating Loan Warranty

The maximum aggregate liability of the Seller in respect of all MSA Relevant Liabilities shall not exceed the aggregate of:

- (a) 10 per cent. of the Current Balance (as at the Cut-Off Date) of all Loans (excluding the Shortfall Loans) comprising the Portfolio as at the Cut-Off Date; and
- (b) any additional amounts in excess of paragraph (a) above that can be recovered by the Seller from the Vendors in respect of the same subject matter and the Loans (if any) under the Vendor Mortgage Sale Agreements.

The Seller will have no liability to the Issuer in respect of an individual claim for breach of a Loan Warranty or Repeating Loan Warranty unless the amount of the related MSA Relevant Liability exceeds £12,500 (a **De Minimis Eligible Claim**).

Where a number of claims relating to a breach of a Loan Warranty or Repeating Loan Warranty arise out of the same or similar sets of facts or circumstances, and each such individual claim would not comprise a De Minimis Eligible Claim, the Issuer will be entitled to claim the aggregate amount of such claims (an **Aggregated Claim**) where the value of the MSA Relevant Liabilities in respect of the Aggregated Claim exceeds £100,000. An Aggregated Claim where the value of the MSA Relevant Liabilities exceeds £100,000 will be a De Minimis Eligible Claim.

In addition, the Seller shall not be liable for any group of claims relating to a breach of Loan Warranty or Repeating Loan Warranty unless the aggregate amount of agreed or determined MSA Relevant Liabilities in respect of such group of claims exceeds £1,500,000 (the **Claims Threshold**).

Where the amount of agreed or determined MSA Relevant Liabilities in respect of all claims relating to a breach of Loan Warranty or Repeating Loan Warranty (excluding any claim that does not constitute a De Minimis Eligible Claim) exceeds the Aggregated Claim threshold, the Seller shall be liable for the aggregate amount of all claims relating to a breach of Loan Warranty or Repeating Loan Warranty (excluding any claim that does not constitute a De Minimis Eligible Claim) determined and not just the excess above the Aggregated Claim threshold.

The Seller shall be liable under the Mortgage Sale Agreement for any MSA Relevant Liabilities which remain unsatisfied on any Interest Payment Date. The Seller shall have no liability to the Issuer for breach of Loan Warranties or Repeating Loan Warranties to the extent that payment of any related MSA Warranty Indemnity Amount would result in the debit balance of the Seller MSA Rebate Ledger at that time exceeding £12,600,000.

Other representations and warranties

On the Closing Date, the Seller also makes certain other representations and warranties, including that:

- (a) the Seller does not require the consent of any other person or the consent, licence, approval or authorisation of any Authority or the filing, recording or enrolling of any transaction document relating to any Transaction Document to which it is a party with any court or other authority in England, Wales, Northern Ireland or Scotland (as applicable) in connection with the entering into or the performance of such Transaction Documents by the Seller; and
- (b) all acts, conditions and things required to be done, fulfilled and performed in order to:
 - (i) enable the Seller lawfully to enter into each Transaction Document to which it is a party;
 - (ii) enable the Seller lawfully to exercise its rights under and perform and comply with the obligations expressed to be assumed by it in the Transaction Documents to which it is a party;
 - (iii) ensure that the obligations expressed to be assumed by it in the Transaction Documents to which it is a party are legal, valid, binding and enforceable against it; and
 - (iv) ensure that the Transaction Documents to which it is a party are admissible in evidence in England, Wales, Northern Ireland or Scotland (as applicable),

have been done, fulfilled and performed and are in full force and effect or, as the case may be, have been effected and no steps have been taken to challenge, revoke or cancel any such authorisation obtained or effected.

Governing Law

The Mortgage Sale Agreement and any non-contractual obligations arising out of or in connection with it is governed by English law (provided that any terms of the Mortgage Sale Agreement which are particular to the law of Scotland shall be construed in accordance with Scots law and any terms of the Mortgage Sale Agreement which are particular to the laws of Northern Ireland shall be construed in accordance with Northern Irish law).

In this Prospectus, the capitalised terms below have the following definitions:

Block Buildings Policy means any block buildings insurance policy (if any) which relates to Loans in the Portfolio from time to time.

Building Policies means any buildings insurance policies and other contracts relating to freehold or heritable Properties which have been taken out in the name of the relevant Borrower or in the name of the Borrower and the Legal Title Holders or in the name of the Borrower with the Legal Title Holder's interest noted, in accordance with the applicable Mortgage Conditions, including, without limitation, any Block Buildings Policy.

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 or (in Scotland) qualified 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 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 2021.

Cut-Off Date means 30 September 2021.

English Mortgage means a first ranking legal charge (and, in respect of the MAQ Second Charge Loans, a second ranking legal charge) secured over a Property located in England or Wales.

FOS means the Financial Ombudsman Service or any successor entity that assumes its relevant functions.

Insurance Contracts means any insurance contracts or policies arranged by the Legal Title Holders from time to time relating to the Loans in the Portfolio, including any Building Policies.

Land Registry of Northern Ireland means the body responsible for recording details of land in Northern Ireland.

Loan means, unless specified otherwise, the loans sold and (as applicable) assigned by the Seller to the Issuer pursuant to the terms of the Mortgage Sale Agreement and referenced by its loan identifier number and comprising the aggregate of all principal sums, interest, costs, charges, expenses and other monies (including all Further Advances) due or owing with respect to that Loan under the relevant Mortgage Conditions to which such Loan is (or in respect of a Shortfall Loan, was) subject by a Borrower on the security of a Mortgage from time to time outstanding or, as the context may require, the Borrower's obligations in respect of the same, but excluding (for the avoidance of doubt) each Loan and its Related Security which is repurchased by the Seller pursuant to the Mortgage Sale Agreement and is no longer beneficially owned by the Issuer, and shall include, for the avoidance of doubt, the Shortfall Loans.

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 Files means the file or files relating to each Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, inter alia and where applicable, correspondence between the Borrower and the relevant Originator and including mortgage documentation applicable to each Loan, each letter of offer for that Loan, any MHA/CP Documentation (if applicable), the Valuation Report and the Certificate of Title (where available), whether in original form or otherwise.

MHA/CP Documentation means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 and/or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or the Property secured thereby.

Mortgage means:

- (a) each English Mortgage, in respect of any English Loan;
- (b) each Scottish Mortgage, in respect of any Scottish Loan; and
- (c) each Northern Irish Mortgage, in respect of any Northern Irish Loan,

which is, or is to be, sold, assigned or transferred by the Seller to or held in trust for the Issuer pursuant to:

- (i) the Mortgage Sale Agreement, in respect of any English Loan and any Northern Irish Loan; or
- (ii) the creation of the Issuer's interest as beneficiary under the Scottish Declaration of Trust, in respect of any Scottish Loan,

which secures the repayment of the relevant Loan pursuant to the Mortgage Conditions applicable to it.

Mortgage 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 each Originator, each as varied from time to time by the relevant Loan Agreement, the relevant Mortgage Deed and the Offer Conditions.

Mortgage Deed means, in respect of any Mortgage, the deed in written form creating such Mortgage (being in respect of any Scottish Loans, a standard security).

Mortgage Document means any agreement (including a Mortgage) in relation to a Loan between the relevant lender and a Borrower.

Mortgaged Property or Property means in relation to any Loan (in England, Wales and Northern Ireland) the freehold, leasehold or commonhold property or (in Northern Ireland) a fee farm grant or (in Scotland) a heritable property or property held under a long lease 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.

Northern Irish Mortgage means:

- (a) in respect of Northern Irish Properties which are registered at the Land Registry of Northern Ireland, a first ranking legal charge (or, in respect of the MAQ Second Charge Loans, a second ranking legal charge) secured over such Property located in Northern Ireland; or
- (b) in respect of Northern Irish Properties which are not registered at the Land Registry of Northern Ireland a first ranking mortgage deed (or, in respect of the MAQ Second Charge Loans, a second ranking mortgage deed), creating security over such Property located in Northern Ireland.

Northern Irish Properties means a Property located in Northern Ireland.

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.

Prudent Mortgage Servicer means:

- (a) in respect of the Morag Servicer, a leading residential mortgage servicer who is acting prudently in servicing owner-occupied or Buy-to-Let Loans and their collateral security in England and Wales, Scotland or Northern Ireland (as the case may be) which have the same or similar characteristics to the Morag Loans;
- (b) in respect of the Wall Servicer, a reasonable, prudent mortgage administrator operating in the UK residential mortgage administration outsourcing industry and who follows generally accepted good practice within that industry; and
- (c) in respect of the MAQ Servicer, a leading residential mortgage servicer who is acting prudently in servicing residential mortgage loans and their collateral security in respect of residential property in England, Wales, Scotland or Northern Ireland and which have in all material respects the same or similar characteristics to the MAQ Portfolio and are administered to standards, criteria and procedures as ought to have been applied in relation to the MAQ Portfolio; or, if the relevant content in the relevant Servicing and Legal Title Holder Deed relates to a specific Loan, as ought to have been applied in relation to such Loan.

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.

Registers of Northern Ireland means the Land Registry of Northern Ireland and/or (as the context requires) Registry of Deeds in Belfast.

Related Security means, in relation to a Loan, the security for the repayment of that Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Portfolio sold to the Issuer pursuant to the Mortgage Sale Agreement, including (without limitation):

- (a) the benefit of all affidavits, declarations, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, deeds of consent and MHA/CP Documentation relating to the relevant Mortgaged Property) from occupiers and other persons having an interest in or rights in connection with the relevant Mortgaged Property;
- (b) each right of action of the Legal Title Holders against any person (including, without limitation, any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each certificate of title and valuation report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Legal Title Holders to make or offer to make all or part of the Loan; and
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (including, the relevant Insurance Contracts and charges) deposited, charged, obtained or held in connection with the relevant Loan, Mortgage and/or Mortgaged Property and relevant Loan Files.

Repeating Loan Warranties means the Loan Warranties numbered 15, 16, 19 and 22.

Scottish Mortgage means a first ranking standard security or (in relation to the MAQ Second Charge Loans) a second ranking standard security over a Property located in Scotland.

Standard Documentation means the standard documentation of the Originators being the documents which were used by the relevant Originator at the relevant time in connection with its activities as a residential mortgage lender, a list or CD of which is set out in or appended to the Mortgage Sale Agreement, or any update or replacement therefor as permitted by the terms of the 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 Mortgaged Property and to the Related Security.

Transaction means the transaction contemplated by the Transaction Documents.

Underpayment means the amount less than the Contractual Monthly Payment as agreed between the Borrower and the relevant Originator that a Borrower is permitted to pay up to the total amount of Overpayments.

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 Originator from a valuer in respect of each Mortgaged Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable Prudent Mortgage Lender and which has been approved by the relevant officers of a Legal Title Holder.

Administration Agreement

The Issuer, the Security Trustee, the Legal Title Holders, the Seller, the Servicer Administrator and the Servicer Facilitator will enter into an administration agreement on the Closing Date (the **Administration Agreement**). The services to be provided by the Servicer Administrator (the **Servicer Administrator Services**) and the services to be provided by the Servicer Facilitator (the **Servicer Facilitator Services**) are each 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 Reports, the UK SR Investor Reports and the EU SR Investor Reports, to review those reports and to flag manifest errors or issues to the Cash Manager;
- (b) to review the Servicer Reports, UK SR Data Tapes and EU SR Data Tapes and to flag manifest errors or issues to the relevant Servicer; and
- (c) to attend meetings of each Committee in accordance with the terms of the relevant Servicing and Legal Title Holder Deed.

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 Servicers 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 liabilities 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.

Servicer Reports means the servicer report as set out in the Morag Servicing and Legal Title Holder Deed (the **Morag Servicer Reports**), the servicer monthly reports and servicer quarterly reports as set out in the Wall Servicing and Legal Title Holder Deed (the **Wall Servicer Reports**) and the monthly servicer report and the quarterly servicer report as set out in the MAQ Servicing and Legal Title Holder Deed (the **MAQ Servicer Reports**).

Servicer Facilitator Services

The Servicer Facilitator Services will be limited to: (i) procuring on behalf of the Issuer the appointment by the Issuer of a replacement Servicer and/or Legal Title Holder following termination of the appointment of a Servicer and/or Legal Title Holder; (ii) providing certain directions to the Servicers and the Legal Title Holders on behalf of the Issuer in the circumstances set out in the Servicing and Legal Title Holder Deeds; and (iii) performing any other functions imposed on the Servicer Facilitator pursuant to the Transaction Documents.

The appointment of the Servicer Facilitator may be terminated by the Issuer if any of the following events (each a **Servicer Facilitator Termination Event**) occurs:

- (a) default is made by the Servicer Facilitator in the performance or observance of any of its covenants and obligations under the Transaction Documents to which it is a party which (in the opinion of the Note Trustee) is materially prejudicial to the interests of the Noteholders of any Class and such default continues unremedied for a period of 15 Business Days after the earlier of the Servicer Facilitator becoming aware of such default and receipt by the Servicer Facilitator 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
- (b) an Insolvency Event in respect of the Servicer Facilitator,

provided that the Servicer Facilitator's appointment shall not be terminated until a successor servicer facilitator has been appointed.

Servicing and Legal Title Holder Deeds

Introduction

The Issuer, the Seller, the respective Legal Title Holder, the Security Trustee, the Servicer Facilitator and the relevant Servicer will enter into, on or about the Closing Date, the Morag Servicing and Legal Title Holder Deed in respect of the Morag Portfolio, the Wall Servicing and Legal Title Holder Deed in respect of the Wall Portfolio and the MAQ Servicing and Legal Title Holder Deed in respect of the

MAQ Portfolio (together, the **Servicing and Legal Title Holder Deeds** and each a **Servicing and Legal Title Holder Deed**), pursuant to which the Morag Servicer has agreed to service the Morag Loans in the Morag Portfolio, the Wall Servicer has agreed to service the Wall Loans in the Wall Portfolio and the MAQ Servicer has agreed to service the MAQ Loans in the MAQ Portfolio.

Appointments

On or about the Closing Date, each Servicer will be appointed by the Issuer and the relevant Legal Title Holder to service the Portfolio.

The Legal Title Holders

Each Legal Title Holder will agree to continue to hold the legal title and any other right, title, interest and benefit held by it with respect to the relevant Loans in the Portfolio, from time to time, on bare trust (or, in the case of the Scottish Loans and their Related Security, the Legal Title Holder will agree to hold the same in terms of the relevant Scottish Declaration of Trust) for and on behalf of the Issuer absolutely, and undertake not to breach any legal or regulatory requirements in relation to the Portfolio pursuant to the terms of the relevant Servicing and Legal Title Holder Deed.

The Services

The services to be provided by each of the Servicers (as agent for the Issuer and the relevant Legal Title Holder) are set out in each of the Servicing and Legal Title Holder Deeds (the **Services**).

The Services to be undertaken by each Servicer in respect of the Portfolio include, but are not limited to:

- (a) servicing, managing and administering the Loans in accordance with the applicable Servicer's policies and/or service specification (as applicable) and the standards of a Prudent Mortgage Servicer;
- (b) exercising the Issuer's and the Legal Title Holder's rights, powers and discretions under and in relation to the Loans and their Related Security;
- (c) performing other management and administration services imposed on the Servicer by the relevant Servicing and Legal Title Holder Deed;
- (d) collecting payments on the Loans and discharging Loans and Related Security upon redemption;
- (e) monitoring and, where appropriate, pursuing arrears (in accordance with the Arrears Policy and Arrears Procedures or service specification, as applicable) and enforcing the Related Security;
- (f) processing transfers of titles, notices of death or forfeitures or irritancy of leases, sale and exchange of land, account conversions, term amendments, deed amendments, compensation and enforcement notices;
- (g) dealing with all types of transactions, posting and refunding fees, setting up direct debits, payment date changes and payment holidays;
- (h) dealing with all customer correspondence on other aspects of Loans once the Loan is drawn down, including changes in customer details and changes on the customer mortgage;

- (i) dealing with Further Advances, Protective Advances, Product Switches, or Porting requests in accordance with the provisions of the Mortgage Sale Agreement, the Mortgage Conditions and the relevant Servicing and Legal Title Holder Deed;
- (j) keeping records and books of account for the Issuer in relation to the Loans and their Related Security comprised in the Portfolio;
- (k) taking all reasonable steps to ensure safe custody of all title deeds and documents in respect of the Loans and their Related Security which are in its possession;
- (l) notifying relevant Borrowers of any change in their Contractual Monthly Payment;
- (m) assisting the auditors of the Issuer and providing information to them upon reasonable prior written request;
- (n) notifying relevant Borrowers of any other matter or thing which the applicable Mortgage Conditions require them to be notified of, in the manner and at the time required by the relevant Mortgage Conditions;
- (o) subject to the provisions of the relevant Servicing and Legal Title Holder Deed, procuring and taking all reasonable steps to recover all sums due to the Issuer, including, without limitation, by the institution of proceedings and/or the enforcement of any Loan comprised in the Portfolio or any Related Security, actions against valuers/solicitors, claims under Insurance Contracts and against/at the English Land Registry, the Registers of Northern Ireland or the Registers of Scotland, as applicable, in accordance with the relevant Enforcement Procedures;
- (p) acting as collection agent for the Issuer under the Direct Debiting Scheme in accordance with the provisions of the relevant Servicing and Legal Title Holder Deed;
- (q) taking, or procuring the taking of (as applicable), all other action and doing all other things which it would be reasonable to expect a Prudent Mortgage Servicer to do in administering its loans and their Related Security;
- (r) paying any third party disbursements incurred in providing the Services from the relevant Collection Account;
- (s) keeping records for all taxation purposes (including VAT); and
- (t) consult with and/or obtain consent from (as applicable) the relevant Committee in relation to certain matters as set out in the relevant Servicing and Legal Title Holder Deed.

The Servicing Standards

The standard applied to the Morag Servicer, the Wall Servicer and the MAQ Servicer in relation to the provision of services will be the standard of a Prudent Mortgage Servicer (each, a **Servicing Standard**).

Undertakings by each Servicer

In addition to providing the Services, each Servicer has undertaken, among other things, in respect of the Portfolio, to:

- (a) administer the relevant Loans and their Related Security in accordance with all Applicable Laws and that Servicer'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 that Servicer's policies as they apply to the Loans from time to time;
- (c) subject to the terms of the relevant Servicing and Legal Title Holder Deed, maintain all approvals, authorisations, permissions, consents and licences required by that Servicer in connection with the performance of the Services and to prepare and submit on a timely basis all necessary applications and requests for any further approvals, authorisations, permissions, consents and licences required by such Servicer in connection with the performance of the Services;
- (d) comply with any reasonable and proper directions, orders and instructions which the Issuer and/or the Security Trustee may from time to time give to it in relation to the Services in accordance with the provisions of the relevant Servicing and Legal Title Holder Deed;
- (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 (or as otherwise required under the Transaction Documents) in immediately available funds for value on such due date without set-off or deduction (including, without limitation, in respect of any fees owed to it) or counterclaim, but subject to any deductions required by law;
- (f) subject to the terms of the relevant Servicing and Legal Title Holder Deed and the Wall Collection Account Agreement, transfer all monies received by direct debit from the Borrowers from the relevant Collection Account into the Transaction Account no later than the next Business Day after these amounts are identified as received in the relevant Collection Account;
- (g) not to make any material change to that Servicer's policies or service specification, without the prior written consent of the Issuer, the relevant Committee and (following an Enforcement Notice) the Security Trustee (subject to the terms of the relevant Servicing and Legal Title Holder Deed which may require consent not be unreasonably withheld, conditioned or delayed and may permit changes without consent if required in accordance with Applicable Law, or if the Servicer considers necessary in order to perform the Services to the standard of a Prudent Mortgage Servicer) and provide to the Issuer, the Seller, the relevant Legal Title Holder, the Committee and the Security Trustee a copy of any proposed material changes to the relevant Servicer's policies and/or the relevant Legal Title Holder's policies or service specification, as applicable; and
- (h) provide the loan level data required to enable the Issuer (or its nominee) to make available, prepare and/or file 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.

Setting of Interest Rates – general

Each Relevant Servicing and Legal Title Holder Deed sets out the authority of the relevant Legal Title Holder and/or Servicer to determine and set the interest rate chargeable to Borrowers, as more fully described below.

Setting of Interest Rates – Morag Loans

Subject to the terms of the Morag Servicing and Legal Title Holder Deed, the Morag Legal Title Holder has the full right, liberty and authority from time to time in respect of the Morag Portfolio:

- (a) in accordance with the relevant Mortgage Conditions, to determine, set and change the interest rate(s) applicable to the Morag Loans in accordance with the relevant Mortgage Conditions

(including as a result of a change in the Bank of England Base Rate) and Applicable Law and as may be undertaken in accordance with the standards of a Reasonable Prudent Mortgage Lender; and

- (b) to the extent that a Morag Loan is at any time subject to a standard variable rate, to change the standard variable rate applicable to such Loan if there is a change in the Bank of England Base Rate and then only in an amount up to the relevant change in the Bank of England Base Rate and it shall make any such change acting always in accordance with the relevant Mortgage Conditions, the Morag Legal Title Holder's rate setting policies or other policies, and Applicable Law, and as a Reasonable Prudent Mortgage Lender.

The Morag Servicer is required take such steps as are required by (i) the relevant Mortgage Conditions and (ii) Applicable Laws, regulation and guidance to bring each change in the rate or rates of interest to the attention of the relevant Borrowers. The Issuer bears and is responsible for postage and incidental costs arising in relation to a notification of a change in the rates of interest or Contractual Monthly Payment in relation to a Morag Loan. The Morag Servicer is required to, as soon as reasonably practicable, notify the relevant Borrowers of any changes in the Contractual Monthly Payments in relation to the relevant Loans.

In relation to any LIBOR-Linked Loans in the Morag Portfolio (the **LIBOR-linked Morag Loans**),

- (a) where the Mortgage Documents constituting a LIBOR-linked Morag Loan permit the interest rate on such loan to be amended to an alternative rate, the Morag Servicer will amend the interest rate on such loan to a reference rate set by reference to the Bank of England Base Rate, plus a credit adjustment spread and plus a margin; and
- (b) where the Mortgage Documents constituting a LIBOR-linked Morag Loan do not permit the interest rate on such loan to be amended to an alternative rate, the Morag Servicer will continue to set the interest rate by reference to a rate determined on the basis of a "synthetic" LIBOR methodology (using a forward-looking term version of the relevant risk-free rate, which is SONIA plus a margin),

unless otherwise required by Applicable Law (including any applicable guidance of any relevant government authority or regulator), the relevant Mortgage Conditions, or otherwise agreed between the Issuer (in consultation with the Committee) and the Morag Legal Title Holder from time to time, and in any case the Morag Servicer shall make any such change acting always in accordance with the relevant Mortgage Conditions, the Morag Legal Title Holder's rate setting policy, Applicable Law and as a Prudent Mortgage Servicer.

Setting of Interest Rates – MAQ Loans

Subject to the terms of the MAQ Servicing and Legal Title Holder Deed and the restrictions set out therein, from the Closing Date, each of the Issuer and the MAQ Legal Title Holder has granted the MAQ Legal Title Holder full right, liberty and authority from time to time, to the extent that a MAQ Loan is at any time subject to a standard variable rate, to change the standard variable rate applicable to such MAQ Loan in consultation with the MAQ Committee provided that Pepper shall (i) only increase such standard variable rate if there is an increase in the Bank of England Base Rate and then only in an amount up to the relevant increase in the Bank of England Base Rate and (ii) decrease the standard variable rate of interest in an amount at least equal to the relevant decrease in the Bank of England Base Rate (save that in the event that a change in the Bank of England Base Rate would result in the SVR being lower than zero per cent. then the SVR will be charged at zero per cent) and in any case it shall make any such change acting always in accordance with the relevant Mortgage Conditions, the MAQ Legal Title Holder's rate setting policies, Applicable Law and as a Prudent Mortgage Servicer. In exercising such rights, Pepper is under no 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.

The Issuer and the MAQ Legal Title Holder shall be bound by any such changes to the interest rate(s) of the applicable to the MAQ Loans.

Pepper shall take such steps as are required by (i) the relevant Mortgage Conditions and (ii) Applicable Law, regulation and guidance, to bring each change in the rate or rates of interest to the attention of the relevant Borrowers. The Issuer shall bear and be responsible for postage and incidental costs arising in relation to a notification of a change in the rates of interest or in such margin or Contractual Monthly Payment in relation to the relevant MAQ Loan. Pepper will, as soon as reasonably practicable, notify the relevant Borrowers of any changes in the Contractual Monthly Payments in relation to the relevant MAQ Loans.

In relation to any LIBOR-Linked Loans in the MAQ Portfolio (the **LIBOR-linked MAQ Loans**),

- (a) the MAQ Servicer shall provide written notice to the relevant Borrowers requesting their written consent (the **LIBOR Transition Consent**) for the rate on such LIBOR-linked MAQ Loans to be amended to SONIA; and
- (b) to the extent that no LIBOR Transition Consent has been provided for any LIBOR-linked MAQ Loans in accordance with paragraph (a), the MAQ Servicer shall change the reference rate for the LIBOR-linked MAQ Loans to a reference rate determined on the basis of a “synthetic” LIBOR methodology (using a forward-looking term version of the relevant risk-free rate, which is 3-month SONIA in the case of sterling plus a credit swap adjustment amount) after the end of 2021,

unless otherwise required by Applicable Law (including any applicable guidance of any relevant government authority or regulator), the relevant Loan Conditions, or otherwise agreed between the Issuer (in consultation with the Committee) and the MAQ Legal Title Holder from time to time, and in any case the MAQ Servicer shall make any such change acting always in accordance with the relevant Mortgage Conditions, the MAQ Legal Title Holder's rate setting policy, Applicable Law and as a Reasonable Prudent Mortgage Lender.

Setting of Interest Rates – Wall Loans

Subject to the terms of the Wall Servicing and Legal Title Holder Deed, the Issuer has granted the Wall 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 Wall Loans in consultation with the Committee, provided that the Wall 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 Wall Loan subject to a variable rate shall be set in accordance with the requirements of MCOB and TCF.

The Wall 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 Wall Servicer by the Wall Legal Title Holder and the Wall Legal Title Holder shall consult with the Issuer, the Committee and the Wall Servicer in respect of such change.

In relation to any LIBOR-Linked Loans in the Wall Portfolio (the **LIBOR-linked Wall Loans**),

- (a) where the Mortgage Document(s) of a LIBOR-linked Wall Loan permit a unilateral change to the interest rate on that loan, the Wall Servicer shall amend the rate on such loans to the reference rate set by reference to the Bank of England Base Rate; and
- (b) where the Mortgage Document(s) of a LIBOR-linked Wall Loan do not permit a unilateral change to the interest rate on that loan, the Wall Servicer shall change the reference rate for that LIBOR-linked Wall Loan to a reference rate determined on the basis of a “synthetic” version of LIBOR, provided that the Wall Servicer shall further amend the rate on such loan to the reference rate set by reference to the Bank of England Base Rate (the **Rate Transition**) if it is permitted to do so including in the following circumstances:
 - (i) the Wall Servicer provides a written notification of the Rate Transition to the borrower of the relevant LIBOR-linked Wall Loan and provides it with an option to opt out from the Rate Transition, and the borrower does not exercise that option;
 - (ii) the relevant borrower executes a variation agreement to the relevant Mortgage Document(s) agreeing to the Rate Transition; or
 - (iii) there are further regulatory or legislative changes in the United Kingdom in relation to the discontinuation of LIBOR (including any updates to the rules, regulations and guidance around “tough legacy” contracts as defined in the Financial Services Bill that was introduced to the House of Commons on 21 October 2020) which would enable the Wall Servicer to implement the Rate Transition on any LIBOR-linked Wall Loans referred to in sub-paragraph (b) in accordance with the laws and regulations in force at the time of the Rate Transition taking effect,

unless otherwise required by Applicable Law (including any applicable guidance of any relevant government authority or regulator), the relevant Mortgage Conditions, or otherwise agreed between the Issuer (in consultation with the Committee) and the Wall Legal Title Holder from time to time, and in any case the Wall Servicer shall make any such change acting always in accordance with the relevant Mortgage Conditions, the Wall Legal Title Holder's rate setting policy, Applicable Law and as a Reasonable Prudent Mortgage Lender.

Title to the Mortgages and Perfection

The Issuer (or, following the delivery of an Enforcement Notice, 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 relevant Servicer, as applicable) require that Legal Title Holder to complete the transfer by way of the assignment or assignation to the Issuer (or to its nominee) of the legal title to the Loans and their Related Security in respect of which it holds legal title 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) that 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 that 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 or, in respect of the MAQ Portfolio, a termination or resignation of the MAQ Servicer's appointment under the MAQ Servicing and Legal Title Holder Deed;
- (f) the occurrence of an Insolvency Event in relation to that 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 Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of that Legal Title Holder becoming aware of such default and receipt by that Legal Title Holder of written notice from the Issuer or (following the 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 that Legal Title Holder or, in respect of the MAQ Portfolio, a Change of Control occurs with respect to the MAQ Legal Title Holder, which (A) results in the Issuer or any relevant party being in breach of any Applicable Law, or (B) has a material adverse effect on the MAQ Legal Title Holder's ability to perform its material obligations under this Deed, provided that, if the MAQ Legal Title Holder has notified the Issuer in writing that any such Change of Control has taken place, the Issuer must deliver a termination notice within 30 days following receipt of such notice or otherwise will be deemed to have consented to the Change of Control.

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 Legal Title Holder to do in order to give effect to the terms of the assignments, assignations and transfer of legal title contemplated in the Administration Agreement, the relevant Servicing and Legal Title Holder Deed and Mortgage Sale Agreement, including:

- (a) executing or procuring the execution of the transfers and other documents referred to in the relevant 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, ensuring that such Borrowers are instructed to make all payments under the relevant 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) promptly 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 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) (in relation to the Wall Portfolio and Morag Portfolio only) 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 relevant Servicer of completion of the registration (if applicable) 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 successor legal title holder, the Seller and, following the delivery of an Enforcement Notice, the Security Trustee.

Operation of the Collection Accounts

Each Legal Title Holder has established the Collection Accounts held in its name with the Collection Account Bank in respect of the Loans comprising, in respect of the Morag Legal Title Holder, the Morag Portfolio, in respect of the Wall Legal Title Holder, the Wall Portfolio, and in respect of the MAQ Legal Title Holder, the MAQ Portfolio. Each of the Issuer and the relevant Legal Title Holder appoints the relevant Servicer as its agent to act on its behalf to manage the relevant Collection Accounts.

On the Closing Date, the Issuer, the Servicers, the Legal Title Holders, the Security Trustee and others will enter into a declaration of trust in respect of, *inter alia*, the Portfolio (the **Collection Account Declaration of Trust**) pursuant to which: (i) the Morag 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 Morag Collection Accounts (the **Morag Collection Account Trust**); (ii) the Wall 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 Wall Collection Accounts (the **Wall Collection Account Trust**); and (iii) the MAQ 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 MAQ Collection Accounts (the **MAQ Collection Account Trust**, and together with the Morag Collection Account Trust and the Wall Collection Account Trust, the **Collection Account Trusts**, and each a **Collection Account Trust**), in each case, absolutely for itself, the Issuer, the Seller and any new beneficiaries that may accede to the Collection Account Declaration of Trust, as beneficiaries in the manner and in the proportions specified in the Collection Account Declaration of 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 comprised in the Portfolio taking into account any amounts previously paid to the Issuer in respect of the Loans and their Related Security. Amounts credited to the Collection Accounts that relate to the relevant Collection Account Trust will be identified on a daily basis (each such aggregate daily amount, a **Daily Loan Amount**) (subject in the case of the Wall Collection Accounts to the provisions of the Wall Collection Account Agreement) and each Servicer will procure that amounts equal to the Daily Loan Amount constituting the relevant Issuer Trust Share will be transferred from the relevant Collection Accounts in cleared funds to the Transaction Account, in the case of Direct Debit payments, no later than 1 Business Day after its receipt and identification, in accordance with the provisions of the relevant Servicing and Legal Title Holder Deeds (subject to (i) the deduction of any amount required by the relevant Servicer to pay costs and expenses due at such time in accordance with the relevant Servicing and Legal Title Holder Deed, (ii) the retention of any agreed minimum retained balances (which in the case of the MAQ Collection Accounts shall be a direct debit float amount of £20,000 and an expense float amount of £40,000) and (iii) in the case of the Wall Collection Accounts, to the retention of an agreed aggregate amount in the Wall Collection Accounts

and the transfer of an agreed amount to the Wall Servicer Expense Account pursuant to the Wall Collection Account Agreement). Each Servicer will continue to procure such transfer, notwithstanding the change of collection accounts.

The Collection Account Declaration of Trust and any non-contractual obligations arising out of or in connection with it will be governed by English law.

The Issuer, the Wall Legal Title Holder, the Collection Account Bank and the Security Trustee will, on or about the Closing Date, enter into an agreement further regulating the operation of the Wall Collection Accounts (the **Wall Collection Account Agreement**). Pursuant to the Wall Collection Account Agreement, the parties thereto agree that at the end of each Business Day all amounts standing to the credit of the Wall Collection Accounts in excess of (i) £35,000, (ii) any amounts to be repaid to Borrowers, (iii) any direct debit reversals or cheques to be repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer account and (iv) any fees payable to the Collection Account Bank, shall be transferred by the Collection Account Bank firstly, into the Wall Servicer Expense Account, until there is a credit balance equal to £95,000 (the **Wall Servicer Expense Required Amount**); and secondly, into the Transaction Account.

In accordance with the terms of the Wall Servicing and Legal Title Holder Deed and the Wall Collection Account Agreement, the Wall Servicer has established an expense account held with the Collection Account Bank (the **Wall Servicer Expense Account**), which shall be credited up to the Wall Servicer Expense Required Amount. Funds standing to the credit of the Wall Servicer Expense Account may be applied by the Wall Servicer for the purposes of making Protective Advances and meeting the expenses of the Wall Servicer, in each case incurred in accordance with the terms of the Wall Servicing and Legal Title Holder Deed and the Wall Collection Account Agreement.

Replacement of Collection Account Bank

Subject to the provisions of the relevant Servicing and Legal Title Holder Deed and the Wall Collection Account Agreement, following (i) the occurrence of an Insolvency Event in relation to the Collection Account Bank or (ii) the Collection Account Bank ceasing to have the Collection Account Bank Rating:

- (a) in respect of the Morag Collection Account, (x) the Issuer will and (y) the Morag Legal Title Holder shall use reasonable endeavours to;
- (b) in respect of the Wall Collection Account, the Issuer shall use all reasonable endeavours (and the Collection Account Bank shall use commercially reasonable efforts to assist the Issuer) to; and
- (c) in respect of the MAQ Collection Account, the MAQ Legal Title Holder will on the written instruction of the Issuer, upon which instruction the MAQ Legal Title Holder shall be entitled to rely absolutely and without enquiry or liability to any person or regard for any facts or circumstances of which it may be aware, (with the reasonable assistance of Pepper) within 60 calendar days of receipt of such instruction use reasonable endeavours to,

in each case:

- (i) 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 relevant Collection Accounts (as applicable) in the ordinary course of its business;

- (ii) 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;
- (iii) procure that a new collection account is opened and established at the replacement institution and further procure that all amounts held on trust for the Issuer and standing to the credit of the relevant Collection Account(s) are transferred to the replacement account at such replacement institution as soon as practicable or, where the Collection Account Bank ceases to have the Collection Account Bank Rating, (i) in the case of the Morag Servicer, within 30 calendar days of such downgrade, (ii) in the case of the MAQ Legal Title Holder, as soon as practicable and within 60 calendar days of receipt of instruction from the Issuer following such downgrade and (iii) in the case of the Wall Legal Title Holder, within 60 calendar days (but not less than 35 calendar days) from the date on which the Collection Account Bank has ceased to maintain the Collection Account Bank Rating; and
- (iv) 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.

Each Legal Title Holder and each Servicer undertakes that it shall not terminate the 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 the 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) save when failure to terminate the appointment of the Collection Account Bank and appoint a replacement Collection Account Bank would cause, or could reasonably be expected to cause, some, or all of, the ratings of the Notes to be downgraded and subject to the provisions of the relevant Servicing and Legal Title Holder Deed.

Assistance in respect of Loan Warranties

Each of the Servicers has undertaken, in accordance with the terms of the Relevant Servicing and Legal Title Holder Deed, to notify the Issuer upon becoming aware of any breach or potential breach of a relevant Loan Warranty.

Further Advances, Product Switches, Protective Advances and Porting

Where a Servicer, on behalf of the Issuer, determines that a Protective Advance is required to protect the security of the relevant Loan, the relevant Servicer has covenanted to provide notice to the Issuer (copied to the Seller and the relevant 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 relevant Servicer by or on behalf of the relevant Legal Title Holder to the extent of Collections available in the relevant Collection Account(s) (or, in the case of the Wall Portfolio, the Wall Servicer Expense Account) and shall be added to the Current Balance of the relevant Loan.

Each Servicer and Legal Title Holder has covenanted not to consent to any request for a Further Advance, Product Switch or a Port which is not required to be made under the applicable Mortgage Conditions and/or any Applicable Law.

If, at any time, a Borrower requests a Further Advance, a Product Switch or a Port which is required to be made under the applicable Mortgage Conditions and/or any Applicable Law, each Servicer has

covenanted to promptly notify the Issuer, the Seller, the relevant Legal Title Holder and the Committee upon receipt of such request and it shall provide such assistance and enter into such documents as may be reasonably required.

Maintenance of Records and Reporting of Payments in relation to Payment Deferral Loans

In respect of the MAQ Portfolio, Pepper shall, in relation to each Payment Deferral Loan, maintain a Deferred Interest Record (which shall also show the Deferred Interest Receipts for the relevant period to the extent those amounts are not already included in the interest receipts reported in the MAQ Servicer Report) and shall provide a copy of the Deferred Interest Record to the Cash Manager at the same time as each MAQ Servicer Report, updated as at the end of the immediately preceding calendar month.

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 50.1 per cent. (or the representative of holders of Class Y Certificates acting in concert who together hold more than 50.1 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 Morag Portfolio (the **Morag Committee**), in respect of the Wall Portfolio (the **Wall Committee**) and in respect of the MAQ Portfolio (the **MAQ Committee**, and together the Morag Committee and the Wall Committee, the **Committees**, and each a **Committee**).

The relevant Servicer, the relevant Legal Title Holder and the Issuer (as applicable) in respect of each Servicing and Legal Title Holder Deed shall consult with the Committee Members of the relevant Committee on matters under the relevant Servicing and Legal Title Holder Deed, including but not limited to:

- (a) reviewing the outcome of any reports (including but not limited to any Investor Reports, Servicer Reports, UK SR Investor Reports, UK SR Data Tapes, EU SR Investor Reports and EU SR Data Tapes) (including in relation to any manifest errors or issues flagged to the relevant Servicer by the Servicer Administrator);
- (b) consideration of the outcome of any annual third party audit of the relevant Servicer and the right to discuss the outcome of such audit in an annual meeting with the relevant Servicer and, if a Servicer default has occurred in respect of that Servicer as identified in that audit report, the right to notify the Issuer and the Security Trustee thereof;
- (c) consideration of a material change to the relevant Servicer's or 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; and
- (d) in respect of the Wall Servicer, before taking certain restricted actions pursuant to the Wall Servicing and Legal Title Holder Deed unless the Wall Servicer, in its reasonable discretion and in accordance with its internal policies, considers it necessary or prudent to do so to ensure compliance with: (i) the terms and conditions applicable to any Wall Loan, (ii) the requirements of any Applicable Law including the requirements of FSMA and the FCA Handbook (including MCOB) and/or (iii) Principle 6 of the FCA's Principles for Businesses.

Each shall consider in good faith any recommendations or representations made by the Committee Members of the relevant Committee with respect to such consultation matters. Neither the relevant Servicer nor the relevant Legal Title Holder shall 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 or the relevant Legal Title Holder acting as a Prudent Mortgage Servicer or Reasonable Prudent Mortgage Lender, as applicable.

In addition, the relevant Committees shall have consent rights in relation to the following matters (depending on the relevant Servicer):

- (a) in the specific case of the Morag Servicer:
 - (i) replacement or termination of the Morag Servicer (except in the case of termination of the Morag Servicing and Legal Title Holder Deed by the Morag Servicer);
 - (ii) making any material modifications to the Services (other than where such modifications (A) are required in order to comply with any Requirement of Law; or (b) are considered necessary by the Morag Servicer in order to be a Prudent Mortgage Servicer or are considered necessary by the Morag Legal Title Holder in order to be a Reasonable Prudent Mortgage Lender (as applicable) and, in each case, such revision, amendment, update or introduction is being applied generally by the Morag Servicer and/or the Morag Legal Title Holder in relation to the mortgage and loan portfolios managed and/or held by the Morag Servicer or the Morag Legal Title Holder that are comparable with the Morag Portfolio);
 - (iii) delegation of a material portion of the Morag Servicer's or the Morag Legal Title Holder's power and obligations under the Morag Servicing and Legal Title Holder Deed;
 - (iv) any modifications to certain clauses in the Morag Servicing and Legal Title Holder Deed; and
 - (v) any matters expressed to be subject to the consent of the Committee or a representative nominated by the Committee pursuant to the terms of the Morag Servicing and Legal Title Holder Deed.
- (b) in the specific case of the MAQ Servicer:
 - (i) replacement or termination of the MAQ Servicer by the Issuer;
 - (ii) making any material modifications to the Pepper Service Specification where such material modifications are made other than as a result of a required change under the terms of the MAQ Servicing and Legal Title Holder Deed;
 - (iii) making any material modifications proposed to the Services; and
 - (iv) delegating or subcontracting a material part of the Services to a third party.
- (c) in the specific case of the Wall Servicer:
 - (i) replacement or termination of the Wall Servicer;
 - (ii) making any material modifications to the Procedures;
 - (iii) making any material modifications proposed to the Services;
 - (iv) delegating or subcontracting a material part of the Services to a third party; and

- (v) crediting amounts into the Transaction Account exceeding the Wall Servicer Expense Required Amount, or increasing the Wall Servicer Expense Required Amount,

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

Compensation of Topaz as the Morag Servicer

The Issuer will pay to Topaz a quarterly fee for its services under the Morag Servicing and Legal Title Holder Deed, comprising:

- (a) an annual amount payable quarterly on a pro-rata basis on each Interest Payment Date and equal to (A) an administration and management fee of 0.1 per cent. per annum of the aggregate Current Balance of all Loans at the end of each calendar month (**Master Servicing Fee**), plus (B) an administration and management fee of 0.2 per cent. per annum of the aggregate Current Balance of all Loans at the end of each calendar month (**Primary Servicing Fee**), the aggregate of the Master Servicing Fee and the Primary Servicing Fee which shall be subject to a minimum amount of: (I) on and from the Closing Date up to and including the Interest Payment Date falling in October 2022, £80,000 per calendar month, and (II) thereafter, £10,400 per calendar month (**Minimum Servicing Fee**);
- (b) £200 per Loan for processing a Loan redemption for a Borrower (**Redemption Fee**);
- (c) £65 per live Loan account that has an arrears balance with a value equal to or greater than one monthly payment as at the last day of the immediately preceding calendar month (**Arrears Fee**);
- (d) for processing certain contract variations where the Borrower is not advised in respect of such variation, £300 for each contract variation request (**Contract Variation Fee**);
- (e) for any Loan in respect of which the property to which the Loan relates has been sold and there remains a shortfall owed by the Borrower, 40 per cent. of any monies recovered from the Borrower (**Shortfall Debt Recovery Fee**);
- (f) £65 per month for each month or part month for each Loan account in relation to which the Loan or any part of the Loan remained outstanding from the Borrower (**Post Term Date Passed Fee**);
- (g) for processing a request by a Borrower for a data subject access request (**DSAR**), the Issuer shall pay to the Servicer £90 per request (**DSAR Fee**);
- (h) £30 per Loan in respect of which a COVID-19 Payment Deferral has been granted (**Payment Deferral Fee**);
- (i) £50,000 as a project fee payable on the Closing Date; and
- (j) where in any month the Cash Collected Rate in respect of all Arrears Loans is greater than 100%, Topaz shall be entitled to be paid the PBP Fee (as defined below),

in each case exclusive of VAT (together, the **Topaz Senior Servicing Fee**).

For so long as Topaz is the Morag Servicer, any remuneration payable to the Morag Servicer as a result of any annual fee adjustment under the Morag Servicing and Legal Title Holder Deed by reference to the General Index of Retail Prices for all items (including mortgage payments), or such other index as

may replace it from time to time, prepared by the Government Statistical Service and published by the Office for National Statistics (or by any government department or successor body upon which duties in connection with such index shall have devolved) (and for the avoidance of doubt, no such subordinated fee shall be due where Topaz is not the Morag Servicer), with such remuneration being exclusive of VAT (the **Topaz Subordinated Servicing Fee**, and together with the Topaz Senior Servicing Fee, the **Topaz Servicing Fee**). The Morag Servicer shall be reimbursed by the Issuer for expenses properly incurred in relation to certain redeemed loans that were held by the Morag Legal Title Holder prior to the Closing Date, including storage of data and responding to any regulatory or customer queries (such amounts being **Topaz Subordinated Servicing Expenses** and being payable subordinated in accordance with the relevant Priority of Payments).

COVID-19 Payment Deferral means a 'payment holiday' or 'payment deferral' as a result of the direct or indirect impact of the COVID-19 pandemic granted in accordance with the prevailing policies and procedures of the Legal Title Holder and Servicer which may be amended from time to time to reflect any FCA guidance, applicable law, regulation and other regulatory guidance.

The Topaz Servicing Fee is payable by the Issuer to Topaz's account 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 Topaz are exclusive of VAT.

In this section:

Arrears Loans means in respect of any month all of the Loans that have an arrears balance with a value equal to or greater than one monthly payment as at the last day of the immediately preceding calendar month.

Cash Collected Rate means for all Arrears Loans in any given month the Total Repayment Amount excluding any redemption amounts, received by Topaz expressed as a percentage of the aggregate Contractual Monthly Payments for those Arrears Loans.

Total Repayment Amount means in respect of all Arrears Loans, the aggregate of all amounts actually paid by customers in any given month towards repayment of those Arrears Loans.

PBP Fee means, a fee in respect of the Arrears Loans in any calendar month, calculated as follows:

$$\text{PBP Fee} = X\% \times \text{Total Repayment Amount}$$

where "X" is calculated by reference to the Cash Collected Rate for those Arrears Loans as follows:

Cash Collected Rate (%)	X (%)
100.01 – 101.99	1
102 – 103.99	2
104 – 105.99	4
106 – 107.99	5
108 – 109.99	6
110+	7

VAT or **value added tax** means (a) any value added tax imposed by the Value added Tax Act 1994; (b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (c) any other tax of a similar nature, whether

imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (a) or (b) above, or imposed elsewhere.

See "*Transaction Overview – Fees*" for further details.

Compensation of Morag Finance Limited as the Morag Legal Title Holder

In consideration for the Morag Legal Title Holder assuming its role as legal title holder under the Morag Servicing and Legal Title Holder Deed, the Issuer agrees to pay an amount equal to £100 per calendar month payable by the Issuer to the Morag Legal Title Holder (the **Morag Legal Title Holder Fee**) (exclusive of VAT). The Issuer shall also reimburse the Morag Legal Title Holder for all reasonable out-of-pocket costs, expenses and charges properly incurred by the Morag Legal Title Holder in acting as legal title holder (including the ongoing corporate costs and expenses of the Morag Legal Title Holder and the fees of the corporate services provider to the Morag Legal Title Holder). The Morag Legal Title Holder Fee and any costs and expenses shall be payable quarterly in accordance with the relevant Priority of Payments.

Compensation of Mars Capital as the Wall Servicer and Wall Legal Title Holder

The Issuer shall pay to the Wall Servicer a fee for its mortgage settlement and related administration services under the Wall Servicing and Legal Title Holder Deed (the **Mars Capital Servicing Fee**), comprising:

- (a) an implementation fee (inclusive of VAT) in an amount equal to £30,000 payable to the Wall Servicer on or before the first Interest Payment Date;
- (b) a base servicing fee (inclusive of VAT) payable in arrear in respect of each calendar month (a **Relevant Calendar Month**), which fee shall be the sum of the amount calculated by multiplying the Wall Fee Rate (as defined below) by the aggregate Current Balance of the Wall Loans at close of business on the last day of the month ending immediately prior to the Relevant Calendar Month multiplied by (A) 1/12th or (B) in the case of the Relevant Calendar Month during which the Closing Date occurs, the number of full days in such Relevant Calendar Month after the Closing Date, divided by 365 or (C) in the case of the Relevant Calendar Month during which any termination of the Wall Servicer's appointment becomes effective in accordance with the terms of the Wall Servicing and Legal Title Holder Deed, the number of full days in such Relevant Calendar Month up to the date on which such termination becomes effective, divided by 365; and
- (c) 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 Wall Loans serviced by the Wall Servicer where the relevant security was released during that Collection Period, calculated on a monthly basis and payable on each Interest Payment Date.

Wall Fee Rate means (i) with respect to Wall Loans whose Collections are less than or equal to 30 days in arrears, 0.13% per annum (the **Mars Base Rate**), and (ii) with respect to Wall Loans whose Collections are more than 30 days in arrears, 0.35% per annum (applicable only until such time as the relevant Loan is less than or equal to 30 days in arrears, at which point the rate shall revert to 0.13% per annum).

There is also a legal title holder fee (inclusive of VAT) payable to the Wall Legal Title Holder equal to 0.05% per annum multiplied by the Current Balance of the Wall Loans, calculated on a pro rata basis for each calendar month (the **Wall Legal Title Holder Fee**).

There is also a recharge mechanism and a further charge payable per case for closed accounts in the Wall Servicing and Legal Title Holder Deed.

The Wall Servicer shall be reimbursed for expenses properly incurred in connection with the performance of the services under the Wall Servicing and Legal Title Holder Deed (excluding (i) any rent, salaries, communications costs and any tax, PAYE and national insurance liabilities payable by the Wall Servicer, or by any sub-contractor or delegate of the Wall Servicer, relating to its staff, and (ii) the fees of any subcontractor or delegate that is performing services for the Wall Servicer that a Prudent Mortgage Servicer would ordinarily perform itself, other than Protective Advances).

The Cash Manager shall (on behalf of the Issuer) apply monies credited to the Transaction Account towards satisfaction of the Mars Capital Servicing Fees and any Liabilities of the Wall Servicer, which shall be payable in accordance with the relevant Priority of Payments.

Compensation of Pepper as the MAQ Servicer

The Issuer will pay to Pepper the Pepper Servicing Fee commencing on the Closing Date for its services under the MAQ Servicing and Legal Title Holder Deed which shall, for so long as Pepper is the MAQ Servicer, be on terms to be agreed between the Issuer and Pepper.

The Pepper Servicing Fee is payable by the Issuer to Pepper's account 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.

On the Closing Date a project fee of £76,000 (exclusive of VAT) is payable by the Issuer (the **Pepper Servicing Project Fee**).

From the Closing Date, the Issuer shall pay to the MAQ Servicer the following fees:

- (a) a base servicing fee in relation to each Collection Period, equal to the greater of: (i) an amount calculated on the basis of the number of days elapsed in that Collection Period and a 365 day year, at a rate of zero point one six six one per cent. (0.1661%) per annum on the aggregate outstanding Current Balance of the MAQ Loans, as determined as at the first day of the Collection Period; and (ii) £17,300.00 for each Collection Period (the **Pepper Base Servicing Fee**), provided that if the Pepper Base Servicing Fee exceeds 0.20% per annum of the aggregate outstanding Current Balance of the MAQ Loans serviced by the MAQ Servicer (including, for the avoidance of doubt, as a result of any Increased Pepper Servicing Fee) (the **Pepper Base Servicing Fee Cap**), the portion of the Pepper Base Servicing Fee exceeding the Pepper Base Servicing Fee Cap shall constitute Pepper Subordinated Servicing Fees and shall be subordinated in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);
- (b) an arrears fee equal to the product of £67.47 multiplied by the number of Arrears Loans or Term Expired Loans serviced by the MAQ Servicer during the Collection Period (without double counting) (the **Pepper Arrears Fee**), provided that if the Pepper Arrears Fee exceeds an amount equal to £81.00 multiplied by the number of Arrears Loans and Term Expired Loans during the Collection Period (including, for the avoidance of doubt, as a result of any Increased Pepper Servicing Fees) (the **Pepper Arrears Fee Cap**), the portion of the Pepper Arrears Fee exceeding the Pepper Arrears Fee Cap shall constitute Pepper Subordinated Servicing Fees and shall be subordinated in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);

- (c) a redemption fee in relation to each Collection Period equal to the product of £114.18 multiplied by the number of redemptions of MAQ Loans serviced by the MAQ Servicer in whole where the relevant security was released during that Collection Period (the **Pepper Redemption Fee**), provided that if the Pepper Redemption Fee exceeds an amount equal to £137.00 multiplied by the number of redemptions of MAQ Loans in whole where the relevant security was released during that Collection Period (including, for the avoidance of doubt, as a result of any Increased Pepper Servicing Fees) (the **Pepper Redemption Fee Cap**), the portion of the Pepper Redemption Fee exceeding the Pepper Redemption Fee Cap shall constitute Pepper Subordinated Servicing Fees and shall be subordinated accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable); and
- (d) a payment holiday loan fee in relation to each Collection Period equal to the product of £25.95 multiplied by the number of MAQ Loans serviced by the MAQ Servicer for which a Payment Deferral arrangement was established, extended or modified during that Collection Period (the **Pepper Payment Holiday Fee**), provided that if the Pepper Payment Holiday Fee exceeds the product of £31.00 multiplied by the number of MAQ Loans for which a Payment Deferral arrangement was established, extended or modified during that Collection Period (including, for the avoidance of doubt, as a result of any Increased Pepper Servicing Fees) (the **Pepper Payment Holiday Fee Cap**), the portion of the Pepper Payment Holiday Fee exceeding the Pepper Payment Holiday Fee Cap shall constitute Pepper Subordinated Servicing Fees, and shall be subordinated accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable),

in each case, exclusive of VAT (together, the **Pepper Servicing Fee** and any amount which is subordinated as described in paragraphs (a) to (d) above being the **Pepper Subordinated Servicing Fees** and together with the Topaz Subordinated Servicing Fees and the Topaz Subordinated Servicing Expenses, the **Subordinated Servicing Amounts**).

All fees payable to Pepper are exclusive of VAT.

The Pepper Servicing Fee shall be increased annually (**Increased Pepper Servicing Fee**) on each anniversary of the Closing Date by a rate at which the Retail Price Index has increased in the previous 12 months and such Increased Pepper Servicing Fee will be paid as the Pepper Servicing Fee.

If, on any Interest Payment Date, the Issuer has insufficient Available Revenue Receipts to make payment in full of the Pepper Subordinated Servicing Fees after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer will be entitled to defer the 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 Conditions will not constitute an Event of Default.

Removal or Resignation of a Servicer

A Servicer Termination Event shall occur if any of the following events (each, a **Servicer Termination Event**) occurs in respect of a Servicer:

- (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 Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (following the delivery 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 that 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;
- (c) 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;
- (d) the occurrence of an Insolvency Event in respect of that Servicer;
- (e) a Change of Control occurs with respect to that Servicer (in the case of the MAQ Servicer, where such Change of Control (A) results in the Issuer or any relevant party being in breach of any Applicable Law, or (B) has a material adverse effect on the MAQ Servicer's ability to perform its material obligations under the MAQ Servicing and Legal Title Holder Deed and provided that the Issuer must deliver a termination notice within 30 days following notification of such event and in the case of the Morag Servicer, subject to the consent of the Issuer (such consent not to be unreasonably withheld));
- (f) in respect of the Wall Servicer, that the Servicer or the relevant Legal Title Holder (as applicable) repudiates or otherwise disaffirms its material obligations under the relevant Servicing and Legal Title Holder Deed in writing;
- (g) in respect of the Wall Servicer and Morag Servicer, 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;
- (h) a Perfection Event occurs (being in respect of the MAQ Portfolio, a Perfection Event in respect of insolvency, default, or a Change of Control by or in relation to the MAQ Legal Title Holder):
or
- (i) in respect of the Wall Servicer, the Wall Servicer commits a persistent breach of its obligation to seek directions from the Wall Legal Title Holder before taking certain restricted actions.

Following the occurrence of a Servicer Termination Event in respect of a Servicer, the Issuer (prior to the delivery of an Enforcement Notice) or (after delivery of an Enforcement Notice) the Security Trustee may or, in the case of paragraphs (c) and (d) above, shall deliver written notice to the relevant Servicer on becoming aware of the relevant Servicer Termination Event to terminate that Servicer's appointment with effect from the date of receipt of such notice provided that that Servicer's appointment shall not be terminated until a successor servicer (the **Successor Servicer**) has been appointed.

Following delivery of such notice, the Servicer Facilitator (in consultation with the relevant Committee) shall use reasonable endeavours to identify and select a Successor Servicer (and legal title holder) 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 relevant Committee and the Security Trustee.

Promptly upon being notified of the identity of the Proposed Successor (and subject to obtaining the consents below) the Issuer shall appoint the Proposed Successor as Successor Servicer and legal title holder on substantially the same terms as the relevant Servicing and Legal Title Holder Deed.

The Committee and Security Trustee shall be required to consent to the replacement Servicer and Legal Title Holder (such consent to be given on receipt by the Security Trustee 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 shall not cause the ratings of the Notes to be withdrawn, qualified or downgraded. The relevant Servicer shall notify the Rating Agencies in writing of the identity of the Successor Servicer and legal title holder.

Prospective investors should note, however, that upon the termination of the appointment of the Wall Servicer, unless an alternative substitute servicer is appointed in accordance with the terms of the Wall Servicing and Legal Title Holder Deed, the Issuer shall use reasonable endeavours to procure that a substitute servicer is appointed within 60 days of the receipt of a notice of termination from the Wall Servicer.

Force Majeure

If the relevant Servicer is rendered unable to carry out its obligations under the relevant Servicing and Legal Title Holder Deed by any 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 (a **Force Majeure Event**), that 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 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).

In respect of the Morag Portfolio and the Wall Portfolio, the Issuer shall be permitted to treat the continued non-performance as a Servicer Termination Event after 21 calendar days and, in respect of the MAQ Portfolio, the Issuer shall be permitted to terminate the contract without cause after 15 Business Days of continued non-performance as a result of any Force Majeure Event, provided that in the opinion of the Issuer (prior to the delivery of an Enforcement Notice) or in the opinion of the Security Trustee (after the delivery of an Enforcement Notice) such default is materially prejudicial to the interests of the Noteholders of any Class and/or the Certificateholders, subject to payment of any relevant make whole fees (if any).

Resignation of the Wall Servicer

The Wall Servicer may resign and terminate its own and the Wall Legal Title Holder's appointment under the Wall Servicing and Legal Title Holder Deed at any time by giving written notice to each of the other parties to the Wall Servicing and Legal Title Holder Deed and the Committee (and subject in each case to appointment of a Successor Servicer and legal title holder as outlined above):

- (a) if the Wall 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 Wall Illegality Event occurs;
- (c) if the Issuer fails to pay any amount due to the Wall Servicer, 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 Wall Servicer requiring the same to be remedied;
- (d) if the Issuer or (in the event that the Wall Servicer is a different entity to the Wall Legal Title Holder) the Wall Legal Title Holder breaches any other covenant, obligation, representation or warranty under the Wall Servicing and Legal Title Holder Deed, which breach is materially prejudicial to the interests of the Wall Servicer, and the Issuer or (in the event that the Wall Servicer is a different entity to the Wall Legal Title Holder) the Wall 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 Wall Servicer requiring such non-compliance to be remedied;
- (e) if an Insolvency Event occurs, and is continuing, with respect to the Issuer; or
- (f) if a Perfection Event occurs and the Issuer has not given the Wall Servicer notice of the occurrence of a Servicer Termination Event within 10 Business Days of the delivery of a Perfection Notice in respect of such Perfection Event.

Upon a resignation (or termination of the appointment) of the Wall Legal Title Holder, the Wall Legal Title Holder shall effect any other acts necessary to transfer legal title to the Wall Portfolio and its Related Security, provided that the Wall Legal Title Holder shall not be required to breach any Requirement of Law or Regulatory Direction applicable to it, including without limitation, MCOB or TCF.

Resignation of the Topaz Servicer

The appointment of Topaz under the Morag Servicing and Legal Title Holder Deed may be terminated by Topaz upon the expiry of not less than 12 months' written notice of termination given by Topaz to the Issuer and to the Security Trustee (with a copy to the Seller, the Servicer Facilitator and the Morag Committee) (or by such shorter period of notice as may be agreed between Topaz, the Issuer, the Morag Committee, the Servicer Facilitator and the Security Trustee) provided that:

- (a) the Committee and the Security Trustee consent in writing to such termination, such consent in the case of the Security Trustee to be given on receipt by the Security Trustee of a certificate signed by two authorised signatories of the Issuer confirming satisfaction of the conditions in the Morag Servicing and Legal Title Holder Deed;
- (b) a Successor Servicer and legal title holder shall be appointed in accordance with the terms of the Morag Servicing and Legal Title Holder Deed, such appointment to be effective not later than the date of such termination and Topaz shall notify the Issuer with a copy to the Security Trustee in writing of the identity of such Successor Servicer; and
- (c) such substitute servicer holds all licences, approvals, authorisations, permissions and consents required in connection with the provision of the Services, including without limitation any necessary notifications under Data Protection Laws, and authorisations and permissions under the FSMA.

The costs incurred in connection with the transfer of the servicing and legal title of the Morag Loans to a new servicer and legal title holder are payable by Topaz, except if Topaz is forced to resign due to a change in Applicable Law (in which case, subject to the terms of the Morag Servicing and Legal Title Holder Deed, all such costs and expenses reasonably and properly incurred will be borne by the Issuer).

Voluntary Resignation of the MAQ Servicer

The appointment of Pepper under the MAQ Servicing and Legal Title Holder Deed may be terminated by Pepper upon the expiry of not less than 18 months' written notice of termination given by Pepper to the Issuer and to the Security Trustee (with a copy to the Seller, the Servicer Facilitator and the authorised representative of the Majority Class Y Certificateholders) (or by such shorter period of notice as may be agreed between Pepper, the Issuer, the authorised representative of the Majority Class Y Certificateholders and the Security Trustee) provided that:

- (a) the Committee and the Security Trustee consent in writing to such termination, such consent in the case of the Security Trustee to be given on receipt by the Security Trustee of a certificate signed by two authorised signatories of the Issuer confirming satisfaction of the conditions in the MAQ Servicing and Legal Title Holder Deed; and
- (b) a Successor Servicer shall be appointed by the Issuer in accordance with the terms of the MAQ Servicing and Legal Title Holder Deed, such appointment to be effective not later than the date of such termination.

The costs incurred in connection with the transfer of the servicing and legal title to the MAQ Portfolio shall be taken (i) in case of termination upon the occurrence of a Servicer Termination Event or resignation, at the cost and expense of Pepper (including, without limitation, in relation to the identification of the Successor Servicer) and (ii) in all other cases, at the sole cost and expense of the Issuer.

Termination of the MAQ Servicer upon the occurrence of a change in Applicable Law

The MAQ Servicing and Legal Title Holder Deed may be terminated by any of the parties to it after the occurrence of a change in Applicable Law upon the Issuer (on the instructions of the Committee) or (following delivery of an Enforcement Notice) the Security Trustee giving 180 days' written notice to the other parties to the MAQ Servicing and Legal Title Holder Deed or such shorter notice period that is reasonably practicable under the circumstances (and for the avoidance of doubt, the Issuer or (following delivery of an Enforcement Notice) the Security Trustee may terminate the MAQ Servicing and Legal Title Holder Deed after 15 Business Days of continued non-performance by the Servicer as a result of a Force Majeure Event as soon as reasonably practicable and in accordance with the requirements, procedures and timings set out therein, subject to the condition that a successor servicer has been appointed), provided that the parties may terminate the MAQ Servicing and Legal Title Holder Deed upon the occurrence of a change in Applicable Law only if, having used commercially reasonable endeavours, they are unable to reach an agreement in relation to appropriate terms in light of the change in Applicable Law, or mitigate or avoid the effects or application of the change in Applicable Law, to the satisfaction of all the parties to the MAQ Servicing and Legal Title Holder Deed, provided further that failure to reach an agreement as to appropriate terms or failure to mitigate the effects of the change in Applicable Law to the satisfaction of all the parties to the MAQ Servicing and Legal Title Holder Deed shall not constitute a default or breach by any party to the MAQ Servicing and Legal Title Holder Deed in the performance or observance of any of its covenants and obligations under the MAQ Servicing and Legal Title Holder Deed.

Termination of the Servicer without cause

The Issuer (on the instruction of the Committee) and subject to the consent of the Security Trustee (such consent in the case of the Security Trustee to be given on receipt by the Security Trustee of a certificate signed by two authorised signatories of the Issuer confirming satisfaction of the conditions in the Servicing and Legal Title Holder Deed), will have the ability to terminate the Servicer and Legal Title Holder in respect of any Portfolio without cause on providing the requisite notice to the relevant Servicer and Legal Title Holder and (if applicable) making payment of the relevant make whole if

termination occurs before the First Optional Redemption Date. The Issuer may terminate the Wall Servicer's and Wall Legal Title Holder's appointments (without cause) upon giving no less than 6 months' prior written notice. If the Issuer terminates such appointments prior to 4 September 2023, and the Wall Servicer and Wall Legal Title Holder are not engaged to act as Wall Servicer and/or Wall Legal Title Holder under a subsequent servicing and legal title holder deed in respect of the Wall Portfolio, the Issuer shall pay the Wall Servicer and the Wall Legal Title Holder a fee in an amount equal to the aggregate of the Mars Capital Servicing Fee (at the Mars Base Rate) and the Legal Title Holder Fee that the Wall Servicer and the Wall Legal Title Holder would have been entitled to the period from the date of termination to 4 September 2023.

The Issuer or (following delivery of an Enforcement Notice) the Security Trustee may terminate the Morag Servicing and Legal Title Holder Deed (without cause) prior to November 2023 provided that the Issuer shall pay the Morag Servicer an amount equal to the aggregate of all amounts that the Morag Servicer would have received under the Morag Servicing and Legal Title Holder Deed for the period between the date of termination of the Morag Servicing and Legal Title Holder Deed and the First Optional Redemption Date.

The Issuer or (following delivery of an Enforcement Notice) the Security Trustee may terminate the MAQ Servicing and Legal Title Holder Deed (without cause) at any time by written notice to the MAQ Servicer received not less than 180 days (or by such shorter period of notice as may be agreed between the MAQ Servicer, the Issuer and the Committee and for the avoidance of doubt, the Issuer or (following delivery of an Enforcement Notice) the Security Trustee may terminate the MAQ Servicing and Legal Title Holder Deed immediately upon the occurrence of a Force Majeure Event or a Perfection Event (that is not otherwise a Servicer Termination Event)) prior to the stated effective date of termination, provided that the Issuer shall pay the MAQ Servicer on or before the effective date of such termination, in addition to all other amounts due to it as MAQ Servicer and/or MAQ Legal Title Holder, an amount equal to the aggregate of all amounts that the MAQ Servicer would have received under the MAQ Servicing and Legal Title Holder Deed for the period between the effective date of termination of the MAQ Servicing and Legal Title Holder Deed and First Optional Redemption Date, calculated based on the average of the Pepper Servicing Fees payable to the MAQ Servicer hereunder for the last twelve Collection Periods prior to the effective date of the termination. For the avoidance of doubt, no MAQ servicer break costs will be payable if Pepper (UK) Limited is appointed in connection therewith on substantially similar terms (with such changes as are required to reflect any rating agency requirements or as reasonably required by the relevant counterparties) to be the MAQ Servicer of the MAQ Loans that are removed from the provisions under the MAQ Servicing and Legal Title Holder Deed.

Delivery of documents and records

If the appointment of any Servicer is terminated or any 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 and the Loan Files 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 such Servicer) any monies then held by such 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 and sub-contracting

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 (i) in the case of the Wall Portfolio, with the prior written consent of the Issuer, the Security Trustee and the Wall Legal Title Holder (or, following a Perfection Event, only the Issuer), (ii) in the case of

the Morag Portfolio, subject to it exercising all reasonable skill and care in the selection of any subcontractor or delegate and subject to the prior written consent of the Issuer (acting on the instructions of the Morag Committee) (such consent not to be unreasonably withheld) and (iii) in the case of the MAQ Portfolio, the committee has consulted to delegation of a material portion of the Services. 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.

The Issuer has agreed that Topaz may delegate some of the Services to KFIN Technologies Private Limited, Cognizant Worldwide Limited and/or Homeloan Management Limited and that such delegation or subcontracting will not need further consent or action by the Issuer or Security Trustee or the Morag Committee.

Enforcement Procedures

Each Servicer will, in relation to any default by a 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 relevant Servicer's policies and service specification 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) such Servicer 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; and
- (b) it is acknowledged by the Issuer and the relevant 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 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 is not prejudiced;
- (c) in respect of the Morag Servicer, it is acknowledged by the Issuer that (A) Topaz is not an expert in managing litigation proceedings and gives no warranty regarding the status, management or outcome of any litigation proceedings which arise pursuant to the enforcement of any Loan and (B) it shall be bound by all actions and decisions of Topaz undertaken in connection with such litigation proceedings which arise pursuant to the enforcement of any Loan, provided that Topaz acts as a Prudent Mortgage Servicer.

Limitation of Topaz's Liability

Topaz shall have no obligation in respect of any liabilities suffered or incurred by the Issuer and/or the Security Trustee and/or any other person as a result of the performance by Topaz of the Services save to the extent that such liabilities are suffered or incurred as a result of any Breach of Duty on the part of Topaz under the Morag Servicing and Legal Title Holder Deed or its subcontractors or delegates (and their respective directors, officers and employees).

Topaz excludes all liability for: (i) loss of profit (whether that loss is direct or indirect); (ii) loss of business opportunity, business contracts, revenue and anticipated savings (whether direct or indirect); (iii) reputational damage (whether direct or indirect); and (iv) indirect, special, punitive or consequential losses, even if such losses were foreseeable and notwithstanding that Topaz or the Morag Legal Title

Holder has been advised of the possibility that such losses were in the contemplation of the Issuer or any third party.

Topaz shall not be liable for any Latent Defects in the Morag Portfolio arising before the Closing Date and the Morag Servicer excludes all liability for any losses (whether direct, indirect or consequential) occasioned by a Latent Defect (whether or not the Morag Servicer was or subsequently became aware of such Latent Defect) unless any liability and/or loss was caused by (i) the Breach of Duty of the Morag Servicer or (ii) the fraud, breach or negligence of the Morag Servicer (or its subcontractors or delegates (and their respective directors, officers and employees)) under any other servicing agreement pursuant to which the Morag Servicer acted as servicer in respect of the Loans to the extent that the Morag Servicer would have been responsible for that loss or liability under such legacy servicing agreements.

Topaz shall indemnify each of the Issuer and the Security Trustee and their respective directors, officers and employees against any Liabilities suffered or incurred by those parties arising as a result of a Breach of Duty by Topaz or any of its subcontractors or delegates in carrying out its functions as servicer under the Morag Servicing and Legal Title Holder Deed. The maximum liability of Topaz whether in contract, tort (including negligence and breach of statutory duty) or otherwise arising out of or in connection with the Morag Servicing and Legal Title Holder Deed shall be, for all claims arising in the 12 month period commencing on the Closing Date and thereafter each successive 12 month period (or part thereof), an amount equal to 200% of the aggregate of the fees paid (or in the case of a period of less than 12 months, which would otherwise be payable to Topaz for the full 12 month period) in the 12 month period in which such claim arises, provided that Topaz does not exclude or limit its liability for:

- (a) claims relating to a failure by Topaz and its subcontractor or delegate to pay over monies received from Borrowers or in connection with the Loans; or
- (b) fraud, wilful default or for death or personal injury caused by its negligence or that of its employees or agents or for breach of any obligations not excludable by law,

or, in respect of any liabilities and losses in respect of which Topaz would have been liable under the legacy servicing agreements in respect of the Morag Portfolio (**Legacy Liabilities**), shall be subject to the cap on such liabilities under the legacy servicing agreement.

Such liability cap is in aggregate of claims against Topaz.

Limitation of Mars Capital's Liability

Except in respect of Mars Capital's gross negligence, fraud or wilful default in the performance of its obligations under the Wall Servicing and Legal Title Holder Deed, or Mars Capital'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 Mars Capital arising out of or in connection with the Wall 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 Mars Capital Servicing Fees under the Wall Servicing and Legal Title Holder Deed during the preceding year (or during the first 12 months following the date of the Wall Servicing and Legal Title Holder Deed, the amount of the Mars Capital Servicing Fees paid to the Wall Servicer or the Wall Legal Title Holder under the Wall Servicing and Legal Title Holder Deed since the date of the Wall Servicing and Legal Title Holder Deed and then annualised).

Mars Capital indemnifies the Issuer from and against any and all direct liabilities arising out of or resulting from Breach of Duty by Mars Capital (or its subcontractors or delegates) in performance of its obligations under the Wall 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 Wall

Servicer or Wall Legal Title Holder that are in aggregate less than £5,000,000 and the Wall Servicer or Wall 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 less than £5,000,000) and (b) none of the Wall Servicer or the Wall Legal Title Holder will be liable for any liabilities arising out of the bad faith, wilful misconduct or fraud of the Issuer.

Limitation of Pepper's Liability

Pepper as the MAQ Servicer shall have no obligation in respect of any liabilities suffered or incurred by the Issuer and/or the Security Trustee, the MAQ Legal Title Holder (if the MAQ Legal Title Holder is not Pepper) or any other person as a result of the failure of Pepper and its subcontractors or delegates (and their respective directors, officers and employees) to perform the Services, save to the extent that such liabilities are suffered or incurred as a result of any Breach of Duty on the part of Pepper under the MAQ Servicing and Legal Title Holder Deed and its subcontractors or delegates (and their respective directors, officers and employees).

Without prejudice to any other claims that the Issuer may have against Pepper under the MAQ Servicing and Legal Title Holder Deed, Pepper shall indemnify each of the Issuer and the Security Trustee (the **Indemnified Parties**) on demand on an after-Tax basis for any Liabilities, suffered or incurred by the Indemnified Parties in respect of any fraud or wilful default on the part of Pepper or any of its subcontractors or delegates in the performance of its obligations as MAQ Servicer or MAQ Legal Title Holder under the MAQ Servicing and Legal Title Holder Deed.

The MAQ Servicer and the MAQ Legal Title Holder exclude all liability for: (i) loss of profit (whether that loss is direct or indirect), (ii) reputational damage and (iii) indirect, special, punitive or consequential losses, even if such losses were foreseeable and notwithstanding that the MAQ Servicer or the MAQ Legal Title Holder had been advised of the possibility that such losses were in the contemplation of the Issuer or any third party.

The MAQ Legal Title Holder shall not be liable for any Latent Defects in the MAQ Portfolio arising before or after the Closing Date and the MAQ Legal Title Holder excludes all liability for any losses (whether direct, indirect or consequential) occasioned by a Latent Defect (whether or not the MAQ Legal Title Holder was or subsequently becomes aware of such Latent Defect).

The aggregate liability of Pepper as the MAQ Servicer and/or the MAQ Legal Title Holder arising out of or in connection with the MAQ Servicing and Legal Title Holder Deed and/or the other Transaction Documents, whether arising in contract, tort (including negligence) or otherwise shall be, for all claims arising in the 12-month period commencing on the Closing Date and thereafter each successive 12-month period, limited to £1,000,000, provided that Pepper does not exclude or limit its liability for:

- (a) Pepper's gross negligence, fraud or wilful default in the performance of its obligations under the MAQ Servicing and Legal Title Holder Deed;
- (b) any sum which Pepper and its respective subcontractors or delegates hold or should hold on trust for the Issuer and for which Pepper fails to account to the Issuer; or
- (c) death or personal injury caused by its negligence or that of its employees or agents or any liability which cannot be excluded or limited by Applicable Law.

Issuer indemnity

Subject to the following paragraph, the Issuer shall indemnify and keep indemnified the Wall Servicer and Wall Legal Title Holder against all direct liabilities incurred or suffered by the Wall Servicer or Legal Title Holder after the Closing Date as a result of or in connection with providing the services under the Wall Servicing and Legal Title Holder Deed, provided such liability does not arise from: (a) an act or omission of the Wall Servicer or Wall Legal Title Holder in connection with a Wall Loan and/or its Related Security which a Prudent Mortgage Servicer would not have taken in relation to that Wall Loan and/or its Related Security, (b) a Breach of Duty by the Wall Servicer or the Wall Legal Title Holder (as applicable) (or their subcontractors or delegates) of its obligations the Transaction Document or (c) any taxes, including but without limitation, any liability arising in connection with the operation of PAYE or any liability to deduct or account for national insurance contributions.

The Issuer is only liable to the Wall Legal Title Holder or to the Wall Servicer under the indemnity for liabilities suffered or incurred by the Wall Legal Title Holder or Wall Servicer (as applicable) in respect of the period from the Closing Date and for so long as it performs the role of Wall Legal Title Holder or Wall Servicer (as applicable) and continues to hold legal title to or provide the Services in respect of some or all of the Wall Portfolio. The Issuer is not liable to the Wall Legal Title Holder or to the Wall Servicer for losses or liabilities that arise as a result of acts or omissions in respect of the period prior to the Closing Date. The Wall Servicer and Wall Legal Title Holder shall, in respect of any such losses and liabilities that arise in respect of the period prior to the Closing Date, not seek to address such Liabilities, including without limitation any claims due and payable to Borrowers, by making adjustments to the Wall Loans or out of the cashflows from the Wall Loans.

The Issuer shall indemnify the Morag Servicer and the Morag Legal Title Holder from: (a) any liabilities suffered or incurred by the Morag Servicer or the Morag Legal Title Holder as a result of claims brought against the Morag Servicer or the Morag Legal Title Holder by any of the Issuer's agents, representatives, officers or employees; and (b) each action, suit, claim or demand brought or threatened by any third party (other than the Issuer but including by a Mortgage Borrower), in all cases arising out of the Morag Servicer's or the Morag Legal Title Holder's proper performance of, or acts properly performed or omissions properly made under or in accordance with, the provisions of the Morag Servicing and Legal Title Holder Deed (including without limitation the Morag Servicer also acting in accordance with the Servicing Standard), and excluding (i) any liabilities to the extent caused by the Morag Servicer's or the Morag Legal Title Holder's Breach of Duty or any Breach of Duty by the Morag Servicer's and/or the Morag Legal Title Holder's subcontractors or delegates (and their respective directors, officers and employees); (ii) any tax imposed or calculated by reference to net income, profit or gains of the Morag Servicer or the Morag Legal Title Holder or any of their subcontractors or delegates and (iii) any Legacy Liabilities (being the liabilities and losses in respect of which Topaz would have been liable under the legacy servicing agreements in respect of the Morag Portfolio).

The Issuer shall indemnify the MAQ Servicer and the MAQ Legal Title Holder against: liabilities suffered or incurred by the MAQ Servicer or the MAQ Legal Title Holder as a result of various liabilities and claims arising due to Pepper performing the services, other than where the same arise as a result of (i) the fraud or gross negligence or wilful breach in the performance of its obligations as the MAQ Servicer or the MAQ Legal Title Holder, (ii) a breach by Pepper in performing its material obligations under any Transaction Document to which it is a party or (iii) any act or omission of Pepper taken or omitted to be taken as legal title holder and /or lender of record of the applicable MAQ Loan and its Related Security during Pepper's prior engagement as legal title holder thereof by the sellers under the Original MAQ Loan Sale Agreement and the Intermediate MAQ Loan Sale Agreement, which such act or omission constituted a breach of Applicable Law or failure to service, manage and administer the MAQ Loans and their Related Security in accordance with the relevant Mortgage Conditions (in each case, other than any acts or omissions taken or omitted to be taken by Pepper on the instruction of the applicable seller under the Original MAQ Loan Sale Agreement or the Intermediate MAQ Loan Sale Agreement or its agent or designee).

Portfolio information and reporting – general

Each Servicer has covenanted to deliver a report in respect of the relevant Portfolio (which shall include, for the avoidance of doubt, a monthly data tape and principal and interest report) (each a **Servicer Report**) in the form set out in the relevant Servicing and Legal Title Holder Deed or in such other form as may be agreed between the Issuer, the Seller, the relevant Servicer and the Cash Manager from time to time. Each Servicer shall deliver the relevant Servicer Report in respect of each Collection Period to the Issuer, the Cash Manager, the Committee, the Servicer Administrator and the Security Trustee no later than 12 Business Days after the end of the relevant Collection Period.

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 Collection Period, certain loan-by-loan information in respect of each Collection Period as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards and Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards:

- (a) in relation to the Morag Loans (in respect of the Morag Servicer) (the **Morag Data Tape**);
- (b) the Wall Loans (in respect of the Wall Servicer) (the **Wall Data Tape**); and
- (c) the MAQ Loans (in respect of the MAQ Servicer) (the **MAQ Data Tape**),

and the loan level data will be provided by each Servicer in the format agreed between EuroABS, the Issuer and each Servicer on the date hereof (or such other format as agreed between each Servicer, the Issuer and EuroABS) no later than 12 Business Days after the end of the relevant Collection Period.

Each Servicer will provide reasonable assistance to the Issuer (and its nominees), the Cash Manager and the Corporate Services Provider by making available any such further information related to the Portfolio that the Issuer (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 such Servicer is capable of providing such information without additional cost or material administrative burden, or otherwise at the Issuer's cost.

Governing Law

Each Servicing and Legal Title Holder Deed and any non-contractual obligations arising out of or in connection with it is governed by English law (provided that any terms of the Servicing and Legal Title Holder Deed which are particular to the law of Scotland shall be construed in accordance with Scots law and any terms of the Servicing and Legal Title Holder Deed which are particular to the law of Northern Ireland shall be governed by Northern Irish law).

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 Agreement and the relevant Servicing and Legal Title Holder Deed: (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 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, the FCA's guidance, policies and publications relating to COVID-19 and good practice and guidance published by the FOS) and any prevailing guidance of UK Finance, including, without limitation, the most recent buy-to-let statement of practice issued by 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) above; 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.

Arrears Policy means the relevant Servicer's policy for managing Loans which are in arrears and pre-arrears financial distress.

Arrears Procedures means the relevant Servicer's procedures for managing Loans which are in arrears and pre-arrears financial distress.

Authority means any competent regulatory, prosecuting, tax or Governmental Authority in any jurisdiction, domestic or foreign.

Breach of Duty means:

- (a) in respect of the Wall Servicer or Wall Legal Title Holder, wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person;
- (b) in respect of the Morag Servicer or Morag Legal Title Holder, breach of agreement, fraud, negligence or wilful default by such person; and
- (c) in respect of the MAQ Servicer or MAQ Legal Title Holder, material breach of an agreement, fraud, negligence, illegal dealing or wilful default 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 Mortgage 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.

Deferred Interest Record means a ledger or other record maintained by each Servicer in relation to each Payment Deferral Loan which shall reflect the amount of Payment Deferral Interest applied to each such Loan and that remains outstanding from time to time.

Deferred Interest Receipts means any payments received from the relevant Borrower and determined by the relevant Servicer to be applied towards reducing the balance of the relevant Deferred Interest Record.

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.

Encumbrance has the same meaning as Security Interest.

Enforcement Procedures means the exercise, in accordance with the procedures described in the Morag Servicer's Policies, the Wall Collections Procedures or the Pepper Service Specification, as applicable, 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).

Governmental Authority means any federal, state, local, foreign, provincial, municipal or supra-national government, governmental, quasi-governmental or administrative authority, body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration, panel, commission, or other similar dispute-resolving panel or body, and any semi-governmental, legislative, or administrative, arbitral entity or authority (including any stock exchange or any self-regulatory organisation established under statute) and the term "Governmental Authority" includes any person acting on behalf of a Governmental Authority.

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 compromise 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.

Latent Defect means, (i) in respect of the Morag Portfolio, any defect in a Loan or Mortgage or any ancillary security including any defect arising from the administration of that Loan, Mortgage or ancillary security by the relevant Original Seller or any other party, the Cause of which has occurred before the Closing Date. "Cause" for the purposes of this definition shall include: (A) the manner in which the Loans have or had been set up within the Morag Servicer's Systems; and (B) the design and implementation of any administration process, whether or not the Morag Servicer continued to follow the same process after the Closing Date and (ii) in respect of the MAQ Portfolio, means any defect in a

Loan or Mortgage or ancillary security related to a Loan, or any defect in the way a Loan or Mortgage or ancillary security related to a Loan was administered by the relevant Original Seller.

Morag Servicer's Policies means the administration, arrears and enforcement policies and procedures (other than the Morag Legal Title Holder's rate setting policies) which are applied from time to time by the Morag Servicer to the Morag Loans and their Related Security.

Payment Deferral means a deferral of payments or a payment holiday granted by any of the Servicers to a Borrower in respect of a Loan because such Borrower has experienced, or is reasonably expected to experience, payment difficulties in respect of such Loan as a result of circumstances relating to coronavirus/COVID-19.

Payment Deferral Interest means, in respect of a Loan, accrued but unpaid interest due as a result of a Payment Deferral which has been capitalised (or treated and recorded as deferred or missed interest) by the relevant Servicer (including interest, if any, that accrues on any such Payment Deferral Interest).

Payment Deferral Loan means a Loan which is subject to a Payment Deferral.

Pepper Service Specification means the primary service specification and the special service specification set out in the MAQ Servicing and Legal Title Holder Deed (being the administration, arrears and enforcement policies and procedures which are applied from time to time to the MAQ Loans and the security for their repayment and which may be amended by the MAQ Servicer from time to time subject to the terms of the MAQ Servicing and Legal Title Holder Deed).

Regulatory Direction means, in relation to any person, a direction or requirement of any Authority with whose directions or requirements such person is accustomed to comply.

Requirement of Law in respect of any person shall mean:

- (a) any law, treaty, rule, requirement or regulation;
- (b) a notice by or an order of any court having jurisdiction;
- (c) a mandatory requirement of any regulatory authority having jurisdiction; or
- (d) a determination of an arbitrator or Authority,

in each case applicable to or binding upon that person or to which that person is subject or with which it is customary for it to comply.

Retail Price Index means the General Index of Retail Prices for all items (including mortgage payments), or such other index as may replace it from time to time, prepared by the Government Statistical Service and published by the Office for National Statistics (or by any government department or successor body upon which duties in connection with such index shall have evolved).

Security means a mortgage, standard security, assignation in security, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Interest means:

- (a) a mortgage, standard security, charge, pledge, lien, assignation in security or other encumbrance securing any obligation of any person;

- (b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or
- (c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.

Servicer Power of Attorney means each power of attorney granted by the Issuer in favour of the relevant Servicer on or about the Closing Date pursuant to the relevant Servicing and Legal Title Holder Deed.

Share Trust Deed means the declaration of trust dated 26 October 2021 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.

Term Expired Loans means a loan with an outstanding balance on or after the date which is 30 days after its maturity date.

UK GDPR means EU GDPR as it forms part of retained EU law (as defined in the EUWA).

Wall Collections Procedures means the collections procedures of the Wall Servicer set out in the Wall Servicing and Legal Title Holder Deed, and as amended from time to time.

Wall Illegality Event means a change of applicable law or other event outside the control of the parties to the Wall Servicing and Legal Title Holder Deed has occurred which renders the performance of the Wall Servicing and Legal Title Holder Deed or the services to be performed thereunder (or any part thereof but only provided that such part of the services is material to providing the services) illegal; or causes the loss of all or any necessary regulatory licences or authorisations, and as to any such items, the parties, using reasonable commercial efforts, are unable to agree a mutually acceptable work-around to avoid such illegality, regulatory capital increase or loss of licenses or authorities.

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, present and future in, to and under the Transaction Documents (other than the Trust Deed, the Deed of Charge, the Scottish Declaration of Trust, any Scottish Sub-Security and the Scottish Supplemental 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 rights, title, interest and benefit, present and future in, to and under the English Loans and their Related Security and the Northern Irish Loans and their Related Security and other related rights under the same 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, present and future, to, in and under the Insurance Contracts and any sums derived therefrom;
- (d) as assignment in security of the Issuer's interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the Scottish Declaration of Trust) (the **Scottish Supplemental Charge**);
- (e) a charge by way of first fixed charge over the Issuer's rights, title, interest and benefit, present and future, in and to monies now or at any time hereafter standing to the credit of the Issuer Accounts and each other account (if any) (including any securities accounts and any securities standing to the credit thereof) maintained with the Issuer Account Bank and all interest accruing from time to time thereon and the debt represented thereby;
- (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 benefit of the Issuer's rights, title, interest and benefit, present or future, under or in respect of the Collection Account Declaration of Trust;
- (g) an assignment by way of first fixed security of (and to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) all of its rights, title, interest and benefit, present and future, under or in respect of each and every trust constituted by the

Mortgage Sale Agreement, the Administration Agreement and the Servicing and Legal Title Holder Deeds;

- (h) a charge by way of first fixed charge over the Issuer's rights, title, interest and benefit, present and future, to, under or in respect of any Authorised Investments permitted to be made by the Issuer or the Cash Manager on its behalf;
- (i) 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 and future, in, or and under the Accession Undertaking to the Seller Declaration of Trust; and
- (j) a floating charge over all assets of the Issuer, including any fixed charges which may take effect as floating charges, not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security and including all of the Issuer's property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of the charges or fixed security referred to above as aforesaid).

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, except in relation to the Issuer's Scottish assets, where crystallisation will occur on the appointment of an administrative receiver or receiver or upon commencement of the winding-up of the Issuer. 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*".

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 comprised in 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 further 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. Aspects relating to Northern Irish Loans and their Related Security will be governed and construed in accordance with the laws of Northern Ireland. Aspects relating to Scottish Loans and their Related Security (including each Scottish Supplemental Charge entered into pursuant thereto) will be governed by and construed in accordance with Scots 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, (C) are rated at least A-1 by S&P, K3 by KBRA and AA (low) or R-1 (middle) by DBRS or a DBRS Equivalent Rating and (D) are not the proceeds of or income from a Matured Authorised Investment which has yet to be paid into the Transaction Account in accordance with the Cash Management Agreement; 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, (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), K3 by KBRA and AA or R-1 (high) by DBRS or a DBRS Equivalent Rating and (D) are not the proceeds of or income from a

Matured Authorised Investment which has yet to be paid into the Transaction Account in accordance with the Cash Management Agreement.

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 the relevant Legal Title Holder in favour of the Issuer and the Security Trustee on or about the Closing Date, substantially in the form set out in the relevant Servicing and Legal Title Holder Deed.

Matured Authorised Investment means an Authorised Investment which has matured or been disposed of by the Cash Manager.

Scottish Sub-Security means any Scottish standard security executed pursuant to the Deed of Charge.

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 Joint Lead Managers, the Servicers, the Legal Title Holders, the Servicer Facilitator, the Servicer Administrator, the Cash Manager, the Replacement Cash Manager Facilitator, the Issuer Account Bank, the Corporate Services Provider, the Paying Agents, the Registrar, the Agent Bank, the Collection Account Bank 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 the Mortgage Sale Agreement.

Servicer Power of Attorney means each power of attorney granted by the Issuer in favour of the relevant Servicer on or about the Closing Date pursuant to the relevant Servicing and Legal Title Holder Deed.

Transaction Documents means the Accession Undertaking to the Seller Declaration of Trust, the Administration Agreement, the Agency Agreement, the Bank Account Agreement, the Cash Management Agreement, the Collection Account Declaration of Trust, the Corporate Services Agreement, the Deed of Charge, the Issuer Power of Attorney, each Legal Title Holder Power of Attorney, 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, the Portfolio Option Deed Poll, the Scottish Declaration of Trust, the Scottish Supplemental Charge, the Seller Power of Attorney, each Servicer Power of Attorney, each Servicing and Legal Title Holder Deed, the Retention Holder Deed Poll, the Risk Retention Letter, the Share Trust Deed, the Trust Deed, the Regulatory Reporting Letter, the Wall Collection Account Agreement 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 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.

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 will be governed by 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 Payment 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 will be governed by English law.

Cash Management Agreement

On or around the Closing Date, the Cash Manager, the Replacement Cash Manager Facilitator, the Issuer, the Seller and the Security Trustee will enter into a cash management agreement (the **Cash Management Agreement**).

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, subject to receipt of the relevant data and information, including, without limitation, the Servicer Reports, 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 and any General Reserve Fund Payments required to be made (having determined whether the relevant PDL Condition has been satisfied, where applicable);
- (c) on each Calculation Date, determine the Liquidity Reserve Fund Required Amount (having determined whether the Liquidity Reserve Fund Trigger Condition has been satisfied), any amounts to be applied from the Liquidity Reserve Fund to pay Senior Revenue Amounts and any Liquidity Reserve Fund Excess Amounts;
- (d) 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 (having determined whether, in respect of the Class A2 Notes, the Class A2 PDL Condition has been satisfied and in respect of the Class B Notes, the Class B PDL Condition has been satisfied, and in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, whether such Class of Notes is the Most Senior Class, where applicable);
- (e) on each Calculation Date, determine whether the immediately following Interest Payment Date is the Class G Notes Redemption Date or the Final Redemption Date;
- (f) 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;
- (g) record credits to, and debits from, the Ledgers, as and when required; and
- (h) 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 relevant 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 (to the extent that it has been provided with the relevant data and information, including, without limitation, the Servicer Reports (where applicable)):

- (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);
 - (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 A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes are each redeemed in full (the **Class G 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 and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) 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 G 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 (v) 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*");
 - (iv) the **Liquidity Reserve Fund Ledger**, which will record amounts credited to, and debited from, the liquidity reserve fund (the **Liquidity 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 Liquidity Reserve Fund applied 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)) in accordance with the Pre-Enforcement Revenue Priority of Payments and, as a credit, amounts credited to the Liquidity Reserve Fund in accordance with item (h) 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 Liquidity Reserve Fund (see "*Credit Structure – Liquidity Reserve Fund*");
 - (v) the **MSA Warranty Claims Ledger**, which will record any MSA Warranty Indemnity Amounts due by the Seller in accordance with the Mortgage Sale Agreement. The Cash Manager will make all debits and/or credits to the MSA Warranty Claims Ledger on the basis of and in reliance on information provided to it by the Seller, the Issuer or the Servicers, as applicable. Any MSA Warranty Indemnity Amounts will be recorded

as a debit on the MSA Warranty Claims Ledger by the Cash Manager on the date that the Cash Manager is informed by the Seller, the Issuer or the relevant Servicer that such payments are due. The Cash Manager will record as a credit to the MSA Warranty Claims Ledger (A) any MSA Warranty Payments made by the Seller (with a corresponding debit being made to the Seller MSA Rebate Ledger in respect of this paragraph (A)) and (B) any Available Revenue Receipts applied pursuant to items (f), (i), (k), (m), (o), (q), (s) and (x) of the Pre-Enforcement Revenue Priority of Payments to the extent of any Loss recorded on the Principal Deficiency Ledger that related to an outstanding MSA Relevant Liability of the Seller, and in each case this will result in a reduction of the MSA Relevant Liabilities.

For the avoidance of doubt, (i) any repurchases of Loans shall not be reflected in the Seller MSA Rebate Ledger or the MSA Warranty Claims Ledger (but shall reduce the MSA Relevant Liabilities from time to time) and (ii) no amounts credited and/or debited to the Seller MSA Rebate Ledger or the MSA Warranty Claims Ledger, as applicable, shall allow for double recovery of such amounts by the Seller;

- (vi) the **Seller MSA Rebate Ledger** will be established to record any MSA Warranty Payments made by the Seller to the Issuer in accordance with the Mortgage Sale Agreement. The Cash Manager will make all debits and/or credits to the Seller MSA Rebate Ledger on the basis of and in reliance on information provided to it by the Seller, the Issuer or the Servicers, as applicable. Any MSA Warranty Payments will be recorded as a debit on the Seller MSA Rebate Ledger by the Cash Manager on the date that such amount is deposited in the Transaction Account (with a corresponding credit being made to the MSA Warranty Claims Ledger). The Cash Manager will record as a credit to the Seller MSA Rebate Ledger any MSA Warranty Rebate paid pursuant to item (bb) of the Pre-Enforcement Revenue Priority of Payments, item (j) of the Pre-Enforcement Principal Priority of Payments or item (r) of the Post-Enforcement Priority of Payments, as applicable;
 - (vii) 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 relevant 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*"); and
 - (viii) 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 and booked by the Seller, subject to the following provisions:

- (a) any investment in any Authorised Investments shall be made in the name of the Issuer;
- (b) any costs properly incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Cash Manager by the Issuer;
- (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 (assuming delivery by the relevant Servicer of the relevant Servicer Report in the form agreed between the relevant Servicer and the Cash Manager by no later than 12 Business Days after the end of the relevant Collection Period and with the assistance of the relevant Servicer provided under and pursuant to the terms of the relevant Servicing and Legal Title Holder Deed), make available to the Issuer, the Servicers, the Security Trustee, the Noteholders, the Certificateholders, the Rating Agencies, Bloomberg and Intex the investor report (the **Investor Report**) by no later than the immediately following Interest Payment Date, in the form scheduled to the Cash Management Agreement, or in such other form as is reasonably acceptable to the recipients thereof. Each such Investor Report shall be published by the Cash Manager on the website of <https://pivot.usbank.com> (or such other website as may be available for such purpose and notified by the Cash Manager to the Transaction Parties and the Rating Agencies from time to time) (the **Cash Manager Website**); which, for the avoidance of doubt, shall constitute delivery of such Investor Report without any further action on the part of the Cash Manager.

Securitisation Regulation Reporting

The Cash Manager on behalf of the Issuer shall produce and make available to the Issuer, the Corporate Services Provider, the Servicer Administrator and EuroABS: (i) 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, which shall be provided in a manner consistent with Article 7(2) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Investor Report**); and (ii) a quarterly investor report in respect of the relevant period as required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation, which shall be provided in a manner consistent with Article 7(2) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Investor Report**), in each case as soon as reasonably practicable and no later than one month following the Interest Payment Date following the Collection Period to which it relates.

The UK SR Investor Reports and the EU SR Investor Reports set out above shall be published by EuroABS on the Reporting Website as soon as reasonably practicable after being published on the Cash Manager Website and by no later than one month following the Interest Payment Date following the Collection Period to which it relates. For the avoidance of doubt, the Cash Manager Website and the Reporting Website and the contents thereof do not form part of this Prospectus.

Based upon the requirements of the UK Securitisation Regulation and EU Securitisation Regulation that are applicable as at the Closing Date, the form of investor report set out at Annex XII of the UK Article 7 Technical Standards is the same as the form of investor report set out at Annex XII of the EU Article 7 Technical Standards, and as such the Cash Manager will only be required to produce one report to satisfy the requirements of both the EU Securitisation Regulation and the UK Securitisation Regulation, until such time as the Cash Manager is notified in writing by the Issuer, the Seller, the Retention Holder or EuroABS of any changes to the prescribed templates pursuant to the EU Securitisation Regulation or the UK Securitisation Regulation (as applicable). If the Cash Manager is notified in writing of changes to the reporting templates under the EU Securitisation Regulation or the UK Securitisation Regulation (as applicable), the Cash Manager and the Issuer shall use all reasonable endeavours to consult on any changes required to the form, timing, frequency of distribution and method of distribution of the UK SR Investor Report and/or the EU SR Investor Report (as relevant) and following such consultation the Cash Manager shall provide such additional or alternative reporting and information as commercially agreed between the Cash Manager and the Issuer.

The Cash Manager (on behalf of the Issuer), upon request from the Issuer or the Corporate Services Provider, shall provide the Corporate Services Provider with such information which it holds as is required to fulfil any reporting obligations under Article 7(1)(f) and/or Article 7(1)(g) of the UK Securitisation Regulation and the EU Securitisation Regulation (as applicable).

The Cash Manager will (as authorised by the Issuer) make the information referred to above available to the Noteholders and Certificateholders, relevant competent authorities (including for the avoidance of doubt the FCA) and, upon request, to potential investors in the Notes by publication (where applicable, upon receipt) on the Cash Manager Website.

None of the reports, the Cash Manager Website or the Reporting Website or the contents thereof form part of this Prospectus.

The Cash Manager does not assume any responsibility for the Issuer's obligations as the entity responsible to fulfil the reporting obligations under the UK Securitisation Regulation or the EU Securitisation Regulation (as applicable) and the Issuer acknowledges that it is responsible for its complying with its obligations under the UK Securitisation Regulation and the EU Securitisation Regulation (as applicable). In providing the services, the Cash Manager also assumes no responsibility or liability to the Noteholders, any potential investor in the Notes or any other party (including for their use and/or onward disclosure of such information, reports or documentation) and shall have the benefit of the powers, protections and indemnities granted to it under the Transaction Documents. Any such report or other additional reports may include disclaimers excluding liability of the Cash Manager for the information provided therein.

The Servicers (each acting pursuant to the terms of the relevant Servicing and Legal Title Holder Deed) and the Issuer shall provide all relevant information required by the Cash Manager in order for the Cash Manager to prepare the UK SR Investor Reports and the EU SR Investor Reports (as applicable). The Cash Manager shall not be liable for the accuracy and completeness of the information or data that has been provided to it and the Cash Manager will not be obliged to verify, recompute, reconcile or recalculate any such information or data.

The Cash Manager shall not have any duty to monitor, enquire or satisfy itself as to the veracity, accuracy or completeness of any documentation or information provided to it or whether or not the

provision of such information accords with the UK Securitisation Regulation or EU Securitisation Regulation requirements and shall be entitled to rely conclusively upon any instructions given by (and any determination by) the Issuer (or any of the Servicers on its behalf) regarding the same, provided that such instructions are given in accordance with the Transaction Documents, and shall have no obligation, responsibility or liability whatsoever for the provision of information, reports and documentation on the Reporting Website. The Cash Manager shall not be responsible for monitoring the Issuer's compliance with the UK Securitisation Regulation or the EU Securitisation Regulation (as applicable).

The Cash Manager shall not assume or have any responsibility or liability for monitoring or ascertaining whether any person to whom the documentation, reports or information are made available to on the Reporting Website falls within the category of persons permitted or required to receive such documentation, reports or information under the transparency requirements and shall be entitled to assume that such persons are the persons to whom the documentation should be made available on the Reporting Website and shall not be liable to anyone whatsoever for so relying, assuming or doing. The information reports and documents posted on the Reporting Website shall be downloadable by any person with access to the Reporting Website.

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 (**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 of any Class, 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 (acting in accordance with the Deed of Charge), 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, with the assistance of the Replacement Cash Manager Facilitator, 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;
- (b) must be a party that the Rating Agencies have previously confirmed by whatever means such Rating Agencies consider appropriate (provided that the Issuer is permitted to and does confirm in writing (including by e-mail) to the Security Trustee that such confirmation has been obtained) the appointment of which will not cause the then current ratings of the Rated Notes to be adversely affected; and
- (c) 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 (with the assistance of the Replacement Cash Manager Facilitator), 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.

Replacement Cash Manager Facilitator

The Replacement Cash Manager Facilitator shall, within 60 days of the date on which a Cash Manager Termination Event occurs, use best efforts to identify, on behalf of the Issuer, a suitably experienced replacement Cash Manager which meets the requirements for a substitute Cash Manager provided for by the Cash Management Agreement and outlined above.

Governing Law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

The Bank Account Agreement

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date 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 will be governed by English law.

The Corporate Services Agreement

On or prior to the Closing Date, the Issuer, the Corporate Services Provider, the Share Trustee, Holdings and the Security Trustee will enter into a corporate services agreement (the **Corporate Services Agreement**) pursuant to which 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 Servicers, 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 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 will be governed by English law.

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 which, as at the Closing Date, shall be <https://www.euroabs.com/IH.aspx?d=16944> (the **Reporting Website**) and enable the Corporate Services Provider (or other relevant Transaction Party) to upload documents (including, but not limited to, any SR Significant Event Information) directly to the Reporting Website;
- (b) subject to receipt of the Morag Data Tape, the Wall Data Tape and the MAQ Data Tape from the relevant Servicers, prepare aggregated loan-by-loan information in respect of the relevant Collection Period as required by and in accordance with:
 - (i) Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Data Tape**);
 - (ii) Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Data Tape**, and together with the UK SR Data Tapes, the **SR Data Tapes**),and (A) make available the SR Data Tapes to the Cash Manager by no later than five Business Days prior to the relevant Interest Payment Date following the Collection Period to which such information relates and (B) publish the same on the Reporting Website as soon as reasonably practicable (and no later than one month after the relevant Interest Payment Date following the Collection Period to which such information relates);
- (c) subject to receipt of the Morag Data Tape, the Wall Data Tape and the MAQ Data Tape from the relevant Servicers, prepare the loan level data required to be made available and/or prepared for the purpose of the Bank of England Discount Window Facility in relation to the Loans (the **BoE Data Tape**) in respect of each Collection Period and publish the same on the Reporting Website on the relevant Interest Payment Date (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));

- (d) 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 as soon as reasonably practicable after receipt (and no later than one month after the relevant Interest Payment Date); and
- (e) 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 Servicers, the Servicer Administrator, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA, the Pensions Regulator and/or other relevant UK regulator (or their successor) and, upon request, to 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=16944>.

Governing Law

The Regulatory Reporting Letter and any non-contractual obligations arising out of or in connection with it will be governed by English law.

CREDIT STRUCTURE

The Notes are obligations of the Issuer only. The Notes are not obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, the Notes are not obligations 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 (cc) (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 on the Portfolio and (prior to the Class G Notes Redemption Date) 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 and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) 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 (v) of the Pre-Enforcement Revenue Priority of Payments. Following the Class G Notes Redemption Date,

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).

Amounts standing to the credit of the General Reserve Fund Ledger shall be used firstly to repay amounts due and payable on the Class R Notes in connection with the redemption of the Notes in accordance with Condition 8.4 (*Mandatory Redemption 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 thereafter shall be applied in accordance with the Post-Enforcement Priority of Payments.

General Reserve Fund Payment means payments required to be made pursuant to items (a) to (g) and (i) to (u) of the Pre-Enforcement Revenue Priority of Payments, subject in respect of items (j), (l), (n), (p), (r) and (t) of the Pre-Enforcement Revenue Priority of Payments to the relevant PDL Condition being satisfied.

General Reserve Fund Required Amount means an amount equal to:

- (a) on the Closing Date and on any Interest Payment Date prior to the date on which the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes are redeemed in full (the **Class G Notes Redemption Date**), an amount equal to 1.25 per cent. of the Current Balance (as at the Cut-Off Date) of all Loans (excluding the Shortfall Loans) comprising the Portfolio as at the Closing Date; and
- (b) on any Interest Payment Date falling on or after the Class G Notes Redemption Date, zero.

PDL Condition means the condition that is satisfied on the relevant Interest Payment Date (in each case calculated following the application of Available Revenue Receipts (except paragraph (e) of that definition) and prior to the application of Available Principal Receipts):

- (a) in respect of the Class A2 Notes, where either (i) the debit entry on the Class A2 Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class A2 Notes, or (ii) the Class A2 Notes are the Most Senior Class of Notes (**Class A2 PDL Condition**);
- (b) in respect of the Class B Notes, where either (i) the debit entry on the Class B Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class B Notes, or (ii) the Class B Notes are the Most Senior Class of Notes (**Class B PDL Condition**);
- (c) in respect of the Class C Notes, where either (i) the debit entry on the Class C Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class C Notes, or (ii) the Class C Notes are the Most Senior Class of Notes;
- (d) in respect of the Class D Notes, where either (i) the debit entry on the Class D Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class D Notes, or (ii) the Class D Notes are the Most Senior Class of Notes;
- (e) in respect of the Class E Notes, where either (i) the debit entry on the Class E Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount

Outstanding of the Class E Notes, or (ii) the Class E Notes are the Most Senior Class of Notes;

- (f) in respect of the Class F Notes, where either (i) the debit entry on the Class F Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class F Notes, or (ii) the Class F Notes are the Most Senior Class of Notes; and
- (g) in respect of the Class G Notes, where either (i) the debit entry on the Class G Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class G Notes, or (ii) the Class G Notes are the Most Senior Class of Notes,

and **relevant PDL Condition** means the condition related to the relevant Class.

3. **Liquidity Reserve Fund**

The liquidity reserve fund (the **Liquidity 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 Liquidity Reserve Fund Required Amount. The amount required, from time to time, to be standing to the credit of the Liquidity Reserve Fund Ledger within the Transaction Account shall be an amount equal to the Liquidity Reserve Fund Required Amount. The Issuer may invest the amounts standing to the credit of the Liquidity Reserve Fund Ledger from time to time in Authorised Investments.

On and from the first Interest Payment Date, the Liquidity Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts (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 Liquidity Reserve Fund will be credited up to the Liquidity Reserve Fund Required Amount in accordance with item (h) of the Pre-Enforcement Revenue Priority of Payments. On and from the first Interest Payment Date, any Liquidity Reserve Fund Excess Amount will be available to be applied as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

Amounts standing to the credit of the Liquidity Reserve Fund Ledger shall be used firstly to repay amounts due and payable on the Class R Notes in connection with the redemption of the Notes in accordance with Condition 8.4 (*Mandatory Redemption 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 thereafter shall be applied in accordance with the Post-Enforcement Priority of Payments.

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

Liquidity Reserve Fund Required Amount means an amount calculated as follows:

- (a) on the Closing Date, an amount equal to 0.50 per cent. of the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes;

- (b) on any Interest Payment Date on which the Liquidity Reserve Fund Trigger Condition is not satisfied, the lower of:
 - (i) an amount equal to 0.50 per cent. of the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes as at the Closing Date; and
 - (ii) an amount equal to 1.00 per cent. of the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes as at such Interest Payment Date (as determined prior to any redemptions of the Class A1 Notes and the Class A2 Notes on such Interest Payment Date); and
- (c) on any Interest Payment Date on which the Liquidity Reserve Fund Trigger Condition is satisfied, an amount equal to 1.00 per cent. of the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes as at such Interest Payment Date (as determined prior to any redemptions of the Class A1 Notes and the Class A2 Notes on such Interest Payment Date).

Liquidity Reserve Fund Trigger Condition means the condition which is satisfied where, on the relevant Interest Payment Date, the amount standing to the credit of the General Reserve Fund as at such Interest Payment Date (after application of Available Revenue Receipts) would be less than 1.00 per cent. of the Current Balance (as at the Cut-Off Date) of all Loans (excluding the Shortfall Loans) comprising the Portfolio on the Closing Date (and for the purposes of making such determination, the Cash Manager shall determine the amount that would be standing to the credit of the General Reserve Fund after the application of Available Revenue Receipts on the basis of the Liquidity Reserve Fund Trigger Condition not being satisfied).

Senior Revenue Amounts means all payments required to be made pursuant to items (a) to (e) and (g) of the Pre-Enforcement Revenue Priority of Payments.

4. Use of Available Principal Receipts to pay a Revenue Shortfall

On each Calculation Date prior to the service of an Enforcement Notice or the Class G Notes Redemption Date, 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 Payment due on the Class X Certificates) (the **Principal Addition Amounts**), subject in respect of item (g) of the Pre-Enforcement Revenue Priority of Payments, to the Class A2 PDL Condition being satisfied and in respect of item (j) of the Pre-Enforcement Revenue Priority of Payments, to the Class B PDL Condition being satisfied, and in respect of items (l), (n), (p), (r) and (t) of the Pre-Enforcement Revenue Priority of Payments, to the relevant Class of Notes being the Most Senior Class.

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), (e)(i), (g), (j), (l), (n), (p), (r) and (t) of the Pre-Enforcement Revenue Priority of Payments.

5. **Principal Deficiency Ledger**

A Principal Deficiency Ledger will be established to record any Losses affecting the Loans (excluding any losses or non-recoveries in respect of Shortfall Loans) in the Portfolio and any Principal Addition Amounts applied as Available Revenue Receipts. The **Principal Deficiency Ledger** will comprise nine sub-ledgers: the Principal Deficiency Ledger relating to the Class A1 Notes (the **Class A1 Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class A2 Notes (the **Class A2 Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class B Notes (the **Class B Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class C Notes (the **Class C Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class D Notes (the **Class D Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class E Notes (the **Class E Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class F Notes (the **Class F Principal Deficiency Sub-Ledger**), the Principal Deficiency Ledger relating to the Class G Notes (the **Class G 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 (excluding any Shortfall Loans) 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 Servicers 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 G Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class G Notes; (c) third, to the Class F Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class F Notes; (d) fourth, to the Class E Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class E Notes; (e) fifth, to the Class D Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class D Notes; (f) sixth, to the Class C Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class C Notes; (g) seventh, to the Class B Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes; (h) eighth, to the Class A2 Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A2 Notes; and (i) ninth, to the Class A1 Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A1 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 any Available Revenue Receipts applied pursuant to items (f), (i), (k), (m), (o), (q), (s) and (x) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).

6. **MSA Warranty Indemnity Amounts and MSA Warranty Rebates**

A ledger will be established to record any MSA Warranty Indemnity Amounts due by the Seller in accordance with the Mortgage Sale Agreement (the **MSA Warranty Claims Ledger**). The Cash Manager will make all debits and or credits to the MSA Warranty Claims Ledger on the basis of and on reliance on information provided to it by the Issuer, the Seller and/or the Servicers. Any MSA Warranty Indemnity Amounts will be recorded as a debit on the MSA

Warranty Claims Ledger by the Cash Manager on the date that the Cash Manager is informed by the Seller or the Issuer that such payments are due.

The Cash Manager will record as a credit to the MSA Warranty Claims Ledger (i) any MSA Warranty Payments made by the Seller (with a corresponding debit being made to the Seller MSA Rebate Ledger) and (ii) any Available Revenue Receipts applied pursuant to items (i), (k), (m), (o), (q), (s) and (x) of the Pre-Enforcement Revenue Priority of Payments to the extent of any Loss recorded on the Principal Deficiency Ledger that related to an outstanding MSA Relevant Liability of the Seller, and in each case this will result in a reduction of the MSA Relevant Liabilities.

A ledger will be established to record any MSA Warranty Payments made by the Seller to the Issuer in accordance with the Mortgage Sale Agreement (the **Seller MSA Rebate Ledger**). The Cash Manager will make all debits and/or credits to the Seller MSA Rebate Ledger on the basis of, and on reliance on, information provided to it by the Issuer, the Seller and/or the Servicers. Any MSA Warranty Payments will be recorded as a debit on the Seller MSA Rebate Ledger by the Cash Manager on the date that such amount is deposited in the Transaction Account (with a corresponding credit being made to the MSA Warranty Claims Ledger). The Cash Manager will record as a credit to the Seller MSA Rebate Ledger any MSA Warranty Rebate paid pursuant to item (bb) of the Pre-Enforcement Revenue Priority of Payments, item (j) of the Pre-Enforcement Principal Priority of Payments or item (r) of the Post-Enforcement Priority of Payments, as applicable.

MSA Warranty Indemnity Amount means any amounts which the Issuer is entitled to claim (following any applicable grace periods) from the Seller in respect of any representations, warranties, undertakings, covenants and indemnities provided to the Issuer by the Seller in respect of the relevant Loan and Related Security pursuant to the Mortgage Sale Agreement.

MSA Warranty Payment means any amounts which the Seller pays to the Issuer in respect of the MSA Warranty Indemnity Amount due pursuant to the Mortgage Sale Agreement (excluding (i) amounts which the Seller receives from the relevant Vendor in respect of any representations, warranties, undertakings, covenants and indemnities provided to the Seller by the relevant Vendor in respect of the relevant Loan and Related Security pursuant to the relevant Vendor Mortgage Sale Agreement and (ii) the purchase price paid in respect of any Loan which the Seller elects to repurchase following service of a Loan Remedy Notice).

MSA Warranty Rebate means the amount paid by the Issuer pursuant to the Priority of Payments to compensate the Seller for any MSA Warranty Payment not previously compensated.

7. 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 interest due in respect of the Notes (other than the Class A1 Notes) or the payment due on the Class X Certificates that would otherwise be payable (absent the deferral provisions in respect of the Notes and the Class X Certificates), then, other than in respect of the Class A1 Notes, the Issuer will be entitled under Condition 17 (*Subordination by Deferral*) and

Certificate Condition 18 (*Subordination by Deferral*), as applicable, 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 Conditions will not constitute an Event of Default. Failure to pay interest on the Class A1 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 (f) below; (e) the proceeds of any Loan Repurchase attributable to interest; (f) the proceeds of any payment by the Seller to the Issuer under the Mortgage Sale Agreement (other than in relation to a Loan Repurchase) (whether attributable to interest or principal) and (g) any other amounts received by the Issuer in respect of the Loans and their Related Security that do not represent Principal 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 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 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 Liquidity Reserve Fund 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 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 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 amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) of this definition));
- (h) any amounts standing to the credit of the Liquidity Reserve Fund to pay Senior Revenue Amounts (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
- (i) any Available Principal Receipts to be applied as Available Revenue Receipts pursuant to item (m) of the Pre-Enforcement Principal Priority of Payments;

less

- (j) 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;
 - (ii) payments of certain insurance premiums 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 account of the Legal Title Holder, as applicable;
 - (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; and
 - (v) any Borrower Fees (and other fees) charged to a Borrower by the Servicers (for the avoidance of doubt, excluding Recovery Proceeds but including any Shortfall Debt Recovery Fees), which are permitted to be retained by the Servicers in accordance with the Servicing and Legal Title Holder Deeds,

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

- (k) 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

- (l) (taking into account any amount paid by way of Permitted Withdrawals) amounts to remedy any overdraft in relation to the relevant Collection Account of the relevant Legal Title Holder, or to pay any amounts due to the Collection Account Bank in respect of the Loans.

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 and expenses 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 and expenses 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 Replacement Cash Manager Facilitator and any fees, costs, charges, liabilities and expenses then due to the Replacement Cash Manager Facilitator under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;
 - (iv) (a) for so long as (i) Topaz Finance Limited is the servicer in respect of the Morag Portfolio, the Topaz Servicing Fee (excluding the Topaz Subordinated Servicing Fees), (ii) Mars Capital Finance Limited is the servicer in respect of the Wall Portfolio, the Mars Capital Servicing Fee, and (iii) Pepper (UK) Limited is the servicer in respect of the MAQ Portfolio, the Pepper Servicing Fee (excluding the Pepper Subordinated Servicing Fees), in each case together with any costs, charges, liabilities and expenses then due to such Servicer under the provisions of the relevant Servicing and Legal Title

Holder Deed (excluding the Topaz Subordinated Servicing Expenses) and any VAT (if payable) thereon as provided for in the Servicing and Legal Title Holder Deeds or (b) where Topaz Finance Limited is not the servicer in respect of the Morag Portfolio, Mars Capital Finance Limited is not the servicer in respect of the Wall Portfolio or Pepper (UK) Limited is not the servicer in respect of the MAQ Portfolio, any remuneration then due and payable to a replacement Servicer together with any fees, costs, charges, liabilities and expenses then due to such replacement Servicer under the provisions of the replacement Servicing and Legal Title Holder Deeds, together with VAT (if payable) thereon as provided therein;

- (v) 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;
 - (vi) 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;
 - (vii) any remuneration then due and payable to the Issuer Account Bank and any fees, costs, charges, liabilities and expenses then due to it under the provisions of the Bank Account Agreement, together with (if applicable) VAT thereon as provided therein; and
 - (viii) any remuneration then due and payable to the Servicer Facilitator and any fees, costs, charges, liabilities and expenses then due to it under the provisions of the Administration Agreement, together with (if applicable) VAT thereon as provided therein;
- (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, but not limited to, audit fees, legal fees, tax compliance fees and amounts due to the Joint Lead Managers under the Subscription 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), up to an aggregate amount of £1,000,000;
- (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 A1 Notes; and
 - (ii) the Class X Certificate Payment due on the Class X 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 A1 Notes and shall not be used in respect of the Class X Certificate Payment due on the Class X Certificates and any shortfall in the Class X Certificate Payment shall be deferred in accordance with Certificate Condition 18 (*Subordination by Deferral*);

- (f) *sixth* (so long as the Class A1 Notes remain outstanding), to credit the Class A1 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 provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class A2 Notes;
- (h) *eighth*, to credit the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;
- (i) *ninth* (so long as the Class A2 Notes remain outstanding), to credit the Class A2 Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);
- (j) *tenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class B Notes;
- (k) *eleventh* (so long as the Class B Notes remain outstanding), to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);
- (l) *twelfth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class C Notes;
- (m) *thirteenth* (so long as the Class C Notes remain outstanding), to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);
- (n) *fourteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class D Notes;
- (o) *fifteenth* (so long as the Class D Notes remain outstanding), to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);
- (p) *sixteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class E Notes;
- (q) *seventeenth* (so long as the Class E Notes remain outstanding), to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);
- (r) *eighteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class F Notes;
- (s) *nineteenth* (so long as the Class F Notes remain outstanding), to credit the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

- (t) *twentieth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class G Notes;
- (u) *twenty-first* (so long as the Class G Notes remain outstanding), to credit the Class G Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);
- (v) *twenty-second*, to credit the General Reserve Fund up to the General Reserve Fund Required Amount;
- (w) *twenty-third*, to pay amounts (if any) due to the Joint Lead Managers under the Subscription Agreement (to the extent not satisfied pursuant to item (c) above);
- (x) *twenty-fourth* (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);
- (y) *twenty-fifth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class X Notes;
- (z) *twenty-sixth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;
- (aa) *twenty-seventh*, to pay any costs and expenses of the Issuer (including the Subordinated Servicing Amounts) which remain unpaid following the application of Available Revenue Receipts pursuant to item (c) above;
- (bb) *twenty-eighth*, to provide for any MSA Warranty Rebate due and remaining unpaid to the Seller (after application of amounts applied in accordance with item (j) of the Pre-Enforcement Principal Priority of Payments) until amounts outstanding on the Seller MSA Rebate Ledger have been reduced to zero; and
- (cc) *twenty-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 (bb) 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 Loan Repurchase attributable to principal; and
- (f) any other payment received by the Issuer in the nature of principal.

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 A1 Principal Deficiency Sub-Ledger and/or the Class A2 Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger and/or the Class G 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 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 and the Liquidity Reserve Fund;
- (f) all Liquidity Reserve Fund Excess Amounts;
- (g) following redemption in full of the Class G 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 and the Liquidity Reserve Fund.

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 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), provided that Available Principal Receipts shall only be applied to provide for any such Revenue Shortfall in relation to item (g) of the Pre-Enforcement Revenue Priority of Payments if the Class A2 PDL Condition is satisfied, item (j) of the Pre-Enforcement Revenue Priority of Payments if the Class B PDL Condition is satisfied, and in relation to items (l), (n), (p), (r) and (t) of the Pre-Enforcement Revenue Priority of Payments if the relevant Class of Notes is the Most Senior Class;
- (b) *second*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class A1 Notes until the Principal Amount Outstanding on the Class A1 Notes has been reduced to zero;
- (c) *third*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class A2 Notes until the Principal Amount Outstanding on the Class A2 Notes has been reduced to zero;
- (d) *fourth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;
- (e) *fifth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;
- (f) *sixth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;
- (g) *seventh*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;
- (h) *eighth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero;
- (i) *ninth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class G Notes until the Principal Amount Outstanding on the Class G Notes has been reduced to zero;
- (j) *tenth*, to provide for any MSA Warranty Rebate due and remaining unpaid to the Seller until amounts outstanding on the Seller MSA Rebate Ledger have been reduced to zero;

- (k) *eleventh*, 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;
- (l) *twelfth*, 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
- (m) *thirteenth*, 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) and, where the Notes are being redeemed in accordance with Condition 8.4 (*Mandatory Redemption 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*), other than amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger that are applied to repay amounts due and payable on the Class R Notes) 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 and expenses 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 and expenses 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 Replacement Cash Manager Facilitator and any fees, costs, charges, liabilities and expenses then due to the Replacement Cash Manager Facilitator under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;
 - (iv) (a) for so long as (i) Topaz Finance Limited is the servicer in respect of the Morag Portfolio, the Topaz Servicing Fee (excluding the Topaz Subordinated Servicing Fees), (ii) Mars Capital Finance Limited is the servicer in respect of the Wall Portfolio, the Mars Capital Servicing Fee, and (iii) Pepper (UK) Limited is the servicer in respect of the MAQ Portfolio, the Pepper Servicing Fee (excluding the Pepper Subordinated Servicing Fees), in each case together with any costs, charges, liabilities and expenses then due to such Servicer under the provisions of the relevant Servicing and Legal Title Holder Deed (excluding the Topaz Subordinated Servicing Expenses) and any VAT (if payable) thereon as provided for in the Servicing and Legal Title Holder Deeds or (b) where Topaz Finance Limited is not the servicer in respect of the Morag Portfolio, Mars Capital Finance Limited is not the servicer in respect of the Wall Portfolio or Pepper (UK) Limited is not the servicer in respect of the MAQ Portfolio, any remuneration then due and payable to a replacement Servicer together with any fees, costs, charges, liabilities and expenses then due to such replacement Servicer under the provisions of the replacement Servicing and Legal Title Holder Deeds, together with VAT (if payable) thereon as provided therein;
 - (v) 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;
 - (vi) 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;
 - (vii) any remuneration then due and payable to the Issuer Account Bank and any fees, costs, charges, liabilities and expenses 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
 - (viii) any remuneration then due and payable to the Servicer Facilitator and any fees, costs, charges, liabilities and expenses then due to the Servicer Facilitator under the provisions of the Administration Agreement, together with (if applicable) VAT thereon as provided therein;
- (c) *third*, to pay amounts (if any) due to the Joint Lead Managers under the Subscription Agreement (and any amount in respect of VAT thereon), up to a maximum amount of £4,250,000;
 - (d) *fourth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, the amounts of interest on the Class A1 Notes, any principal due and payable on the Class A1 Notes until the Principal Amount Outstanding on the Class A1 Notes has been reduced to zero and any other amounts due in respect of the Class A1 Notes and any Class X Certificate Payment which has accrued but is unpaid on the date of the Enforcement Notice;
 - (e) *fifth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class A2 Notes until the Principal Amount Outstanding on the Class A2 Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class A2 Notes;

- (f) *sixth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class B Notes;
- (g) *seventh*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class C Notes;
- (h) *eighth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class D Notes;
- (i) *ninth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class E Notes;
- (j) *tenth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class F Notes;
- (k) *eleventh*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class G Notes until the Principal Amount Outstanding on the Class G Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class G Notes;
- (l) *twelfth*, to pay amounts (if any) due to the Joint Lead Managers under the Subscription Agreement (to the extent not covered by item (c) above);
- (m) *thirteenth*, where the Notes are being redeemed in accordance with Condition 8.4 (*Mandatory Redemption 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*), to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class X Notes;
- (n) *fourteenth*, 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;
- (o) *fifteenth*, 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 (after application of amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger where the Notes are being redeemed in accordance with Condition 8.4 (*Mandatory Redemption 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*)) 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;

- (p) *sixteenth*, other than where the Notes are being redeemed in accordance with Condition 8.4 (*Mandatory Redemption 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*), to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class X Notes;
- (q) *seventeenth*, 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 the Subordinated Servicing Amounts) 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 (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 (s) below);
- (r) *eighteenth*, to provide for any MSA Warranty Rebate due and remaining unpaid to the Seller until amounts outstanding on the Seller MSA Rebate Ledger have been reduced to zero;
- (s) *nineteenth*, 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
- (t) *twentieth*, 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 (s) above).

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, arrears management fees, post term date passed fees, loan restructuring fees, Shortfall Debt Recovery Fees, fees relating to proactive customer programmes, contract variation fees or asset management fees that the Servicers will invoice to the Issuer on a quarterly basis in accordance with the Servicing and Legal Title Holder Deeds and Early Repayment Charges.

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 Mortgage 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 Mortgage Conditions or otherwise by arrangement with the relevant Borrower.

Early Repayment Charge means any charge (other than a Redemption Fee) which a Borrower is required to pay in the event that he or she repays all or any part of the relevant Loan before a specified date in the Mortgage Conditions.

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 Mortgage 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.

Overpayment means, in respect of any Loan, any additional amounts of principal receipts received in a month above the regular, scheduled Contractual Monthly Payment, paid by the relevant Borrower which:

- (a) is permitted by the terms of such Loan or by agreement with the Borrower; and
- (b) reduces the Current Balance of such Loan.

Recovery Proceeds means the proceeds of discounted pay-offs, enforcement or foreclosure in respect of any Loan, including any Shortfall Proceeds.

Redemption Fee means the standard redemption fee charged to the Borrower by the Servicers where the Borrower makes a repayment of the full outstanding principal of a Loan on the maturity date of such Loan.

Shortfall Debt Recovery Fee means an amount equal to 40 per cent. of any Shortfall Proceeds recovered by the Servicers in respect of the relevant Loan.

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.

DESCRIPTION OF THE GLOBAL NOTES

General

As at the Closing Date, each Class of Notes will be represented by a Global Note, as applicable, in fully registered form without interest coupons or principal receipts. Beneficial interests in a 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 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 Joint Lead Managers. 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.

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 Co-Arrangers, the Joint Lead Managers, 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 Co-Arrangers, the Joint Lead Managers, 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.

Beneficial interests in the Global Notes may be held only through Euroclear and Clearstream, Luxembourg. None of the Global Notes nor any beneficial interest therein may be transferred except in compliance with the transfer restrictions set out in the legend appearing on the Global Notes.

Issuance of Registered Definitive Notes

Holders of Book-Entry Interests in a Global Note will be entitled to receive Notes in definitive registered form (such as 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 – The minimum denominations of the Notes may adversely affect payments on the Notes if issued in definitive form*".

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 and Eurosystem Eligibility

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**).

The Notes and the Certificates are intended to be held in a manner which would allow Eurosystem eligibility. This means that the Notes and the Certificates will be deposited with one of the ICSDs as common safekeeper. However, the deposit of the Notes and Certificates with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that any of the Notes or the

Certificates will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

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 Issuer 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 Joint Lead Managers. 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 Co-Arrangers, the Joint Lead Managers, 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 Joint Lead Managers, 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 depository 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 £262,020,000 Class A1 mortgage backed floating rate notes due January 2054 (the **Class A1 Notes**), the £74,323,000 Class A2 mortgage backed floating rate notes due January 2054 (the **Class A2 Notes**), the £35,272,000 Class B mortgage backed floating rate notes due January 2054 (the **Class B Notes**), the £15,116,000 Class C mortgage backed floating rate notes due January 2054 (the **Class C Notes**), the £31,492,000 Class D mortgage backed floating rate notes due January 2054 (the **Class D Notes**), the £22,674,000 Class E mortgage backed floating rate notes due January 2054 (the **Class E Notes**), the £17,636,000 Class F mortgage backed floating rate notes due January 2054 (the **Class F Notes**), the £15,116,000 Class G mortgage backed floating rate notes due January 2054 (the **Class G Notes**), the £30,237,000 Class Z mortgage backed zero rate notes due January 2054 (the **Class Z Notes**), the £7,980,000 Class R mortgage backed zero rate notes due January 2054 (the **Class R Notes**) and the £7,558,000 Class X mortgage backed floating rate notes due January 2054 (the **Class X Notes** and, together with the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes, the **Rated Notes** and the **Floating Rate Notes** and, together with the Class Z Notes and the Class R Notes, the **Notes**) in each case of Harbour No.1 PLC (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) entered into on or about 10 December 2021 (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 A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes, the Class R Notes or the Class X 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 (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**).

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 or about

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 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 **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 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 permanently to cease business or to cease to make their 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 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 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 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 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 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. The Class A1 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 A1 Notes) and the Class X Certificate Payment (in respect of the Class X Certificates), 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 A1 Notes (the **Class A1 Noteholders**) and in respect of the Class X Certificates, the interests of the persons who for the time being are registered in the Register as holder of the Class X Certificates (the **Class X Certificateholders**) will subordinate the interests of the holders of all other Classes of Notes and Certificates.

- (b) The Class A2 Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class A2 Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal, subordinate to the Class A1 Notes and the Class X Certificate Payment, 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 A2 Notes (the **Class A2 Noteholders**) will be subordinated to the interests of the Class A1 Noteholders and the Class X Certificateholder (so long as any Class A1 Notes or Class X Certificates remain outstanding).
- (c) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal, subordinate to the Class A1 Notes, the Class X Certificate Payment and the Class A2 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 B Notes (the **Class B Noteholders**) will be subordinated to the interests of the Class A1 Noteholders and the Class X Certificateholders and the Class A2 Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes remain outstanding).
- (d) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference

or priority among themselves in relation to payment of interest and principal at all times, subordinate to the Class A1 Notes, the Class X Certificate Payment, the Class A2 Notes and the Class B Notes, and 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 the Class C Notes (the **Class C Noteholders**) will be subordinated to the interests of each of the Class A1 Noteholders, the Class X Certificateholders, the Class A2 Noteholders and the Class B Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes and/or any Class B Notes remain outstanding).

- (e) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, subordinate to the Class A1 Notes, the Class X Certificate Payment, the Class A2 Notes, the Class B Notes and the Class C 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 the Class D Notes (the **Class D Noteholders**) will be subordinated to the interests of each of the Class A1 Noteholders, the Class X Certificateholders, the Class A2 Noteholders, the Class B Noteholders and the Class C Noteholders (so long as any Class A1 Notes and/or any Class X Certificateholder and/or any Class A2 Notes and/or any Class B Notes and/or any Class C Notes remain outstanding).
- (f) The Class E Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among themselves in relation to the payment of interest and principal at all times, subordinate to the Class A1 Notes, the Class X Certificate Payment, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D 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 the Class E Notes (the **Class E Noteholders**) will be subordinated to the interests of each of the Class A1 Noteholders, the Class X Certificateholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes remain outstanding).
- (g) The Class F Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class F Notes rank *pari passu* without preference or priority among themselves in relation to the payment of interest and principal at all times, subordinate to the Class A1 Notes, the Class X Certificate Payment, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E 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 the Class F Notes (the **Class F Noteholders**) will be subordinated to the interests of each of the Class A1 Noteholders, the Class X Certificateholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes remain outstanding).
- (h) The Class G Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*))

unconditional obligations of the Issuer. The Class G Notes rank *pari passu* without preference or priority among themselves in relation to the payment of interest and principal at all times, subordinate to the Class A1 Notes, the Class X Certificate Payment, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F 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 the Class G Notes (the **Class G Noteholders**) will be subordinated to the interests of each of the Class A1 Noteholders, the Class X Certificateholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes remain outstanding).

- (i) 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 A1 Notes, the Class X Certificate Payment, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G 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 A1 Noteholders, the Class X Certificateholder, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class G Notes remain outstanding).
- (j) 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 A1 Notes, the Class X Certificate Payment, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G 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 A1 Noteholders, the Class X Certificateholder, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class G Noteholders and the Class Z Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class G Notes and/or any Class Z Notes remain outstanding).
- (k) The Class X Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class X Notes rank *pari passu* without preference or priority among themselves in relation to the payment of interest and principal at all times, subordinate to the Class A1 Notes, the Class X Certificate Payment, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class R 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 the Class X Notes (the **Class X Noteholders**) will

be subordinated to the interests of each of the Class A1 Noteholders, the Class X Certificateholder, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class G Noteholders, the Class R Noteholders and the Class Z Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class G Notes and/or any Class R Notes and/or any Class Z Notes remain outstanding).

- (l) 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 A1 Notes, the Class X Certificate Payment, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes, the Class R Notes and the Class X 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 A1 Noteholders, the Class X Certificateholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class G Noteholders, the Class Z Noteholders, the Class R Noteholders and the Class X Noteholders (so long as any Class A1 Notes and/or any Class X Certificates and/or any Class A2 Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class G Notes and/or any Class Z Notes and/or any Class R Notes and/or Class X Notes remain outstanding).
- (m) 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 Classes of 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 and/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 to the Class X Certificates Entrenched Rights).
- (n) 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.

- (o) Subject to the Retained Interest Entrenched Rights, the Retained Interest 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 Retained Interest Holder (other than any resolutions in respect of a Retained Interest Entrenched Right unless the Retained Interest Holder has consented) if passed in accordance with the Conditions.
- (p) 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 Certificateholder (other than in respect of a matter affecting a Class X Certificates Entrenched Right unless the Class X Certificateholders have consented) if passed in accordance with the Conditions.
- (q) 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 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;
- (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

Each Note (other than the Class R Notes and the Class Z Notes) bears interest on its Principal Amount Outstanding from (and including) the Closing Date. Each Note (other than the Class R Notes and the Class Z 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 arrears on each Interest Payment Date, for all Classes of Notes (other than the Class R Notes and the Class Z Notes). The first Interest Payment Date will be the Interest Payment Date falling in January 2022.
- (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 Notes (other than the Class R Notes and the Class Z 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 Floating Rate 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).

The minimum Floating Rate of Interest will be zero.

- (c) The Margin on the Floating Rate 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.
- (d) In these Conditions (except where otherwise defined), the expression:
 - (i) **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;
 - (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 2024;
 - (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, 0.80 per cent. per annum (the **Class A1 Initial Margin**) and (2) on and after the First Optional Redemption Date, 1.45 per cent. per annum (the **Class A1 Step-Up Margin**);
 - (B) in respect of the Class A2 Notes, (1) prior to the First Optional Redemption Date, 0.90 per cent. per annum (the **Class A2 Initial Margin**) and (2) on and after the First Optional Redemption Date, 1.60 per cent. per annum (the **Class A2 Step-Up Margin**);

- (C) in respect of the Class B Notes, (1) prior to the First Optional Redemption Date, 1.10 per cent. per annum (the **Class B Initial Margin**) and (2) on and after the First Optional Redemption Date, 1.65 per cent. per annum (the **Class B Step-Up Margin**);
 - (D) in respect of the Class C Notes, (1) prior to the First Optional Redemption Date, 1.25 per cent. per annum (the **Class C Initial Margin**) and (2) on and after the First Optional Redemption Date, 1.88 per cent. per annum (the **Class C Step-Up Margin**);
 - (E) in respect of the Class D Notes, (1) prior to the First Optional Redemption Date, 1.50 per cent. per annum (the **Class D Initial Margin**) and (2) on and after the First Optional Redemption Date, 2.25 per cent. per annum (the **Class D Step-Up Margin**);
 - (F) in respect of the Class E Notes, (1) prior to the First Optional Redemption Date, 2.00 per cent. per annum (the **Class E Initial Margin**) and (2) on and after the First Optional Redemption Date, 3.00 per cent. per annum (the **Class E Step-Up Margin**);
 - (G) in respect of the Class F Notes, (1) prior to the First Optional Redemption Date, 2.50 per cent. per annum (the **Class F Initial Margin**) and (2) on and after the First Optional Redemption Date, 3.50 per cent. per annum (the **Class F Step-Up Margin**);
 - (H) in respect of the Class G Notes, (1) prior to the First Optional Redemption Date, 3.00 per cent. per annum (the **Class G Initial Margin**) and (2) on and after the First Optional Redemption Date, 4.00 per cent. per annum (the **Class G Step-Up Margin**);
 - (I) in respect of the Class X Notes, (1) prior to the First Optional Redemption Date, 3.40 per cent. per annum (the **Class X Initial Margin** and together with the Class A1 Initial Margin, the Class A2 Initial Margin, the Class B Initial Margin, the Class C Initial Margin, the Class D Initial Margin, the Class E Initial Margin, the Class F Initial Margin and the Class G Initial Margin each an **Initial Margin**) and (2) on and after the First Optional Redemption Date, 3.40 per cent. per annum (the **Class X Step-Up Margin** and together with the Class A1 Step-Up Margin, the Class A2 Step-Up Margin, the Class B Step-Up Margin, the Class C Step-Up Margin, the Class D Step-Up Margin, the Class E Step-Up Margin, the Class F Step-Up Margin and the Class G Step-Up Margin, each a **Step-Up Margin**); and
 - (J) 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 the Conditions,

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, the passing of any Extraordinary Resolution in writing or any Ordinary Resolution in writing or an electronic consent as envisaged by paragraph 1 (*Definitions*) of Schedule 5 (*Provisions for Meetings of Noteholders and Certificateholders*) 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 (*Action, Proceedings and Indemnification*) and Schedule 1 (*Form of the Global Note*) 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,

those Notes or 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 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, Co-Arranger, Joint Lead Manager and Issuer Account Bank teams) as certified in writing by the Issuer and the Retention Holder to the Note Trustee as to such holdings of Notes or Certificates, shall, in each case, (unless and 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 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 Retained Interest 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;

- (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 the Reuters Screen SONIA Page or such other page as may replace the 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 the Morag Servicer Reports, the Wall Servicer Reports and the MAQ Servicer Reports to be provided by the relevant Servicer in respect of the Loans serviced by that Servicer by no later than 12 Business Days after the end of the relevant Collection Period in accordance with the terms of the relevant 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;

d₀ is the number of London Banking Days in the relevant Interest Period;

i is a series of whole numbers from one to d_0 , 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_i , 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_{i-5LBD} 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 shall, in respect of a Class of Floating Rate Notes, be determined by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of such Class of Floating Rate 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 Servicers 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 (b)(i) below. Any (i) calculations properly made on the basis of such estimates in accordance with paragraph (b) and/or paragraph (b)(i) 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 (b)(i) 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 Note 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*) and will notify the Rating Agencies of such change or addition.

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 January 2054 (the **Final Redemption Date**).

8.2 Mandatory Redemption

- (a) Prior to the service of an Enforcement Notice, each Class of Notes (other than the Class X 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) pro rata and *pari passu*, to repay the Class A1 Notes until they are each repaid in full; and thereafter to be applied
- (ii) pro rata and *pari passu*, to repay the Class A2 Notes until they are each repaid in full; and thereafter to be applied
- (iii) pro rata and *pari passu*, to repay the Class B Notes until they are each repaid in full; and thereafter to be applied
- (iv) pro rata and *pari passu*, to repay the Class C Notes until they are each repaid in full; and thereafter to be applied
- (v) pro rata and *pari passu*, to repay the Class D Notes until they are each repaid in full; and thereafter to be applied
- (vi) pro rata and *pari passu*, to repay the Class E Notes until they are each repaid in full; and thereafter to be applied
- (vii) pro rata and *pari passu*, to repay the Class F Notes until they are each repaid in full; and thereafter to be applied
- (viii) pro rata and *pari passu*, to repay the Class G Notes until they are each repaid in full; and thereafter to be applied
- (ix) pro rata and *pari passu*, to repay the Class Z Notes until they are each repaid in full; and thereafter to be applied
- (x) pro rata and *pari passu*, to repay the Class R Notes until they are each repaid 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.

- (b) Prior to the service of an Enforcement Notice, the Class X Notes shall be redeemed on each Interest Payment Date in an amount equal to the Available Revenue Receipts available for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments, 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.
- (c) The principal amount to be redeemed in respect of a Class of Notes (the **Note Principal Payment**) in accordance with paragraphs (a) and (b) above on any Interest Payment Date prior to the service of an Enforcement Notice shall be the Available Principal Receipts (or, in the case of the Class X Notes, the Available Revenue 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.

- (d) 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 on any Certificates (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 Noteholders of any Class (and in making such determination, the Note Trustee may rely absolutely, without inquiry or liability, on (A) any confirmation made in writing from each of the Rating Agencies that the then current ratings of the Rated Notes would not be adversely affected by such substitution or (B) if no such confirmation from the Rating Agencies is forthcoming, the Servicer Facilitator on behalf of the Issuer has certified in writing to the Cash Manager, the Note Trustee and the Security Trustee that such proposed action (i) (while any Rated Notes remain outstanding) has been notified to the Rating Agencies, (ii) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Notes, (iii) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security and (iv) (while any of the Rated Notes remain outstanding) would not have an adverse effect on the rating of

the Rated Notes (upon which confirmation or certificate the Note Trustee shall be entitled to rely absolutely without liability to any person for so doing)); 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 (A) stating that 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 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.

8.4 Mandatory Redemption pursuant to the exercise of the Portfolio Purchase Option

- (a) On giving not more than 30 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 (other than the Class R Notes and the Class Z 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 (including an amount sufficient to reduce any debit balance of the MSA Warranty Claims Ledger to zero when applied in accordance with the Post-Enforcement Priority of Payments but excluding, for the avoidance of doubt, any amounts due in respect of the Class R Notes and the Class Z Notes) (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 (other than the Class R Notes (which shall be redeemed in an amount equal to the amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger and thereafter in accordance with amounts available to be applied in accordance with the Post-Enforcement Priority of Payments) and the Class Z Notes (which shall be redeemed in an amount equal to funds available to be applied in accordance with the Post-Enforcement Priority of Payments)) 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 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 (excluding the Class R Notes and the Class X 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 (excluding the Class R Notes and the Class X 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), (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 (other than the Class R Notes and the Class Z 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 (including, for the avoidance of doubt, an amount sufficient to reduce any debit balance of the MSA Warranty Claims Ledger to zero when applied in accordance with the applicable Priority of Payments but excluding, for the avoidance of doubt, any amounts due in respect of the Class R Notes and the Class Z Notes), 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 further 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 (other than the Class R Notes (which shall be redeemed in an amount equal to the amounts standing to the credit of the General Reserve Fund Ledger and the Liquidity Reserve Fund Ledger and thereafter in accordance with amounts available to be applied in accordance with the Post-Enforcement Priority of Payments) and the Class Z Notes (which shall be redeemed in an amount equal to funds available to be applied in accordance with the Post-Enforcement Priority of Payments)) 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 Notes over and above those required to be maintained by it under its 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;
- (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 EU Risk Retention Undertaking, 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 (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 Requirements means Article 6(1) of the UK Securitisation Regulation and Article 6(1) of the EU Securitisation Regulation and in each case any replacement thereof or 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 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.

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 £262,020,000, in respect of the Class A2 Notes of £74,323,000, in respect of the Class B Notes of £35,272,000, in respect of the Class C Notes of £15,116,000, in respect of the Class D Notes of £31,492,000, in respect of the Class E Notes of £22,674,000, in respect of the Class F Notes of £17,636,000, in respect of the Class G Notes of £15,116,000, in respect of the Class Z Notes of £30,237,000, in respect of the Class R Notes of £7,980,000 and in respect of the Class X Notes of £7,558,000, in each case less the aggregate amount of all principal payments in respect of such Class of Notes 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*) 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, imposts, 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 or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class 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, the Servicer Facilitator, Servicer Administrator, the Issuer Account Bank, the Servicers and the Cash Manager), if any of the following events (each, an **Event of Default**) occurs:

- (a) if default is made in the payment of any principal or interest due in respect of the Class A1 Notes 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 of Notes; or
- (f) if the Issuer (i) 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 of Notes, (ii) stops or threatens to stop payment of, or is unable to, or admits its 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, arrangement, compromise, 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, arrangement, compromise, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any compromise 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 compromise 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 Notes and/or Certificates of the Most Senior Class; 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 further 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 constitutes a Basic Terms Modification in respect of the Class Y Certificates or which:
 - (A) changes the Class Y Certificateholders' rights under one or more of the Servicing and Legal Title Holder Deeds;
 - (B) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll; or
 - (C) changes the definition of "Class Y Certificates Entrenched Rights",
 (paragraphs (A) to (C) 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 affects 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; and (D) the definition of "Class X Certificates Entrenched Rights" (the **Class X Certificates Entrenched Rights**), unless the Class X Certificateholder has consented in writing to such modification or waiver; or

- (iii) which is 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 Retained Interest Holder has consented in writing to such modification or waiver.

- (c) For the purposes of these Conditions, **Most Senior Class** means the Class A1 Notes or, if there are no Class A1 Notes then outstanding, the Class A2 Notes or, if there are no Class A1 Notes or Class A2 Notes then outstanding, the Class B Notes or, if there are no Class A1 Notes, Class A2 Notes or Class B Notes then outstanding, the Class C Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class G Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class G Notes then outstanding, the Class R Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes or Class Z Notes then outstanding, the Class R Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes, Class Z Notes or Class R Notes then outstanding, the Class X Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes, Class Z Notes, Class R Notes or Class X Notes then outstanding 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 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 interests of the holders of the relevant affected Class or Classes of Notes and/or Class of Classes of Certificates, as applicable) and other than where an Extraordinary Resolution is required under Condition 13.6 or the consent of the Retained Interest Holder, the Class Y Certificateholders or the Class X Certificateholder is required (as described below):
 - (i) an Extraordinary Resolution passed at any meeting of 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 at any meeting of a Class of Noteholders or Certificateholders shall be binding on such Noteholders and/or Certificateholders and all other Classes of Noteholders and Classes of 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 passed at any meeting 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 to such modification or waiver;
 - (v) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or Certificateholders shall be binding on the Class X Certificateholder other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholder if the Class X Certificateholder has consented to such modification or waiver; and
 - (vi) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or Certificateholders shall be binding on the Retained Interest Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retained Interest Holder if the Retained Interest Holder has consented 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 Noteholders of each affected Class then outstanding and/or the Certificateholders of each affected Class then in issue which are affected by such Basic Terms Modification (other than the Class X Certificateholder unless the matter is also a Class X Certificates Entrenched Right), or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Noteholders of those affected Class or Classes then outstanding and/or the Certificateholders of the affected Class or Classes (if applicable).
 - (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 the 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 to such modification or waiver.
 - (e) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Class X Certificateholder other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholder if the Class X Certificateholder has consented to such modification or waiver.
 - (f) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Retained Interest Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retained Interest Holder if the Retained Interest Holder has consented to such modification or waiver.

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.

- (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 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 Certificates, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of the Notes or 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** any amendment made in accordance with Condition 13.6 shall not 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 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 Payment and/or the 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 ten 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 Certificates then outstanding or in issue, as applicable; and
 - (iii) 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 or Classes of Notes and/or Certificates then outstanding or in issue, as applicable.

13.4 The Note Trustee may or, in the case of paragraphs (c) and (d) below, shall 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, Class Y Certificates Entrenched Right, Class X Certificates Entrenched Right or 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; or
- (c) that would result in the Issuer entering into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank or Collection Account Bank are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Notes at their then current ratings; or
- (d) that is required 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 relevant Servicing and Legal Title Holder Deed are satisfied,

and provided that in the case of amendments pursuant to paragraphs (a), (c) and/or (d) above that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment (including, for the avoidance of doubt, any new appointment made thereunder) which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (i) 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 (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

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 each Class or the Certificateholders of each 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 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 (and shall direct the Security Trustee to), without the consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Creditors, concur with the Issuer (and direct the Security Trustee to concur) in making any modifications (other than in respect of a Basic Terms Modification or 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 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) comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
- (b) (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;
- (c) enable the Notes to be (or to remain) listed on Euronext Dublin;
- (d) enable the Issuer or any of the other transaction parties to comply with FATCA;
- (e) 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; and
- (f) to 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 to facilitate such change (a **Base Rate Modification**), provided that the Issuer provides a certificate to 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 A1 Notes) or which is proposed by any holder of the Most Senior Class of Notes then outstanding or the Class Y Certificates then in issue and (i) it has obtained written confirmation from each of the Rating Agencies that the proposed Base Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the rating of any Class of Rated Notes or (y) any Class of Rated Notes being placed on rating watch negative (or equivalent), (a **Negative Ratings Action**); or (ii) it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed modification and none of the Rating Agencies has indicated that such Base Rate Modification would result in a Negative Ratings Action.

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 (f) are satisfied,

(each a **Proposed Amendment**) and subject to:

- (g) 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 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 without enquiry or liability; and
- (h) the Issuer 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 ten per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes 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 ten per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes 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 of Notes then outstanding (if the objection to the proposed modification was from the Noteholders of the Most Senior Class of Notes) and/or the holders of the Class Y Certificates then in issue (if the objection to the proposed modification was from the holders of the Class Y Certificates), 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 13.9 and Clause 24 (*Modification*) and Schedule 5 (*Provisions for Meetings of Noteholders and Certificateholders*) 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, the Certificate Conditions or the Transaction Documents shall be binding on the Noteholders and, unless the Note Trustee or, as the case may be, the Security 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** Any modification to the Transaction Documents and the Conditions shall be notified by the Issuer in writing to the Rating Agencies.
- 13.9** In connection with any such substitution of principal debtor referred to in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) or Condition 13.19 (*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.
- 13.10** In determining whether a proposed action will not be materially prejudicial to the interests of the Noteholders of any Class or Certificateholders of any Class thereof, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Rated Notes. It is agreed and acknowledged by the Note Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders and/or the Certificateholders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Rated Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders, the Certificateholders or any other person, or create any legal relations between

each of the Rating Agencies and the Note Trustee, the Noteholders, the Certificateholders or any other person, whether by way of contract or otherwise.

13.11 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).

13.12 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 these 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 of a clear majority of the 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 the 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 Class of Certificates.

13.13 Extraordinary Resolution means, in respect of the holders of any of the Classes 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 these 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. of the aggregate Principal Amount Outstanding of the Notes and/or the 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 at least 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes and/or the Certificates.

13.14 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.

13.15 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.

13.16 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.

13.17 Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Principal Paying Agent on behalf of the Issuer.

13.18 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 X Certificates and the Class Y Certificates shall be deemed to be £1,000,000 in respect of each Class of Certificate.

13.19 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 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 13.19, 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 each 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 Notes in definitive form, notices to Noteholders 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 are represented by a 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

17.1 Interest

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (which shall, for the purposes of this Condition 17, include any interest previously deferred under this Condition 17.1 and accrued interest thereon) payable in respect of the Class A2 Notes, Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and/or the Class X 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 interest (such interest, the **Deferred Interest**) to the extent only of any insufficiency of funds. The Issuer shall not be entitled to defer amounts of interest payable in respect of the Class A1 Notes.

17.2 General

Any amounts of Deferred Interest in respect of the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes shall accrue interest at the relevant Rate of Interest (**Additional Interest**). Such Deferred Interest and Additional Interest shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that Condition 17.1 (*Interest*) applies) or on such earlier date as the relevant Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes and/or Class X Notes become due and repayable in full in accordance with these Conditions.

17.3 Notification

As soon as practicable after becoming aware that any part of a payment of interest on a Class of Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 17, the Issuer will give notice thereof to the relevant Class of Noteholders, as appropriate, in accordance with Condition 16 (*Notice to Noteholders*). Any deferral of interest in accordance with this Condition 17 will not constitute an Event of Default. The provisions of this Condition 17 shall cease to apply on the Final Redemption Date, or any earlier date on which the Notes are redeemed in full or are required to be redeemed in full, at which time all deferred interest and accrued interest thereon shall become due and payable.

18. NON-RESPONSIVE RATING AGENCY

- (a) In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Rated Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a **Rating Agency Confirmation**).
- (b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:
 - (i) (A) one or more Rating Agencies (each such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and
 - (ii) the Issuer has otherwise received no indication from that Rating Agency that its then current ratings of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such action, step or matter,

then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from a Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that (A) a written request for such Rating Agency Confirmation has been delivered to each Rating Agency by or on behalf of the Issuer and (B) each of the events in paragraphs (i)(A) or (B) and (ii) above has occurred and the Note Trustee and the Security Trustee shall be entitled to rely absolutely on such certificate without further enquiry or liability.

19. JURISDICTION AND GOVERNING LAW

- (a) 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.

- (b) The Transaction Documents, the Notes, the Certificates and these Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law (other than those Transaction Documents such as the Scottish Declaration of Trust and the Scottish Supplemental Charge which are governed by and construed in accordance with Scots Law and aspects relating to Northern Irish Loans and their Related Security will be governed by and construed in accordance with the laws of Northern Ireland).
- (c) Aspects relating to Northern Irish Loans and their Related Security will be governed by and construed in accordance with the laws of Northern Ireland.

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 X Certificates (the **Class X Certificates**) and the Class Y Certificates (the **Class Y Certificates** and together with the Class X Certificates, the **Certificates**) of Harbour No.1 PLC (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) entered into on or about 10 December 2021 (the **Closing Date**) and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee (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, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class Z Notes, the Class R Notes or the Class X Notes, as the case may be, or to the respective holders thereof. Any reference in these Certificate Conditions to a **Class** of the Class X Certificates or the Class Y Certificates or the Class X Certificateholder 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 the **Rated Notes** shall be a reference to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes. Any reference to **Notes** shall be a reference to the Rated Notes, the Class Z Notes and the Class R Notes. The security for the Certificates is constituted by a deed of charge (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**).

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 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 or about 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

Each Certificate will initially be represented by a global certificate in registered form (a **Global Certificate**).

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.

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 any of the following applies:

- (a) 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 permanently to cease business or to cease to make their book-entry systems available for settlement of beneficial interests in the Global Certificate 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 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.

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.

Definitive Certificates will be serially numbered and will be issued in registered form only.

References to **Certificates** in these Certificate Conditions shall include the Global Certificate and the Definitive Certificates.

The Class Y Certificates are divisible by 1,000,000 and can be transferred in integrals of 1.

The Class X Certificates are divisible by 1,000,000 and can be transferred in integrals of 1.

3.2 Title

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).

Title to Definitive Certificates shall only pass by and upon registration of the transfer in the Register.

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.

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.

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 X Certificate Payment ranks pro rata and *pari passu* with the payment of interest on the Class A1 Notes as provided in these Certificate Conditions and the Transaction Documents. There shall only ever be a single holder of the Class X Certificates.

- (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 (bb) of the Pre-Enforcement Revenue Priority of Payments and subordinate to items (a) to (s) 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 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 Classes of 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 and/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 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 Rights the Retained Interest 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 Retained Interest Holder (other than any resolutions in respect of a Retained Interest Entrenched Right unless the Retained Interest 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 Certificateholder (other than in respect of a matter affecting 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 12.4, 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 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;
- (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 Payment 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 Payment means, on any date of determination:

- (a) prior to the 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 (excluding the Shortfall 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

- (b) 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 Payment calculated in accordance with paragraph (a) above which has accrued but is unpaid on the date of the Enforcement Notice.

Class Y Certificate Payment means, on any date of determination:

- (a) prior to the delivery of an Enforcement Notice, the amount by which Available Revenue Receipts exceeds the amounts required to satisfy items (a) to (bb) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and
- (b) 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 (s) 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:

- (a) those Certificates which have been cancelled in accordance with Certificate Condition 11.4 (*Limited Recourse*);
- (b) those Certificates which have become void or in respect of which claims have become prescribed, in each case under Certificate Condition 9 (*Prescription*);

- (c) 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*); and
- (d) 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:

- (i) the right to attend and vote at any meeting of the Certificateholders, the passing of any Extraordinary Resolution in writing or any 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 Noteholders and Certificateholders*) to the Trust Deed and any direction or request by the Certificateholders;
- (ii) the determination of how many and which Certificates are for the time being outstanding for the purposes of Clause 13.1 (*Action, Proceedings and Indemnification*) and Schedule 4 (*Form of the Global Certificate*) to the Trust Deed, Certificate Condition 10 (*Events of Default*), Certificate Condition 11 (*Enforcement*) and Certificate Condition 12 (*Meetings of Certificateholders and Noteholders, 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 Certificateholders; 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 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 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, Co-Arranger, Joint Lead Manager and Issuer Account Bank teams) as certified in writing by the Issuer and the Retention Holder to the Note Trustee as to such holdings of Notes or Certificates, 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 Retained Interest 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 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).

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.

6.2 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 any of them of their 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 any 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 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*) and will notify the Rating Agencies of such change or addition.

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 further 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 in respect of the Certificates 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, imposts, 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, 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

Claims in respect of Certificate Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

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 or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class 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, the

Servicer Facilitator, Servicer Administrator, the Issuer Account Bank, the Servicers and the Cash Manager), if any of the following events (each, an **Event of Default**) occurs:

- (a) if default is made in the payment of any principal or interest due in respect of the Class A1 Notes 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 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 of Notes; or
- (f) if the Issuer (i) 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 of Notes, (ii) stops or threatens to stop payment of, or is unable to, or admits its 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, arrangement, compromise, 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, arrangement, compromise, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any compromise 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 compromise 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*), any payments for the relevant Class of Certificates pursuant to these Certificate Conditions 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 these 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 Notes and/or Certificates of the Most Senior Class; 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 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 Certificate Condition 11.2 without further 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 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 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 constitutes a Basic Terms Modification in respect of the Class Y Certificates or which:
- (A) changes the Class Y Certificateholders' rights under one or more of the Servicing and Legal Title Holder Deeds;
- (B) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll; or
- (C) changes the definition of "Class Y Certificates Entrenched Rights", (paragraphs (A) to (C) 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 affects 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; and (D) the definition of "Class X Certificates Entrenched Rights" (the **Class X Certificates Entrenched Rights**), unless the Class X Certificateholder has consented in writing to such modification or waiver; or
- (iii) which is 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 Retained Interest Holder has consented in writing to such modification or waiver.
- (c) For the purposes of these Certificate Conditions, **Most Senior Class** means the Class A1 Notes or, if there are no Class A1 Notes then outstanding, the Class A2 Notes or, if there are no Class A1 Notes or Class A2 Notes then outstanding, the Class B Notes or, if there are no Class A1 Notes, Class A2 Notes or Class B Notes then outstanding, the Class C Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class G Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class G Notes then outstanding, the Class R Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes or Class Z Notes then outstanding, the Class R Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes, Class Z Notes or Class R Notes then outstanding, the Class X Notes or, if there are no Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class G Notes, Class Z Notes, Class R Notes or

Class X Notes then outstanding 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 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 (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 interests of the holders of the relevant affected Class or Classes of Notes and/or Class of Classes of Certificates, as applicable) and other than where an Extraordinary Resolution is required under Certificate Condition 12.6 or the consent of the Retained Interest Holder, the Class Y Certificateholders or the Class X Certificateholder is required (as described below):
- (i) an Extraordinary Resolution passed at any meeting of 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 at any meeting of a Class of Noteholders or Certificateholders shall be binding on such Noteholders and/or Certificateholders and all other Classes of Noteholders and Classes of 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 passed at any meeting 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 to such modification or waiver;
 - (v) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or Certificateholders shall be binding on the Class X Certificateholder other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholder if the Class X Certificateholder has consented to such modification or waiver; and
 - (vi) an Extraordinary Resolution passed at any meeting of a Class of Noteholders or Certificateholders shall be binding on the Retained Interest Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retained Interest Holder if the Retained Interest Holder has consented 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 Noteholders of each affected Class then outstanding and/or the

Certificateholders of each affected Class then in issue which are affected by such Basic Terms Modification (other than the Class X Certificateholder unless the matter is also a Class X Certificates Entrenched Right), or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Noteholders of those affected Class or Classes then outstanding and the Certificateholders of the affected Class or Classes (if applicable).

- (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 the 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 to such modification or waiver.
- (e) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Class X Certificateholder other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholder if the Class X Certificateholder has consented to such modification or waiver.
- (f) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Retained Interest Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retained Interest Holder if the Retained Interest Holder has consented to such modification or waiver.

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 Certificates then outstanding or in issue, as applicable.
- (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 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 Certificates, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of the Notes or 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** any amendment made in accordance with Certificate Condition 12.6 shall not 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 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 Payment and/or the 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 ten 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 Certificates then outstanding or in issue, as applicable; and
 - (iii) 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 or Classes of Notes and/or Certificates then outstanding or in issue, as applicable.

12.4 The Note Trustee may or, in the case of paragraphs (c) and (d) below, shall 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, Class Y Certificates Entrenched Right, Class X Certificates Entrenched Right or 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; or
- (c) that would result in the Issuer entering into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank or Collection Account Bank are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Notes at their then current ratings; or

- (d) that is required 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 relevant Servicing and Legal Title Holder Deed are satisfied,

and provided that in the case of amendments pursuant to paragraphs (a), (c) and/or (d) above that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment (including, for the avoidance of doubt, any new appointment made thereunder) which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (i) 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 (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

12.5 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 each Class or the Certificateholders of each 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.

12.6 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 (and shall direct the Security Trustee to), without the consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Creditors, concur with the Issuer (and direct the Security Trustee to concur) in making any modifications (other than in respect of a Basic Terms Modification or 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) comply with, or implement or reflect, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;
- (b) (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;

- (c) enable the Notes to be (or to remain) listed on Euronext Dublin;
- (d) enable the Issuer or any of the other transaction parties to comply with FATCA;
- (e) 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; and
- (f) to 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 to facilitate such change (a **Base Rate Modification**), provided that the Issuer provides a certificate to 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 A1 Notes) or which is proposed by any holder of the Most Senior Class of Notes then outstanding or the Class Y Certificates then in issue and (i) it has obtained written confirmation from each of the Rating Agencies that the proposed Base Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the rating of any Class of Rated Notes or (y) any Class of Rated Notes being placed on rating watch negative (or equivalent), (a **Negative Ratings Action**); or (ii) it has given the Rating Agencies at least 10 Business Days' prior written notice of the proposed modification and none of the Rating Agencies has indicated that such Base Rate Modification would result in a Negative Ratings Action.

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 (f) are satisfied,

(each a **Proposed Amendment**) and subject to:

- (g) 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 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 without enquiry or liability; and
- (h) the Issuer 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 ten per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes 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 ten per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes 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 of Notes then outstanding (if the objection to the proposed modification was from the Noteholders of the Most Senior Class of Notes) and/or the holders of the Class Y Certificates then in issue (if the objection to the proposed modification was from the holders of the Class Y Certificates), 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 12.6 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 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 12.6, 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 Certificate Condition 12.6 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 Certificate Condition 12.6 may be made pursuant to this Certificate Condition 12.6. Any other modifications may only be made pursuant to Certificate Condition 12.4 or Certificate Condition 12.9 and Clause 24 (*Modification*) and Schedule 5 (*Provisions for Meetings of Noteholders and Certificateholders*) of the Trust Deed.

- 12.7** Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with the Conditions of the Notes, 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 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*).
- 12.8** Any modification to the Transaction Documents and the Certificate Conditions shall be notified by the Issuer in writing to the Rating Agencies.
- 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 12.19 (*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 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 Noteholders of any Class or the Certificateholders of any Class.
- 12.10** In determining whether a proposed action will not be materially prejudicial to the interests of the Noteholders of any Class or Certificateholders of any Class thereof, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Rated Notes. It is agreed and acknowledged by the Note Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders and/or the Certificateholders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Rated Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders, the Certificateholders or any other person, or create any legal relations between each of the Rating Agencies and the Note Trustee, the Noteholders, the Certificateholders or any other person, whether by way of contract or otherwise.
- 12.11** 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 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 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 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).

12.12 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 these 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 of a clear majority of the 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 the 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 Class of Certificates.

12.13 Extraordinary Resolution means, in respect of the holders of any of the Classes 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 these Certificate 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. of the aggregate Principal Amount Outstanding of the Notes and/or the 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 at least 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes and/or the Certificates.
- 12.14 **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.
- 12.15 **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.
- 12.16 **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.

12.17 Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Principal Paying Agent on behalf of the Issuer.

12.18 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 X Certificates and the Class Y Certificates shall be deemed to be £1,000,000 in respect of each Class of Certificates.

12.19 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 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 12.19, the Note Trustee may in its absolute discretion agree, without the consent of the Certificateholders, 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 each Class.

13. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

- (a) 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.
- (b) 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 and stock exchange requirements. 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 stock exchanges, competent listing authorities and/or 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

- (a) 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.
- (b) 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 governed

by, and shall be construed in accordance with, English law (other than those Transaction Documents such as the Scottish Declaration of Trust and the Scottish Supplemental Charge which are governed by and construed in accordance with Scots Law and aspects relating to Northern Irish Loans and their Related Security will be governed by and construed in accordance with the laws of Northern Ireland).

- (c) Aspects relating to Northern Irish Loans and their Related Security will be governed by and construed in accordance with the laws of Northern Ireland.

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 Payment (which shall, for the purposes of this Certificate Condition 18, include any Deferred Class X Certificate Payment from prior Interest Payment Dates, each as defined under this Certificate Condition 18) payable in respect of the Class X Certificates 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 Payment**) 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 Payment will be made in accordance with this Certificate Condition 18, the Issuer will give notice thereof to the Class X Certificateholder in accordance with Certificate Condition 15 (*Notice to Certificateholders*). Any deferral of a payment or further deferral of a Deferred Class X Certificate Payment 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 United Kingdom, regulation of residential mortgage business under the Financial Services and Markets Act 2000 (the **FSMA**) came into force on 31 October 2004 (the **Regulation Effective Date**). Entering into a Regulated Mortgage Contract as a lender, arranging Regulated Mortgage Contracts and advising in respect of or administering Regulated Mortgage Contracts (and/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 before 21 March 2016, it was a Regulated Mortgage Contract under the RAO if: (i) the lender provided credit to an individual or to trustees; and (ii) the obligation of the borrower to repay was secured by a first legal mortgage (or in Scotland, a first ranking standard security) on land (other than timeshare accommodation) in the United Kingdom, at least 40% of which is used, or is 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 is a beneficiary of the trust or by a related person. 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**).

The current definition of a **Regulated Mortgage Contract** is such that if a mortgage contract was entered into on or after 21 March 2016, the contract will be a Regulated Mortgage Contract if, at the time it is entered into, the following conditions are met: (a) the borrower is an individual or trustee; (b) the obligation of the borrower to repay is secured by a mortgage on land; (c) at least 40% of that land 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.

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 by whom such promotions can be issued or approved. 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 the Seller) 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. 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.

The Servicers and Legal Title Holders are required to hold, and do hold, authorisation and permission to enter into a Regulated Mortgage Contract as lender 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 with respect to Regulated Mortgage Contracts and related activities. 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 virtue of having the relevant Regulated Mortgage Contracts administered pursuant to an administration agreement by an entity having the required authorisation and permission under the FSMA. If such administration agreement terminates, however, 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 must arrange 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. Further rules for prudential and authorisation requirements for mortgage firms, and for extending the appointed representatives regime to mortgages, came into force on 31 October 2004.

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 MCOB 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 (or exercise analogous rights in Scotland). Any such set-off in respect of the Loans may adversely affect the realisable value of the Loans comprising the Portfolio and accordingly the ability of the Issuer to meet its obligations under the Notes.

No assurance can be given that additional regulations or guidance from the FCA, the PRA, the FOS, the CMA or any other regulatory authority will not arise with regard to the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments, in particular, but not limited to, the cost of compliance may have a material adverse effect on the Seller, the Issuer, the Servicer and their respective businesses and operations.

Regulation of buy-to-let mortgage loans

The Portfolio is comprised of loans advanced to the Borrowers upon the security of owner-occupied residential property and buy-to-let property. Buy-to-let mortgage loans can fall under several different regulatory regimes. They can be:

- (a) unregulated;
- (b) regulated by the Consumer Credit Act 1974 (the **CCA**) as a regulated credit agreement – as defined by Article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the **RAO**) (a **Regulated Credit Agreement**);
- (c) regulated by the Financial Services and Markets Act 2000 (the **FSMA**) as a regulated mortgage contract – as defined by Article 61 of the RAO (a **Regulated Mortgage Contract**); or
- (d) regulated as a consumer buy-to-let mortgage contract under the consumer buy-to-let regime – as defined by the Mortgage Credit Directive Order 2015 (a **Consumer Buy-to-Let Loan**).

The Buy-to-Let Loans in the Portfolio are unregulated Buy-to-Let Loans and in this respect, the Seller has given warranties in the Mortgage Sale Agreement that, so far as it is aware, no agreement for any Buy-to-Let Loan is in whole or in part a Regulated Credit Agreement or a Regulated Mortgage Contract or a Consumer Buy-to-Let Loan. If any of the Buy-to-Let Loans are in fact Regulated Credit Agreements, Regulated Mortgage Contracts or Consumer Buy-to-Let Loans, 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, all of which may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

Unregulated buy-to-let mortgage loans

Many buy-to-let mortgage loans will be unregulated because they do not meet the criteria for a Regulated Credit Agreement, Regulated Mortgage Contract or Consumer Buy-to-Let Loan. There are, however, still some regulated activities that apply to unregulated buy-to-let mortgage loans, the relevant activities in respect of the Loans being debt administration and debt collection (such activity includes for example contacting borrowers in arrears via letter, telephone and/or SMS; discussing the reason for arrears with the borrowers and seeking to agree a suitable repayment plan with borrowers). Each of the Servicers (other than the Morag Servicer) hold legal title to the relevant Loans so are excluded as lender from the regulated activities of debt collection and debt administration. The Morag Servicer has debt collection and debt administration permissions. Any replacement servicer would potentially need to have such permissions thereby potentially limiting the entities (including the Seller) available to perform such roles. The Issuer is excluded as lender from the regulated activities of debt administration and debt collection in respect of any unregulated loan, Consumer Buy-to-Let Loan or Regulated Credit Agreement.

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. 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 such 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 and the lender's conduct before and after making

the 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 FSA and, as of 1 April 2013, the FCA on that principle and 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.

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 Servicers have confirmed that no such add-on products have been sold since legal title to the Loans and their Related Security was transferred to the relevant Legal Title Holders.

If a mortgage loan subject to the unfair relationship test is found to be unfair, the court has a wide range of powers and may require the lender (and any associate or former associate of the lender) to repay sums to the debtor, or to do, not do or cease doing anything in relation to the agreement or any related agreement, and may require the lender to reduce or discharge any sums payable by the debtor or surety, return to a surety any security provided by him, alter the terms of the agreement, direct accounts to be taken or otherwise set aside any duty imposed on the debtor or surety. The term **creditor** i.e. lender as defined under Section 189 of the CRA means the person providing the credit under a consumer credit agreement or the person to whom his rights and duties under the agreement have passed by assignment or operation of law.

Mortgage Prisoners

The FCA are aware that there are some consumers who cannot switch to a more affordable mortgage despite being up to date with their mortgage payments. This includes those who can't switch because of changes to lending practices during and after the 2008 financial crisis and subsequent regulation that tightened lending standards – often called 'mortgage prisoners'.

Under Policy Statement PS19/27 which came into effect on 28 October 2019, the FCA amended its 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. The changes mean that mortgage lenders can choose 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, on 23 October 2020 the FCA published Policy Statement PS 20/11 which introduced a new rule to make it easier for lenders to offer switching options to consumers who are in a closed book within the same financial group as the lender.

The modification of the responsible lending rules make it easier for a borrower who is a mortgage prisoner to switch to a new lender and this, together with the proposed notification obligations, could increase redemption rates where there are a significant number of mortgage prisoners held by a lender.

On 20 July 2021, the FCA published terms of reference setting out the next steps it will take in its mortgage prisoners review. The review is intended to evaluate the effects of the FCA's previous interventions that were designed to remove regulatory barriers to switching for mortgage prisoners, and provide further data and insights to the Treasury so that it may explore potential solutions to the mortgage prisoner issues. The FCA intends to report to the Treasury by the end of November 2021. The Treasury published a statement on 22 July 2021 noting its commitment to seeking additional options for borrowers with inactive firms who are unable to get a deal with new lenders, and therefore there may be changes to the rules and law in this area in future.

COVID-19 has had a significant impact on the mortgage market. Lenders have reported that they will be unable to offer a range of switching options or support re-mortgaging for mortgage prisoners as quickly as initially anticipated.

There is a risk that increased redemption rates in respect of the Loans comprising the Portfolio could, in certain circumstances, adversely affect the yield to maturity of the Notes by increasing voluntary prepayment rates above those anticipated.

Breathing Space Regulations

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (the **Breathing Space Regulations**) (which came into force in England and Wales on 4 May 2021) will give 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 Scotland, eligible individuals are afforded similar legal protection under the Bankruptcy (Scotland) Act 2016 although the moratorium period of 42 days is shorter than in England and Wales (notwithstanding the current extension to the moratorium period from 6 weeks to 6 months effected by the Coronavirus (Scotland) Act 2020 which expires on 31 March 2022) and does not make any accommodation for mental health crisis.

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

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.

Certain agreements for financial services will be cancellable under the Distance Marketing Regulations if the borrower does not receive prescribed information at the prescribed time. 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 the of 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 (interdict in Scotland) 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; (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. All of the Loans in the Portfolio were originated prior to 1 October 2015, however, investors should note the ability to port a loan as described above in the section entitled "*The Loans*".

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 (or exercise analogous rights in Scotland). 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:

- 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.
- 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.

- 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

In July 2019, the FCA and the Competition and Markets Authority (the **CMA**) entered into a memorandum of understanding in relation to consumer protection (the **MoU**) which replaced the original memorandum of understanding entered into between the FCA and the CMA on 12 January 2016. The MoU states that the FCA will consider fairness within the meaning of the CRA and the UTCCR, of standard terms, and within the meaning of the CRA of negotiated terms, in financial services contracts entered into by authorised firms or appointed representatives and within the meaning of the Consumer Protection from Unfair Trading Regulations 2008 (the **CPUTR**), of commercial practices in financial services and claims management services of an authorised firm or appointed representative. In the MoU 'authorised' includes having an interim permission and a 'relevant permission' includes an interim permission.

The FCA's consideration of fairness under the CRA, UTCCR and CPUTR will include contracts for mortgages and the selling of mortgages, consumer credit and other credit-related activities.

In October 2010, the FSA issued a statement that, in its view, early repayment charges are likely to amount to the price paid by the borrower in exchange for services provided and may not be reviewable for fairness under the UTCCR, provided that they are written in plain and intelligible language and are adequately drawn to the borrower's attention. In January 2012, the FSA issued a further statement intended to raise awareness of issues that it commonly identifies under the UTCCR (such statement has since been withdrawn – *see below*).

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. Further, following the UK's withdrawal from the European Union the FCA removed reference to all Court of Justice of the European Unions ("**CJEU**") case law concerning the Unfair Contract Terms Directive (93/13/EEC) from its online unfair contract terms library.

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 considered 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 other rules that apply when they draft and use variation terms in their

consumer contracts. The FCA stated 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 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 the UK's withdrawal from the European Union against the backdrop of the sometimes conflicting reported case law between English courts and the CJEU. Under s.6 of the EUWA the courts of the UK are required to consider pre-UK-withdrawal CJEU case law when interpreting EU-derived legislation, however, the Supreme Court (and certain other specified courts) may depart from said CJEU case law, thus, causing further uncertainty in future interpretation.

The broad and general wording of the CRA and UTCCR 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, this may reduce the amounts available to meet the payments due in respect of the Notes.

If any term of the Loans 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. 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 Holder, the Issuer and/or the Servicers and their respective businesses and operations. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the Loans.

Financial Ombudsman Service

Under the FSMA, the Financial Ombudsman Service (the **FOS**), 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 FOS's opinion, would be fair and reasonable in all circumstances of the case, taking into account, among other things, law and guidance, rather than strictly on the basis of compliance with law.

Complaints properly brought before the FOS 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 FOS. The FOS 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 FOS 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 FOS would affect the ability of the Issuer to make payments to Noteholders.

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 prohibit certain practices which 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. 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.

Mortgage repossession

There is a protocol for mortgage repossession which sets out the steps that judges will expect any lender to take before starting a claim (the **Pre-Action Protocol**) in England and Wales. 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. In addition, under the protocol the lender must consider whether to postpone the start of a possession claim where the borrower has made a genuine complaint to the FOS about the potential possession claim.

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 FOS about the potential possession claim. The lender has to serve notice at the property before enforcing a possession order.

Part I of the Home Owner and Debtor Protection (Scotland) Act 2010 came into force on 30 September 2010 and imposes additional requirements on heritable creditors (the Scottish equivalent of a mortgagee) in relation to the enforcement of standard securities over residential property in Scotland. Under Part I of the Act, the heritable creditor, which may be the Legal Title Holders or, in the event of it taking legal title to the Scottish Loans and their Related Security, the Issuer, has to obtain a court order to exercise its power of sale (in addition to initiating the enforcement process by the service of a two-month "calling up" notice), unless the borrower and any other occupiers have surrendered the property voluntarily. In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the borrower's position, and comply with further procedural requirements.

The FCA published the Tailored Support Guidance on 16 September 2020. The Tailored Support Guidance has been subsequently updated (most recently on 25 March 2021) and may be subject to further updates. 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.

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.

This protocol and these Acts may have adverse effects in markets experiencing above average levels of repossession claims. There is a risk that 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.

The Renting Homes (Wales) Act 2016

The Renting Home (Wales) Act (the **Renting Homes Act**) received royal assent on 18 January 2016 but has not yet been brought fully into force. This Act will convert the majority of residential tenancies in Wales into a 'standard contract' with retrospective effect when it is brought fully into force; however, some tenancies will not be converted with retrospective effect (including those which have Rent Act 1977 protection and tenancies for more than 21 years).

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.

The Private Tenancies (Northern Ireland) Order 2006

The private rented sector in Northern Ireland is governed by the terms of the Private Tenancies (Northern Ireland) Order 2006. As of 1st April 2007, all private tenants in Northern Ireland are afforded basic entitlements including the right to a notice to quit. Notice must be served in writing to the tenant and court proceedings cannot proceed until the end of the notice period. The notice period can be up to 12 weeks written notice depending upon the length of the tenancy (see further "*Risk Factors – Risks Relating to the Underlying Assets – Risk of losses associated with Buy-to-Let Loans*" particularly with respect to the Private Tenancies (Coronavirus Modifications) (Northern Ireland) Act 2020 which temporarily extends the notice to quit timeframes). In addition, the tenant has the right to due process, in the event that the tenant refuses to vacate the property after the tenancy has been terminated, the lender or security-holder must seek a court order under Order 88 of the Rules of the Court of Judicature (Northern Ireland) 1980 (as amended) for possession, which must be enforced through the Enforcement of Judgments Office in Northern Ireland.

Prior to commencing legal proceedings for repossession of a property in Northern Ireland, a lender or security-holder should have due regard to the provisions contained within the "Pre-Action Protocol for Possession Proceedings based on Mortgage Arrears in respect of Residential Property" which came into effect on 5 September 2011 and sets out best practice for interaction between the lender or security-holder and the borrower prior to the issuance of formal legal proceedings (**Pre-Action Protocol**).

Prior to 1st April 2007, there was a system within Northern Ireland whereby protected and statutory tenancies could be created, these are tenancies which have their rent controlled by government and provide additional rights to tenants in relation to security of tenure. Although no new protected or statutory tenancies can be created from 1 April 2007, any tenancy of that type already in existence as at 1 April 2007 will retain their rights (including a right of succession for civil partners or spouses or relatives of the protected tenant who may have been living with the tenant for 6 months prior to their death). A number of these tenancies remain in existence in Northern Ireland and they may have a negative impact upon enforcement action, as the grant of a court order in respect of a property which is subject to a protected or statutory tenancy may result in the lender or security holder not being able to obtain vacant possession. As such, the legislation may result in lower recoveries in relation to properties in Northern Ireland which are subject to protected or statutory tenancies.

Private Housing (Tenancies) (Scotland) Act 2016

In 2016, the Scottish Parliament passed the Private Housing (Tenancies) (Scotland) Act 2016, which came into force in December 2017. One of the changes made by this legislation was to introduce a new form of tenancy in Scotland known as a "private residential tenancy" which will (except in a very limited number of exceptions) provide tenants with security of tenure by restricting a landlord's ability to regain possession of the property to a number of specific eviction grounds.

Accordingly, a lender or security-holder may not be able to obtain vacant possession if it wishes to enforce its security unless one of the specific eviction grounds under the legislation applies. It should be noted though that one of the grounds on which an eviction order can be sought is that a lender or security-holder intends to sell the property and requires the tenant to leave the property in order to dispose of it with vacant possession. The effect of this legislative change will primarily be restricted to any buy-to-let loans secured over Scottish Property.

The Private Housing (Tenancies) (Scotland) Act 2016 does not affect holiday lets, social, police or military housing or student accommodation that is either (i) purpose-built and the landlord is an institutional provider of student accommodation or (ii) provided by academic institutions.

The Private Housing (Tenancies) (Scotland) Act 2016 may have adverse effects in markets experiencing above average levels of possession claims.

Mortgages and Coronavirus: Tailored Support Guidance

On 16 September 2020, additional guidance for firms entitled "Mortgages and coronavirus: additional guidance for firms" came into force (the **Tailored Support Guidance**) to supplement the guidance (first published by the FCA on 20 March 2020 and subsequently updated) entitled "Mortgages and Coronavirus: Payment Deferral Guidance" (the **FCA Payment Deferral Guidance**). The Tailored Support Guidance has been updated and may be subject to further updates. The Tailored Support Guidance applies to firms dealing with borrowers facing payment difficulties due to circumstances related to coronavirus who are not receiving payment deferrals under the FCA Payment Deferral Guidance, including where they are not or are no longer eligible for payment deferral. Lenders were not to give payment deferrals under the FCA Payment Deferral Guidance for payments extending beyond 31 July 2021. The Tailored Support Guidance is designed to enable firms to continue to deliver short and long-term support to borrowers affected by the evolving coronavirus pandemic and the government's response to it. It is intended to support firms to treat borrowers affected by coronavirus fairly and to help borrowers to bridge the crisis to get back to a more stable financial position. If the borrower indicates that they continue or reasonably expect to continue, to face payment difficulties after receiving payment deferrals under the FCA Payment Deferral Guidance, then the Tailored Support Guidance applies and unless the borrower objects, the lender may capitalise the deferred amounts. The Tailored Support Guidance remains in force until varied or revoked.

The Tailored Support Guidance provides that at the end of the payment deferral period, no payment shortfall for the purposes of MCOB 13 will arise, where the accrued amounts are repaid (this includes where sums are capitalised or repaid in a lump sum) before the next payment is due. In all other cases, mortgage lenders should regard those accrued amounts as a payment shortfall under MCOB 13 once the next payment falls due.

The FCA expects mortgage lenders to be flexible and employ a full range of short and long-term forbearance options to support their borrowers and minimise avoidable financial distress and anxiety experienced by customers in financial difficulty as a result of coronavirus. This may include short term arrangements under which the lender permits the customer to make no or reduced payments for a specified period. However it should be noted that where after the end of a payment deferral period under the FCA Payment Deferral Guidance, a mortgage lender agrees to the customer making no or

reduced payments for a further period (without changing the sums due under the contract) this will cause a payment shortfall that will be subject to MCOB 13 (where applicable).

The Tailored Support Guidance further provides in respect of deferral shortfalls (amount added to the shortfall because of any payment deferrals) that unless the borrower is unreasonably refusing to engage with the mortgage lender in relation to addressing the shortfall, a mortgage lender should not repossess the property without the borrower's consent solely because of a deferral shortfall. Further, in considering whether and when steps to repossess the property should be taken and whether all other reasonable attempts to resolve the position have failed, mortgage lenders should take into account that the shortfall arose by agreement with the mortgage lender and in exceptional circumstances and the borrower was not expected to address the shortfall during the payment deferral period and so may have had less time to address it.

The FCA makes clear in the FCA Payment Deferral Guidance and 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.

Increased levels of forbearance may result in a reduction of funds available, which may affect the ability of the Issuer to make payments to Noteholders. Furthermore, there can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the COVID-19 outbreak in the UK which may impact the performance of the Loans, including further amending and extending the scope of the above guidance.

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 (HA 1988). If it is, this could have the consequences set out below.

A tenancy or lease 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 3 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 3 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.

In Scotland, the corresponding provisions of the Housing (Scotland) Act 1988 that govern assured tenancies and short assured tenancies (being broadly the Scottish equivalent of ATs and ASTs in England and Wales) do not apply to long leases in respect of residential property in Scotland that are capable of being registered in the Registers of Scotland and secured by a standard security.

Land Registration Reform in Scotland

The Land Registration etc. (Scotland) Act 2012 (the **2012 Act**) came into force in Scotland on 8 December 2014. One of the policy aims of the 2012 Act is to encourage the transfer of property titles recorded in the historic General Register of Sasines to the more recently established Land Register of Scotland with the aim of eventually closing the General Register of Sasines.

Previously, title to a residential property that was recorded in the General Register of Sasines would usually only require to be moved to the Land Register of Scotland (a process known as "first registration") when that property was sold or if the owner decided voluntarily to commence first registration. The 2012 Act provides additional circumstances which will trigger first registration of properties recorded in the General Register of Sasines, including (i) the recording of a standard security (which will extend to any standard security granted by the Issuer in favour of the Security Trustee over Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Deed of Charge following a Perfection Event (a **Scottish Sasine Sub-Security**)) or (ii) the recording of an assignation of a standard security (which would extend to any assignation granted by the Legal Title Holders in favour of the Issuer or its nominee in respect of Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Mortgage Sale Agreement and the Servicing and Legal Title Holder Deeds following a Perfection Event (a **Scottish Sasine Transfer**)).

Accordingly, since 1 April 2016, the General Register of Sasines has been closed to the recording of standard securities. Notwithstanding the provisions of the 2012 Act mentioned above, for the time being, other deeds such as assignments of standard securities (including Scottish Sasine Transfers) will continue to be accepted in the General Register of Sasines indefinitely although the Registers of Scotland have reserved the right to consult further on this issue in the future.

If a Perfection Event occurs then an application to record a Scottish Sasine Sub-Security in relation to any Scottish Mortgages recorded in the General Register of Sasines (following the transfer of legal title to the Scottish Mortgages to the Issuer) could trigger the first registration in the Land Register of Scotland of the underlying Mortgaged Properties located in Scotland to the extent that these are not then registered in the Land Register of Scotland.

If the General Register of Sasines becomes closed to assignments of standard securities at any time after the date of this Prospectus, then registration of Scottish Sasine Transfers (whether in favour of the Issuer or its nominee) would trigger the first registration in the Land Register of Scotland of the underlying Mortgaged Properties located in Scotland to the extent that these are not then registered in the Land Register of Scotland.

If triggered, first registration will result in higher legal costs and a longer period required to complete registration than would otherwise be the case.

As noted above, such events will only occur following a Perfection Event and given that the proportion of residential properties in Scotland which remain recorded in the General Register of Sasines continues to decline (the Registers of Scotland estimate that, in December 2020 around 69 per cent. of property titles in Scotland were registered in the Land Register of Scotland), it is likely that, in relation to the Provisional Portfolio, where, as at the Cut-Off Date, approximately 3.60 per cent. (by Current Balance) of the Properties are located in Scotland, only a minority of the Scottish Mortgages will be recorded in the General Register of Sasines.

General

No assurance can be given that additional legislation, regulations or guidance from Parliament, the FCA, the Competition and Markets Authority (the CMA), the PRA, the FOS or any other regulatory authority will not arise with regard to the mortgage market in the United Kingdom generally, each Legal Title Holder's particular sector in that market or specifically in relation to the Legal Title Holders. Any such action or developments or compliance costs may have a material adverse effect on the Loans, the Legal Title Holders, the Issuer and/or the Servicers 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.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, 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 expects to 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 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 (together with ERISA Plans, the **Plans**)) and persons (referred to as "parties in interest" or "disqualified persons") 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 prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer, the Paying Agent, any transfer agent, the Registrar, the Co-Arrangers, the Joint Lead Managers 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 and 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 state, local, other federal or non-U.S. law or regulation that is substantially similar to 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 subject to Title I of ERISA, (2) any plan described 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 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. While there is little pertinent authority in this area and no assurance can be given, the Issuer believes that the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes (**ERISA-Eligible Notes**) should not be treated as equity interests for the purposes of the Plan Asset Regulation and, therefore, the look-through rule of the Plan Asset Regulation should not apply. However, while not entirely clear, it is possible that the Certificates and each Class of Notes other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes could be viewed as equity interests for the purposes of the Plan Asset Regulations.

Accordingly, any Notes that are not ERISA-Eligible 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 of such Note (or interest therein) will be deemed to have represented, warranted and agreed that 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 or a governmental, church or non-U.S. plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Note (or any interest therein) constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or, if it is a governmental, church or non-U.S. plan, its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a violation of any Similar Law. Each purchaser of an ERISA-Eligible Note (or interest therein) will be deemed to have represented, warranted and agreed that either (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 or a governmental, church or non-U.S. plan subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Note (or interest therein) constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or (ii) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Each purchaser that is a Benefit Plan Investor will be further deemed to represent, warrant and agree that (i) none of the Issuer, the Paying Agent, any transfer

agent, the Registrar or any other party to the transactions referred to in this Prospectus, or other persons that provide marketing services, or any of their respective affiliates, has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor (**Plan Fiduciary**), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes; and (ii) the Plan Fiduciary is exercising its own independent judgment in evaluating the investment in the Notes.

Each Plan Fiduciary who is responsible for making the investment decisions on whether to purchase or commit to purchase and to hold any of the Notes should determine whether, under the documents and instruments governing the Plan, an investment in such Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in such Notes (including any governmental, church or non-U.S. plan) should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental, church or non-U.S. plan, any Similar Law).

The sale of any Notes to a Plan is in no respect a representation by the Issuer, the Paying Agent, any transfer agent, the Registrar, the Joint Lead Managers or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

Barclays (in its capacity as Co-Arranger, Joint Lead Manager and Retention Holder) has, pursuant to a subscription agreement dated on or about the date of this Prospectus between the Seller, the Co-Arrangers, the Joint Lead Managers, 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 Joint Lead Managers:
 - (i) £248,919,000 of the Class A1 Notes at the issue price of 99.61714 per cent.;
 - (ii) £70,606,000 of the Class A2 Notes at the issue price of 98.88333 per cent.;
 - (iii) £33,508,000 of the Class B Notes at the issue price of 98.33527 per cent.;
 - (iv) £14,360,000 of the Class C Notes at the issue price of 98.33911 per cent.;
 - (v) £29,917,000 of the Class D Notes at the issue price of 97.52956 per cent.;
 - (vi) £21,540,000 of the Class E Notes at the issue price of 97.54835 per cent.;
 - (vii) £16,754,000 of the Class F Notes at the issue price of 96.24380 per cent.;
 - (viii) £14,360,000 of the Class G Notes at the issue price of 93.70460 per cent.; and
 - (ix) £7,180,000 of the Class X Notes at the issue price of 99.81069 per cent.(together the **JLM Notes**); and
- (b) in the case of the Retention Holder:
 - (i) £13,101,000 of the Class A1 Notes at the issue price of 99.61714 per cent.;
 - (ii) £3,717,000 of the Class A2 Notes at the issue price of 98.88333 per cent.;
 - (iii) £1,764,000 of the Class B Notes at the issue price of 98.33527 per cent.;
 - (iv) £756,000 of the Class C Notes at the issue price of 98.33911 per cent.;
 - (v) £1,575,000 of the Class D Notes at the issue price of 97.52956 per cent.;
 - (vi) £1,134,000 of the Class E Notes at the issue price of 97.54835 per cent.;
 - (vii) £882,000 of the Class F Notes at the issue price of 96.24380 per cent.;
 - (viii) £756,000 of the Class G Notes at the issue price of 93.70460 per cent.;
 - (ix) £30,237,000 of the Class Z Notes at the issue price of 44.13680 per cent.;
 - (x) £7,980,000 of the Class R Notes at the issue price of 77.58231 per cent.; and
 - (xi) £378,000 of the Class X Notes at the issue price of 99.81069 per cent.

Only the JLM Notes are being sold through the Joint Lead Managers. The Class Z Notes and the Class R Notes will not be sold through the Joint Lead Managers and are intended to be offered only in a privately placed, offshore transaction to persons other than U.S. persons in accordance with Regulation S. 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) 5 per cent. of each Class of the Rated Notes and 100 per cent. of the Class Z Notes and the Class R Notes will be acquired by the Retention Holder and (ii) 95 per cent. of each Class of the Rated Notes are being sold through the Joint Lead Managers. On the Closing Date, 95 per cent. of each of the Class Z Notes and the Class R Notes will be acquired from the Retention Holder by one or more third party investors pursuant to a privately placed, offshore transaction to persons other than U.S. persons in accordance with Regulation S. On the Closing Date, one or more third party investors consisting of a fund, acting directly or through an affiliate, will acquire approximately 27.72 per cent. of the Class A2 Notes, approximately 61.92 per cent. of the Class C Notes and 95 per cent. of each of the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes.

The Certificates will be issued by the Issuer 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 under the Mortgage Sale Agreement. The Seller will transfer the Certificates to Barclays on the Closing Date immediately following the issue of the Certificates to the Seller. Barclays expects to transfer 95 per cent. of the Class Y Certificates to one or more third party investors consisting of a fund, acting directly or through an affiliate.

The Issuer has agreed to indemnify the Co-Arrangers and the Joint Lead Managers under the Subscription Agreement against certain liabilities in connection with the issue of the Notes and the Certificates, including liabilities under applicable securities laws, or contribute to payments the Co-Arrangers and the Joint Lead Managers may be required to make in respect of those liabilities, subject in each case to the conditions and requirements set out in the Subscription Agreement.

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 Co-Arrangers or the Joint Lead Managers, 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 Co-Arrangers and Joint Lead Managers that it will, whilst 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 of the Class of Notes and the Certificates sold or transferred to the investors 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 of the Class of Notes and Class of Certificates sold or transferred to the investors) 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.

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 Co-Arranger and each Joint Lead Manager acknowledges that any JLM Notes that are not ERISA-Eligible 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 employee benefit plan or plan's investment in such entity within the meaning of the Plan Asset Regulation, and each purchaser of such JLM Notes (or interests therein) will be deemed to have represented, warranted and agreed that it is not, and is not acting on behalf of (and for so long as it holds such JLM Notes (or interests therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or an ERISA Plan or other Plan or a governmental, church or non-U.S. plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such JLM Notes (or any interests therein) constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or, if it is a governmental, church or non-U.S. plan, its acquisition, holding and disposition of such JLM Notes (or interests therein) will not constitute or result in a violation of any Similar Law. Each purchaser of ERISA-Eligible Notes (or interests therein) will be deemed to have represented, warranted and agreed that either (i) it is not, and it is not acting on behalf of (and for so long as it holds such JLM Notes (or interests therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such JLM Notes (or interests therein) constitute or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or (ii) its acquisition, holding and disposition of such JLM Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Each purchaser that is a Benefit Plan Investor will be further deemed to represent, warrant and agree that (i) none of the Issuer, the Paying Agent, any transfer agent, the Registrar or any other party to the transactions referred to in this Prospectus, or other persons that provide marketing services, or any of their respective affiliates, has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor (**Plan Fiduciary**), has relied as a primary basis in connection with its decision to invest in the JLM Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the JLM Notes; and (ii) the Plan Fiduciary is exercising its own independent judgement in evaluating the investment in the JLM Notes.

Each of the Co-Arrangers and the Joint Lead Managers has acknowledged, in the Subscription Agreement, that the JLM 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 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 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 in a manner so as not to require the registration of the Issuer as an "investment company" pursuant to the Investment Company Act. Accordingly, the Notes are being offered and sold only 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. In addition, the JLM 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.

In connection with any Notes, each of the Co-Arrangers and the Joint Lead Managers 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 Co-Arrangers and the Joint Lead Managers 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 Joint Lead Managers, 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

Each of the Joint Lead Managers has 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 JLM 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 JLM Notes in, from or otherwise involving the United Kingdom.

The Co-Arrangers and Joint Lead Managers 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 Co-Arrangers and Joint Lead Managers 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

Each of the Joint Lead Managers has represented and agreed that that it will not offer, sell, place or underwrite or do anything in respect of the JLM Notes other than in conformity with the provisions of:

- (a) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), including, without limitation, Regulation 5 (Requirement for authorisations (and certain provisions concerning MTFs and OTFs)) thereof, any codes of conduct made thereunder and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) the Regulation (EU) 2017/1129/EU–Prospectus Regulation (PD3), the European Union (Prospectus) Regulations 2019 (S.I. No. 380/2019), and any rules and guidance issued under Section 1363 of the Companies Act 2014 by the Central Bank;

- (d) the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued under Section 1370 of the Companies Act 2014 by the Central Bank; and
- (e) the Companies Act 2014 (as amended) of Ireland.

Prohibition of Sales to UK Retail Investors and EEA Retail Investors

Each of the Joint Lead Managers 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 of the Joint Lead Managers 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 EU 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 EU 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 Co-Arrangers, the Joint Lead Managers 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 offering circular, 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 Class X Certificates.

Class X Certificates

The Class X Certificates may only be transferred together in whole.

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 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 (i) to a non-U.S. person in an offshore transaction complying with Rule 903 or 904 of Regulation S or (ii) following the expiration of the Distribution Compliance Period, pursuant to an applicable exemption from the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

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 have not been and will not be registered under the Securities Act and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. Person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. Person and who is 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 (ii) pursuant to an effective registration statement under 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;
- (b) unless the relevant legend set out below has been removed from the Notes, such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

- (c) if the purchaser purchased the Notes during the initial syndication of the Notes it (i) is not a Risk Retention U.S. Person, (ii) is acquiring such Notes or a beneficial interest therein for its own account and not with a view to distribute such Notes and (iii) is not acquiring such Notes or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Credit Risk Retention Requirements (including acquiring such Notes through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Credit Risk Retention Requirements);
- (d) with respect to an ERISA-Eligible Note, either (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 or a governmental, church or non-U.S. plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Note or any interest therein constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or (ii) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law;
- (e) with respect to a Note that is not an ERISA-Eligible Note (each Class of Notes other than the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes), (i) it is not, and is not acting on behalf of (and for so long as it holds such a Note (or interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan which is subject to any Similar Law, and (ii) no part of the assets to be used by it to acquire or hold such Note or any interest therein constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or if it is a governmental, church or non-U.S. plan, its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a violation of any Similar Law;
- (f) if it is, or is acting on behalf of, a Benefit Plan Investor, (i) none of the Issuer, the Paying Agent, any transfer agent, the Registrar or any other party to the transactions referred to in this Prospectus, or other persons that provide marketing services, or any of their respective affiliates, has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor (Plan Fiduciary), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes; and (ii) the Plan Fiduciary is exercising its own independent judgement in evaluating the investment in the Notes; and
- (g) it will promptly (i) inform the Issuer if, during any time it holds a Note there shall be any change in the acknowledgments, representations and agreements contained above or if they shall become false for any reason and (ii) deliver to the Issuer such other representations and agreements as to such matters as the Issuer may, in the future, request in order to comply with applicable law and the availability of any exemption therefrom.

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**), OR (B) 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.

[[TO BE INCLUDED FOR NOTES THAT ARE ERISA-ELIGIBLE:]] EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN, BY ITS ACQUISITION AND HOLDING OF THIS NOTE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR 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 THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN 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**), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL 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 NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B) THAT ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAW. EACH PURCHASER THAT IS A BENEFIT PLAN INVESTOR SHALL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) NONE OF THE ISSUER, THE PAYING AGENT, ANY TRANSFER AGENT, THE REGISTRAR OR ANY OTHER PARTY TO THE TRANSACTIONS REFERRED TO IN THE PROSPECTUS, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN

INVESTOR (**PLAN FIDUCIARY**), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE; AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE INVESTMENT IN THIS NOTE.]

[[*TO BE INCLUDED FOR NOTES THAT ARE NOT ERISA-ELIGIBLE:*] BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH HOLDER OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT EITHER (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 AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH EMPLOYEE BENEFIT PLAN 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**), OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY STATE, LOCAL, OTHER FEDERAL 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 NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (B) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, 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 213800MBWPF2JNNPVL18 and the STUI is 213800MBWPF2JNNPVL18202101.
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 10 December 2021. The Certificates are not and 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) since 6 September 2021 (being the date of incorporation of the Issuer) and 3 September 2021 (being the date of incorporation of Holdings) 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. No statutory or non-statutory accounts within the meaning of Sections 434 and 435 of the Companies Act 2006 (as amended) in respect of any financial year of the Issuer have been prepared. The accounting reference date of the Issuer is 30 September and the first statutory accounts of the Issuer will be drawn up to 30 September 2021. 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. 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.
6. Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
7. Since 6 September 2021 (being the date of incorporation of the Issuer) and 3 September 2021 (being the date of incorporation of Holdings), there has been (a) no material adverse change in the financial position or prospects of the Issuer or Holdings and (b) no significant change in the financial or trading position of the Issuer or Holdings.
8. The issue of the Notes was authorised pursuant to a resolution of the board of directors of the Issuer passed on 7 December 2021.
9. The Notes have been accepted for clearance (and the Certificates are currently cleared) through Euroclear and Clearstream, Luxembourg under the following ISINs and Common Codes.

Class of Notes	ISIN	Common Code
Class A1 Notes	XS2401174953	240117495
Class A2 Notes	XS2407279434	240727943
Class B Notes	XS2401175174	240117517
Class C Notes	XS2401175414	240117541
Class D Notes	XS2401175687	240117568
Class E Notes	XS2401175844	240117584
Class F Notes	XS2401176222	240117622
Class G Notes	XS2407284517	240728451
Class Z Notes	XS2401176495	240117649
Class R Notes	XS2401176651	240117665
Class X Notes	XS2401176735	240117673

Class of Notes	ISIN	Common Code
Class X Certificate	XS2401176818	240117681
Class Y Certificates	XS2401176909	240117690

UK Securitisation Regulation Reporting

10. 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) of the UK Securitisation Regulation is published as required by and in accordance with Article 7(1)(g) 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 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 mean the UK Article 7 RTS and the UK Article 7 ITS.

EU Securitisation Regulation Reporting

11. 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 EU Prospectus Regulation.

EU Article 7 ITS means Commission Implementing Regulation (EU) 2020/1225/226 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.

EU Article 7 RTS means Commission Delegated Regulation (EU) 2020/1224/227 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.

EU Article 7 Technical Standards mean the EU Article 7 RTS and the EU Article 7 ITS.

12. 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) 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=16944> (the **Reporting Website**):

- (a) the memorandum and articles of association of each of the Issuer and Holdings;
- (b) copies of the following documents:
 - (i) Accession Undertaking to the Seller Declaration of Trust;
 - (ii) Administration Agreement;
 - (iii) Agency Agreement;
 - (iv) Bank Account Agreement;
 - (v) Cash Management Agreement;
 - (vi) Collection Account Declaration of Trust;
 - (vii) Wall Collection Account Agreement;
 - (viii) Corporate Services Agreement;
 - (ix) Deed of Charge;
 - (x) Issuer Power of Attorney;
 - (xi) each Legal Title Holder Power of Attorney;
 - (xii) Master Definitions and Construction Schedule;
 - (xiii) Mortgage Sale Agreement;
 - (xiv) Portfolio Option Deed Poll;
 - (xv) Retention Holder Deed Poll;
 - (xvi) Regulatory Reporting Letter;
 - (xvii) Risk Retention Letter;
 - (xviii) Scottish Supplemental Charge;
 - (xix) Seller Power of Attorney;
 - (xx) Servicer Power of Attorney;
 - (xxi) each Servicing and Legal Title Holder Deed;
 - (xxii) Share Trust Deed;
 - (xxiii) Trust Deed; and
 - (xxiv) 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.

13. 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.
14. Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Regulated Market of Euronext Dublin for the purposes of the EU Prospectus Regulation.

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