

## TUDOR ROSE MORTGAGES 2020-1 PLC

### IMPORTANT NOTICE

**NOT FOR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED) OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.**

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN 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 U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT ("**REGULATION S**")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF REGULATIONS. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS 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 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. Defined terms used in this electronic disclaimer shall have the meaning given to them in the Prospectus.

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. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Lead Manager or any affiliate of the Lead Manager is a licensed broker or dealer in that jurisdiction,

the offering shall be deemed to be made by the Lead Manager or such affiliate on behalf of the Issuer in such jurisdiction.

**Confirmation of Your Representation:** In order to be eligible to view this Prospectus or make an investment decision with respect to the securities, investors must not be U.S. persons (as defined in Regulation S). By accessing the Prospectus, you shall be deemed to have confirmed and represented to us that (a) you have understood and agree 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) or acting for the account or benefit of a U.S. Person 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, 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 is an investment professional within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arranger, the Lead Manager nor the Transaction Parties or any person who controls any such person or 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 Issuer, the Arranger and the Lead Manager.

The Notes are offered subject to prior sale or withdrawal, cancellation or modification of this offering without notice. The Issuer, the Arranger and the Lead Manager also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason and to allot to any prospective purchaser less than the full amount of Notes sought by such investor. You acknowledge that you have been afforded an opportunity to request from the Issuer, and have received and reviewed, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in the Prospectus. You also acknowledge that you have not relied on the Arranger or the Lead Manager or any person affiliated with the Arranger and the Lead Manager in connection with the investigation of the accuracy of such information or your investment decision. The contents of the Prospectus are not to be construed as legal, business or tax advice. Each prospective purchaser should consult its own attorney, business adviser and tax adviser for legal, business and tax advice relating to an investment in the Notes.

The Prospectus summarises documents and other information in a manner that does not purport to be complete, and these summaries are subject to, and qualified in their entirety by reference to, all of the provisions of such documents. In making an investment decision, you must rely on your own examination of these documents (copies of which are available from the Issuer, the Arranger and the Lead Manager upon request), the Issuer and the terms of the offering and the Notes, including the merits and risks involved.

## TUDOR ROSE MORTGAGES 2020-1 PLC

(incorporated with limited liability in England and Wales, registered under number 12616829)

Class <sup>(1)</sup>	Initial Principal Amount Outstanding	Issue Price	Reference Rate	EORD <sup>(2)</sup>	FORD <sup>(2)</sup>	Margin	Step-Up Margin <sup>(3)</sup>	Expected Ratings (S&P / DBRS)	Final Maturity Date
A	£256,000,000	99.64%	Compounded Daily SONIA	December 2021	June 2023	1.25%	2.50%	AAA/AAA	June 2048
B	£17,400,000	99.43%	Compounded Daily SONIA	December 2021	June 2023	2.00%	3.00%	AA/AA	June 2048
C	£11,400,000	99.29%	Compounded Daily SONIA	December 2021	June 2023	2.50%	3.75%	AA-/A	June 2048
D	£7,600,000	97.49%	Compounded Daily SONIA	December 2021	June 2023	3.00%	4.50%	A/BBB	June 2048
E	£6,800,000	97.25%	Compounded Daily SONIA	December 2021	June 2023	4.00%	6.00%	BBB/BB(high)	June 2048
F	£3,100,000	97.89%	Compounded Daily SONIA	December 2021	June 2023	5.50%	8.25%	BB/BB(low)	June 2048
RFN	£6,100,000	99.37%	Compounded Daily SONIA	December 2021	June 2023	7.50%	N/A	NR	June 2048
X1	£6,900,000	NA	Compounded Daily SONIA	December 2021	June 2023	4.00%	N/A	BB+/BB(high)	June 2048
X2	£6,100,000	NA	Compounded Daily SONIA	December 2021	June 2023	4.00%	N/A	NR	June 2048
Z	£775,000	NA	Compounded Daily SONIA	December 2021	June 2023	9.00%	N/A	NR	June 2048
Certificates	NA	NA	N/A <sup>(4)</sup>	December 2021	June 2023	N/A	N/A	NR	June 2048

<sup>(1)</sup> The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes are collectively the "**Collateralised Notes**". The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are collectively the "**Rated Collateralised Notes**". The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, and the Class X1 Notes are collectively the "**Rated Notes**". The Notes and the Certificates are offered pursuant to Regulation S.

<sup>(2)</sup> The early optional redemption date (the "**EORD**") is the Interest Payment Date falling in December 2021. The first optional redemption date (the "**FORD**") is the Interest Payment Date falling in June 2023.

<sup>(3)</sup> The applicable Margin on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will increase on and from the Step-Up Date. The applicable Margin on the Class RFN Notes, the Class X1 Notes, the Class X2 Notes and the Class Z Notes will not increase.

<sup>(4)</sup> The Certificates will not have a Principal Amount Outstanding. No Rate of Interest is earned on the Certificates. Payments on the Certificates will be payable in arrear on each Interest Payment Date.

<sup>(5)</sup> The Class X1 Notes, the Class X2 Notes, the Class Z Notes and the Certificates will be acquired by the Seller on the Closing Date as part of the disposal and acquisition mechanics and consideration for the Mortgage Portfolio.

ARRANGER AND LEAD MANAGER

**MORGAN STANLEY\***

The date of this Prospectus is 26 June 2020

\* Morgan Stanley means Morgan Stanley & Co. International PLC

**Closing Date**

The Issuer will issue the £256,000,000 Class A Mortgage Backed Floating Rate Notes due June 2048 (the "**Class A Notes**"), £17,400,000 Class B Mortgage Backed Floating Rate Notes due June 2048 (the "**Class B Notes**"), £11,400,000 Class C Mortgage Backed Floating Rate Notes due June 2048 (the "**Class C Notes**"), £7,600,000 Class D Mortgage Backed Floating Rate Notes due June 2048 (the "**Class D Notes**"), £6,800,000 Class E Mortgage Backed Floating Rate Notes due June 2048 (the "**Class E Notes**"), £3,100,000 Class F Mortgage Backed Floating Rate Notes due June 2048 (the "**Class F Notes**"), £6,100,000 Class RFN Floating Rate Notes due June 2048 (the "**Class RFN Notes**"), £6,900,000 Class X1 Floating Rate Notes due June 2048 (the "**Class X1 Notes**"), £6,100,000 Class X2 Floating Rate Notes due June 2048 (the "**Class X2 Notes**") and £775,000 Class Z Mortgage Backed Floating Rate Notes due June 2048 (the "**Class Z Notes**", and together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class RFN Notes, the Class X1 Notes and the Class X2 Notes, the "**Notes**" and "**Note**" shall mean any one of them) on or about 30 June 2020 (the "**Closing Date**").

The Issuer will issue the Notes and the Certificates in the Classes set out above on the Closing Date.

**Stand-alone /programme issuance**

Stand-alone issuance.

**Underlying Assets**

The Issuer will make payments on the Notes and Certificates from, *inter alia*, payments of principal and revenue on a portfolio comprising mortgage loans originated by Axis Bank UK Limited (the "**Originator**") and secured over residential buy-to-let properties located in England and Wales (the "**Portfolio**" or "**Mortgage Portfolio**"). The beneficial interest in the Mortgage Portfolio will be purchased by the Issuer from the Seller on the Closing Date. Please refer to the section entitled "*The Mortgage Portfolio*" for further information. The legal title to the Mortgage Portfolio will be initially held by the Originator as the Interim Legal Title Holder and will be transferred by the Originator in such capacity to the Legal Title Holder during the Transitional Period.

**Credit Enhancement**

- Subordination of the Subordinated Notes;
- Excess Available Revenue Receipts; and
- Amounts standing to the credit of the Non-Liquidity Reserve Fund Ledger.

Please refer to the sections entitled "*Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments*" and "*Summary of Credit Structure and Cashflows*".

**Liquidity Support**

- Amounts standing to the credit of the Liquidity Reserve Fund Ledger for the Class A Notes and (subject to the Class B PDL Condition) the Class B Notes; and
- For the Rated Collateralised Notes which are the Most Senior Class of Notes at the time, Available Principal Receipts available as item (g) of the definition of Available Revenue Receipts applied to make up any relevant Revenue Shortfall.

Please refer to the section entitled "*Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments*".

## **Reserve Fund**

The Reserve Fund will be funded in an amount equal to 2.0% of the Initial Principal Amount of the Collateralised Notes on the Closing Date (the "**Reserve Fund Required Amount**") and will be comprised of the Liquidity Reserve Fund to be maintained in an amount equal to the Liquidity Reserve Fund Required Amount and the Non-Liquidity Reserve Fund to be maintained in an amount equal to the Non-Liquidity Reserve Fund Required Amount.

The Reserve Fund Required Amount will be reduced to zero on and after the date on which all of the Rated Collateralised Notes have been redeemed in full (the "**Rated Collateralised Notes Redemption Date**") and following such reduction on the Rated Collateralised Notes Redemption Date, all amounts standing to the credit of the Reserve Fund Ledger will form part of the Available Principal Receipts.

"**Liquidity Reserve Fund Required Amount**" is an amount equal to: (a) on any Interest Payment Date up to (but excluding) the Class B Redemption Date, an amount equal to the product of (i) 2.00% multiplied by (ii) the aggregate Principal Amount Outstanding on the Class A Notes and Class B Notes on that Interest Payment Date, and (b) on any Interest Payment Date on or after the Class B Redemption Date, zero.

"**Non-Liquidity Reserve Fund Required Amount**" is an amount equal to (a) prior to the Rated Collateralised Notes Redemption Date, the Reserve Fund Required Amount less the Liquidity Reserve Fund Required Amount; and (b) on and after the Rated Collateralised Notes Redemption Date, zero.

"**Reserve Fund Actual Amount**" is an amount standing to the credit of the Reserve Fund Ledger.

"**Liquidity Reserve Fund Actual Amount**" is an amount equal to the lesser of (i) the Liquidity Reserve Fund Required Amount, and (ii) the Reserve Fund Actual Amount.

"**Non-Liquidity Reserve Fund Actual Amount**" is an amount equal to the greater of (i) the Reserve Fund Actual Amount less the Liquidity Reserve Fund Required Amount, and (ii) zero.

Please refer to the section entitled "*Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments*".

## **Rating Agencies**

DBRS Ratings Limited ("**DBRS**") and S&P Global Ratings ("**S&P**", and together with DBRS, the "**Rating Agencies**"). As of the date hereof, each of DBRS and S&P is established in the European Union and registered under the CRA Regulation.

Each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at [www.esma.europa.eu/page/list-registered-and-certified-CRAs](http://www.esma.europa.eu/page/list-registered-and-certified-CRAs)) in accordance with the CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union

before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Please refer to the section entitled "*Certain Regulatory Disclosures – CRA Regulation*".

## Credit Ratings

Ratings are expected to be assigned to the Rated Notes by each of the Rating Agencies on or before the Closing Date.

The Certificates will not be rated by any of the Rating Agencies.

The ratings reflect the views of the Rating Agencies and are based on the Mortgage Loans, the Related Security, the Properties and the structural features of the transaction.

The ratings assigned to the Rated Notes (including in respect of the Step-Up Margin) by the Rating Agencies address, *inter alia*:

- the likelihood of full and timely payment to the holders of the Class A Notes of interest on each Interest Payment Date in accordance with the Conditions;
- the likelihood of full payment to the holders of the Rated Notes (other than the Class A Notes) of all payments of interest in relation to the Rated Notes (other than the Class A Notes) on or prior to the Final Maturity Date; and
- the likelihood of full and ultimate payment to the holders of the Rated Notes of principal in relation to the Rated Notes on or prior to the Final Maturity Date.

The Class RFN Notes, the Class X2 Notes and the Class Z Notes will not be rated.

**The assignment of ratings to the Rated Notes is not a recommendation to invest in the Rated Notes. Any credit ratings assigned to the Rated Notes may be revised, suspended or withdrawn at any time.**

## Listing

This document comprises a prospectus (the "**Prospectus**"), for the purpose of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**"). This Prospectus has been approved by the Central Bank of Ireland, as competent authority under Prospectus Regulation.

The Central Bank of Ireland only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of the Prospectus Regulation and/or which 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 of Euronext Dublin and to trading on its

regulated market. References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the official list of Euronext Dublin and to trading on its regulated market. The Certificates will not be listed or admitted to trading.

This Prospectus is valid for a period of twelve months from the date of approval. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Prospectus is no longer valid. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the closing of the offer period or the time when trading of such securities on a regulated market begins, whichever occurs later.

### **The Notes and Certificates**

The Notes and the Certificates have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and the Notes and the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States or other applicable jurisdiction. Accordingly, the Notes and the Certificates are being offered and sold only outside the United States to persons other than U.S. Persons in reliance on Regulation S. The Notes and the Certificates may be resold or otherwise transferred, subject to other restrictions on transfer described herein, only outside the United States to persons other than U.S. Persons in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Notes and the Certificates may be relying on an exemption from the provisions of Section 5 of the Securities Act. For a description of certain further restrictions on offers, sales and transfers of Notes or Certificates in this Prospectus, see "*Subscription and Sale*" and "*Transfers and Transfer Restrictions*".

Only the Collateralised Notes, the Class RFN Notes, the Class X1 Notes and the Class X2 Notes are being offered pursuant to this Prospectus. The Certificates are not offered hereby. The Class X1 Notes, the Class X2 Notes, the Class Z Notes and the Certificates will be acquired by the Seller on the Closing Date as part of the disposal and acquisition mechanics and consideration for the Mortgage Portfolio. The Seller will be entitled to dispose of (i) the Class X1 Notes, the Class X2 Notes and the Class Z Notes in excess of the E.U. Retained Amount on or following the Closing Date and (ii) up to 95 per cent. of the Certificates following the Closing Date.

### **EU Retention Undertaking**

Morgan Stanley Principal Funding Inc. (the "**Retention Holder**") will, as at the Closing Date until the Final Maturity Date or the date on which the Notes are redeemed in full retain a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6 of Regulation (EU) 2017/2402 (the "**Securitisation Regulation**") together with any technical standards (which does not take into account any relevant national measures) (the "**E.U. Retention**"). As at the Closing Date, the E.U. Retention will be satisfied by the Retention Holder holding the economic interest in not less than 5 per cent. of the nominal value of each class of Notes sold or transferred to investors (the "**E.U. Retained Amount**") in accordance with Article 6(3)(a) of the Securitisation Regulation. Any change to the manner in which such interest is held will be notified to the Noteholders. The Retention

Holder will not sell, short, hedge, transfer or otherwise dispose of its interest in the E.U. Retained Amount, or otherwise enter into any transaction which would result in the E.U. Retained Amount being subject to any form of credit risk mitigation, except in each case, to the extent permitted by the Securitisation Regulation. In addition to the information set out herein and forming part of the Prospectus, the Retention Holder has undertaken to make available the information as set out in "*Certain Regulatory Disclosures - the Securitisation Regulation*". Please refer to the section entitled "*Certain Regulatory Disclosures - the Securitisation Regulation*" for further information.

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

The Retention Holder as a "sponsor" for the purposes of the credit risk retention requirements under section 15G of the Securities Act of 1934, as amended (the "**U.S. Risk Retention Rules**") is required to acquire and retain (either directly or through a majority-owned affiliate) at least 5 per cent. of the credit risk of the securitised assets of the Issuer (the "**U.S. Credit Risk Retention Requirement**" and the "**U.S. Risk Retained Interest**"). The Retention Holder intends to comply with the requirements of the U.S. Risk Retention Rules by acquiring on the Closing Date and retaining, either directly or through a majority-owned affiliate, the U.S. Risk Retained Interest in the form of an eligible vertical interest (an "**EVI**") equal to not less than 5 per cent. of each Class of Notes and 5 per cent. of the Certificates. Please refer to the section entitled "*Certain Regulatory Disclosures – U.S. Risk Retention Rules*" for further information.

#### **The Volcker Rule**

The Issuer has been structured not to be a "covered fund" for the purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (such statutory provisions, together with such implementing regulations, being the Volcker Rule). In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act and under the Volcker Rule may be available, the Issuer has relied on an exemption from registration as an "investment company" under the Investment Company Act under Section (3)(c)(5)(C) thereof. Under the Volcker Rule, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) thereof. Any prospective investor in the Notes or the Certificates, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

#### **ERISA Consideration**

The Notes may not be purchased or held by any "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 thereto, or any "plan" as defined in Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") to which Section 4975 of the Code applies, or by any person any of the assets of which are, or are deemed for purposes of ERISA or Section 4975 of the Code to be, assets of such an "employee benefit plan" or "plan", or by any governmental, church or non-U.S. plan which is subject to any state, local, other federal law of the United States or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"), and each purchaser of the Notes will be deemed to have represented, warranted and agreed that it is not, and for so long as it holds the Notes will not be, such an "employee benefit plan",



"plan", person or governmental, church or non-U.S. plan subject to Similar Law.

**Benchmarks**

Interest payable under the Notes will be calculated by reference to SONIA which is administered by the Bank of England and interest on the Floating Rate Mortgage Loans is calculated by reference to 3 Month Sterling LIBOR. Central bank-set benchmarks are subject to certain exemptions pursuant to Article 2 of the Benchmarks Regulation but the Bank of England has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissioners.

**Certificates**

In addition to the Notes, the Issuer will issue the Certificates to the Seller (or its nominee) on the Closing Date. The Certificates represent the right to receive the Certificate Payments. The Certificates will not be listed or rated.

**IMPORTANT NOTICES*****Responsibility Statements***

The Notes will be obligations of the Issuer only. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer, the information contained in this Prospectus is in accordance with the facts and does not omit anything 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.

Morgan Stanley Principal Funding, Inc. (as Seller and Retention Holder) accepts responsibility for the information set out in the sections headed "*Morgan Stanley Principal Funding, Inc. – The Seller and the Retention Holder*", "*The Mortgage Portfolio*" and "*Annex A – Statistical Information on the Provisional Mortgage Portfolio*". To the best of the knowledge and belief of Morgan Stanley Principal Funding, Inc the information contained in such sections is in accordance with the facts and does not omit anything 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 Morgan Stanley Principal Funding, Inc 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.

Axis Bank UK Limited (as Interim Legal Title Holder) accepts responsibility for the information set out in the section headed "*Axis Bank UK Limited – Interim Legal Title Holder*". To the best of the knowledge and belief of Axis Bank UK Limited, the information contained in such section is in accordance with the facts and does not omit anything 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 Axis Bank UK Limited 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.

Rooftop Mortgages Limited (as Legal Title Holder) accepts responsibility for the information set out in the section headed "*Rooftop Mortgages Limited – Legal Title Holder*". To the best of the knowledge and belief of Rooftop Mortgages Limited, the information contained in such section is in accordance with the facts and does not omit anything 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 Rooftop Mortgages Limited 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.

Link Mortgage Services Limited (as Servicer) accepts responsibility for the information set out in the sections headed "*Link Mortgage Services Limited – Servicer*" and "*Servicing*". To the best of the knowledge and belief of Link Mortgage Services Limited, the information contained in such sections is in accordance with the facts and does not omit anything 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 Link Mortgage Services Limited 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.

Elavon Financial Services, D.A.C., UK Branch (as Issuer Account Bank, Principal Paying Agent, Agent Bank and Registrar) accepts responsibility for the information set out in the section headed "*Elavon Financial Services, D.A.C., UK Branch – the Issuer Account Bank, the Principal Paying Agent, the Agent Bank and the Registrar*". To the best of the knowledge and belief of Elavon Financial Services, D.A.C., UK Branch, the information contained in such section is in accordance with the facts and does not omit anything 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 Elavon Financial Services, D.A.C., UK Branch 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.

U.S. Bank Global Corporate Trust Limited (as Cash Manager) accepts responsibility for the information set out in the section headed "*U.S. Bank Global Corporate Trust Limited – the Cash Manager*". To the best of the knowledge and belief of U.S. Bank Global Corporate Trust Limited, the information contained in such section is in accordance with the facts and does not omit anything 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 U.S. Bank Global Corporate Trust Limited 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.

BNP Paribas (as Interest Rate Swap Provider) accepts responsibility for the information set out in the section headed "*BNP Paribas – The Interest Rate Swap Provider*". To the best of the knowledge and belief of BNP Paribas, the information contained in such section is in accordance with the facts and does not omit anything 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 BNP Paribas 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.

U.S. Bank Trustees Limited (as Trustee) accepts responsibility for the information set out in the section headed "*U.S. Bank – The Trustee*". To the best of the knowledge and belief of U.S. Bank Trustees Limited the information contained in such section is (insofar as it relates to it) in accordance with the facts and does not omit anything 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 U.S. Bank Trustees Limited 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.

***No Responsibility or Liability***

Neither the delivery of this Prospectus nor any sale or allotment made in connection with any offering of any of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the information contained in this Prospectus since the date of this Prospectus.

Neither the Arranger nor the Lead Manager makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or part thereof or any other document or agreement relating to the Notes or any Transaction Document or any other information provided by the Issuer in connection with the Notes. Neither the Arranger nor the Lead Manager accepts any liability in relation to the information contained in this Prospectus or any other document or agreement relating to the Notes or any Transaction Document or any other information provided by the Issuer in connection with the Notes. Each potential purchaser of Notes should determine the relevance of the information contained in this Prospectus or part hereof and the purchase of Notes should be based upon such investigation as each purchaser deems necessary. None of the Arranger, the Lead Manager or any other Transaction Party undertakes or shall undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger, the Lead Manager or any other Transaction Party. None of the Arranger, the Lead Manager or any other Transaction Party shall be responsible for, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Notes or any Transaction Document, or any other agreement or document relating to the Notes or any Transaction Document, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

***Transfer Restrictions***

The distribution of this Prospectus, or any part thereof, and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Arranger, the Lead Manager or any Transaction Party that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, save for obtaining the approval of this Prospectus as a prospectus for the purposes of the Prospectus Regulation by the Central Bank of Ireland, no action has been or will be taken by the Arranger, the Lead Manager or any Transaction 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 and the Certificates may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer, the Arranger and the Lead Manager to inform themselves about and to observe any such restriction.

The Notes and the Certificates are being offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Prospectus, see "*Subscription and Sale*" and "*Transfers and Transfer Restrictions*".

***United States Distribution Restrictions***

NEITHER THE NOTES NOR THE CERTIFICATES HAVE BEEN NOR WILL BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND NEITHER THE NOTES NOR THE CERTIFICATES MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER APPLICABLE JURISDICTIONS. ACCORDINGLY, THE NOTES AND THE CERTIFICATES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS IN RELIANCE ON REGULATION S. THE NOTES AND THE CERTIFICATES MAY BE RESOLD OR OTHERWISE TRANSFERRED, SUBJECT TO OTHER RESTRICTIONS ON TRANSFER DESCRIBED HEREIN, ONLY OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS IN RELIANCE ON REGULATION S. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES AND THE CERTIFICATES MAY BE RELYING ON AN EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE NOTES AND THE CERTIFICATES IN THIS PROSPECTUS, SEE "*SUBSCRIPTION AND SALE*" AND "*TRANSFERS AND TRANSFER RESTRICTIONS*".

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 INVESTMENT COMPANY ACT. 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.

***Covered Fund Statement***

The Issuer has been structured so as not to constitute a "covered fund" for purposes of the Volcker Rule.

***Certain Other Important Information***

None of the Issuer, the Arranger, the Lead Manager, the Agents, the Trustee or any other Transaction 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.

No person has been authorised to give any information or to make any representation other than as contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Arranger, the Lead Manager, the Agents, the Trustee or any other Transaction Party.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus or any part hereof and any offering of the Notes in certain jurisdictions may be restricted by law. No action has been taken by the Issuer, the Arranger or the Lead Manager other than as set out in the paragraph headed "*Listing*" on page (iv) of this Prospectus that would permit a public offer

of the Notes in any country or 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 prospectus, form of application, advertisement or other offering material may be issued, distributed or published in any country or jurisdiction (including the United Kingdom and Ireland), except in circumstances that will result in compliance with applicable laws, orders, rules and regulations.

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.

The Notes will each be represented on issue by Global Notes, which are expected to be deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of Euroclear and/or Clearstream, Luxembourg on or around the Closing Date. The Notes may be issued in definitive certificate form only in limited circumstances.

It is expected that the Certificates will be represented on issue by a Global Certificate in registered definitive form. The Certificates may be issued in definitive certificate form only in limited circumstances.

EACH PURCHASER OF THE NOTES AND THE CERTIFICATES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES OR CERTIFICATES, AS APPLICABLE UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE LEAD MANAGER, THE TRUSTEE OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

On 6 September 2012, the European Central Bank announced the temporary expansion of the list of assets eligible as collateral in Eurosystem credit operations and, pursuant to this, the Eurosystem will accept, on a temporary basis, marketable debt instruments denominated in pounds sterling or (among other currencies) as foreign currency-denominated collateral. The Global Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Global Notes are intended upon issue to be deposited with one of the International Central Securities Depositories as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

References in this Prospectus to "**Sterling**", "**£**" or "**GBP**" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

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.

***Forward Looking Statements and Statistical Information***

Certain matters contained in this Prospectus are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Mortgage Loans, and reflect significant assumptions and subjective judgments 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. Additional factors that could cause future results to differ materially include, but are not limited to, those discussed under "*Risk Factors*". This Prospectus also contains certain tables and other statistical analyses (the "**Statistical Information**"). Numerous assumptions have been used in preparing the Statistical Information, which may or may not be reflected in the material. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, or as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice. The average life of or the potential yields on any security cannot be predicted, because the actual rate of repayment on the underlying assets, as well as a number of other relevant factors, cannot be determined. No assurance can be given that the assumptions on which the possible average lives of or yields on the securities are made will prove to be realistic. None of the Issuer, the Arranger, the Lead Manager, the Seller or any other Transaction Party have attempted to verify any forward-looking statements or Statistical Information, 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 or Statistical Information. None of the Issuer, the Arranger, the Lead Manager, the Seller or any other Transaction Party assumes any obligation to update these forward-looking statements or Statistical Information or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements or Statistical Information, as applicable.

### ***PRIIPs Regulation***

The Notes and the Certificates 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. 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 MiFID II; (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; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes and the Certificates or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes and the Certificates or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

### ***MiFID II product governance***

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes and the Certificates has led to the conclusion that: (i) the target market for the Notes and the Certificates is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes and the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes or the Certificates (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes and the Certificates (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

### ***Financial Services Compensation Scheme not applicable***

The Notes are not guaranteed by the UK government under the asset-backed securities guarantee scheme. Also, any investment in the Notes does not have the status of a protected claim under the United Kingdom Financial Services Compensation Scheme and accordingly, the Notes will not confer any entitlement to compensation under that scheme.

### ***Transaction Documents***

This Prospectus contains an overview of the material terms of the Transaction Documents. This Prospectus does not purport to be complete and is subject to the provisions of the Transaction Documents.

Terms are defined only once in this Prospectus. The definitions can be located from the "*Index of Defined Terms*" and are principally set out in the section entitled "*Glossary*".

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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 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 the Issuer does not represent that the statements below regarding the risks relating to the Notes and the Certificates are exhaustive. 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.*

*Prospective Noteholders and Certificateholders should (i) read the detailed information set out in this Prospectus and reach their own views, together with their own professional advisers, prior to making any investment decision (ii) ensure that they understand the nature of the Notes and the Certificates and the extent of their exposure to risk, (iii) 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 (iv) 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. In particular, an investment in the Notes and the Certificates involves the risk of a partial or total loss of investment.*

*Furthermore, the investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective Noteholder and Certificateholder should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.*

*None of the Issuer, the Arranger, the Lead Manager nor any other Transaction Party is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes or the Certificates and investors may not rely on any such entity. The Transaction Parties do not assume any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any of the Transaction Parties.*

**Credit, Liquidity and Structural Risks*****Noteholders cannot rely on any person other than the Issuer to make payments on the Notes and the Certificates***

The Notes and the Certificates will be obligations solely of the Issuer and will not be the responsibility of, or guaranteed by, any of the Transaction Parties (other than the Issuer). In particular, the Notes and the Certificates will not be obligations of, and will not be guaranteed by the Arranger, the Lead Manager, the Trustee or any other Transaction Party. No person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes or the Certificates.

***Lack of liquidity of the Issuer could result in an insufficiency of funds on any Interest Payment Date***

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. This risk may adversely affect the Issuer's ability to make payments on the Notes and the Certificates.

The Issuer will, on the Closing Date, establish the Reserve Fund comprised of the Liquidity Reserve Fund and the Non-Liquidity Reserve Fund. Funds available in the Reserve Fund will provide only limited protection for payment of senior expenses and timely current quarterly payments to holders of the Rated Collateralised Notes.

On each Interest Payment Date, (i) the Non-Liquidity Reserve Fund Actual Amount will be applied as part of the Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and (ii) the Liquidity Reserve Fund Actual Amounts will be applied as part of the Available Revenue Receipts to cover any shortfall in payment of senior expenses and interest on the Class A Notes and (subject to the Class B PDL Condition) the Class B Notes which remains after the application of the Non-Liquidity Reserve Fund Actual Amount as part of the Available Revenue Receipts. Additionally, on each Interest Payment Date, Available Principal Receipts may be applied as part of the Available Revenue Receipts under item (g) of the definition of the Available Revenue Receipts to cover any remaining shortfall in payment of senior expenses and interest on the Most Senior Class of Notes. Lastly, Available Principal Receipts will be available to replenish the Liquidity Reserve Fund to the Liquidity Reserve Fund Required Amount in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments.

The Noteholders should be aware that the Reserve Fund will only be available to support the payment of amounts referred to above and not be available to support or maintain payments under any other Classes of Notes or the Certificates. The size of the Liquidity Reserve Fund will be reduced to zero once the Class A Notes and the Class B Notes have been redeemed in full and the size of the Non-Liquidity Reserve Fund will be reduced to zero on the Rated Collateralised Notes Redemption Date. No liquidity support will be available under the Reserve Fund in excess of the amounts described above or following the Rated Collateralised Notes Redemption Date. No assurance may be given that the Reserve Fund will be sufficient to cover payments under the Rated Collateralised Notes. Please see "*Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments – Liquidity Reserve Fund*" and "*Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments – Non-Liquidity Reserve Fund*" for more detail.

No assurance can be made as to the effectiveness of the liquidity support features set out above, or that such features will protect the Noteholders from all risk of delayed payment and/or loss and the use thereof may lead to a reduction in the amounts available to the Issuer and ultimately affect its ability to make payments under the Notes and the Certificates.

***The Issuer has a limited source of funds which may be insufficient to allow for repayment in full of the Notes and the 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 Revenue Receipts and Principal Receipts in respect of the Mortgage Loans in the Mortgage Portfolio, interest (if any) earned on certain amounts standing to the credit of the Issuer Account, amounts payable to the Issuer under the Interest Rate Swap Agreement and, in respect of the senior expenses and amounts of interest payable under the Rated Collateralised Notes, amounts available in the Reserve Fund.

Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes, the Certificates and/or any other payment obligation under the applicable Priority of Payments. If such funds are insufficient, any such shortfall will be borne by the Noteholders, the Certificateholders and the other Secured Creditors, subject to the applicable Priority of Payments. There is no guarantee that the Issuer will have sufficient funds to redeem the Notes or the Certificates in full. The recourse of the Noteholders and the Certificateholders to the Charged Property following service of an Enforcement Notice is described below. The Issuer will have no recourse to the Seller, save as provided in the Mortgage Sale Agreement (see further the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*").

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

The Notes and the Certificates will be limited recourse obligations of the Issuer. If at any time following:

- (a) the occurrence of either:
  - (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable; or
  - (ii) the service of an Enforcement Notice; and
- (b) the realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes and all claims ranking in priority to payments under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable under any Class of Notes or any payments in respect of the Certificates, then the amount remaining to be paid (after such application in full of the amounts first referred to in paragraph (b) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes and any payments in respect of the Certificates) shall, on the day following such application in full of the amounts referred to in paragraph (b) above, cease to be due and payable by the Issuer and the Secured Creditors (which include the Noteholders) 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 (including, where applicable, the Step-Up Margin)) in respect of the Notes and such unpaid amounts shall be deemed to be discharged in full. The Issuer will not be obliged to pay any amounts representing a shortfall and any claims in respect of such shortfall shall be extinguished.

None of the Secured Creditors shall be entitled to institute against the Issuer any bankruptcy, reorganisation, arrangement, examination, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligation relating to the Notes, the Certificates or the other Transaction Documents.

Each Secured Creditor (other than the Trustee) agrees that if any amount is received by it (including by way of set-off) in respect of any secured obligation owed to it other than in accordance with the provisions of the Deed of Charge, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Deed of Charge, shall be received and held by it as trustee (except in the case of the Agents, the Collection Account Bank and the Issuer Account Bank which will hold such funds as banker and to the order of the Trustee) for the Trustee and shall be paid over to the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Deed of Charge.

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 the Trustee, having become bound so to do, fails to do so within 60 days or is unable to do so, and such failure or inability shall be 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 in any circumstances.

**Risks Related to the Notes*****Interest Rate Risk***

The Mortgage Portfolio predominantly consists of Fixed Rate Mortgage Loans which revert to LIBOR at the end of their respective Fixed Rate Term but it also includes Mortgage Loans which have Mortgage Rates based on 3 Month Sterling LIBOR. The Issuer's liabilities under the Notes are based on Compounded Daily SONIA for the Relevant Period. The Issuer is therefore subject to the risk of (i) mismatch between the Fixed Rate payable on the Fixed Rate Mortgage Loans during the applicable Fixed Rate Term and the floating rate of interest payable in respect of the Notes; and (ii) mismatch resulting from the rate of interest on the Floating Rate Mortgage Loans and the Fixed Rate Mortgage Loans after the end of their Fixed Rate

Term being determined on a different basis than that on which the interest rate payable on the Notes is determined.

The Issuer has entered into a swap transaction (the "**Swap Transaction**") with the Interest Rate Swap Provider under the Interest Rate Swap Agreement in relation to the Fixed Rate Mortgage Loans to hedge the associated interest rate risk during the applicable Fixed Rate Term as detailed above. The Issuer has not entered into any other hedging transactions to hedge its basis risk. As such, the Issuer is subject to the risk of a mismatch between the rate of interest payable in respect of the Floating Rate Mortgage Loans and the Fixed Rate Mortgage Loans after the end of their Fixed Rate Term and the Rate of Interest payable in respect of the Notes (where applicable). This in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Noteholders, the Certificateholders and the Secured Creditors.

Under the Swap Transaction, on each Interest Payment Date, the Issuer will pay to the Interest Rate Swap Provider at a fixed rate, and the Interest Rate Swap Provider will pay to the Issuer at a floating rate, amounts which are calculated by reference to the notional amount of the Swap Transaction for the related calculation period.

The notional amount under the Swap Transaction is determined by reference to a fixed amortisation schedule which is based on the expected repayment profile of the Fixed Rate Mortgage Loans and which may not match the outstanding principal balance of the Fixed Rate Mortgage Loans in the Mortgage Portfolio for the related calculation period.

If the actual rate of repayment of the Fixed Rate Mortgage Loans is faster or slower than anticipated, this may lead to a mismatch between the aggregate notional amount of the Swap Transaction and the outstanding principal balance of the Fixed Rate Mortgage Loans which may ultimately result in insufficient funds being made available to the Issuer to meet its obligations to the Noteholders.

#### ***Interest Rate Swap Provider***

(i) Credit Risk:

In the event of the insolvency of the Interest Rate Swap Provider, the Issuer will be treated as a general creditor of the Interest Rate Swap Provider. Consequently, the Issuer will be subject to the credit risk of the Interest Rate Swap Provider. To mitigate this risk, under the terms of the Interest Rate Swap Agreement, in the event that the relevant ratings of the Interest Rate Swap Provider fail to meet the relevant required ratings, the Interest Rate Swap Provider will, in accordance with the terms of the Interest Rate Swap Agreement, be required to elect to take certain remedial measures within the applicable time frame stipulated in the Interest Rate Swap Agreement (at its own cost), which may include providing collateral for its obligations under the Interest Rate Swap Agreement, arranging for its obligations under the Interest Rate Swap Agreement to be transferred to an entity with the relevant required ratings, or procuring another entity with the required ratings to become co-obligor or guarantor, as applicable, in respect of its obligations under the Interest Rate Swap Agreement or taking such other action as would result in the Rating Agencies maintaining the then current rating of the Rated Notes. However, no assurance can be given that, at the time that such actions are required, the Interest Rate Swap Provider will be able to provide collateral or that another entity with the required ratings will be available to become a replacement hedge provider, co-obligor or guarantor or that the Interest Rate Swap Provider will be able to take the requisite other action.

Accordingly, if any of the Notes remain outstanding in circumstances where the Interest Rate Swap Provider is insolvent and fails to make any payment to the Issuer required under the Interest Rate Swap Agreement, the Issuer will be subject to the potential variation between the fixed rates of interest payable in respect of the Fixed Rate Mortgage Loans in the Mortgage Portfolio during their respective Fixed Rate Term and SONIA interest payable in respect of the Notes. Unless one or more comparable replacement swaps are entered into, the Issuer may have insufficient funds to make payments due on the Notes after that date.

(ii) Hedge termination payments:

If the Interest Rate Swap Agreement terminates, the Issuer may be obliged to pay a termination payment to the Interest Rate Swap Provider. The amount of any such termination payment will be based on the market value of each swap transaction under the Interest Rate Swap Agreement, computed in accordance with the

Interest Rate Swap Agreement, generally on the basis of market quotations of the cost of entering into a replacement swap transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties, in accordance with the procedures set out in the Interest Rate Swap Agreement. There can be no assurance that the Issuer will have sufficient funds available to make any termination payment under the Interest Rate Swap Agreement or that the Issuer, following termination of the Interest Rate Swap Agreement, will have sufficient funds to make subsequent payments to the Noteholders in respect of the relevant class of Notes.

Except where the termination of the Interest Rate Swap Agreement is attributable to an Interest Rate Swap Provider Event of Default or Interest Rate Swap Provider Downgrade Event, any termination payment in respect of the Interest Rate Swap Agreement due from the Issuer will rank in priority to payments of interest due on the Notes under the Revenue Priority of Payments. Therefore, if the Issuer is obliged to make a termination payment to the Interest Rate Swap Provider or to pay any other additional amount as a result of the termination of the Interest Rate Swap Agreement, as applicable, this may reduce or otherwise adversely affect the amount of funds which the Issuer has available to make payments on the Notes of any class.

If the Interest Rate Swap Agreement is terminated, there can be no assurance that the Issuer will be able to enter into a replacement swap transaction, and if one is entered into, there can be no assurance that the credit rating of the replacement Interest Rate Swap Provider will be sufficiently high as to prevent a downgrading of the then current ratings of one or more classes of the Rated Notes by the Rating Agencies.

***Considerations Relating to Yield, Prepayments, Mandatory Redemption and Optional Redemption***

The yield to maturity of the Notes of each Class will depend on, among other things, the amount and timing of payment of principal and interest (including any delinquencies, prepayments, sale proceeds arising on enforcement of a Mortgage Loan and payments for breach of Mortgage Loan Warranties under the Mortgage Sale Agreement) on the Mortgage Loans and the price paid by the holders of the Notes of each Class. Such yield may be adversely affected by, amongst other things, a higher or lower than anticipated rate of prepayments on the Mortgage Loans.

The rate of prepayment of Mortgage 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, homeowner mobility and local housing markets. However, the rate of prepayment cannot be predicted. Subject to the terms and conditions of the Mortgage Loans (which may require in some cases notification to the Interim Legal Title Holder or Legal Title Holder (as applicable)), a Borrower may "overpay" or prepay principal on any day in specified circumstances. No assurance can be given as to the level of prepayments that the Mortgage Portfolio will experience. Accelerated prepayments will lead to a reduction in the weighted average life of the Notes. See also the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*".

Generally, when market interest rates increase, Borrowers are less likely to prepay their Mortgage 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 Mortgage Loans. Borrowers may prepay Mortgage Loans when they refinance their loans or sell their properties (either voluntarily or as a result of enforcement action taken).

Payments and prepayments of principal on the Mortgage 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 "*Summary of Credit Structure and Cashflows*").

Additionally, the Notes may be redeemed in full and the Certificates may be cancelled prior to the Final Maturity Date due to the exercise of certain redemption options, being the following:

- on each of the EORD, the FORD or the Interest Payment Date immediately following the FORD (the "**Second Optional Redemption Date**", or the "**SORD**"), the Mortgage Portfolio Purchase Option Holder may exercise the Mortgage Portfolio Purchase Option pursuant to the Deed Poll;

- provided that the Mortgage Portfolio Purchase Option Holder has not exercised the Mortgage Portfolio Purchase Option, on each of the EORD, the FORD or the SORD, the Subsidiary Option Holder may exercise the Subsidiary Option pursuant to the Subsidiary Option Deed;
- on each Interest Payment Date immediately following the SORD, the Mortgage Portfolio may be sold to a Market Purchaser following the Market Sale;
- following the occurrence of a Risk Retention Regulatory Change Event, the Seller may exercise its Risk Retention Regulatory Change Option in accordance with Condition 9.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*);
- on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (as of the immediately preceding Calculation Date) is less than or equal to 10 per cent. of the original aggregate Principal Amount Outstanding of the Notes on the Closing Date, the Issuer may exercise its option to redeem all of the Notes in accordance with Condition 9.3 (*Optional Redemption in whole*); and
- on any Interest Payment Date following a change in tax law that results in the Issuer being required to make a Tax Deduction in respect of any payment in respect of the Notes, or the Issuer would be subject to United Kingdom corporation tax in an accounting period on an amount which materially exceeds the Issuer Profit Amount retained during that accounting period, the Issuer may exercise its option to redeem all of the Notes in accordance with Condition 9.4 (*Optional Redemption in whole for taxation reasons*).

Following the exercise of such options or following the Market Sale (as applicable), no make-whole amount or other early repayment fee will be paid to the Noteholders.

In connection with the redemption of the Notes in the circumstances described above – other than in connection with the redemption following a Market Sale (as to which please see the paragraph immediately below) – the purchase price payable for the Mortgage Portfolio by the relevant party exercising the relevant option described above is required to be sufficient to redeem all Notes in full at their Principal Amount Outstanding together with all accrued but unpaid interest.

In connection with the redemption following the Market Sale, the Minimum Call Option Price payable for the Mortgage Portfolio in connection with the Market Sale is not required to cover the full amount of the Principal Amount Outstanding (together with accrued but unpaid interest) in respect of the Class X2 Notes and the Class Z Notes (but is required to cover all other Classes of Notes which are then outstanding). Therefore, the proceeds of the disposal of the Mortgage Portfolio following the Market Sale may not be sufficient to redeem the Class X2 Notes and the Class Z Notes in full and accordingly, the amount at which the Class X2 Notes and the Class Z Notes will be redeemed following the Market Sale will be the amount available for such purpose in accordance with the applicable Priority of Payments, which may be less than the Principal Amount Outstanding of the Class X2 Notes and the Class Z Notes and accrued but unpaid interest thereon and which may result in the Class X2 Notes and the Class Z Notes not being redeemed in full at their respective Principal Amount Outstanding (together with accrued but unpaid interest thereon).

None of the Issuer, the Retention Holder, the Seller, the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or the Market Purchaser has an obligation to exercise its rights set out above, and as such, no assurance can be given that the Notes will be redeemed in full and the Certificates will be cancelled on or following the dates set out above, or that the Class X2 Notes and/or the Class Z Notes will be redeemed in full following the Market Sale.

Any redemption of the Notes and cancellation of the Certificates in one or more of the circumstances described above, in particular where such event occurs within a short time of the Closing Date, may adversely affect the yield to maturity of the Notes and/or the Certificates. In particular there is no assurance that the Certificateholders would receive any amounts on such an early redemption, which may adversely affect the expected yield on the Certificates.

***Payments to the holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class RFN Notes, the Class X1 Notes, the Class X2 Notes, the Class Z Notes and the Certificates are subordinated and may be delayed or reduced in certain circumstances***

The priority of payments in respect of the Notes is set out in the section titled "*Full Capital Structure of the Notes and Certificates*". Payments of interest in respect of all Classes of Notes will be subordinated to all more senior Classes of Notes. Payments of principal in respect of all Classes of Notes will be subordinated to payments of any amounts to be credited to the Liquidity Reserve Fund.

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 (including the Trustee, the Issuer Account Bank, any Custodian, the Servicer, the Back-Up Servicer Facilitator, the Legal Title Holder, the Interest Rate Swap Provider, the Corporate Services Provider, the Cash Manager, the Paying Agents, the Registrar and the Agent Bank) and certain third parties. For further information on the likely costs payable to such Secured Creditors, please see "*Fees*" below.

The priority of the Notes and the Certificates are further set out in "*Key Structural Features – Credit Enhancement, Liquidity Support, and Priority of Payments – Application of Available Revenue Receipts prior to the service of an Enforcement Notice by the Trustee on the Issuer*".

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

***There may be insufficient funds available to repay in full the Notes and the Certificates as a result of income or principal deficiencies***

If, on any Interest Payment Date prior to the Rated Collateralised Notes Redemption Date, as a result of shortfalls in Available Revenue Receipts (and after the application of the Reserve Fund Actual Amounts in accordance with the definition of the Available Revenue Receipts), there would be a shortfall in amounts required for payment of senior expenses and interest on the Most Senior Class of Notes, the Issuer will apply Available Principal Receipts (if any) in accordance with item (g) of the definition of the Available Revenue Receipts to cover such shortfall. Additionally, if on any Interest Payment Date prior to the redemption in full of the Class A Notes or the Class B Notes and after the application of the Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments there remains a shortfall in the Liquidity Reserve Fund Required Amount, the Issuer will apply the Available Principal Receipts in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments to the extent of such shortfall.

Application of any Available Principal Receipts as described above will be recorded to the relevant Principal Deficiency Sub-Ledger in reverse order of priority until such time as the amount recorded to the relevant Principal Deficiency Sub-Ledger is the aggregate Principal Amount Outstanding of the relevant Class of Notes as more fully described in the section titled "*Summary of Credit Structure and Cashflows*".

It is expected that during the course of the life of the Notes, any principal deficiencies (should they arise) 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 the relevant Principal Deficiency Sub-Ledger in accordance with the order of the Pre-Enforcement Revenue Priority of Payments.

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:

- 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 each or any Class of the Notes; and
- there may be insufficient Available Revenue Receipts and Available Principal Receipts to repay each or any Class of the Notes and all amounts due in respect of the Certificates on or prior to the Final Maturity Date of the Notes.

***If the Issuer has insufficient funds on an Interest Payment Date, there will be a deferral of interest payments in respect of the Subordinated Notes***

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 Subordinated Notes that would otherwise be payable absent the deferral provisions, 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 8.12 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as interest in respect of the relevant Class of Subordinated Notes becomes due and repayable in full in accordance with the Conditions. Any such deferral in accordance with the Conditions will not constitute an Event of Default in accordance with Condition 8.12 (*Subordination by Deferral*).

To the extent that there are insufficient funds on the following Interest Payment Date or such earlier date as interest in respect of the relevant Class of Subordinated Notes that is scheduled to be paid in accordance with the Conditions, including any prior deferred interest, the deferral of interest shall continue until the Final Maturity Date. However, if there is insufficient money available to the Issuer to pay interest on any Class of Subordinated Notes then the relevant Noteholders may not receive all interest amounts.

In the event that amounts constituting deferred interest (including Additional Interest) are not paid in full on the Subordinated Notes such failure will not constitute an Event of Default until the Final Maturity Date (subject to the grace periods thereunder) or such earlier date on which the Notes are required to be redeemed in accordance with Condition 9.3 (*Optional Redemption in whole*), Condition 9.4 (*Optional Redemption in whole for taxation reasons*), Condition 9.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) or Condition 9.6 (*Mandatory Redemption of the Notes following the exercise of Mortgage Portfolio Purchase Option, Subsidiary Option or Market Sale*). As such, the Trustee will not be able to accelerate the Subordinated Notes until after the Final Maturity Date (subject to the grace periods thereunder) or such earlier date on which the Notes are redeemed in accordance with the Conditions set out above, and prior to such date will not be able to take any action to enforce the Security or effect a sale or disposal of the Portfolio in respect of a failure by the Issuer to pay such amounts until the Final Maturity Date (subject to the grace periods thereunder) or such earlier date. Therefore, Noteholders should be aware that payments made to them may be deferred for a substantial period of time until the Final Maturity Date and/or may not be paid in full following the Final Maturity Date if the Issuer has insufficient funds.

For the avoidance of doubt, failure to pay interest in respect of the Class A Notes shall constitute an Event of Default which may result in the Trustee enforcing the Security.

***The Issuer is subject to the risk of default in payment by Borrowers, and therefore payments in respect of the Notes and the Certificates are subject to credit risk***

Approximately 0.94 per cent. of the Mortgage Loans in the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are in arrears of 30 days or more and approximately 0.23 per cent. of the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are in enforcement procedures (meaning the relevant Mortgage Loans have been identified in the Data Tape as being subject to litigation proceedings, but may not necessarily be in arrears). The Issuer is subject to the risk of default in payment by the Borrowers and upon such default in payment, the failure by the Servicer, on behalf of the Issuer, to realise or recover sufficient funds from the Borrowers under the enforcement procedures in respect of the Mortgage Loans and their Related Security in order to discharge all amounts due and owing by the relevant Borrowers under the Mortgage Loans. No assurance can be made as to the effectiveness of credit enhancement features or that credit enhancement features will protect the Noteholders or Certificateholders from all risk of loss. Should there be credit losses arising in respect of the Mortgage 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.



***Ratings of the Rated Notes may be qualified, downgraded or withdrawn after your purchase of the Rated Notes, which may lower their market value***

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any assigning Rating Agency if, in its judgement, circumstances in the future so warrant.

The rating process addresses structural and legal aspects associated with the securities, including the nature of the Mortgage 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 market value of the Rated Notes.

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 or otherwise comment on them and if such unsolicited ratings are lower than the comparable ratings assigned to the Rated Notes by the Rating Agencies or such commentary is negative, those unsolicited ratings could have an adverse effect on the market 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 specified Rating Agencies only.

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 Interest Rate Swap Provider, the Issuer Account Bank, the Collection Account Bank and of any Custodian. 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 for use in liquidity schemes established by, *inter alios*, the Bank of England.

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

***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 Transaction Parties are contingent on such actions not having an adverse effect on the ratings assigned to the Rated Notes. In such circumstances, the Trustee may require the Issuer to seek confirmation from the Rating Agencies that certain actions proposed to be taken by the Issuer and the Trustee will not have an adverse effect on the then current ratings of the Rated Notes.

A rating agency confirmation ("**RAC**") that any action or inaction proposed to be taken by the Issuer or the 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 Rated Noteholders. 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 Rated Noteholders), the Issuer, the Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Rated Noteholders), the Issuer, the Trustee or any other person whether by way of contract or otherwise. In addition the Trustee may, but is not required to, have regard to any RAC.

Any such RAC 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 RAC as a matter of policy. To the extent that a RAC 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 RAC in the time available, or at all, and the Rating Agency will not be responsible for the consequences thereof (including, where a RAC is not provided, any subsequent rating action). A RAC, 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 form part since the Closing Date. A RAC 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.

The Conditions provide that if a RAC 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 RAC or response is delivered to each Rating Agency by or on behalf of the Issuer and (i)(A) a Non-Responsive Rating Agency indicates that it does not consider such RAC or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such RAC or response or (B) within 30 days of delivery of such request, no RAC or response is received and/or such request elicits no statement by each such Rating Agency that such RAC or response could not be given; and (ii) one Rating Agency gives such RAC or response based on the same facts, then such condition to receive a RAC or response from each Rating Agency shall be deemed modified so that there shall be no requirement for the RAC or response from the Non-Responsive Rating Agency if the Cash Manager on behalf of the Issuer provides to the Trustee a certificate signed by two directors certifying and confirming that each of the events in subparagraphs (i)(A) or (B) and (ii) has occurred following the delivery by or on behalf of the Issuer of a written request to each Rating Agency. Where a RAC 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 having indicated that it will not give a response or having not 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.

The Trustee shall be entitled to rely absolutely and without liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to Condition 23 (*Non-Responsive Rating Agency*). The Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a RAC or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such RAC or response from a Non-Responsive Rating Agency. Therefore, Noteholders should be aware that the proposed action may be taken notwithstanding the fact that no RAC or response from Rating Agencies has been obtained.

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

The Notes have Minimum Denominations. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination but below two or more multiples of such minimum authorised denomination. In such a case, if Definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the Minimum 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 Denomination (or another relevant denomination amount).

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

### **Geographical, Political and Market Risks**

#### *EU Referendum*

Following a referendum vote on 23 June 2016 and a formal notice given by the United Kingdom ("UK") to the European Union ("EU") on 29 March 2017 under Article 50 of the Treaty on European Union the United Kingdom left the European Union on 31 January 2020 at 11pm local time. At that time, the EU treaties ceased to apply to the UK. However, as part of the withdrawal agreement agreed between the UK and the EU (the "**Withdrawal Agreement**"), the UK is now in an implementation period (the "**Implementation Period**") during which EU law continues to apply in the UK, and the UK continues to be a part of the EU single market, until the end of 2020 (with a possibility of extension).

The terms of the UK's exit from the EU, including the future relationship, are unclear. The Withdrawal Agreement does not in general address the future relationship between the EU and the UK, which will need to be the subject of a separate agreement which has not yet been negotiated. The outbreak of COVID-19 creates more uncertainty on the timing and outcome of the negotiations of the trade agreement between the UK and the EU.

In addition to the economic and market uncertainty this brings (see "*Market uncertainty*" below) there are a number of potential risks in relation to an investment in the Notes and/or the Certificates that Noteholders should consider:

(a) *Legal uncertainty*

A significant proportion of English law currently derives from or is designed to operate in concert with European Union law. This is especially true of the law relating to financial markets, financial services, prudential and conduct regulation of financial institutions, bank recovery and resolution, payment services and systems, settlement finality, and market infrastructure. It is expected that the UK will incorporate most of the existing EU law *acquis* into UK law at the moment before the end of the Implementation Period, with the intention of limiting immediate legal change. The European Union (Withdrawal) Act 2018 grants the UK Government wide powers to make secondary legislation in order to, among other things adapt retained EU law that would otherwise not function sensibly at the end of the Implementation Period, with minimal parliamentary scrutiny. The secondary legislation made under those powers would be able to do anything that could be done by an act of Parliament. Over time, however – and depending on the terms of the UK's future relationship with the EU – significant changes to English law in areas relevant to the Transaction and the parties to the Transaction are likely. The Issuer cannot predict what any such changes will be and how they may affect payments of principal and interest to the Noteholders and Certificateholders.

(b) *Regulatory uncertainty*

The UK's exit from the EU may also have a significant impact on how financial institutions from the remaining EU (the "**EU27**") with assets (including branches) in the United Kingdom will be regulated and *vice versa*. At present, EU single market regulation allows regulated financial institutions (including credit institutions, investment firms, alternative investment fund managers, insurance and reinsurance undertakings) to benefit from a passporting system for regulatory authorisations required to conduct their businesses, as well as facilitating mutual rights of access to important elements of market infrastructure such as payment and settlement systems. EU law is also the framework for mutual recognition of bank recovery and resolution regimes.

Following the end of the Implementation Period, the current passporting system will cease to be effective, as will the current mutual rights of access to market infrastructure and current arrangements for mutual recognition of bank recovery and resolution regimes. The ability of regulated financial institutions to continue to do business between the UK and the EU27 after the end of the Implementation Period would therefore be subject to separate arrangements between the UK and the EU27. The UK Government has taken various steps to mitigate the disruption that

would result following the end of the Implementation Period, including the creation of a temporary permissions regime which would allow EU27 firms that currently rely on passporting rights to continue their activities in the UK for up to 3 years after the end of the Implementation Period and a more limited run-off regime intended to address contract continuity issues. Nevertheless, regulatory uncertainty remains which could adversely impact the ability of third parties who are regulated financial institutions to provide services to the Issuer and the Transaction.

(c) *Market uncertainty*

Since the referendum on the UK exiting the EU, there has been volatility and disruption of the capital, currency and credit markets, including the market for asset-backed securities. There may be further volatility and disruption depending on the conduct and progress of the negotiations surrounding the future relationship between the UK and the EU.

Potential investors should be aware that these prevailing market conditions affecting asset-backed securities could lead to reductions in the market value and/or a severe lack of liquidity in the secondary market for instruments similar to the Notes and Certificates. Such falls in market value and/or lack of liquidity may result in investors suffering losses on the Notes or Certificates in secondary resales even if there is no decline in the performance of the securitised portfolio.

The Issuer cannot predict when these circumstances will change and whether, if and when they do change, there would be an increase in the market value and/or there will be a more liquid market for the Notes or Certificates and instruments similar to the Notes or Certificates at that time.

(d) *Counterparty risk*

Counterparties to the Transaction Documents may be unable to perform their obligations due to changes in regulation, including the loss of existing regulatory rights to do cross-border business. Additionally, they may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the UK's withdrawal from the EU and from the conduct and progress of the negotiations surrounding the future relationship between the UK and the EU. As a result, there is an increased risk of such counterparties becoming unable to fulfil their obligations which could have an adverse impact on their ability to provide services to the Issuer and accordingly, on the ability of the Issuer to make payments of interest and repayments of principal to the Noteholders. See "*Issuer may not have direct rights against third parties*" below.

(e) *Adverse economic conditions affecting obligors*

The uncertainty and market disruption arising from the UK's withdrawal from the EU and from the conduct and progress of the negotiations surrounding the future relationship between the UK and the EU, which are exacerbated by the ongoing COVID-19 crisis, may cause investment decisions to be delayed, reduce job security, damage consumer confidence and result in a downturn of the UK economy and potentially reduce or hamper any recovery of real estate values. In addition, the EU withdrawal process and the 2019 General Election have also caused increased constitutional tension within the UK. Leading figures in both Scotland and Northern Ireland have suggested that they have a mandate from their voters to remain in the EU and might seek to leave the UK in order to achieve that outcome. The resulting adverse economic conditions, compounded by the ongoing health crisis, may affect Borrower's willingness or ability to meet their obligations, resulting in increased defaults in the Mortgage Portfolio and may ultimately affect the ability of the Issuer to pay interest and repay principal to Noteholders or make payments to Certificateholders. To the extent the real estate market is subject to a downturn, it may limit recoveries on non-performing assets since there may be insufficient collateral to repay the outstanding debt.

(f) *Rating actions*

The EU withdrawal process has resulted in rating downgrades of the UK sovereign and the Bank of England by Standard & Poor's, Fitch, and Moody's. Moody's and Fitch have placed a negative outlook on the UK sovereign rating and that of the Bank of England, suggesting a strong possibility of further negative rating action.

The rating of the sovereign affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Further downgrades may cause downgrades to counterparties on the Transaction meaning that they cease to have the relevant required ratings to fulfil their roles and need to be replaced. If rating action is widespread, it may become difficult or impossible to replace counterparties on the Transaction with others who have the required ratings on similar terms or at all.

Moreover, a more pessimistic economic outlook for the UK in general could lead to increased concerns around the future performance of the Mortgage Portfolio and accordingly the ability of the Issuer to pay interest and repay principal to Noteholders and Certificateholders and the ratings assigned to the Rated Notes on the Closing Date could be adversely affected.

While the extent and impact of these issues is unknown, Noteholders and Certificateholders should be aware that they could have an adverse impact on Noteholders and the payment of interest and repayment of principal on the Notes or make payments on Certificates.

***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 Sterling Overnight Index Average ("**SONIA**") as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. 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. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). 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 the 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 Interest Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes.

***Changes or uncertainty in respect of LIBOR and/or SONIA may affect the value or payment of interest under the Mortgage Loans or the Notes***

Various interest rates and other indices which are deemed to be "benchmarks", including LIBOR and SONIA, are the subject of recent national, international and other regulatory reforms and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change of 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.

Any changes to interest rates and indices which are deemed to be "benchmarks" would be required to comply with the requirements of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"), which came into force from 1 January 2018. The Benchmarks Regulation imposes new requirements on the administrators and users of, and contributors to, benchmarks used in the EU. Some of these reforms are already effective whilst others may benefit from a transitional provision, which is intended to come to an end on 31 December 2021. This may cause compliance issues in respect of benchmarks transition. In particular, the Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

On 27 July 2017, the FCA declared that market participants should not rely on LIBOR being available after 2021, encouraging banks to make arrangements to use LIBOR only until the end of 2021. The FCA is currently reviewing alternatives and planning for a transition period to move away from the use of LIBOR. On 21 November 2019, the FCA referenced a target of Q3 2020 to stop new lending using LIBOR set by the Sterling RFR Working Group (a group tasked to catalyse a broad-based transition to a risk free alternative to sterling LIBOR). On 23 April 2018, the Bank of England published its reforms to SONIA, which is currently being promoted as the risk free alternative to sterling LIBOR.

Based on the foregoing, 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) 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) under the Mortgage Conditions, the Servicer is obliged to use 3 Month Sterling LIBOR as the rate of interest on the Floating Rate Mortgage Loans and on the Fixed Rate Mortgage Loans after the end of their Fixed Rate Term. The Mortgage Conditions are silent on the applicable fallback interest rate to be applicable to the Mortgage Loans if 3 Month Sterling LIBOR is not available which may result in the Mortgage Loans' interest rate being based on 3 Month Sterling LIBOR until the end of 2021 (even if LIBOR is thinly quoted);
- (c) if LIBOR is discontinued or is otherwise unavailable, then the Legal Title Holder and the Servicer will undertake such steps as may be required in connection with the discontinuation of LIBOR by the applicable regulatory guidance and with regard to the general duties of the Legal Title Holder to treat customers fairly to determine the fall-back interest rate applicable to the Floating Rate Mortgage Loans and the Fixed Rate Mortgage Loans after the end of their Fixed Rate Term (as to which please see the section titled "*Risks Related to the Mortgage Loans and Sale of the Mortgage Portfolio – Delinquencies or Default by Borrowers in paying amounts due on their Mortgage Loans*" below), which may have an impact on the determination of the rate of interest payable on the Floating Rate Mortgage Loans and also on the yield of the Mortgage Portfolio;
- (d) while (i) an amendment may be made under Condition 17.2(f) (*Additional Right of Modification*) to change the base rate on the 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 including no objection to the proposal being received by at least 10 per cent. of Noteholders of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes (in this regard please also refer to the risk factor below entitled "*Rights of Noteholders, Certificateholders and Secured Creditors – Meetings of Noteholders and Certificateholders, Modification and Waivers*"), and (ii) the Issuer (or the Servicer on its behalf) may propose an Alternative Reference Rate in accordance with Condition 17.2(f) (*Additional Right of Modification*), and (iii) an amendment may be made under Condition 17.2(f) (*Additional Right of Modification*) to change the base rate that then applies in respect of the Interest Rate Swap Agreement there can be no assurance that any such amendments will be made or, if made, that they (x) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Notes or (y) will be made prior to any date on which any of the risks described in this risk factor may become relevant (in this regard, please also refer to the risk factor above entitled "*Rights of Noteholders, Certificateholders and Secured Creditors – Meetings of Noteholders and Certificateholders, Modification and Waivers*");
- (e) if SONIA is discontinued, and whether or not an amendment is made under Condition 17.2(f) (*Additional Right of Modification*) to change the base rate with respect to the Notes as described in paragraph (d) above, if a proposal for an equivalent change to the base rate on the Interest Rate Swap Agreement is not approved in accordance with Condition 17.2(f) (*Additional Right of Modification*), there can be no assurance that the applicable fall-back provisions under the Interest Rate Swap Agreement would operate to allow the transactions under the Interest Rate Swap Agreement to effectively mitigate interest rate risk in respect of the Notes. This, in turn, could cause a risk of mismatch of interest and reduced payments on the Notes.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the Notes and/or the Interest Rate Swap Agreement 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 meet Issuer's payment obligations in respect of the Notes.

Moreover, any of the above matters (including an amendment to the base rate as described in paragraph (d) above) or any other significant change to the setting or existence of SONIA could affect the ability of the Issuer to meet its obligations under the Notes and/or the Interest Rate Swap Agreement and/or could have a material adverse effect on the yield, value or liquidity of, and the amount payable under, the Notes. Changes in the manner of administration of SONIA could result in amendments to the Conditions and the Interest Rate Swap Agreement, early redemption, discretionary valuation by the Interest Rate Swap

Provider acting in its capacity as calculation agent (provided that the Interest Rate Swap Provider is not in default), delisting or other consequences in relation to the Notes. No assurance may be provided that relevant changes will not occur with respect to SONIA or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Notes.

***Declining property values***

An investment in securities such as the Notes and the Certificates that generally represent a secured debt obligation (the security being in respect of Mortgage Loans beneficially owned by the Issuer) may be affected by, among other things, a decline in real estate values. All of the Properties in respect of the Mortgage Loans in the Mortgage Portfolio are located in England and Wales. The value of the Related Security in respect of the Mortgage Loans may be adversely affected by a decline in residential property values in England and Wales. If the residential property market in England and Wales should experience an overall decline in property values, such a decline could in certain circumstances result in the value of the Related Security being significantly reduced, particularly in respect of those Mortgage Loans which have a high LTV, 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 the Certificates.

The Issuer cannot guarantee that the value of a Property is or will remain at the same level as on the date of origination of the related Mortgage Loan especially when the European capital markets are experiencing a period of volatility. Downturns in the performance of the United Kingdom economy (due to the local, national and/or global macroeconomics factors) generally may have a negative effect on the housing market. In addition, any natural disasters, or widespread health crises (such as a pandemic or epidemic), governmental policies, action or inaction in response to such crises or such potential crises (including but not limited to COVID-19) and/or the fear of such crises, whether in the United Kingdom or in any other jurisdictions, may lead to a deterioration of the economic conditions in the United Kingdom and also globally and may reduce the value of the affected properties. A fall in property prices resulting from a deterioration in the housing market could result in losses being incurred by lenders where the net recovery proceeds are insufficient to redeem the outstanding Mortgage Loans. If the value of the Related Security backing the Mortgage Loans is reduced this may ultimately result in losses to Noteholders if the Related Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes and may affect the ability of the Issuer to make payments on the Certificates.

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

***Absence of secondary market for the Notes***

There can be no assurance that there is an active and liquid secondary market for the Notes and no assurance is provided that a secondary market for the Notes will develop or, if it does develop, that such market will continue to exist or that it will provide Noteholders with liquidity of investment for the life of the Notes. There are a number of factors which may have an adverse effect on the existence of or the liquidity in the secondary market for the Notes.

None of the Notes or Certificates have 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 and Sale*". To the extent that a secondary market exists or develops, it may not continue for the life of the Notes or Certificates or it may not provide Noteholders or Certificateholders with liquidity of investment with the result that a Noteholder or Certificateholder may not be able to find a buyer to buy its notes or certificates readily or at prices that will enable the Noteholder or the Certificateholder to realise a desired yield or a desired return on projected amounts due in respect of the Certificates. Any investor in the Notes or the Certificates must be prepared to hold their Notes or Certificates until the Final Maturity Date.

The secondary market for asset-backed securities similar to the Notes has in the past experienced severe disruptions resulting from reduced investor demand for such securities. This has had a material adverse

impact on the market value of asset-backed securities similar to the Notes and resulted in the secondary market for asset-backed securities experiencing very limited liquidity during such severe disruptions.

If limited liquidity were to occur in the secondary market it could have an adverse effect on the market value of asset-backed securities and instruments similar to the Notes, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. Consequently, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate. Any fluctuations may be significant and could result in significant losses to an investor.

Whilst central bank schemes such as the Bank of England's Discount Window Facility, the European Central Bank's liquidity scheme and the European Central Bank's asset-backed securities purchase programme may provide or have provided an important source of liquidity in respect of eligible securities, restrictions in respect of the relevant eligibility criteria for eligible collateral which apply and may apply in the future under such facilities may adversely impact secondary market liquidity for asset-backed securities in general, regardless of whether the Notes are eligible securities for the purpose of such facilities. Moreover, there is no certainty that the Notes will be accepted as eligible securities for any such facilities either upon issue or subsequently.

The European capital markets are experiencing a period of volatility and concerns relating to credit risk, as well as continuing economic, monetary and political conditions (including in the United Kingdom in relation to the "Brexit Vote". See "*EU Referendum*" above) which has been exacerbated by the COVID-19 outbreak. Additionally, there are concerns about the impact of the COVID-19 outbreak on the economic growth in the UK and the Eurozone. Any slowdown or reversal of the positive economic or political trends (including as a result of any default or restructuring of indebtedness by one or more Member States or institutions and/or any changes to, including any break up of, the Eurozone or any epidemic) may cause further severe stress in the financial system generally.

Any of the above may have an adverse effect on the market value of the Notes or Certificates, the ability of the Noteholders or Certificateholders to trade in or sell the Notes or Certificates or fully recover the value of their investment in the Notes or Certificates. Any investor in the Notes or Certificates must be prepared to hold its Notes or Certificates for an indefinite period of time or until the Final Maturity Date or alternatively such investor may only be able to sell its Notes or Certificates at a discount to the original purchase price of those Notes or Certificates.

### ***Geographic Concentration Risks***

The majority of the Mortgage Loans are secured by properties located in London (64.32 per cent of the aggregate Current Balance in the Provisional Mortgage Portfolio) and South East England (17.98 per cent. of the aggregate Current Balance in the Provisional Mortgage Portfolio). To the extent that specific geographic regions have experienced or may experience in the future weaker regional economic conditions and housing markets, a concentration of the Mortgage Loans in such a region may be expected to exacerbate the risks relating to the Mortgage Loans described in this section. Certain geographic regions within England and Wales rely on different types of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels, the strength of the rental markets and consequently the repayment ability of the Borrowers in that region or in the region that relies most heavily on that industry. Any natural or other disasters including epidemic outbreaks in a particular region may also reduce the value of affected Properties. This may result in a loss being incurred upon sale of the Property. These circumstances could adversely affect receipts on the Mortgage Loans and ultimately result in losses on the Notes and the Certificates. For an overview of the geographical distribution of the Mortgage Loans as at the Portfolio Reference Date, see "*Annex A – Statistical Information on the Provisional Mortgage Portfolio – Geographical Distribution of Properties*".

### **Risks Related to the Mortgage Loans and Sale of the Mortgage Portfolio**

#### ***Covid-19 may affect the timing and amount of payment on the Mortgage Loans or enforcement or repossession of the Mortgage Loans***

The collectability of amounts due under the Mortgage Loans are subject to credit, liquidity and interest rate risks and will generally fluctuate in response to, among other things, market interest rates, general economic conditions, real estate values, the financial standing of Borrowers, health crises and other similar factors.



On March 11, 2020, the World Health Organization declared the current outbreak of coronavirus disease 2019 ("**COVID-19**") to be a global pandemic. The COVID-19 outbreak has already led to severe disruptions in the global supply chain, capital markets and economies, and those disruptions have since intensified and will likely continue for some time. Concern about the potential effects of COVID-19 and the effectiveness of measures being put in place by global governmental bodies as well as by private enterprises to contain or mitigate its spread have adversely affected economic conditions and capital markets globally, and have led to unprecedented volatility in the financial markets.

In the UK, the FCA issued guidance setting out its expectations in respect of how lenders should behave in respect of payment difficulties of their clients as a result of COVID-19 covering regulated and unregulated mortgages. This guidance was originally titled "*Mortgages and coronavirus: our guidance for firms*" and is continuously updated. Amongst other things, this guidance provided that UK mortgage lenders should, where a customer indicates that it may potentially experience payment difficulties in the current circumstances and wishes to receive a payment holiday, grant a customer a payment holiday for the 3 monthly payments that follow that interaction. No additional fee or charge (other than accrued interest on the sum temporarily unpaid) may be levied as a result of the payment holiday. In addition, the FCA's guidance provides that firms should not commence or continue repossession proceedings against customers at this time, irrespective of the stage that repossession proceedings have reached and to any step taken in pursuit of repossession. Where a possession order has already been obtained, firms should refrain from enforcing it. 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 effect of an announcement by UK Government and relevant guidance by the UK FCA is that lenders are instructed to grant a three month mortgage payment holiday to their customers (including buy-to-let landlords) who may be experiencing or reasonably expect to experience payment difficulties as a result of circumstances relating to COVID-19. This could include difficulties arising from tenants failing to meet their rental payments in connection with COVID-19.

Following this guidance and where appropriate, the Originator has agreed a mortgage payment holiday with customers, ranging between one and three months. As at 30 April 2020, this applied to 143 Mortgage Loans granted to 84 unique Borrowers from the Provisional Mortgage Portfolio who or whose tenants are in financial difficulties have requested, and been granted, a payment holiday due to COVID-19. The aggregate Current Balance of the Mortgage Loans to such Borrowers amounts to £47,519,660 (as of the Portfolio Reference Date). Although the Originator has emphasised to the customers (a) this is only a temporary arrangement and that the position will be reviewed at the end of the payment holiday period and (b) interest will continue to be charged on the payment holiday amount that forms part of the customers' outstanding mortgage balance, there continues to exist uncertainty around further plans of the UK Government in respect of the possible extensions of payment holidays. The ultimate effect of the payment holidays granted, or further payment holidays which may be granted, to the Borrowers, as well as their duration, is presently unclear. Furthermore, there can be no assurance that the FCA, the Prudential Regulation Authority (the "**PRA**") 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 Mortgage Loans. Any future requests by the Borrowers for payment holidays or extensions of payment holidays which have already been granted will be considered by the Legal Title Holder in accordance with the applicable regulations and government guidance at the time.

The Servicer has also made the necessary system changes to accommodate payment holidays. For reporting purposes, and in line with UK Finance's expectations, Borrowers that have been granted a payment holiday will not be categorised nor reported as being in arrears. It is expected that the Servicer will be in a position to identify and provide reporting on the payment holiday Borrowers.

If the timing of the payments or quantum of such payments in respect of the Mortgage Loans or the Servicer's ability to repossess is adversely affected by any of the risks described above, then payment on the Notes could be reduced and/or delayed which could ultimately result in losses on the Notes.

***Risk of losses associated with Mortgage Loans***

The Mortgage Loans in the Mortgage Portfolio are buy-to-let loans. The Borrower's ability to make payments in respect of the Mortgage Loans is likely to depend on the Borrower's ability to let the relevant Properties on appropriate terms. It is intended that the Properties which secure such Mortgage 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 when the relevant Mortgage Loan is acquired by the Issuer or that any tenancy which is granted will subsist throughout the life of the Mortgage Loan and/or 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 Mortgage 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 Borrower to find tenants and the level of rental income which may be achieved in letting the relevant Property. The obligations of a Borrower to make payment under the Mortgage Loan are unconditional without regard to whether the Property is let or the amount of rent received by the Borrower from the relevant tenant. Market conditions and/or the introduction of certain United Kingdom tax legislation may adversely affect the private residential rental market in England and Wales in general and (in the case of the restriction of income tax relief) the ability of individual Borrowers of buy-to-let loans to meet their obligations under those Mortgage Loans.

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

Borrowers may default on their obligations under the Mortgage Loans. Approximately 0.94 per cent. of the Mortgage Loans in the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are in arrears of 30 days or more and approximately 0.23 per cent. of the Mortgage Loans in the Provisional Mortgage Portfolio (calculated by reference to the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date) are in enforcement procedures (meaning the relevant Mortgage Loans have been identified in the Data Tape as being subject to litigation proceedings, but may not necessarily be in arrears).

Defaults may occur for a variety of reasons. The Mortgage 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 and health crises (such as, for example, the current COVID-19 pandemic).

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 Mortgage Loans. Other factors in Borrowers' personal or financial circumstances may adversely affect the ability of Borrowers to repay the Mortgage Loans. Unemployment, loss of earnings, illness, 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 Mortgage Loans. In addition, the ability of a Borrower to sell a Property given as security for a Mortgage Loan at a price sufficient to repay the amounts outstanding under that Mortgage 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. See "*Covid-19 may affect the timing and amount of payment on the Mortgage Loans or enforcement or repossession of the Mortgage Loans*" and "*Declining property values*" above.

The UK Government has passed legislation restricting the amount of income tax relief that individual landlords can claim for residential property finance costs (such as mortgage interest) to the basic rate of tax. Such restriction is being introduced on a phased basis with the first stage of changes applying from 6 April 2017 and taking full effect for the tax year beginning 6 April 2020. From 1 January 2017, the PRA under the Bank of England required all lenders to apply minimum affordability requirements to new buy-to-let mortgage applications. This takes into account the impact of the changes to the taxation of rental income, the costs the landlord might incur in letting the property and the impact of future changes in interest rates. Borrowers have a range of strategies available to mitigate the impact of such income tax relief changes. These may include increasing rents at the end of a tenancy agreement (subject to the market rates applicable to rental properties in the specific location of the property), transferring borrowings to a limited company, applying for a lower cost product, reducing the value of their loan, or ultimately selling the property. However, there can be no assurance that the restrictions on income tax relief outlined above may not adversely affect the ability of individual borrowers of buy-to-let mortgage loans to meet their obligations under those mortgage loans.

If a Borrower fails to repay its Mortgage Loan and the related Property is repossessed, the likelihood of there being a net loss on disposal of the Property is increased by a higher loan to value ratio (the "LTV"). See "*Declining property values*" above.

In order to enforce a power of sale in respect of a Property in England and Wales, the relevant mortgagee (which may be the Legal Title Holder or the Issuer) must first obtain possession of the relevant Property. Possession is usually obtained by way of a court order or decree. This can be a lengthy and costly process and will involve the mortgagee assuming certain risks. The court has a wide discretion and may adopt a sympathetic attitude towards a Borrower faced with eviction. Any possession order given in favour of the lender may be suspended to allow the Borrower more time to pay. In addition, if possession has been obtained, a reasonable period must be allowed for marketing the property, to discharge obligations to take reasonable care to obtain a proper price. If obtaining possession of properties and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Notes may be reduced. The Issuer's ability to make such payment may be reduced further if the mortgagee's method for obtaining possession of properties permitted by law is restricted or limited in the future.

***Basis mismatch***

The Rate of Interest on the Notes adjusts quarterly based on Compounded Daily SONIA whereas the Mortgage Rates on the Provisional Mortgage Portfolio (both in respect of the Floating Rate Mortgage Loans and Fixed Rate Mortgage Loans following the end of their Fixed Rate Term) adjust with reference to 3 month Sterling LIBOR. As a result, there is a degree of basis risk due to mismatch in index on the Notes and the relevant Mortgage Loans. Furthermore, there exists an uncertainty in respect of the replacement rate payable in respect of the Mortgage Loans following discontinuation of LIBOR (see "*Changes or uncertainty in respect of LIBOR and/or SONIA may affect the value or payment of interest under the Mortgage Loans or the Notes*"). The Issuer will not enter into any arrangements to hedge its exposure to this basis risk and no assurance may be given that the existence of such basis risk would not result in a shortfall in payment of amounts due under the Notes.

***Increases in prevailing market interest rates may adversely affect the performance and market value of the Mortgage Portfolio***

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 Mortgage Loans. Borrowers with a Mortgage Loan subject to a variable rate of interest or with a Mortgage 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 (or, in the case of a Mortgage 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 Mortgage 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, ultimately may 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 or be able to obtain a conversion of the interest rate that applies in respect of their Mortgage Loan to a lower rate. Any decline in housing prices may also leave Borrowers with insufficient equity in the relevant Properties to permit them to refinance, especially Borrowers with higher current LTVs. Furthermore, in respect of the Fixed Rate Mortgage Loans, the reversionary rate for Borrowers reaching the end of their Fixed Rate Term may be lower than prevailing market rates. This would mean that it is less likely that they will refinance their Mortgage Loan at such time or at all.

These events, alone or in combination, may contribute to higher delinquency rates, slower prepayment rates and higher losses on the Mortgage Portfolio, which in turn may adversely affect the ability of the Issuer to make payments of interest and principal on the Notes and the Certificates.

***Terms of Interest Only Mortgage Loans may be amended resulting in the Issuer and Noteholders receiving earlier redemption payments on the relevant Mortgage Loan and the relevant Notes***

Almost all of the Mortgage Loans in the Mortgage Portfolio are repayable on an interest-only basis (being Interest Only Mortgage Loans) with only 0.43 per cent. being Repayment Mortgage Loans (otherwise known as "amortising"), calculated on the basis of the Current Balance of the Provisional Mortgage Portfolio as at the Portfolio Reference Date.

Where the Borrower is only required to pay interest during the term of the Mortgage Loan, with the capital being repaid in a lump sum at the end of the term, the ability of a Borrower to repay an Interest Only Mortgage Loan at maturity will 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.

None of the Issuer, the Trustee, the Seller, the Retention Holder, the Legal Title Holder, the Arranger or the Lead Manager 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 Mortgage Loans, a significant downturn in the property markets or the economy could lead to a greater increase in defaults. See also "*Declining property values*". The Mortgage Conditions in respect of Interest Only Mortgage Loans do not require a Borrower to put in place alternative funding arrangements to provide for the repayment of the relevant Mortgage Loan at maturity.

Borrowers may have insufficient equity to refinance their Mortgage Loans with other lenders and may have insufficient resources to pay amounts in respect of their Mortgage Loans as and when they fall due. This could lead to higher delinquency rates and losses which in turn may adversely affect payments on the Notes.

***Searches, investigations and warranties in relation to the Mortgage Loans***

None of the Issuer, the Trustee, the Agents, the Arranger or the Lead Manager has undertaken, or will undertake, any investigations, searches or other actions in respect of the Mortgage Loans, and their Related Security. In the case of the Issuer and the Trustee, they will rely instead on the warranties given by the Seller in the Mortgage Sale Agreement (the "**Mortgage Loan Warranties**"). Mortgage Loans which have undergone such a limited investigation may be subject to matters which would have been revealed by a full investigation of title and which may have been remedied or, if incapable of remedy, may have resulted in the Related Security not being accepted as security for a Mortgage Loan had such matters been revealed. Investors should also be aware that there is no on-going active involvement of the Originator to monitor or notify any defect in relation to the circumstances of the Mortgage Loans and the Seller and the other Transaction Parties will have limited obligations to monitor compliance with the Mortgage Loan Warranties following the Closing Date. See "*Risks relating to limited liability and knowledge of the Seller*" below.

***Legal Title Holder to retain legal title to the Mortgage Loans and risks relating to set-off***

The sale of the Mortgage Loans by the Seller to the Issuer on the Closing Date takes effect in equity only. This means that legal title to the Mortgage Loans and their Related Security in the Mortgage Portfolio will be held by the Interim Legal Title Holder (during the Transitional Period) and by the Legal Title Holder (following the end of the Transitional Period) and will not be transferred to the Issuer until certain trigger events occur under the terms of the Mortgage Sale Agreement (see "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*" below).

The Issuer has not applied and will not apply (until the occurrence of certain perfection events) to the relevant Land Registry to register or record its equitable interest in the Mortgages.

The consequences of the Issuer not obtaining legal title to the Mortgage Loans and their Related Security or the Properties secured thereby are set out below.

- (a) A *bona fide* purchaser from the Interim Legal Title Holder or the Legal Title Holder for value of any of such Mortgage 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 Mortgage Loan and its Related Security, and it would not be entitled to payments by a Borrower in respect of that Mortgage Loan. However, the risk of third party

claims obtaining priority to the interests of the Issuer in this way would be likely to be limited to circumstances arising from a breach by the Interim Legal Title Holder or the Legal Title Holder of its contractual obligations or fraud, negligence or mistake on the part of the Interim Legal Title Holder or the Legal Title Holder (as applicable) or its personnel or agents;

- (b) Although the Interim Legal Title Holder has undertaken not to vary any of the terms of the Mortgage Loans or their Related Security during the Transitional Period and the Servicer has agreed in the Servicing Agreement that it will not vary any of the terms of the Mortgage Loans or their Related Security following the end of the Transitional Period (other than with the prior written consent of the Legal Title Holder), if either the Interim Legal Title Holder or the Legal Title Holder were to modify the terms of the Mortgage Loans and their Related Security, the revised terms would apply and, the Issuer would only have recourse against the Legal Title Holder for breach of contract or breach of trust;
- (c) Prior to the insolvency of the Interim Legal Title Holder (during the Transitional Period) or the Legal Title Holder (following the end of the Transitional Period), unless notice of the assignment is given to a Borrower who is a creditor of the Interim Legal Title Holder or the Legal Title Holder (as applicable) in the context of the Mortgage Loans and their Related Security, equitable or independent set-off rights may accrue in favour of a Borrower against its obligation to make payments to the Interim Legal Title Holder or the Legal Title Holder (as applicable) under the relevant Mortgage Loan. These rights may result in the Issuer receiving reduced payments on the Mortgage Loans. The transfer of the benefit of any Mortgage Loans to the Issuer will continue to be subject to any prior rights the Borrower may become entitled to after the transfer. Where notice of the assignment or assignation is given to the Borrower, however, some rights of set-off may not arise after the date notice is given;
- (d) Once notice has been given to the Borrowers of the assignment of the Mortgage Loans and their Related Security to the Issuer, independent set-off rights which a Borrower has against the Interim Legal Title Holder or the Legal Title Holder (as applicable) 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*" (which are set-off claims arising out of a transaction connected with the Mortgage Loan) will not be affected by that notice and will continue to exist (see "*Set-off risk may adversely affect the value of the Mortgage Portfolio or any part thereof*" below); and
- (e) Until notice of the assignment is given to the Borrowers, the Issuer would not be able to enforce any Borrower's obligations under a Mortgage Loan or Related Security itself but would have to join the Interim Legal Title Holder (during the Transitional Period) or the Legal Title Holder (following the end of the Transitional Period) as a party to any legal proceedings. Borrowers will also have the right to redeem their Mortgages by repaying the Mortgage Loan directly to the Interim Legal Title Holder (during the Transitional Period) or the Legal Title Holder (after the end of the Transitional Period). However, the Legal Title Holder will undertake, pursuant to the Servicing Agreement, to hold any money repaid to it in respect of Mortgage Loans to the order of the Issuer. However, for so long as the Issuer does not have legal title, the Legal Title Holder (following the end of the Transitional Period) will undertake for the benefit of the Issuer that it will participate or join in any legal proceedings to the extent necessary to protect, preserve and enforce the Issuer's title to or interest in any Mortgage Loan or its Related Security.

If any of the risks described above were to occur then the realisable value of the Mortgage Portfolio or any part thereof may be adversely affected. Such risk will be mitigated by (i) the Interim Legal Title Holder and the Issuer granting a power of attorney to the Servicer, (ii) the Issuer and the Legal Title Holder granting a power of attorney to the Servicer and (iii) the Legal Title Holder granting a power of attorney to the Issuer and the Trustee, in each case, to give them the power to do all further things and take all necessary action to perfect the transfer of legal title to the Mortgage Loans (as applicable) and their Related Security, including upon the occurrence of a Perfection Trigger Event under the Mortgage Sale Agreement (in the case of the Interim Servicer Power of Attorney, only during the Transitional Period).

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

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

As a result, legal title to the Mortgage Loans and their Related Security sold by the Seller to the Issuer will, following the end of the Transitional Period, remain with the Legal Title Holder until the occurrence of certain trigger events under the terms of the Mortgage Sale Agreement. Once notice has been given to the Borrowers of the assignment of the Mortgage Loans and their Related Security to the Issuer, independent set-off rights which a Borrower has against the Interim Legal Title Holder (during the Transitional Period) or the Legal Title Holder (after the end of the Transitional Period) (such as set-off rights not associated with or connected to the relevant Mortgage Loan) 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*" (which are set-off claims arising out of a transaction connected with the Mortgage Loan) will not be affected by that notice and will continue to exist. For example, the relevant Borrower may set-off any successful claim for damages (or equivalent rights) against the Interim Legal Title Holder or the Legal Title Holder (as applicable) (and, as equitable assignee of or holder of the beneficial interest in the Mortgage Loans and their Related Security in the Mortgage Portfolio, the Issuer) for payment of principal and/or interest under the relevant Mortgage Loan as and when it becomes due.

The amount of any such claim against the Interim Legal Title Holder or the Legal Title Holder (as applicable) will, in many cases, be the cost to the Borrower of finding an alternative source of funds. The Borrower may obtain a mortgage loan elsewhere, in which case the damages awarded could be equal to any difference in the borrowing costs together with any direct losses arising from the Interim Legal Title Holder or the Legal Title Holder's (as applicable) breach of contract, namely the associated costs of obtaining alternative funds (for example, legal fees and survey fees).

If the Borrower is unable to obtain an alternative mortgage loan, it may have a claim in respect of other indirect losses arising from the Interim Legal Title Holder's or the Legal Title Holder's (as applicable) breach of contract where there are special circumstances communicated by the Borrower to the Interim Legal Title Holder or the Legal Title Holder (as applicable) at the time the Borrower entered into the Mortgage or which otherwise were reasonably foreseeable. A Borrower may also attempt to set off an amount greater than the amount of its damages claim against its mortgage payments. In that case, the 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 decree is obtained.

The exercise of set-off rights by Borrowers may adversely affect the realisable value of the Mortgage Portfolio and/or the ability of the Issuer to make payments under the Notes.

***No assurance that the Issuer will receive benefit of any claims under Insurance Policies***

The Mortgage Conditions require Borrowers to have buildings insurance for the relevant Property. However, it will be difficult in practice for the Servicer and/or the Issuer to determine whether the relevant Borrower has valid insurance in place at any time. However, no assurance can be given that the Issuer will always receive the benefit of any claims made under any applicable buildings insurance contracts 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 payment of interest and/or principal in respect of the Notes and payments due in respect of the Certificates.

***Issuer may not have direct rights against third parties***

As part of the transfer of the Related Security, the Seller has assigned its causes and rights of actions against solicitors and valuers to the Issuer pursuant to the Mortgage Sale Agreement in respect of the Mortgage Loans. However, the Seller was not the originator of the Mortgage Loans and the said rights may therefore not have been effectively assigned to it by the Originator or held on trust for it by the Originator. 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 Mortgage Loan, may have been negligent or fraudulent.

### **Risks relating to limited liability and knowledge of the Seller**

#### ***The Seller did not originate the Mortgage Loans and only certain due diligence was undertaken at the point of acquisition***

The Seller was not directly or indirectly involved in the original agreements which created the Mortgage Loans. The Seller undertook certain due diligence activities and commissioned certain reports for its own account in relation to the purchase of the Mortgage Loans by the Seller. Whilst the Seller undertook certain due diligence in respect of the Mortgage Loans, the Seller cannot provide any assurances as to the manner in which particular Mortgage Loans were originated or that the Originator's lending criteria applicable to the Mortgage Loans were in fact applied at the time of origination of the Mortgage Loans or whether different criteria were applied. In particular, whilst the origination documents (including certain of the Originator's policies and procedures applicable to the Mortgage Portfolio and other equivalent mortgage loans originated by the Originator) that were provided by the Originator during the acquisition process were reviewed on behalf of the Seller, the Seller has not independently verified whether such documentation was complete.

#### ***Lending Criteria***

The Lending Criteria will have applied at the time of approval in respect of the Mortgage Loans comprising the Mortgage Portfolio. The Lending Criteria should have considered, among other things, a Borrower's credit history, employment history and status, repayment ability and net income criteria, as well as the value of the relevant Property. As the Seller is not the originator of the Mortgage Loans and the loan file audit was conducted on a sample pool basis, the origination documentation and applicable terms and conditions with respect to the Mortgage Loans may be incomplete or missing or disappplied and the loan data may have been incorrectly recorded in the relevant Originator's systems (see also the section entitled "*The Mortgage Portfolio*"). This could, in some cases, potentially affect the enforceability of the Mortgage Loans and their Related Security and ultimately result in losses on the Notes.

This Prospectus contains limited information about the Originator of the Mortgage Loans, its respective loan origination and modification policies, and the standards or guidelines under which the Mortgage Loans were originated, revised, modified or serviced by any person or entity. In addition, there can be no assurance that the Lending Criteria were applied in all cases, were not varied from time to time, that no exceptions from the Lending Criteria were made or that Mortgage Loans originated under different criteria have not been included in the Mortgage Portfolio (see the section entitled "*The Mortgage Portfolio*" below). Inconsistent application of the Lending Criteria may result in higher levels of Mortgage Loans being in arrears and may affect the Issuer's ability to make payments under the Notes if the level of arrears is higher than anticipated.

#### ***Limitation of Seller's Liability***

The representations and warranties of the Seller with respect to the Mortgage Loans and their Related Security will be made as of the Cut-Off Date and, in many cases, are subject to important exceptions, qualifications and other limitations, including being subject to knowledge qualifications and materiality, including, contractual standards of materiality that are different from those generally applicable to disclosures to purchasers of securities. The representations and warranties cover a number of potential defects with respect to each Mortgage Loan (and its Related Security), but may not cover every potential defect which may result in a loss to the Issuer.

No remedy for breach of representations or warranties in respect of the Mortgage Loans or their Related Security is available, other than a claim for damages by the Seller to the Issuer in the case of a material breach of any of the representations or warranties given by the Seller on the Closing Date which is not capable of remedy or is not remedied within 30 Business Days of being notified by the Issuer. The liability of the Seller in respect of any breach of any Mortgage Loan Warranty shall be limited to not greater than five per cent. of the Current Balance of the relevant Mortgage Loan. Notwithstanding such limit, the Seller will have no liability to the Issuer unless the amount of damages to which the Issuer would be entitled but for such limit as a result of that Warranty Claim is greater than £5,000 per Mortgage Loan that is the subject of that Warranty Claim (unless there are Warranty Claims relating to breaches of the same Mortgage Loan Warranty arising from similar facts where the amount of such claim to which the Issuer would but for such limit be entitled as a result of those Warranty Claims exceeds £20,000 in aggregate).

Further, if the Issuer wishes to make a claim in respect of that breach of any Mortgage Loan Warranty, the Issuer must at any time on or before the date falling two years after the Closing Date give notice of such breach to the Seller. The liability of the Seller in respect of any Warranty Claim shall in any event terminate if proceedings in respect of it have not been commenced within 12 months of the date of such notice.

There can be no assurance that the Seller will have the financial resources to honour its obligations to pay any payment of damages in respect of a breach of warranty. This may affect the ability of the Issuer to make payments due on the Notes.

The Seller will not be required to repurchase or procure the repurchase of any Mortgage Loan which is the subject of any such breach. See section "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement – Warranties and consequences of breach of warranty*" for more detail.

As a result of the qualifications and other limitations (including, financial limitations, and that the Seller is under no obligation to repurchase any Mortgage Loan (and its Related Security) in relation to which the Seller is in breach of any representation and warranty) in relation to the representations and warranties of the Seller mentioned above, the Issuer may not be able to claim or claim the full amount of any loss suffered under the damages claim if any representation or warranty in relation to any Mortgage Loan (and its Related Security) is breached and the Issuer has suffered any loss (financial or otherwise) as a result of such breach. This may have an adverse effect on the ability of the Issuer to make payments under the Notes and Certificates.

### **Servicing and Third Party Risk**

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

The Issuer is party to contracts with a number of other third parties who have agreed to perform services in relation to the Notes (see the section entitled "*Diagrammatic Overview of Transaction*" for summary of third parties relating to the transaction). In the event that any of such third parties were to fail to perform their obligations under the respective agreements to which they are a party (including any failure arising from circumstances beyond their control, such as epidemics), and/or are removed or if such a party resigns without a sufficiently experienced substitute or any substitute being appointed in their place promptly thereafter, collections on the Mortgage Portfolio and/or payments to Noteholders and Certificateholders may be disrupted and Noteholders and/or Certificateholders may be adversely affected.

As a result of the COVID-19 outbreak, many organisations (including courts, other government agencies and service providers) have either closed or implemented policies requiring their employees to work at home. Such remote working policies are dependent upon a number of factors to be successful, including communications, internet connectivity and the proper functioning of information technology systems, all of which can vary from organisation to organisation. As a result, such closures and remote working policies may lead to delays or disruptions in otherwise routine functions. In addition, to the extent that courts and other government agencies are closed or operate on a limited basis, registration, enforcement and similar activities may not be processed in a timely manner, and may be further delayed as such offices and courts address any backlogs of such actions that accumulated during the period of closure, and the duration of such backlogs is impossible to predict at this time.

#### ***The Servicer***

The Servicer will be appointed by the Issuer on the Closing Date to administer the Mortgage Loans from and after the Closing Date.

If the appointment of the Servicer is terminated in accordance with the provisions of the Servicing Agreement, the collection of payments on the Mortgage Loans and the provision of the Services could be disrupted during the transitional period in which the performance of the Services is transferred to a replacement servicer. Any failure or delay in collection of payments on the relevant Mortgage Loans resulting from a disruption in the servicing of the Mortgage Loans could ultimately adversely affect payments of interest and principal on the Notes. A failure or delay in the performance of the services, in particular reporting obligations, could adversely affect the payments of interest and principal on the Notes.

If the appointment of the Servicer is terminated, there can be no assurance that a replacement servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Mortgage Loans. The ability of any entity acting as a replacement servicer



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

The Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion.

***Certain material interests***

The Arranger, the Lead Manager and other parties to the transaction have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer in the ordinary course of business. The Arranger, the Lead Manager and/or their affiliates may hold some of the Notes from time to time. Other parties to the transaction may also perform multiple roles. Accordingly, conflicts of interest may exist or may arise as a result of parties having previously engaged or in the future engaging in transactions with other parties, having multiple roles or carrying out other transactions for third parties. The parties to the transaction may, pursuant to the Transaction Documents, be replaced by one or more new parties. It cannot be excluded that such a new party could also have a potential conflicting interest, which might ultimately have a negative impact on the ability of the Issuer to perform its obligations in respect of the Notes.

***The Trustee is not obliged to act in certain circumstances***

The Trustee may, at any time, at its discretion and without notice, 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 the Notes, the Certificates or the Trust Documents (including the Conditions and the Certificate Conditions) or of the other Transaction Documents to which it is a party and at any time after the service of an Enforcement Notice, the Trustee may, at its discretion and without notice, take such proceedings, actions or steps as it may think fit to enforce the Security. However, the Trustee shall not be bound to take any such proceedings, actions or steps (including, but not limited to, the giving of an Enforcement Notice in accordance with Condition 13 (*Events of Default*) or Certificate Condition 11 (*Certificates Events of Default*)) unless it shall have been directed to do so by an Extraordinary Resolution of the holders of the Most Senior Class (or, if there are no Notes outstanding, the Certificates then outstanding) or in writing by the holders in aggregate of at least 25 per cent. in Principal Amount Outstanding of the Most Senior Class of Notes (or, if there are no Notes outstanding, not less than 25 per cent. of the Certificates then outstanding) and it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

***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, the Interest Rate Swap Provider or any Custodian) are required to satisfy certain criteria in order that they can continue to be a counterparty to the Issuer.

These criteria include requirements imposed by the Financial Conduct Authority and under FSMA and requirements in relation to the short-term and long-term unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the 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 or delay 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 even though they may be impacted by such decisions.

#### **Rights of Noteholders, Certificateholders and Secured Creditors**

##### ***Risks relating to negative consent of Noteholders and Certificateholders in respect of amendments to the Transaction Documents under certain circumstances***

The Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or which, as a result of the relevant amendment, would be further contractually subordinated to any Secured Creditor than would otherwise have been the case prior to such amendment) any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to the Conditions, the Certificate Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary for the purpose of certain specified matters (as more fully set out in Condition 17.2 (*Additional Right of Modification*)) **provided that** Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have not notified the Issuer or the Principal Paying Agent that they do not consent to the modification. As such, Noteholders and Certificateholders should be aware that the relevant modification may be effected regardless of their objections if the amount of Noteholders objecting represent less than 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes.

The Trustee may also, without the consent of any of the Noteholders, the Certificateholders or other Secured Creditors, concur with the Issuer in substituting in place of the Issuer a Substituted Obligor as the principal debtor in respect of the Transaction Documents provided that certain conditions as set out in the Trust Deed are satisfied.

##### ***Meetings of Noteholders and Certificateholders, Modification and Waivers***

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 did not attend and vote at the relevant meeting and Noteholders and Certificateholders who voted in a manner contrary to the requisite majority for such vote. In addition, the Trust Deed provides that the Trustee may (but subject in each case to the more detailed provisions of the Trust Deed), concur with the Issuer in making certain formal, minor or technical amendments or amendments (other than a Reserved Matter) that will not be materially prejudicial to the interests of holders of the Most Senior Class of Notes (or, if there are no Notes outstanding, the Certificates then outstanding), or authorise or waive a breach of a Transaction Document or occurrence of an Event of Default or Certificates Event of Default if holders of the Most Senior Class of Notes (or, if there are no Notes outstanding, the Certificates then outstanding) will not be materially prejudiced thereby. Thus, Noteholders and Certificateholders should be aware that certain amendments and waivers may be effected without their consent and at the discretion of the Trustee from time to time.

The Trustee (subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) is also obliged, in certain circumstances, to agree to amendments to the Conditions, the Certificate Conditions or the Transaction Documents for, among other reasons, the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time without the consent of Noteholders where a request for consent has been given to the Noteholders or the Certificateholders but an insufficient number of Noteholders or Certificateholders have notified the Issuer or the Principal Paying Agent that they do not consent to such amendments (see "*Rights of Noteholders, Certificateholders and Secured Creditors – Risks relating to negative consent of Noteholders and Certificateholders in respect of amendments to the Transaction Documents under certain circumstances*" above). Noteholders and Certificateholders should be aware that such amendments may therefore be effected regardless of their objections, if the numbers of objecting Noteholders or Certificateholders are insufficient.

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

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the Noteholders, the Certificateholders and the other Secured Creditors as regards all powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise).

However, if, in the opinion of the Trustee, there is a conflict between the interests of holders of different Classes of Notes and the Certificates, the Trustee will have regard only to the interests of (i) whilst there are Notes outstanding, the holders of the Most Senior Class of Notes and will not have regard to any lower ranking Class of Notes or the Certificates and (ii) whilst there are no Notes outstanding, holders of the Certificates, and shall have regard to the interests of the other Secured Creditors only to pay such parties any monies received and payable to them and to act in accordance with the applicable Priority of Payments. As a result, holders of Notes and Certificates may not have their interests taken into account by the Trustee when the Trustee exercises discretion.

Investors should be aware that the Retention Holder will hold for the life of the transaction, a material net economic interest of not less than 5 per cent. in the securitisation in order to comply with the EU Retention Requirement and, either directly or through a majority-owned affiliate, the U.S. Required Risk Retention Interest in order to comply with U.S. Credit Risk Retention Requirements. The foregoing required risk retention holdings represent a material holding. The Retention Holder or its affiliate are under no obligation to consider the interests of other Noteholders and Certificateholders when exercising their rights under the Notes and the Certificates (with respect to not only the securities held to satisfy the required risk retention, but also any other Notes or the Certificates which they may own) and may exercise voting rights in respect of the Notes and the Certificates held by it in a manner which may be prejudicial to other Noteholders or Certificateholders. As such, the Retention Holder will be a Relevant Person. Additionally, the Seller will acquire the Class X1 Notes, the Class X2 Notes, the Class Z Notes and the Certificates on the Closing Date in connection with the purchase of the Mortgage Portfolio. The Seller will not be required to consider interest of other Noteholders when exercising its rights under these Notes and the Certificates.

In addition to the interests described in this Prospectus, the Arranger, the Lead Manager and their respective related entities, associates, officers or employees (each a "**Lead Manager Related Person**"):

- (a) may from time to time be a Noteholder or have other interests with respect to the Notes and they may also have interests relating to other arrangements with respect to a Noteholder or a Note or any other Transaction Party;
- (b) may receive (and will not have to account to any person for) fees, brokerage and commissions or other benefits and act as principal with respect to any dealing with respect to any Notes;
- (c) may purchase all or some of the Notes and resell them in individually negotiated transactions with varying terms; and
- (d) may be or have been involved in a broad range of transactions including, without limitation, banking, lending, advisory, dealing in financial products, credit, derivative and liquidity transactions, investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Issuer or any other Transaction Party or any related entity, both on its own account and for the account of other persons.

Prospective investors in the Notes should be aware that:

- (a) each Lead Manager Related Person in the course of its business (including in respect of interests described above) may act independently of any other Lead Manager Related Person or Transaction Party;
- (b) to the maximum extent permitted by applicable law, the duties of each Lead Manager Related Person in respect of the Notes are limited to the relevant contractual obligations set out in the Transaction Documents (if any) and, in particular, no advisory or fiduciary duty is owed to any person. No Lead Manager Related Person shall have any obligation to account to the Issuer, any Transaction Party or any Noteholder for any profit as a result of any other business that it may conduct with either the Issuer or any Transaction Party;

- (c) a Lead Manager Related Person may have or come into possession of information not contained in this Prospectus that may be relevant to any Noteholder or to any decision by a potential investor to acquire the Notes and which may or may not be publicly available to potential investors ("Relevant Information");
- (d) to the maximum extent permitted by applicable law no Lead Manager Related Person is under any obligation to disclose any Relevant Information to any other Lead Manager Related Person, to any Transaction Party or to any potential investor and this Prospectus and any subsequent conduct by a Lead Manager Related Person should not be construed as implying that such Person is not in possession of such Relevant Information; and
- (e) each Lead Manager Related Person may have various potential and actual conflicts of interest arising in the ordinary course of its businesses, including in respect of the interests described above. For example, a Lead Manager Related Person's dealings with respect to a Note, the Issuer or a Transaction Party, may affect the value of a Note.

These interests may conflict with the interests of a Noteholder, and the Noteholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Lead Manager Related Person is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents, the Notes, or the interests described above and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders and the Lead Manager Related Persons may in so doing so act in its own commercial interests and without notice to, and without regard to, the interests of any such person.

#### **Certain regulatory considerations in relation to Mortgage Loans**

##### ***Potential effects of current regulations, any additional regulatory changes and uncertainty of regulatory regimes***

In the United Kingdom, there is continuing political and regulatory scrutiny of the banking industry from each of the FCA, PRA and CMA. 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 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 or the buy-to-let segment of the mortgage market.

Further, the Financial Ombudsman decides complaints on a case by-case basis and is required to make decisions on the basis of, among other things, the principles of fairness. Therefore, it is not possible to predict the decisions of the Financial Ombudsman. There is however a risk that a decision of the Financial Ombudsman may affect the ability of the Issuer to make payments to Noteholders if such decision affects the terms of the Mortgage Loans and means the Issuer does not receive all payments of principal and interest from Borrowers as was expected. See "*Mortgage Regulation in the United Kingdom*" more generally for certain regulatory considerations and risks.

##### ***Regulation relating to obtainment of vacant possession***

Various pieces of legislation across England and Wales may also place restrictions on the right of the Intermediate Legal Title Holder and the Legal Title Holder to obtain vacant possession, to exercise its power of sale, or to initiate responsive action. For example, the Mortgage Repossession (Protection of Tenants etc.) Act 2010 gives courts in England and Wales the power to postpone for up to two months (on application by a tenant in possession without the lender's consent) as exists for applications by tenant's that are authorised. These, and other pieces of legislation present a risk that recovery of both principal and interest from the Mortgage Loans is affected. If such recovery is affected, this may restrict the ability of the Issuer to make payments under the Notes and Certificates.

In addition, the regulatory authorities in the United Kingdom continue to scrutinise the banking industry and as such there is a risk that changes are made to the existing regulatory regime or that additional regulations or guidance from the FCA, the CMA, the PRA, the Financial Ombudsman or that any other regulatory authority will not arise with regard to the mortgage market in the United Kingdom generally or the buy-to-let segment of the mortgage market. Any such action or developments may mean there are additional regulatory obligations in respect of the Mortgage Loans, the Issuer and/or the Servicer and their

respective businesses and operations, therefore leading to increased costs of compliance. In turn, this may adversely affect the Issuer's ability to make payments in full on the Notes when due and to make payments on the Certificates.

#### ***Enforcement of Buy-to-Let Loans***

The Dwelling Houses (Execution of Possession Orders by Mortgagees) Regulations 2010 came into effect on 1 October 2010 and contain requirements for creditors to give at least 14 days' notice of their intention to execute a possession order over residential premises which have been let. Additionally, pursuant to the Mortgage Repossessions (Protection of Tenants etc.) Act 2010, a court could delay execution of possession orders for up to two months on an application by a tenant. These changes in the law may delay the Interim Legal Title Holder's or the Legal Title Holder's exercise of its power of sale in relation to the Mortgage Loans and may adversely impact on the ability of the Issuer to make payments under the Notes.

#### ***Regulation of Buy-To-Let Mortgage Loans***

Buy-to-let mortgage loans can fall under several different regulatory regimes. They can be: (a) unregulated; (b) a Regulated Credit Agreement; (c) a Regulated Mortgage Contract; or (d) Consumer Buy-to-Let Mortgage Loans. Although the Mortgage Loans should be unregulated there is no guarantee of this classification. There is a risk that the Mortgage Loans entered into with individuals could be categorised under one of the different regulatory regimes noted above. If any of the Mortgage Loans are in fact categorised differently, then breach of the relevant regulations could give rise to a number of consequences (as applicable), including but not limited to: unenforceability of the Mortgage Loans, interest payable under the Mortgage 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 Mortgage Loans. If the Mortgage Loans are held as unenforceable or the Borrowers are able to claim damages, there is a material risk that this would affect the ability of the Issuer to make payment in full on the Notes when due because of reduced overall payments from the Borrowers.

#### ***Unfair Terms in Consumer Contracts Regulations and the CRA***

In the United Kingdom, the UTCCR applies to business-to-consumer agreements made on or after 1 July 1995 but prior to 1 October 2015 (with 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 and also applies to notices of variation after this date. The main provisions of the CRA came into force on 1 October 2015. The CRA is only applicable to contracts that (a) were entered into on or after 1 October 2015; or (b) were, since 1 October 2015, subject to a material variation such that they are treated as new contracts falling within the scope of the CRA.

Under each of the UTCCR and the CRA, it is possible for a consumer (which would include an individual borrower who is acting under the Mortgage Loans for purposes which are (or in the case of the CRA which are wholly or mainly) outside their trade, business or profession but would not include a corporate Borrower who does not qualify as consumer because they are acting in the context of their trade, business or profession under all or almost all of the Mortgage Loans) to challenge a term in a consumer contract on the basis that it is unfair and therefore not binding on the consumer or for the regulator to take enforcement action to stop the use of terms which are considered to be unfair (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term). 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 even if the consumer has not explicitly raised the issue of fairness.

The UTCCR and CRA 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. Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Terms falling within the "grey list" may be assessed for fairness whether or not they relate to the main subject matter of the contract or the adequacy of consideration. Further, a term will not escape assessment for fairness on the basis that it has been individually negotiated. Notably, paragraph 11 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". It should be noted that 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.

The UTCCR and CRA 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. In respect of variation notices, these will be unfair if they cause a significant imbalance in the parties rights to the detriment of the consumer. If notices are found to be unfair, they will not be binding on the consumer.

The extremely 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 Mortgage Loans or variation notices which have been made to Borrowers who are consumers and so 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 the terms of the underlying loans are held as unenforceable, this could mean a Borrower is not liable to pay certain interest or other charges which would mean the Issuer receives lower payments from the Borrowers, in turn affecting the Issuer's ability to make payments under the Certificates and payments of interest and/or principal due and other payments on the Notes and Certificates. See "*Mortgage Regulation in the United Kingdom*" more generally for certain regulatory considerations and risks.

### **Certain regulatory considerations relevant for potential investors and their investment in the Notes**

#### ***EU Securitisation Regulation***

The Securitisation Regulation applies to securitisations, the securities of which are issued on or after 1 January 2019. The Securitisation Regulation includes revised risk retention and transparency requirements (now imposed variously on the issuer, originator, sponsor and/or original lender of a securitisation) and new due diligence requirements imposed on Affected Investors in a securitisation. If the due diligence requirements under the Securitisation Regulation are not satisfied then, depending on the regulatory requirements applicable to such Affected Investor, an additional risk weight, regulatory capital charge and/or other regulatory sanction may be applied to such securitisation investment and/or imposed on the Affected Investor. Please also see the risk factor entitled "*Absence of Secondary Market for the Notes*" above.

In addition, the Securitisation Regulation (and in particular, Article 7) imposes certain enhanced disclosure requirements in respect of all securitisation transactions. As of the Closing Date, the final versions of the disclosure templates to be completed in accordance with Article 7 of the Securitisation Regulation have been approved by the European Commission and, failing any objection from the European Parliament or the Council, will enter into force on the twentieth day following their publication in the Official Journal of the European Union. The date of publication of the final ESMA disclosure templates is unclear, and this may, amongst other things, adversely affect the ability of the Issuer (in its capacity as the designated entity pursuant to Article 7(2) of the Securitisation Regulation) and thus the transaction contemplated by this Prospectus, to comply with the disclosure requirements set out in the Securitisation Regulation. Such non-compliance may result in financial penalties towards the Issuer that may impact the Issuer's ability to make payments under the Notes and may adversely affect the liquidity and/or value of the Notes.

#### ***Simple, Transparent and Standardised Securitisations***

The Securitisation Regulation makes provisions for a securitisation transaction to be designated as a simple, transparent and standardised transaction (an "**STS Securitisation**"). The securitisation transaction disclosed in this Prospectus does not qualify as an STS Securitisation. Investors should therefore consider the consequence from a regulatory perspective of the Notes not being considered a STS Securitisation, including (but not limited to) that the lack of such designation may negatively affect the regulatory position of the Notes and, in addition, have a negative effect on the price and liquidity of the Notes in the secondary market. Please also see the risk factor entitled "*Absence of Secondary Market for the Notes*".

***Regulatory initiatives may result in increased regulatory capital requirements for certain investors and/or decreased liquidity in respect of the Notes***

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of both the asset-backed securities ("ABS") and mortgage-backed securities ("MBS") markets. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in ABS/MBS securitisation exposures and/or the incentives for certain investors to such securities, and may thereby have a negative impact on such investors' liquidity in such instruments. Such potential capital charges are individual to investors in the Notes and as such investors are responsible for analysing their own regulatory position and none of the Issuer, the Arranger, the Lead Manager or any other Transaction Party makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

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

The structure of the transaction as described in this Prospectus and, *inter alia*, the issue of the Notes and the ratings which are to be assigned to the Rated Notes are based on the law and administrative practice in effect as at the date of this Prospectus as it affects the parties to the transaction and the Mortgage Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation) and practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes. In addition, other regulatory requirements (including any applicable due diligence and disclosure obligations) may be recast or amended, and no assurance can be given that such changes will not adversely affect the compliance of the transaction with applicable law and regulations.

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

The U.S. Risk Retention Rules generally require the "sponsor" of a securitization transaction to retain at least five per cent. of the credit risk of "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor 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 Retention Holder as sponsor will hold, either directly or through a majority-owned affiliate, the required U.S. Risk Retained Interest as described in "*Certain Regulatory Disclosures – U.S. Credit Risk Retention Requirements*".

In addition, under the U.S. Risk Retention Rules, the Retention Holder may not, until after the Sunset Date, engage in any hedging transactions that reduce or limit the credit exposure of the U.S. Risk Retention Holder to the U.S. Risk Retained Interest.

If the Retention Holder or a majority-owned affiliate fails to retain credit risk in accordance with the U.S. Risk Retention Rules, or engages in a hedging transaction with respect to the U.S. Risk Retained Interest prior to the Sunset Date, the value and liquidity of the Notes may be adversely affected. Investors should make themselves aware of the requirements described above where applicable to them and consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

***Financing of the risk retention piece***

Any financing of the E.U. Retained Amount may require a grant or a security interest over the E.U. Retained Amount and result in the financing counterparty having enforcement rights in case of an event of default, which may include the right to appropriate or sell the E.U. Retained Amount. In carrying out such appropriations or sale, the financing counterparty would not be required to have regard for the provisions of the risk retention requirements under the Securitisation Regulation, and any such sale could cause the Retention Holder to be out of compliance with such rules.

***Implementation of Basel III and/or changes to the Basel II Framework may affect the capital and/or the liquidity requirements associated with a holding of the Notes for certain investors***

Basel III has been implemented in the EEA through CRD IV. The CRR establishes a single set of prudential rules for financial institutions and certain minimum liquidity standards (referred to as the liquidity coverage ratio) and the net stable funding ratio which apply directly to all credit institutions in the EEA, with the CRD containing less prescriptive provisions which (unlike the CRR, which applies across the European Union without the need for any member state-level legislation) are required to be transposed into national law. Together the CRR and CRD reinforce capital standards and establish a leverage ratio backstop. As CRD IV allows certain national discretions, the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation.

Therefore, it can be expected that laws and regulations relating to capital requirements and related prudential regulatory matters will continue to develop.

There is a risk that changes under CRD IV and Basel III, as described above, may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes, therefore impacting investors that are subject to requirements that follow the relevant framework and, as a result, may adversely affect the liquidity and/or value of the Notes.

**Certain Insolvency 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. If certain insolvency proceedings are commenced in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired.

The Insolvency Act 1986 (the "**Insolvency Act**") allows for the appointment of an administrative receiver in relation to certain transactions in the capital markets. Although there is as yet no case law on how these provisions will be interpreted, it should be applicable to the floating charge created by the Issuer and granted by way of security to the Trustee. However, as this is partly a question of fact, were it not to be possible to appoint an administrative receiver in respect of the Issuer, the Issuer would be subject to administration if it became insolvent which may lead to the ability to realise the Security being delayed and/or the value of the Security being impaired.

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 re-characterised by the courts as a floating charge), in certain circumstances under the Insolvency Act, 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 claims of unsecured creditors. 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 and the Certificateholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

While the transaction structure is designed to minimise the likelihood of the Issuer becoming insolvent, there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency proceedings and/or that the Noteholders or the Certificateholders would not be adversely affected by the application of insolvency laws (including English insolvency laws).

***Fixed charges may take effect under English law as floating charges***

The law in England and Wales relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than by way of assignment in security) may take effect under English law as floating charges only, if, for example, it is determined that the Trustee does not exert sufficient control over the Charged Property. If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Trustee in respect of the floating charge assets.



The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 251 of the Enterprise Act 2002 abolishes Crown Preference in relation to all insolvencies (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but Section 176A of the Insolvency Act requires a "prescribed part" (up to a maximum amount of £600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders which could have a Material Adverse Effect on the Issuer's ability to make payments under the Notes in full. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

#### ***Liquidation expenses***

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 *Re Leyland Daf* [2004] UK HL9 in 2004. Accordingly, it is now the case that, in general 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 Rules 1986.

On this basis and as a result of the changes described above, in a winding up of the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of Secured Creditors under the Deed of Charge may be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the holders of the Notes and Certificates will not be adversely affected by such a reduction in floating charge realisations.

#### **Certain Tax Considerations**

##### ***Securitisation Company Tax Regime***

The TSC Regulations, as amended, deal with the corporation tax position of securitisation companies such as the Issuer with effect for periods of account beginning on or after 1 January 2007.

If the TSC Regulations apply to a company, then, broadly, it will be subject to corporation tax on the cash profit retained by it for each accounting period in accordance with the transaction documents. Based on advice received, the Issuer expects to be taxed under the special tax regime for which provision is made by the TSC Regulations.

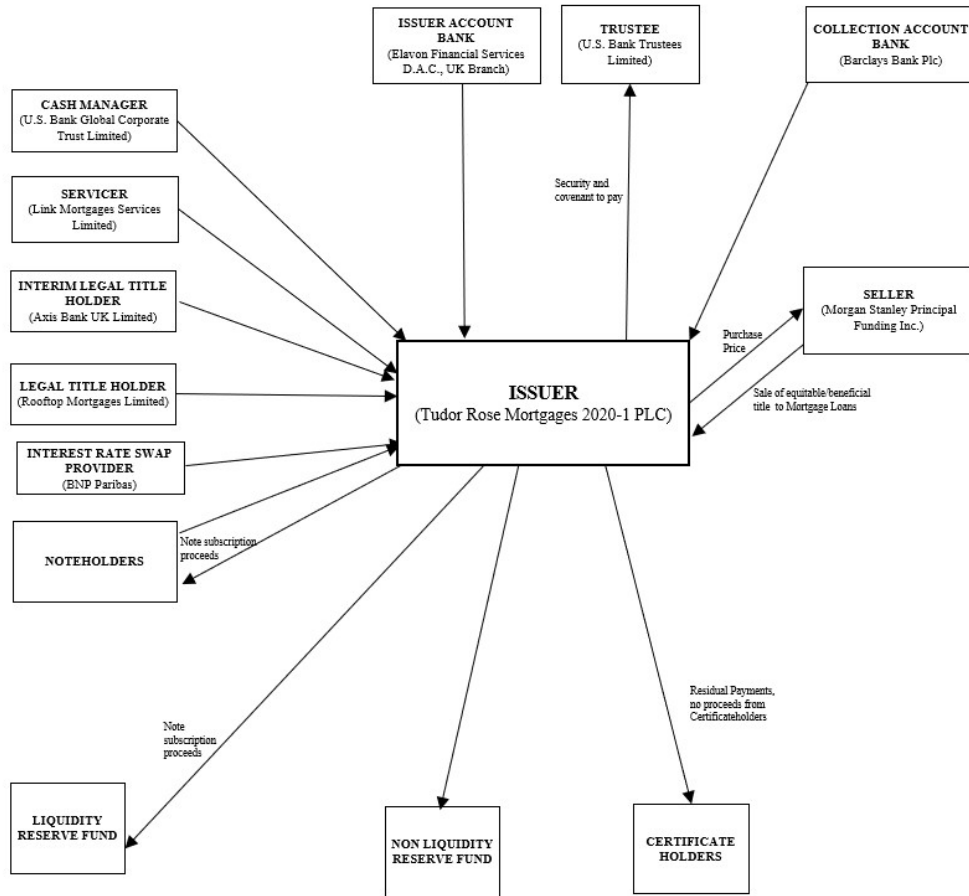
Investors should note, however, that the TSC Regulations are in short-form and advisers rely significantly upon guidance from the United Kingdom tax authorities when advising on the scope and operation of the TSC Regulations including whether any particular company falls within the regime.

Prospective Noteholders should note that if the Issuer did not fall to be taxed under the regime then its profits or losses for tax purposes might be different from its cash position and there might be a risk of the Issuer incurring unfunded tax liabilities. In addition, the deduction of interest paid on the Notes could well be disallowed for United Kingdom corporation tax purposes which could cause a significant divergence between the cash profits and the taxable profits of the Issuer. Any unforeseen taxable profits in the Issuer could have an adverse effect on its ability to make payments to the Noteholders and the Certificateholders.

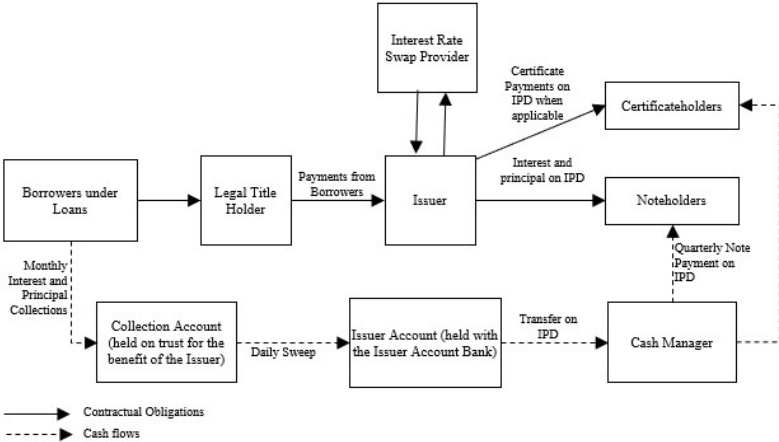
##### ***Withholding tax***

In the event that any withholding or deduction for or on account of United Kingdom income tax is imposed in respect of payments made to the Noteholders under the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for the lesser amounts and therefore there is a risk that the Noteholders will receive less as a result of such withholding or deduction.

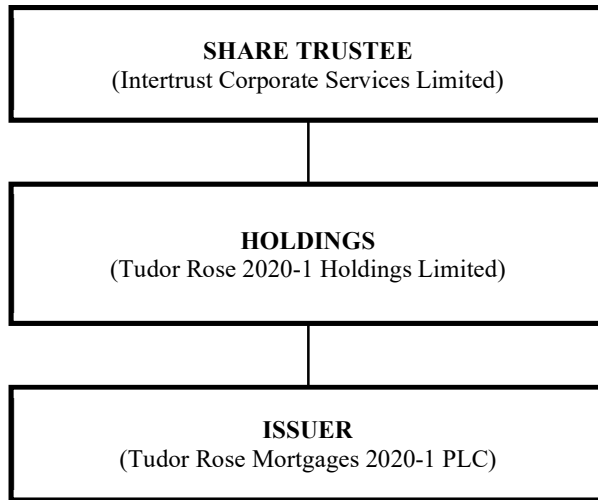
DIAGRAMMATIC OVERVIEW OF TRANSACTION



DIAGRAMMATIC OVERVIEW OF ON-GOING CASHFLOW



**OWNERSHIP STRUCTURE DIAGRAM**



The entire issued share capital of the Issuer is beneficially owned by Holdings.

The entire issued share capital of Holdings is held by the Share Trustee under a declaration of 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 any member of the group of companies containing the Seller.

## TRANSACTION OVERVIEW

The information set out below is an overview of various aspects of the transaction. This overview is not purported 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.

## TRANSACTION PARTIES ON THE CLOSING DATE

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed / Further Information</b>
<b>Issuer</b>	Tudor Rose Mortgages 2020-1 PLC	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	N/A  See the section entitled " <i>The Issuer</i> " for further information.
<b>Holdings</b>	Tudor Rose 2020-1 Holdings Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	N/A  See the section entitled " <i>Holdings</i> " for further information.
<b>Seller and Retention Holder</b>	Morgan Stanley Principal Funding, Inc.	1585 Broadway, New York, NY 10036, United States of America	See the section entitled " <i>Morgan Stanley Principal Funding, Inc. – The Seller and the Retention Holder</i> " for further information.
<b>Interim Legal Title Holder</b>	Axis Bank UK Limited	4 Chiswell Street, (First Floor), London, United Kingdom, EC1Y 4UP	See the sections entitled " <i>Legal Title Holder</i> " and " <i>The Mortgage Portfolio</i> " for further information.
<b>Legal Title Holder</b>	Rooftop Mortgages Limited	6 <sup>th</sup> Floor 65 Gresham Street, London, United Kingdom, EC2V 7NQ	See the sections entitled " <i>Legal Title Holder</i> " and " <i>The Mortgage Portfolio</i> " for further information.
<b>Servicer</b>	Link Mortgage Services Limited	6 <sup>th</sup> Floor 65 Gresham Street, London, United Kingdom, EC2V 7NQ	See the sections entitled " <i>Link Mortgage Services Limited – Servicer</i> " and " <i>Servicing</i> " for further information.
<b>Issuer Account Bank, Principal Paying Agent, Agent Bank and Registrar:</b>	Elavon Financial Services, D.A.C., UK Branch	5 <sup>th</sup> Floor, 125 Old Broad Street, London, EC2N 1AR	Account Bank Agreement Agency Agreement  See the section entitled " <i>Elavon Financial Services, D.A.C., UK Branch – the Issuer Account Bank, the Principal Paying Agent, the</i>

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed / Further Information</b>
			<i>Agent Bank and the Registrar</i> for further information.
<b>Back-Up Servicer Facilitator</b>	Intertrust Management Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	The Servicing Agreement. See the section entitled " <i>Summary of the Key Transaction Documents – Servicing Agreement</i> " for further information.
<b>Cash Manager</b>	U.S. Bank Global Corporate Trust Limited	5 <sup>th</sup> Floor, 125 Old Broad Street, London, EC2N 1AR	Cash Management Agreement  See the section entitled " <i>U.S. Bank Global Corporate Trust Limited – the Cash Manager</i> " for further information.
<b>Trustee</b>	U.S. Bank Trustees Limited	125 Old Broad Street, Fifth Floor, London, EC2N 1AR	Deed of Charge and Trust Deed  See the sections entitled " <i>Terms and Conditions of the Notes</i> ", " <i>Terms and Conditions of the Certificates</i> " and " <i>US Bank - The Trustee</i> " for further information.
<b>Collection Account Bank</b>	Barclays Bank Plc	1 Churchill Place, London E14 5HP	Collection Account Agreement  See the section entitled " <i>The Collection Account Agreement</i> ", for further information.
<b>Corporate Services Provider</b>	Intertrust Management Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Corporate Services Agreement  See the sections entitled " <i>The Issuer</i> ", " <i>Servicing</i> " and " <i>Cash Management</i> " for further information.
<b>Interest Rate Swap Provider</b>	BNP Paribas	16 boulevard des Italiens, 75009 Paris, France	Interest Rate Swap Agreement See the sections entitled " <i>Key Structural Features</i> ", " <i>Interest Rate Swap Arrangements</i> " and " <i>The Interest Rate Swap Provider</i> " for further information.
<b>Share Trustee</b>	Intertrust Corporate Services Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Share Trust Deed

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed / Further Information</b>
<b>Irish Listing Agent</b>	Arthur Cox Listing Services Limited	Ten Earlsfort Terrace, Dublin 2, Ireland	N/A
<b>Euronext Dublin:</b>	Irish Stock Exchange plc trading as Euronext Dublin	28 Anglesea Street, Dublin 2 Ireland	N/A
<b>Rating Agencies:</b>	DBRS Ratings Limited	20 Fenchurch Street 31st Floor London EC3M 3BY	N/A
	Standard & Poor's Credit Market Services Europe Limited	20 Canada Square Canary Wharf London E14 5LH	N/A
<b>Clearstream</b>	Clearstream Banking société anonyme	42 Avenue J.F. Kennedy 1855 Luxembourg	
<b>Euroclear</b>	Euroclear Bank S.A./N.V.	1 Boulevard du Roi Albert II B 1210 Brussels Belgium	

FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

	<u>Class A Notes</u>	<u>Class B Notes</u>	<u>Class C Notes</u>	<u>Class D Notes</u>	<u>Class E Notes</u>	<u>Class F Notes</u>	<u>Class RFN Notes</u>	<u>Class X1 Notes</u>	<u>Class X2 Notes</u>	<u>Class Z Notes</u>	<u>Certificates</u>
<i>Initial Principal Amount:</i>	£256,000,000	£17,400,000	£11,400,000	£7,600,000	£6,800,000	£3,100,000	£6,100,000	£6,900,000	£6,100,000	£775,000	N/A
<i>Note Credit Enhancement:</i>	Subordination of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes, Class Z Notes, excess Available Revenue Receipts and the Non-Liquidity Reserve Fund	Subordination of the Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class Z Notes, excess Available Revenue Receipts and the Non-Liquidity Reserve Fund	Subordination of the Class D Notes, Class E Notes, Class F Notes, Class Z Notes, excess Available Revenue Receipts and the Non-Liquidity Reserve Fund	Subordination of the Class E Notes, Class F Notes, Class Z Notes, excess Available Revenue Receipts and the Non-Liquidity Reserve Fund	Subordination of the Class F Notes, Class Z Notes, excess Available Revenue Receipts and the Non-Liquidity Reserve Fund	Subordination of the Class Z Notes, excess Available Revenue Receipts and the Non-Liquidity Reserve Fund	Subordination of the Class Z Notes, excess Available Revenue Receipts	Subordination of the Class Z Notes and excess Available Revenue Receipts	Subordination of Class Z Notes and excess Available Revenue Receipts	Subordination of excess Available Revenue Receipts	N/A
<i>Benefit of Non-Liquidity Reserve</i>	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No
<i>Benefit of Liquidity Reserve</i>	Yes	Yes (subject to Class B PDL Condition)	No	No	No	No	No	No	No	No	No
<i>Liquidity Support:</i>	(i) Available Principal Receipts and (ii) at all times subordination in payment of the Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class	(i) where the Class B Notes are the Most Senior Class, Available Principal Receipts and (ii) at all times subordination in payment of the Class D Notes,	(i) where the Class C Notes are the Most Senior Class, Available Principal Receipts and (ii) at all times subordination in payment of the Class D Notes,	(i) where the Class D Notes are the Most Senior Class, Available Principal Receipts and (ii) at all times subordination in payment of the Class E Notes,	(i) where the Class E Notes are the Most Senior Class, Available Principal Receipts and (ii) at all times subordination in payment of the Class F Notes,	(i) where the Class F Notes are the Most Senior Class, Available Principal Receipts and (ii) at all times subordination in payment of the Class	At all times subordination in payment of the Class X1 Notes, Class X2 Notes, Class Z Notes and Certificates.	At all times subordination in payment of the Class X2 Notes, Class Z Notes and Certificates.	At all times subordination in payment of the Class Z Notes and Certificates.	At all times subordination in payment of the Class Z Notes and Certificates.	N/A



FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

	<u>Class A Notes</u>	<u>Class B Notes</u>	<u>Class C Notes</u>	<u>Class D Notes</u>	<u>Class E Notes</u>	<u>Class F Notes</u>	<u>Class RFN Notes</u>	<u>Class X1 Notes</u>	<u>Class X2 Notes</u>	<u>Class Z Notes</u>	<u>Certificates</u>
	RFN Notes, Class X1 Notes, Class X2 Notes, Class Z Notes and Certificates.	Class E Notes, Class F Notes, Class RFN Notes, Class X1 Notes, Class X2 Notes, Class Z Notes and Certificates.	Class F Notes, Class RFN Notes, Class X1 Notes, Class X2 Notes, Class Z Notes and Certificates.	Notes, Class X1 Notes, Class X2 Notes and Certificates.	Notes, Class X1 Notes, Class X2 Notes and Certificates.	RFN Notes, Class X1 Notes, Class X2 Notes, Class Z Notes and Certificates.					
	Non-Liquidity Reserve Fund Actual Amounts and Liquidity Reserve Fund Actual Amounts	Non-Liquidity Reserve Fund Actual Amounts and (subject to the Class B PDL Condition) Liquidity Reserve Fund Actual Amounts	Non-Liquidity Reserve Fund Actual Amounts	Non-Liquidity Reserve Fund Actual Amounts	Non-Liquidity Reserve Fund Actual Amounts	Non-Liquidity Reserve Fund Actual Amounts					
	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	(subject to conditions as set out in "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments")	N/A
<i>Issue Price</i>	99.64%	99.43%	99.29%	97.49%	97.25%	97.89%	99.37%	N/A	N/A	N/A	N/A
<i>Reference Rate</i>	Compounded Daily SONIA	Compounded Daily SONIA	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

FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

	<u>Class A Notes</u>	<u>Class B Notes</u>	<u>Class C Notes</u>	<u>Class D Notes</u>	<u>Class E Notes</u>	<u>Class F Notes</u>	<u>Class RFN Notes</u>	<u>Class X1 Notes</u>	<u>Class X2 Notes</u>	<u>Class Z Notes</u>	<u>Certificates</u>
<i>Margin:</i>	1.25%	2.00%	2.50%	3.00%	4.00%	5.50%	7.50%	4.00%	4.00%	9.00%	N/A
<i>Step-Up Margin:</i>	2.50%	3.00%	3.75%	4.50%	6.00%	8.25%	N/A	N/A	N/A	N/A	N/A
<i>Interest Accrual Method:</i>	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	Actual/365 (Fixed)	N/A
<i>Calculation Date:</i>	Means, in relation to an Interest Payment Date, 3 Business Days prior to such Interest Payment Date.										N/A
<i>Interest Payment Dates:</i>	Means the 20 <sup>th</sup> day of each month of March, June, September and December, commencing on the First Interest Payment Date.										
<i>Business Day Convention:</i>	Modified Following										N/A
<i>First Interest Payment Date:</i>	The Interest Payment Date falling in September 2020										
<i>First Interest Period:</i>	The period from the Closing Date to the Interest Payment Date falling in September 2020										
<i>EORD</i>	The Interest Payment Date falling in December 2021										
<i>FORD</i>	The Interest Payment Date falling in June 2023										
<i>Pre-FORD Redemption profile:</i>	Pass through redemption on each Interest Payment Date. Please refer to Condition 9 ( <i>Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation</i> )										N/A
<i>Post-FORD Redemption profile:</i>	Pass through redemption on each Interest Payment Date (including through diversion of Available Revenue Receipts following FORD). Please refer to Condition 9 ( <i>Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation</i> )										N/A
<i>Other Early Redemption in Full Events:</i>	Tax/illegality/regulatory/clean-up call/redemption following exercise of Mortgage Portfolio Option or Subsidiary Option/redemption following Market Sale. Please refer to Condition 9 ( <i>Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation</i> )										

FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

	<u>Class A Notes</u>	<u>Class B Notes</u>	<u>Class C Notes</u>	<u>Class D Notes</u>	<u>Class E Notes</u>	<u>Class F Notes</u>	<u>Class RFN Notes</u>	<u>Class X1 Notes</u>	<u>Class X2 Notes</u>	<u>Class Z Notes</u>	<u>Certificates</u>
<i>Final Maturity Date:</i>	The Interest Payment Date falling in June 2048										N/A
<i>Form of the Notes / Certificates:</i>	Registered										
<i>Application for Listing:</i>	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	N/A
<i>ISIN:</i>	XS2187636936	XS2187637074	XS2187637157	XS2187637231	XS2187637660	XS2187637827	XS2187638478	XS2187638551	XS2187638809	XS2187639104	XS2187640375
<i>Common Code:</i>	2187636936	2187637074	2187637157	2187637231	2187637660	2187637827	2187638478	2187638551	2187638809	2187639104	2187640375
<i>Minimum Denomination:</i>	£ 100,000 and integral multiples of £ 1,000 in excess thereof.										N/A
<i>Expected Ratings:</i>	AAA/AAA	AA/AA	AA-/A	A/BBB	BBB/BB(high)	BB/BB(low)	NR	BB+/BB(high)	NR	NR	NR
<i>(Rating Agency)</i>	(S&P/ DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	(S&P/DBRS)	N/A

**OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES AND THE CERTIFICATES**

**Form, Registration and Transfer of the Notes:**

The Notes of each Class sold outside the United States to non-U.S. Persons in reliance on Regulation S will be represented on issue by beneficial interests in one or more Global Notes in fully registered form without interest coupons or principal receipts, which will be deposited on or about the Closing Date with, and registered in the name of, a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg. Beneficial interests in a Global Note may at any time be held only through and transfers thereof will only be effected through records maintained by Euroclear and Clearstream, Luxembourg. See "*Description of the Notes in Global Form*".

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States or other applicable jurisdiction. Accordingly, the Notes 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 be resold or otherwise transferred, subject to other restrictions on transfer described herein, only outside the United States to persons other than U.S. Persons in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act.

Transfers of interests in the Notes are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Description of the Notes in Global Form*" and "*Transfers and Transfer Restrictions*". Each purchaser of Notes in making its purchase will be required to make, or will be deemed to have made, certain acknowledgements, representations and agreements. See "*Transfers and Transfer Restrictions*". The transfer of Notes in breach of certain of such representations and agreements will result in affected Notes becoming subject to certain forced transfer provisions. See "*Terms and Conditions of the Notes – 4. Title and Transfer*".

Except in the limited circumstances described herein, Definitive Certificates will not be issued in exchange for beneficial interests in the Global Notes. See "*Description of the Notes in Global Form – Issuance of Definitive Notes*".

The Regulation S Global Notes are intended to be held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations.

**Certificates:**

On the Closing Date, the Issuer will also issue the Certificates as certificates constituted under the Trust Deed representing the right to receive the Certificate Payments.

The Certificates have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all

applicable securities laws of any state of the United States or other applicable jurisdiction. Accordingly, the Certificates are being offered and sold outside the United States to persons other than U.S. Persons in reliance on Regulation S. The Certificates may be resold or otherwise transferred, subject to other restrictions on transfer described herein, only outside the United States to persons other than U.S. Persons in reliance on Regulation S. Prospective purchasers are hereby notified that sellers of the Certificates may be relying on an exemption from the provisions of Section 5 of the Securities Act.

Transfers of interests in the Certificates are subject to certain restrictions and must be made in accordance with the procedures set forth in the Trust Deed. See "*Transfers and Transfer Restrictions*". Each purchaser of Certificates in making its purchase will be required to make, or will be deemed to have made, certain acknowledgments, representations and agreements. See "*Transfers and Transfer Restrictions*". The transfer of Certificates in breach of certain of such representations and agreements will result in affected Certificates becoming subject to certain forced transfer provisions. See "*Terms and Conditions of the Certificates – 4. Title and Transfer*".

The Certificates will be issued in registered form. The Certificates will be issued pursuant to Regulation S and will be cleared through Euroclear and/or Clearstream, Luxembourg, as set out in "*Description of the Certificates*" below.

**Sequential Order:**

The Notes will rank in sequential order in relation to payments of interest and principal, being first the Class A Notes, then the Class B Notes, then the Class C Notes, then the Class D Notes, then the Class E Notes, then the Class F Notes, then the Class RFN Notes, then the Class X1 Notes, then the Class X2 Notes and then the Class Z Notes. Within each Class of Notes, those Notes will rank *pari passu* without preference or priority among themselves in relation to payments of interest and principal at all times as provided in the Conditions and the Transaction Documents. Additionally, all Available Revenue Receipts available at item (20) of the Pre-Enforcement Revenue Priority of Payments will be re-directed to apply as Available Principal Receipts after the FORD.

The Certificates rank *pari passu* without preference among themselves in relation to payment of the Certificate Payment amount at all times, but shall be subordinate to all Classes of Notes, as provided in the Conditions and the Transaction Documents. Certificate Payments will be payable in arrear on each Interest Payment Date from (and including) the Closing Date.

Available Principal Receipts will be available to (i) cover Revenue Shortfalls in respect of the Most Senior Class of Notes (after application of funds available in the Reserve Fund) and (ii) replenish the Liquidity Reserve Fund to the Liquidity Reserve Fund Required Amount to extent that a shortfall still exists after the application of the Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

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

**Security:**

The Issuer's obligations in respect of the Notes and the Certificates are secured and will share the same Security together with the other

secured obligations of the Issuer in accordance with the Deed of Charge. The security granted by the Issuer broadly includes:

- (a) a first fixed charge over the Issuer's interest in the Mortgage Loans and the Related Security;
- (b) a first fixed charge over each Authorised Investment;
- (c) first fixed charges over all monies then standing to the credit of (and all interest accruing thereon from time to time) the Issuer Account, the Interest Rate Swap Collateral Account and any other bank or custody accounts of the Issuer;
- (d) an assignment by way of security of the Issuer's interest in each relevant Transaction Document;
- (e) a first floating charge over the whole of the Issuer's undertaking and all its property, assets and rights; and
- (f) a charge at law over indebtedness comprising an obligation or liability to pay money secured by each registered charge of which it is registered as proprietor at the Land Registry of England and Wales.

Certain other Secured Amounts rank senior to the Issuer's obligations under the Notes and the Certificates in respect of the allocation of proceeds as set out in the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments.

**Interest payable on the Notes:**

The Rate of Interest applicable to each Class of Notes is described in the sections "*Full Capital Structure of the Notes*" and "*Overview of the Terms and Conditions of the Notes and the Certificates*".

**Interest Deferral:**

Interest due and payable on the Class A Notes may not be deferred but, in relation to all other Classes of Notes, it may be deferred in accordance with Condition 8.12 (*Subordination by Deferral*).

**Payments in respect of the Certificates:**

Payments in respect of the Certificates will only be made to the extent the Issuer has sufficient amounts available for that purpose in accordance with the applicable Priority of Payments and will not be subject to deferral.

**Gross-up:**

None of the Issuer, the Trustee or any other person will be obliged to pay any additional amounts to the Noteholders if there is any withholding or deduction for or on account of taxes from a payment made under the Notes.

**Redemption:**

As fully described in Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*) the Notes are subject to the following optional or mandatory redemption events:

- (a) mandatory redemption in whole on the Final Maturity Date;
- (b) mandatory redemption in part on any Interest Payment Date prior to the delivery of an Enforcement Notice subject to availability of Available Principal Receipts;
- (c) optional redemption exercisable by the Issuer in whole on any Interest Payment Date where the Principal Amount Outstanding of all the Notes is equal to or less than 10 per cent. of the Initial Principal Amount of the Notes as at the Closing Date;

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- (d) mandatory redemption in full following (i) the exercise by (A) the Mortgage Portfolio Purchase Option Holder of the Mortgage Portfolio Purchase Option, or (B) the Subsidiary Option Holder of the Subsidiary Option, and (ii) the purchase by a Market Purchaser of the Mortgage Portfolio following a Market Sale;
- (e) optional redemption exercisable by the Issuer in whole for tax reasons; and
- (f) mandatory redemption in full following the exercise by the Seller of the Risk Retention Regulatory Change Option.

### **Events of Default:**

As fully set out in Condition 13 (*Events of Default*), which broadly include (where relevant, subject to the applicable grace period):

- (a) non-payment by the Issuer of principal in respect of the Most Senior Class of Notes within 7 Business Days following the due date or non-payment by the Issuer of interest in respect of the Class A Notes within 14 Business Days following the due date;
- (b) breach of contractual obligations by the Issuer under the Notes or the Transaction Documents which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class if such breach is, incapable of remedy or which is, if capable of remedy, not remedied within 30 days;
- (c) Insolvency Event in respect of the Issuer;
- (d) it being unlawful for the Issuer to perform or comply with its obligations; or
- (e) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the 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 Trustee may permit) (except that in any case where the 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 Trustee on the Issuer of notice requiring the same to be remedied.

### **Certificates Events of Default:**

As fully set out in Certificate Condition 11 (*Certificates Events of Default*) and subject to the Notes being redeemed in full, these broadly include:

- (a) non-payment by the Issuer of any amount due in respect of the Certificates within 7 Business Days following the due date for such payment (if any);
- (b) breach of contractual obligations by the Issuer under the Certificates or the Transaction Documents which in the opinion of the Trustee is materially prejudicial to the interests of the Certificateholders if such is incapable of remedy or which is, if capable of remedy, not remedied within 30 days;
- (c) Insolvency Event in respect of the Issuer;

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- (d) it being unlawful for the Issuer to perform or comply with its obligations; or
- (e) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the 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 Trustee may permit) (except that in any case where the 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 Trustee on the Issuer of notice requiring the same to be remedied.

The Certificateholders will only have a right to direct the Trustee to take enforcement action following a Certificates Event of Default when no Notes remain outstanding.

**Limited Recourse:**

The Notes are limited recourse obligations of the Issuer, and, if not repaid in full, following the distribution of all available funds, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 10 (*Limited Recourse and Non-Petition*).

**Non petition:**

The Noteholders shall not be entitled to take any steps (otherwise than in accordance with the Trust Deed and the Conditions):

- (a) to enforce the Security other than when expressly permitted to do so under Condition 10 (*Limited Recourse and Non-Petition*); or
- (b) to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it; or
- (c) to initiate or join in initiating any insolvency proceedings in relation to the Issuer; or
- (d) to take any steps which would result in any of the Priorities of Payments not being observed.

**Governing Law:**

English law.



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*Please refer to the sections entitled "Overview of the Terms and Conditions of the Notes and the Certificates" for further details in respect of the rights of Noteholders, Certificateholders and the conditions for exercising such rights and relationship with other Secured Creditors.*

**Prior to an Event of Default:**

Noteholders holding not less than 10 per cent. in aggregate of the Principal Amount Outstanding of the Notes then outstanding of the relevant Class are entitled to request that the Trustee convene a Noteholders' meeting and all Noteholders of each Class are entitled to participate in a Noteholders' meeting convened by the Issuer or the Trustee to consider any matter affecting their interests.

Certificateholders holding not less than 10 per cent. in number of the Certificates then outstanding are entitled to request that the Trustee convene a Certificateholders' meeting and all Certificateholders are entitled to participate in a Certificateholders' meeting convened by the Issuer or the Trustee to consider any matter affecting their interests.

However, so long as (in case of the Notes) no Event of Default has occurred and is continuing or (in case of the Certificates) no Certificates Event of Default has occurred and is continuing, the Noteholders and the Certificateholders (as the case may be) are not entitled to instruct or direct the Issuer to take any actions, either directly or through the 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.

**Following an Event of Default:**

Following the occurrence of an Event of Default which is continuing, the holders of the Most Senior Class of Notes may, if they hold in aggregate not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes or if an Extraordinary Resolution of the Most Senior Class of Notes is passed, direct the Trustee in writing to give an Enforcement Notice to 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 Certificateholders may only direct the Trustee in writing to give an Enforcement Notice to the Issuer if no Notes remain outstanding. If there are no Notes outstanding and following the occurrence of a Certificates Event of Default which is continuing, the Certificateholders may, if they hold not less than 25 per cent. in number of Certificates then outstanding or if an Extraordinary Resolution of the holders of the Certificates then outstanding is passed, direct the Trustee in writing to give an Enforcement Notice to the Issuer that any Certificate Payments pursuant to the Certificates are immediately due and payable.

	<u>Initial Meeting</u>	<u>Adjourned Meeting</u>
<b>Noteholders and Certificateholders Meeting provisions:</b>	<b>Notice period:</b> At least 21 clear days for the initial meeting	At least 14 clear days for the adjourned meeting
	<b>Quorum:</b> One or more persons present and holding or representing in aggregate not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes	One or more persons present and holding or representing in aggregate not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes

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<p>of Notes then outstanding or holding or representing not less than 25 per cent. of the number of Certificates then outstanding, as applicable, for transaction of business including the passing of an Ordinary Resolution. The quorum for passing an Extraordinary Resolution (other than a Reserved Matter) shall be one or more persons present and holding or representing in the aggregate more than 50 per cent. of the aggregate in Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing more than 50 per cent. of the number of the Certificates then outstanding, as applicable. The quorum for passing a Reserved Matter shall be one or more persons present and holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of relevant Class or Classes of Notes then outstanding or holding or representing not less than 75 per cent. of the number of the Certificates then outstanding, as applicable.</p>	<p>of Notes then outstanding or holding or representing not less than 10 per cent. of the number of Certificates then outstanding, as applicable, for transaction of business including the passing of an Ordinary Resolution. The quorum for passing an Extraordinary Resolution (other than a Reserved Matter) shall be one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate in Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing not less than 25 per cent. of the number of the Certificates then outstanding, as applicable. The quorum for passing a Reserved Matter shall be one or more persons present and holding or representing in the aggregate more than 50 per cent. of the aggregate Principal Amount Outstanding of relevant Class or Classes of Notes then outstanding or holding or representing more than 50 per cent. of the number of the Certificates then outstanding, as applicable.</p>
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**Required majority for Ordinary Resolution:**

A clear majority of not less than 50.1 per cent. (calculated on the basis of their Principal Amount Outstanding) of persons eligible to attend and vote at such meeting and voting at that meeting upon a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll.

**Required majority for Extraordinary Resolution:**

Majority consisting of not less than 75 per cent. (calculated on the basis of their Principal Amount Outstanding) 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.

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**Required majority for Written Resolution:** Not less than 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding or not less than 75 per cent. of the number of the Certificates then outstanding. A Written Resolution has the same effect as an Extraordinary Resolution.

**Electronic Consents:** Noteholders and Certificateholders may also pass an Extraordinary Resolution by way of electronic consents communicated through the electronic communications systems of the clearing system(s) to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with the operating rules and procedures of the relevant clearing system(s) ("**Electronic Consent**"). Such consents are required from Noteholders of not less than 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding and from holders of not less than 75 per cent. by number of the Certificates outstanding for matters requiring Extraordinary Resolutions. A resolution passed by such means has the same effect as an Extraordinary Resolution.

**Reserved Matters:**

Broadly speaking, the following matters are Reserved Matters:

- (a) changes to payments (timing, method of calculation, reduction in amounts due and currency) (other than a Reference Rate Modification), to effect the exchange, conversion or substitution of the Notes;
- (b) changes to the Priority of Payments;
- (c) changes to the definition of FORD;
- (d) changes to definition of EORD;
- (e) changes to definition of SORD;
- (f) changes to the terms of the Deed Poll;
- (g) changes to the terms of the Subsidiary Option Deed;
- (h) changes to the provisions concerning limited recourse and non-petition in relation to the Issuer; changes to Condition 7.2 (*Issuer Covenants*);
- (i) changes to quorum and majority requirements;
- (j) amendments to the definition of Event of Default;
- (k) amendments to the definition of Reserved Matter; and
- (l) any waiver of any proposed or actual breach of any of the covenants (including any Event of Default) or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any Transaction Documents by any party thereto which would have the effect of any of the foregoing.

**Relationship between Classes of Noteholders:**

In the event of a conflict of interests of holders of different Classes of the Notes the Trustee shall have regard only to the interests of the holders of

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the Most Senior Class of Notes and will not have regard to any lower ranking Class of the Notes or the Certificates.

Subject to the provisions in respect of a Reserved Matter, an Extraordinary Resolution of holders of the Most Senior Class of Notes shall be binding on all other Classes of Notes and on the Certificates and would override any resolutions to the contrary of the Classes of Notes ranking behind such Class or of the Certificates. A Reserved Matter relating to the Notes requires an Extraordinary Resolution of each Class of Notes then outstanding.

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

The Trust Deed provides that the Trustee shall, except where expressly provided otherwise and prior to the redemption in full of the Notes, have regard solely to the interests of the Noteholders and shall have regard to the interests of the other Secured Creditors only to pay such parties any monies received and payable to it and to act in accordance with the applicable Priority of Payments. So long as any of the Certificates are outstanding and provided that there are no Notes outstanding, in the event that there is a conflict between the interests of the Certificateholders and the other Secured Creditors (except the Noteholders), the Trustee shall have regard solely to the interests of the Certificateholders.

**Additional Right of  
Modification:**

Notwithstanding the provisions of Condition 17.1 (*Modification*), the Trustee shall be obliged, without the consent or sanction of the Noteholders, the Certificateholders or any of the Secured Creditors, to concur with the Issuer in making a modification (other than in respect of a Reserved Matter) to the Conditions or any other Transaction Documents which the Issuer considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies;
- (b) to enable the Issuer to enter into any new and/or amended bank account agreement, custody agreement or collection account agreement in order to maintain the ratings of the Rated Notes at their then current levels or to enable the Issuer to enter into any Custody Agreement;
- (c) for the purpose of complying with any changes in the requirements of the CRA Regulation, the Securitisation Regulation, the U.S. Credit Risk Retention Requirements or the CRR, AIFMR or Solvency II, after the Closing Date, including as a result of any changes to the regulatory technical standards in relation to the CRA Regulation, the Securitisation Regulation or the CRR, AIFMR or Solvency II, or any other risk retention legislation or regulations or official guidance in relation thereto;
- (d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin;
- (e) for the purposes of enabling the Issuer or a Transaction Party to comply with certain sections of the U.S. Internal Revenue Code of 1986, agreements relating thereto, FATCA, and similar tax laws;
- (f) for the purpose of replacing the Applicable Reference Rate applicable to the Rated Notes in circumstances where there is likely to be disruption to the provision or calculation of the existing benchmark rate,

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in each case subject to the terms and conditions set out at Condition 17.2  
(*Additional Right of Modification*).

**Provision of Information  
to the Noteholders:**

In accordance with the Servicing Agreement, the Servicer will prepare and provide to the Cash Manager for publication (as described below) a monthly investor data tape containing certain loan-by-loan information in relation to the Mortgage Loans comprised in the Mortgage Portfolio in respect of the relevant Collection Period (the "**Monthly Investor Data Tape**") in respect of each month. The Monthly Investor Data Tapes will be provided by the Servicer: (i) on the 20th day of each calendar month (or if such day is not a Business Day, the Business Day immediately following such date) in each month where an Interest Payment Date does not occur (the "**Monthly Reporting Date**") or (ii) in a month where an Interest Payment Date occurs, on the date which is six Business Days prior to the relevant Interest Payment Date (the "**Quarterly Reporting Date**").

In accordance with the Cash Management Agreement, the Cash Manager will (with the assistance of the Servicer and the Issuer) prepare and publish on a quarterly basis in respect of the three immediately preceding Collection Periods prior to the relevant Interest Payment Date a quarterly investor report containing, among other things, information in relation to the Notes including, but not limited to, ratings of the Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments, required counterparty information, the Retention Holders' holding of the Notes (as confirmed to the Cash Manager) and certain aggregated loan file data in relation to the Mortgage Portfolio, to be provided to investors pursuant to Article 7(1)(e) of the Securitisation Regulation (the "**Quarterly Investor Report**"). The first Quarterly Investor Report shall be published within one month of the First Interest Payment Date and thereafter shall be published on a quarterly basis.

The Monthly Investor Data Tapes and the Quarterly Investor Reports will be published by the Cash Manager on the Cash Manager's website at [www.pivot.usbank.com](http://www.pivot.usbank.com) (which website does not and the contents available on it do not form part of this Prospectus).

In addition, the Servicer will provide a data tape in the format required by Bank of England (the "**BoE Data Tape**") on a monthly basis and submit each BoE Data Tape to EuroABS for publication at [www.euroabs.com](http://www.euroabs.com).

For the avoidance of doubt, the websites referred to above and the contents thereof do not form part of this Prospectus.

**Communication with  
Noteholders and  
Certificateholders:**

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

- (a) For so long as the relevant Notes are in global form, any notice to Noteholders or Certificateholders (as applicable) shall be validly given to such Noteholders or Certificateholders (as applicable) if sent to the Clearing Systems for communication by them to the relevant Noteholders or Certificateholders and shall be deemed to be given on the date on which it was so sent.
- (b) While the Notes are represented by Definitive Notes, any notice to the holders thereof 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 Trustee shall approve in advance having a general circulation in the United Kingdom.

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

- (c) The 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 Trustee shall deem appropriate.
- (d) For so long as the relevant Notes are listed on the official list of Euronext Dublin and admitted to trading on its regulated market any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office, and any notice so published shall be deemed to have been given on the date of publication.
- (e) The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders (or to a Class or category of them) or to the Certificateholders if, in its opinion, such other method is reasonable having regard to market practice then prevailing (and in case of the Notes only, to the requirements of the stock exchange on which such Notes are then listed) and provided that notice of such other method is given to the Noteholders or the Certificateholders (as the case may be) in such manner as the Trustee shall require.

**SUMMARY OF CREDIT STRUCTURE AND CASHFLOWS**

Please refer to the sections entitled "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments" and "Summary of Credit Structure and Cashflows" for further detail in respect of the credit structure and cash flow of the transaction.

**Use of Available Revenue Receipts and Available Principal Receipts by the Issuer:**

The Cash Manager will apply Available Revenue Receipts and Available Principal Receipts on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, as set out below.

**Overview of Priorities of Payments:**

Below is a summary of the Priorities of Payments. Please refer to the section entitled "Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments" for further information. In addition, please refer to "Limited Recourse" in the section entitled "Overview of the Terms and Conditions of the Notes and the Certificates".

<i>Pre-Enforcement Revenue Priority of Payments:</i>	<i>Pre-Enforcement Principal Priority of Payments:</i>	<i>Post-Enforcement Priority of Payments:</i>
<p>1) Fees, costs, expenses or other remuneration due and payable to the directors, and any costs, charges, liabilities and expenses incurred by the Trustee;</p> <p>2) <i>Pro rata</i> and <i>pari passu</i> to other senior secured creditor fees, costs, liabilities and expenses (including amounts due and payable to the Agents, the Cash Manager, the Issuer Account Bank, any Custodian, the Servicer, the Legal Title Holder, the Corporate Services Provider and all amounts payable under the Interest Rate Swap Agreement (including, without limitation, any scheduled or termination payments) to the extent not paid in accordance with the Interest Rate Swap Collateral Account Priority of Payments but excluding Interest Rate Swap Provider Subordinated Amounts in each case together with (if payable) VAT thereon);</p>	<p>1) To the Liquidity Reserve Fund Ledger up to the Liquidity Reserve Fund Required Amount to cover any shortfall remaining after application of Available Revenue Receipts under item 8 of the Pre-Enforcement Revenue Priority of Payments;</p> <p>2) Class A Notes principal until redeemed in full;</p> <p>3) Class B Notes principal until redeemed in full;</p> <p>4) Class C Notes principal until redeemed in full;</p> <p>5) Class D Notes principal until redeemed in full;</p> <p>6) Class E Notes principal until redeemed in full;</p> <p>7) Class F Notes principal until redeemed in full;</p> <p>8) Class RFN Notes interest (including deferred interest);</p> <p>9) Class RFN Notes principal until redeemed in full;</p>	<p>1) Any costs, charges, liabilities and expenses incurred by the Trustee and Receiver;</p> <p>2) <i>Pro rata</i> and <i>pari passu</i> to other senior secured creditor fees, costs, liabilities and expenses (including amounts due and payable to the Agents, the Cash Manager, the Issuer Account Bank, any Custodian, the Servicer, the Legal Title Holder, the Corporate Services Provider and all amounts payable under the Interest Rate Swap Agreement (including, without limitation, any scheduled or termination payments) to the extent not paid in accordance with the Interest Rate Swap Collateral Account Priority of Payments but excluding Interest Rate Swap Provider Subordinated Amounts in each case together with (if applicable) VAT thereon);</p>

SUMMARY OF CREDIT STRUCTURE AND CASHFLOWS

3)	<i>pro rata</i> and <i>pari passu</i> amounts of fines or penalties imposed in connection with a breach of the Securitisation Regulation, amounts due to third parties incurred in accordance with the Transaction Documents and certain expenses of the Issuer;	10)	Class X1 Notes interest (including deferred interest);	3)	<i>Pro rata</i> and <i>pari passu</i> to Class A Note interest and principal;
		11)	Class X1 Notes principal until redeemed in full;	4)	<i>Pro rata</i> and <i>pari passu</i> to Class B Note interest and principal;
		12)	Class X2 Notes interest (including deferred interest);	5)	<i>Pro rata</i> and <i>pari passu</i> to Class C Note interest and principal;
4)	Issuer Profit Amount and amounts required to discharge any liability of the Issuer for corporation tax which cannot be met out of amounts previously retained as Issuer Profit Amount;	13)	Class X2 Notes principal until redeemed in full;	6)	<i>Pro rata</i> and <i>pari passu</i> to Class D Note interest and principal;
		14)	Class Z Notes interest (including deferred interest);	7)	<i>Pro rata</i> and <i>pari passu</i> to Class E Note interest and principal;
		15)	Class Z Notes principal until redeemed in full;	8)	<i>Pro rata</i> and <i>pari passu</i> to Class F Note interest and principal;
5)	Interest due on Class A Notes;	16)	Any remaining balance, to the Certificate Payments.	9)	<i>Pro rata</i> and <i>pari passu</i> to Class RFN Note interest and principal;
6)	Class A Principal Deficiency Sub-Ledger to eliminate any debit thereon;			10)	<i>Pro rata</i> and <i>pari passu</i> to Class X1 Note interest and principal;
7)	Interest due on Class B Notes;			11)	<i>Pro rata</i> and <i>pari passu</i> to Class X2 Note interest and principal;
8)	Credit the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;			12)	<i>Pro rata</i> and <i>pari passu</i> to Class Z Note interest and principal;
9)	Class B Principal Deficiency Sub-Ledger to eliminate any debit thereon;			13)	Payment of any Interest Rate Swap Provider Subordinated Amounts to the Interest Rate Swap Provider other than any Interest Rate Swap Provider Subordinated Amounts that are due and payable to the Interest Rate Swap Provider which are funded by any Interest Rate Swap Provider Excluded Amounts in accordance with the Interest Rate Swap Collateral Account Priority of Payments;
10)	Interest due on Class C Notes;			14)	<i>Pro rata</i> and <i>pari passu</i> to the amounts due and
11)	Class C Principal Deficiency Sub-Ledger to eliminate any debit thereon;				
12)	Interest due on Class D Notes;				
13)	Class D Principal Deficiency Sub-Ledger to eliminate any debit thereon;				
14)	Interest due on Class E Notes;				



SUMMARY OF CREDIT STRUCTURE AND CASHFLOWS

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| <p>15) Class E Principal Deficiency Sub-Ledger to eliminate any debit thereon;</p> <p>16) Interest due on Class F Notes;</p> <p>17) Class F Principal Deficiency Sub-Ledger to eliminate any debit thereon;</p> <p>18) Credit the Non-Liquidity Reserve Fund up the Non-Liquidity Reserve Fund Required Amount;</p> <p>19) Interest due on the Class RFN Notes;</p> <p>20) After the Step-Up Date, all remaining Available Revenue Receipts to be applied as Available Principal Receipts;</p> <p>21) Interest due on the Class X1 Notes;</p> <p>22) Class X1 Notes principal balance, until redeemed in full;</p> <p>23) Interest due on Class X2 Notes;</p> <p>24) Class X2 Notes principal balance, until redeemed in full;</p> <p>25) Class Z Principal Deficiency Sub-Ledger to eliminate any debit thereon;</p> <p>26) Interest due on the Class Z Notes;</p> <p>27) Payment of any Interest Rate Swap Provider Subordinated Amounts to the Interest Rate Swap Provider other than any Interest Rate Swap Provider Subordinated Amounts that are due and payable to the Interest Rate Swap Provider which are funded by any Interest Rate Swap Provider</p> | <p>payable to unsecured third party creditors incurred in accordance with the terms of the Transaction Documents;</p> <p>15) Issuer Profit Amount and amounts required to discharge any liability of the Issuer for corporation tax which cannot be met out of amounts previously retained as Issuer Profit Amount;</p> <p>16) Any remaining balance, to the Certificate Payments.</p> |
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## SUMMARY OF CREDIT STRUCTURE AND CASHFLOWS

Excluded Amounts in accordance with the Interest Rate Swap Collateral Account Priority of Payments; and

- 28) Any remaining balance, to the Certificate Payments.

### **Key Structural Features:**

The general credit and liquidity structure of the transaction includes, broadly, the following elements:

### **Liquidity Reserve Fund and Non-Liquidity Reserve Fund (Reserve Fund)**

On the Closing Date, the Liquidity Reserve Fund and the Non-Liquidity Reserve Fund (together, the Reserve Fund) will be established and will be funded up to an amount equal to the Reserve Fund Required Amount.

Funds available in the Non-Liquidity Reserve Fund comprising the Non-Liquidity Reserve Fund Actual Amount will be applied as part of the Available Revenue Receipts.

The Liquidity Reserve Fund will be applied as part of the Available Revenue Receipts (after the application of the Liquidity Reserve Fund Actual Amount in accordance with item (e) of the definition of Available Revenue Receipts) to cover any shortfall in payment of senior expenses and interest on the Class A Notes and (subject to the Class B PDL Condition) the Class B Notes which remains after the application of the Non-Liquidity Reserve Fund Actual Amount (at item (d) of the definition of the Available Revenue Receipts).

The Non-Liquidity Reserve Fund will be replenished in accordance with item (18) of the Pre-Enforcement Revenue Priority of Payments. The Liquidity Reserve Fund will be replenished in accordance with item (8) of the Pre-Enforcement Revenue Priority of Payments and item (1) of the Pre-Enforcement Principal Priority of Payments. See the section "*Key Structural Features Credit Enhancement, Liquidity Support and Priority of Payments – Reserve Fund*".

### **Principal Deficiency Ledger:**

A Principal Deficiency Ledger will be established to record as a debit (i) any Losses on the Mortgage Portfolio, (ii) any amounts of Available Principal Receipts applied as item (g) of the Available Revenue Receipts; and (iii) any amounts of Available Principal Receipts applied as item (1) of the Pre-Enforcement Principal Priority of Payments.

The Principal Deficiency Ledger will comprise seven sub-ledgers (one for each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes).

Any Losses on the Mortgage Portfolio, amounts of Available Principal Receipts applied as item (g) of the Available Revenue Receipts and amounts of Available Principal Receipts applied as item (1) of the Pre-Enforcement Principal Priority of Payments will be recorded as a debit (on the date that the Cash Manager is informed of such Losses by the Servicer or such Available Principal Receipts or Available Revenue Receipts are determined by the Cash Manager (as applicable)) on the relevant Principal Deficiency Sub-Ledger up

## SUMMARY OF CREDIT STRUCTURE AND CASHFLOWS

to a maximum amount equal to the Principal Amount Outstanding of the relevant Class of Notes in reverse order of priority, starting with the Class Z Principal Deficiency Sub-Ledger.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Mortgage Loan first to outstanding fees and interest amounts due and payable on the relevant Mortgage Loan.

The Principal Deficiency Ledger will be credited by the amount of any Available Revenue Receipts in accordance with items (6), (9), (11), (13), (15), (17) and (25) of the Pre-Enforcement Revenue Priority of Payments. See the section "*Summary of Credit Structure and Cashflows – Principal Deficiency Ledger*".

Pursuant to item (1) of the Pre-Enforcement Principal Priority of Payments, to the extent that after application of the Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments there remains a shortfall in the Liquidity Reserve Fund Required Amount, the Issuer shall apply an amount of Available Principal Receipts up to the Liquidity Reserve Fund Required Amount to cover such shortfall as Available Revenue Receipts. Any Available Principal Receipts so applied will be recorded as a debit to the relevant Principal Deficiency Ledger.

**Rate of interest on the Issuer Account:**

Availability of a rate of interest provided by the Issuer Account Bank on certain cleared credit balances standing to the credit of the Issuer Account. The Issuer (or the Cash Manager on its behalf) may invest sums standing to the credit of the Issuer Account in Authorised Investments.

**Expected sufficiency of Available Revenue Receipts:**

It is expected that during the life of the Notes, the Available Revenue Receipts will, assuming that all the Mortgage Loans are fully performing, be sufficient to pay the amounts payable under items (1) to (27) of the Pre-Enforcement Revenue Priority of Payments.

**Issuer Account and Cash Management:**

Prior to the end of the Transitional Period, all collections in respect of the Mortgage Loans will be collected in an Interim collection account in the name of the Interim Legal Title Holder opened with the Collection Account Bank (the "**Interim Collection Account**"). The Originator has granted a collection account declaration of trust in favour of the Seller on or about 30 June 2020 (the "**ICADOT**"). The Seller will assign the benefit of the ICADOT in favour of the Issuer under a deed of assignment in respect of the ICADOT (the "**ICADOT Assignment Deed**").

Following the end of the Transitional Period, all collections in respect of the Mortgage Loans will be collected in a collection account in the name of the Legal Title Holder opened with the Collection Account Bank (the "**Collection Account**"). The Legal Title Holder has granted a collection account declaration of trust in favour of the Issuer on or about the Closing Date (the "**Collection Account Declaration of Trust**").

The Servicer will ensure that all payments due under the Mortgage Loans are made by Borrowers into the Interim Collection Account (during the Transitional Period) or into the Collection Account (following the end of the Transitional Period). All amounts credited to the Interim Collection Account and the Collection Account from

## SUMMARY OF CREDIT STRUCTURE AND CASHFLOWS

(and including) the Closing Date will be identified as the Daily Mortgage Loan Amount.

The Issuer will open the Issuer Account and the Interest Rate Swap Collateral Account pursuant to the Account Bank Agreement with the Issuer Account Bank on or prior to the Closing Date. The Issuer may from time to time open additional or replacement accounts pursuant to the Account Bank Agreement and the Transaction Documents. The Issuer may also open a Custody Account and enter into a Custody Agreement in respect of such Custody Account following the Closing Date.

The Servicer will transfer an amount equal to the Daily Mortgage Loan Amount from the Interim Collection Account (during the Transitional Period) or the Collection Account (following the end of the Transitional Period) into the Issuer Account no later than the next Business Day after that Daily Mortgage Loan Amount is identified as received in the Interim Collection Account and the Collection Account (as relevant). On each Interest Payment Date amounts standing to the credit of the Issuer Account as at the end of the relevant immediately preceding Collection Period (together with any amounts comprising the Reserve Fund that are to be applied as Available Revenue Receipts on such Interest Payment Date) will be applied by the Cash Manager on behalf of the Issuer in accordance with the relevant Priority of Payments.

On each Interest Payment Date, the Cash Manager will transfer monies from the Issuer Account to be applied in accordance with the applicable Priority of Payments.

**OVERVIEW OF THE MORTGAGE PORTFOLIO AND SERVICING**

Please refer to the section entitled "The Mortgage Portfolio", "Annex A – Statistical Information on the Provisional Mortgage Portfolio" and "Servicing" for further detail in respect of the characteristics of the Mortgage Portfolio and the sale and the servicing arrangements in respect of the Mortgage Portfolio.

**Sale of Mortgage Portfolio** The Mortgage Portfolio will consist of the Mortgage Loans and the Related Security which will be sold by the Seller to the Issuer on the Closing Date pursuant to the Mortgage Sale Agreement. The Seller will also sell the benefit of all collections received in respect of the Mortgage Portfolio for the period from (and including) the Cut-off Date to the Closing Date.

The Mortgage Loans are governed by English law.

The Mortgage Loans forming part of the Provisional Mortgage Portfolio were originated by the Originator and previously legally and beneficially owned by the Originator and subsequently sold by the Seller to the Issuer on the Closing Date as further described in the section entitled "The Mortgage Portfolio".

The Originator, in its capacity as the Interim Legal Title Holder, holds legal title to all Mortgage Loans in the Mortgage Portfolio on the Closing Date and will undertake to transfer legal title to the Legal Title Holder by the end of the Transitional Period.

Please refer to the section entitled "Sale of the Mortgage Portfolio under the Mortgage Sale Agreement" for further information.

**Portfolio Reference Date:** 31 January 2020.

**Cut-off Date:** 1 June 2020.

**Features of Mortgage Loans:** Certain features of the Mortgage Loans comprising the Provisional Mortgage Portfolio as at the Portfolio Reference Date are set out in the table below and investors should refer to, and carefully consider, further details in respect of the Mortgage Loans set out in "Annex A – Statistical Information on the Provisional Mortgage Portfolio". The Mortgage Loans comprise loans to buy-to-let Borrowers and are secured by first priority charges over freehold, heritable, and leasehold properties in England and Wales.

<b>Type of Borrower</b> .....	Buy-to-let
<b>Type of mortgage</b> .....	Interest Only and Repayment
<b>Number of Properties</b> .....	1,020
<b>Number of Mortgage Loans</b>	1,020

	<u>Weighted average</u>	<u>Minimum</u>	<u>Maximum</u>
<b>Current Balance (£)*</b> .....	294,627	47,300	2,537,500
<b>Current Indexed LTV Ratio (%)</b> ....	69.35	15.89	81.68
<b>Months since date of origination</b> ....	27.37	0.00	56.00

## OVERVIEW OF THE MORTGAGE PORTFOLIO AND SERVICING

<b>Remaining Term to maturity</b>			
(months) .....	228.96	8.00	300.00

\* Current Balance calculated as a simple average based on the number of Mortgage Loans.

### Consideration:

The consideration from the Issuer to the Seller in respect of the sale of the Mortgage Portfolio together with its Related Security and the benefit of all collections received in respect of the Mortgage Portfolio for the period from (and including) the Cut-off Date to the Closing Date is expected to be an amount equal to £299,177,980.00 (less the fees and expenses incurred by the Issuer in connection with the Transaction and issuance of the Notes) due on the Closing Date comprising the aggregate amount agreed to be paid by the Issuer to the Seller pursuant to the Mortgage Sale Agreement (being the "**Purchase Price**"), together with the granting of the Mortgage Portfolio Purchase Option to the Seller and the issuance to the Seller on the Closing Date of the Class X1 Notes, the Class X2 Notes and the Certificates representing excess spread in respect of the Mortgage Portfolio and of the Class Z Notes (together with the Purchase Price, being the "**Consideration**").

See the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*" for further information.

### Representations and Warranties:

The Seller will make certain representations and warranties to the Issuer in relation to the Mortgage Loans and the Related Security comprised in the Mortgage Portfolio, on the Closing Date.

In addition to representations and warranties in respect of the legal status of the Mortgage Loans and their Related Security, the Seller will give, *inter alia*, the following representations and warranties:

- so far as the Seller is aware, each Mortgage Loan is secured by a first ranking mortgage;
- the Seller has not received any notice or claim in writing by any Borrower of any threat to take steps to assert any right of set-off;
- so far as the Seller is aware, in relation to each Mortgage Asset, the property is registerable and has been registered;
- so far as the Seller is aware, each Mortgage Loan is made on the terms, or on substantially similar terms, of the Standard Documentation;
- each Mortgage Loan is denominated in Sterling; and
- so far as the Seller is aware, the Mortgage Loans have been originated in accordance with all applicable laws.

The Issuer will have the benefit of all or certain of the loan warranties contained in the Mortgage Sale Agreement and given by the Seller as at the Closing Date (the "**Mortgage Loan Warranties**"), in relation to the Mortgage Loans and their Related Security contained in the Mortgage Portfolio.

In the case of a material breach of any of the representations or warranties given by the Seller on the Closing Date, which is not capable of remedy or is not remedied within 30 Business Days of being notified by the Issuer, the Issuer's only remedy will be a claim to damages for breach of that Mortgage Loan Warranty.

## OVERVIEW OF THE MORTGAGE PORTFOLIO AND SERVICING

If the Issuer wishes to make a claim in respect of a breach of any Mortgage Loan Warranty, the Issuer must at any time on or before the date falling two years after the Closing Date, give notice of such breach to the Seller. The liability of the Seller in respect of any Warranty Claim shall in any event terminate if proceedings in respect of it have not been commenced within 12 months of the date of such notice.

The liability of the Seller in respect of any claim for breach of any Mortgage Loan Warranty under the Mortgage Sale Agreement (a "**Warranty Claim**") shall be limited to not greater than 5 per cent of the Current Balance of the relevant Mortgage Loan. A minimum claim level of £5,000 per Mortgage Loan (subject to the aggregation of any linked or related claims) shall be effective.

Any amount payable by the Seller to the Issuer in respect of such claim shall be paid within 30 Business Days of receipt by the Seller of written notice of such breach from the Issuer or, if later, the date on which the amount of damages are determined.

See the section entitled "*The Mortgage Portfolio – Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*" for further information.

**No repurchase obligation:** The Seller will be under no obligation to repurchase and accept reassignment of any Mortgage Loan and its Related Security under any circumstances, including if any of the Mortgage Loan Warranties given by the Seller in respect of the Mortgage Loans and their related Security is untrue or incorrect in any respect.

**Purchase of Portfolio by Mortgage Portfolio Purchase Option Holder, Subsidiary Option Holder or Market Purchaser:** All of the Issuer's interest in the Mortgage Loans and their Related Security are subject to purchase by the Mortgage Portfolio Purchase Option Holder or the Subsidiary Option Holder on the EORD, the FORD and the SORD. Additionally, if the Notes remain outstanding on the SORD, the Mortgage Portfolio may be subject to market purchase by a Market Purchaser on each Interest Payment Date following the SORD. See the section entitled "*Ability for the Mortgage Portfolio to be purchased*" below for further details.

**Perfection Trigger Events:** See "*Perfection Trigger Events*" in the section entitled "*Triggers Tables – Non-Rating Triggers Table*".

Prior to the completion of the transfer of legal title of the Mortgage Loans, the Issuer will hold only an equitable and/or beneficial interest in those Mortgage Loans and will, therefore, be subject to certain risks as set out in the risk factor entitled "*Risks Related to the Mortgage Loans – Legal Title Holder to retain legal title to the Mortgage Loans and risks relating to set-off*" in the section entitled "*Risk Factors*".

**Servicing of the Mortgage Portfolio – Servicer:** The Servicer will be appointed on the Closing Date and agrees to service on behalf of the Issuer the Mortgage Loans and their Related Security on and following the Closing Date. The appointment of the Servicer may be terminated by the Issuer and/or the Trustee (subject to the terms of the Servicing Agreement) upon the occurrence of a Servicer Termination Event (see "*Servicer Termination Event*" in the "*Triggers Tables – Non-Rating Triggers Table*").

The Servicer may also resign by giving not less than 180 days notice to the Issuer and the Trustee (or such shorter period of notice as may be agreed between the Servicer, the Issuer, the Interim Legal Title Holder (during the Transitional Period) or the Legal Title Holder (following the

end of the Transitional Period), the Seller and the Trustee) and subject to, *inter alia*, a replacement servicer having been appointed.

**Delegation**

The Servicer may, in certain circumstances, delegate or sub-contract some or all of its responsibilities and obligations under the Servicing Agreement. However, the Servicer remains liable at all times for servicing the Mortgage Loans and for the acts or omissions of any delegate or sub-contractor. See the section entitled "*Servicing*" for further information.



**ABILITY FOR THE MORTGAGE PORTFOLIO TO BE PURCHASED**

The Mortgage Portfolio may be sold by the Issuer pursuant to the Mortgage Portfolio Purchase Option, the Subsidiary Option or the Market Sale. The Issuer will undertake not to dispose of the Mortgage Portfolio in any other circumstances other than in relation to an enforcement of the Security or in the event of the exercise of the Risk Retention Regulatory Change Option or of the options to redeem the notes in whole pursuant to Conditions 9.3 (*Optional Redemption in Whole*) or 9.4 (*Optional Redemption in Whole for Taxation Reasons*).

**Mortgage Portfolio Purchase Option:**

Pursuant to and in accordance with the terms of the Deed Poll, the Mortgage Portfolio Purchase Option Holder (or its nominee) has the benefit of Mortgage Portfolio Purchase Option so as to require the Issuer, on the EORD, the FORD or the SORD to sell and transfer to, or to the order of, the Mortgage Portfolio Purchase Option Holder, the beneficial and/or legal title to the portfolio of Mortgage Loans and their Related Security.

It will be a condition of the exercise of the Mortgage Portfolio Purchase Option that either (i) each of the purchasers of the legal and beneficial title in and to the Option Portfolio is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Trustee as applicable has received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC) and is satisfied that the sale of legal (if applicable) and beneficial title in and to the relevant Mortgage Loans should not expose the Issuer or the Legal Title Holder, to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Mortgage Loans.

The Mortgage Portfolio Purchase Option may be exercised by notice given to the Issuer with a copy to the Trustee, the Seller and the Legal Title Holder 60-75 calendar days prior to the EORD, the FORD or the SORD (as applicable).

Where the sale to the Mortgage Portfolio Purchase Option Holder does not contemplate a transfer of the legal title to the Mortgage Loans being sold, the exercise of the Mortgage Portfolio Purchase Option shall be conditional on the consent of the Legal Title Holder to hold legal title on behalf of the Mortgage Portfolio Purchase Option Holder or its nominee.

**Mortgage Portfolio Purchase Option Purchase Price:**

The purchase price for the Mortgage Portfolio under the Mortgage Portfolio Purchase Option shall be the Call Option Price applicable to the sale following exercise of the Mortgage Portfolio Purchase Option.

The Mortgage Portfolio Purchase Option Holder or its nominee will be required to provide a cash deposit equal to 2 per cent. of the aggregate Current Balance of the Mortgage Portfolio by no later than the last day of the applicable Exercise Period. The Issuer will publish a notice of the exercise of the Mortgage Portfolio Purchase Option upon receipt from the Mortgage Portfolio Purchase Option Holder of the exercise notice and of the cash deposit. The cash deposit will be required to be paid in either an escrow account in the name of the relevant purchaser or in any other account as may be agreed between the Issuer and the relevant purchaser.

If the Mortgage Portfolio Purchase Option Holder fails to complete the purchase of the Mortgage Portfolio on or immediately prior to the applicable Interest Payment Date (being the EORD, the FORD or the

SORD), the amount representing the cash deposit will be applied as part of the Available Principal Receipts on that Interest Payment Date.

**Subsidiary Option:**

Pursuant to and in accordance with the terms of the Subsidiary Option Deed, and subject to the Issuer not receiving a notice of exercise of the Mortgage Portfolio Purchase Option and the full amount of the cash deposit required to be paid by the Mortgage Portfolio Purchase Option Holder by the end of the applicable Exercise Period, the Subsidiary Option Holder (or its nominee) has the benefit of the Subsidiary Option so as to require the Issuer, on the EORD, the FORD or the SORD to sell and transfer to, or to the order of, the Subsidiary Option Holder, the beneficial and/or legal title to the portfolio of Mortgage Loans and their Related Security.

It will be a condition of the exercise of the Subsidiary Option that either (i) each of the purchasers of the legal and beneficial title in and to the Option Portfolio is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Trustee as applicable has received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC) and is satisfied that the sale of legal (if applicable) and beneficial title in and to the relevant Mortgage Loans should not expose the Issuer or the Legal Title Holder, to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Mortgage Loans.

The Subsidiary Option may be exercised by notice given to the Issuer with a copy to the Trustee, the Seller and the Legal Title Holder 15-30 calendar days prior to the EORD, the FORD or the SORD (as applicable).

Where the sale to the Subsidiary Option Holder does not contemplate a transfer of the legal title to the Mortgage Loans being sold, the exercise of the Subsidiary Option shall be conditional on the consent of the Legal Title Holder to hold legal title on behalf of the Subsidiary Option Holder or its nominee.

**Subsidiary Option Purchase Price:**

The purchase price for the Mortgage Portfolio under the Subsidiary Option shall be the Call Option Price applicable to the sale following exercise of the Subsidiary Option.

**Call Option Price:**

The purchase price applicable to the purchase of the Mortgage Portfolio following the exercise of the Mortgage Portfolio Purchase Option or the Subsidiary Option (as the case may be) shall be the Call Option Price.

In connection with the exercise of the Mortgage Portfolio Purchase Option and the Subsidiary Option, the relevant purchaser will be required to:

- (i) deposit an amount equal to (A) (in the case of the Mortgage Portfolio Purchase Option) the difference between the full amount of the Call Option Price and the amount of the cash deposit paid by the Mortgage Portfolio Purchase Option Holder (the "**Balance of the Call Option Price**") or (B) (in the case of the Subsidiary Option) the Call Option Price, in each case, in either an escrow account in the name of the

## ABILITY FOR THE MORTGAGE PORTFOLIO TO BE PURCHASED

relevant purchaser or in any other account as may be agreed between the Issuer and the relevant purchaser; or

- (ii) provide irrevocable payment instructions for payment of (in the case of the Mortgage Portfolio Purchase Option) the Balance of the Call Option Price or (in the case of the Subsidiary Option) an amount equal to the Call Option Price for value on the relevant Interest Payment Date to the Issuer Account or such other account as may be agreed between the Issuer and the relevant purchaser,

**provided that** such deposit shall be made or irrevocable payment instructions shall be given no later than (x) the relevant Interest Payment Date on which the purchase of the Mortgage Portfolio shall be completed or (y) such other date as the Issuer, at its sole discretion, and the relevant purchaser may agree, and **provided further that** the Balance of the Call Option Price or the Call Option Price (as applicable) or irrevocable payment instructions (as applicable) must be received by the Issuer in sufficient time to enable the Issuer to provide notice of redemption of the Notes to the Noteholders pursuant to Condition 9.6 (*Mandatory Redemption of the Notes following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or upon Market Sale*) (as applicable); and/or

- (iii) take any other action as may be agreed by the relevant purchaser and the Issuer in relation to the payment of the Balance of the Call Option Price or the Call Option Price (as applicable).

The full amount of the Call Option Price will be applied in accordance with the applicable Priority of Payments on the EORD, the FORD or the SORD, as applicable.

### **Exercise Period:**

The Mortgage Portfolio Purchase Option may be exercised during the period of 60 – 75 calendar days and the Subsidiary Option may be exercised during the period of 15 – 30 calendar days, in each case, prior to the EORD, the FORD or the SORD (as applicable).

### **Market Sale of Mortgage Portfolio:**

If the Notes remain outstanding on the SORD, the Mortgage Portfolio will be subject to a market sale (the "**Market Sale**") in accordance with the following procedure.

On any day following the SORD and for as long as any Notes remain outstanding and the Issuer still owns Mortgage Loans (together with their Related Security):

- (i) any third party (the "**Initial Market Bidder**") may submit a bid for the Mortgage Portfolio (the "**Initial Bid**") to the Issuer with a view to purchase the whole of the Mortgage Portfolio on the Interest Payment Date immediately following the date of the Initial Bid or the next following Interest Payment Date and specifying the price at which the Initial Market Bidder is willing to purchase the whole of the Mortgage Portfolio; and
- (ii) the Issuer will be required to appoint a public auction advisor to assist it to conduct the Market Sale (the "**Public Auction Advisor**") if any bids for the Mortgage Portfolio are received following the publication of the Public Auction Notice.

Any Initial Bid has to be submitted to the Issuer no later than 5pm London time 60 calendar days prior to an Interest Payment Date falling

## ABILITY FOR THE MORTGAGE PORTFOLIO TO BE PURCHASED

after the SORD for completion of the purchase of the Mortgage Portfolio by the Initial Market Bidder on such Interest Payment Date or immediately following Interest Payment Date (as specified by the Initial Market Bidder in the Initial Bid) (the "**Relevant Interest Payment Date**").

Following receipt of the Initial Bid, the Issuer will be required to give a notice (a "**Public Auction Notice**") in accordance with the Notices Condition, such notice to be published via the Regulatory Information Service of Euronext, Dublin (or such other stock exchange on which the Notes may be listed at the time) inviting other market participants to submit bids to purchase the whole of the Mortgage Portfolio owned by the Issuer at that time (each such bid, an "**Alternative Bid**"). The Public Auction Notice will include:

- (i) information relating to the Market Bidding Period and the Bids Review Period;
- (ii) the Eligible Bid Conditions;
- (iii) information on the selection of the Winning Bidder and the Market Sale Deposit; and
- (iv) contact details of the Issuer and the Public Auction Adviser appointed by the Issuer.

Both the Initial Bid and each Alternative Bid will only be considered eligible to participate in the Market Sale if they satisfy the Eligible Bid Conditions (each such bid, an "**Eligible Bid**"). Both the Initial Bid and each Alternative Bid shall specify: (i) the identity of the purchaser to whom the beneficial title in the Mortgage Portfolio will be transferred; and (ii) either specify the identity of the entity to whom the legal title in the Mortgage Portfolio will be transferred or confirm that the Legal Title Holder has consented to hold the legal title on behalf of the entity specified as the beneficial title purchaser in the Initial Bid or the relevant Alternative Bid (as applicable).

The Initial Bid and all Alternative Bids submitted during the Market Bidding Period will be reviewed by the Issuer (or the Public Auction Adviser on its behalf) for compliance with the Eligible Bid Conditions during the Bids Review Period with a view to identifying the bidder who has submitted the highest Eligible Bid (which may be the Initial Market Bidder) (such bidder, the "**Winning Bidder**").

It will be a condition of the Market Sale that the Winning Bidder will be required to pay a cash deposit in an amount of 2.0% of the aggregate Current Balance of the Mortgage Portfolio as at the Interest Determination Date immediately preceding the date of the Initial Bid payable by the Winning Bidder as a condition of the Public Auction (the "**Market Sale Deposit**"). The Market Sale Deposit will be required to be paid in either an escrow account in the name of the relevant bidder or in any other account as may be agreed between the Issuer and the relevant bidder.

The Issuer will be required to notify the Winning Bidder within 1 Business Day of the end of the Bids Review Period. The Winning Bidder will be required to pay the Market Sale Deposit within 3 Business Days of receiving the notice from the Issuer (or the Public Auction Adviser on behalf of the Issuer). A Winning Bidder who has paid the Market Sale Deposit will acquire the right to purchase the Mortgage Portfolio on the Relevant Interest Payment Date (the

"**Market Purchaser**"). If the Winning Bidder fails to pay the Market Sale Deposit as required (the "**Defaulted Winning Bidder**"), the Issuer (or the Public Auction Adviser on behalf of the Issuer) will nominate the second highest bidder (who has no affiliation with the Defaulted Winning Bidder) who will become the Winning Bidder and will be required to pay the Market Sale Deposit within 5 Business Days of receiving the notice from the Issuer (or the Public Auction Adviser on behalf of the Issuer).

If the Market Purchaser pays the Market Sale Deposit but fails to complete the purchase of the Mortgage Portfolio on the Relevant Interest Payment Date, the Market Sale Deposit will be forfeited and will not be returned to the Market Purchaser and all amounts constituting the Market Sale Deposit will be applied as Available Principal Receipts on the Relevant Interest Payment Date or the Interest Payment Date immediately following the Relevant Interest Payment Date.

The actual amount of the Minimum Call Option Price will be calculated by the Issuer (or the Cash Manager on its behalf) and notified by the Issuer to the Market Purchaser no later than 8 Business Days prior to the Relevant Interest Payment Date.

The Market Purchaser will be required to deposit the full amount of the purchase price for the Mortgage Loans (less the amount of the Market Sale Deposit) into the Issuer Account no later than 2 Business Days prior to the Relevant Interest Payment Date, or provide irrevocable payment instructions for the purchase price to be transferred to the Issuer for value on the Relevant Interest Payment Date, or take such other action as may be agreed with the Issuer, provided that the payment or irrevocable payment instructions (as applicable) must be received by the Issuer in sufficient time to enable the Issuer to provide notice of redemption of the Notes to the Noteholders pursuant to Condition 9.6 (*Mandatory Redemption of the Notes following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or upon Market Sale*).

Upon completion of transfer of the beneficial title to the Mortgage Loans to the Market Purchaser, the purchase price will be applied in accordance with the Post-Enforcement Priority of Payments on the Relevant Interest Payment Date.

**Eligible Bid Conditions**

In order for a bid submitted as part of the Market Sale process (including the Initial Bid) to be eligible for consideration by the Issuer (or the Public Auction Advisor on behalf of the Issuer), it has to satisfy all of the following conditions:

- (i) it has to be received after the SORD and (in the case of the Initial Bid) prior to the Market Bidding Period and (in the case of each Alternative Bid) during the Market Bidding Period;
- (ii) it has to be a committed offer to buy the whole Mortgage Portfolio on the applicable Interest Payment Date for a price at least equal to the aggregate of the Minimum Call Option Price plus an additional non-negative amount in GBP;
- (iii) it has to be received during the Market Bidding Period; and
- (iv) both the First Tax Condition and the Second Tax Condition have to be satisfied;

## ABILITY FOR THE MORTGAGE PORTFOLIO TO BE PURCHASED

<b>Market Bidding Period</b>	The period starting on the 60th day prior to the Relevant Interest Payment Date and ending on the 30th day prior to such Relevant Interest Payment Date.
<b>Bids Review Period</b>	The period starting on the day following the end of the Market Bidding Period and ending on the 5th Business Days after such date.
<b>First Tax Condition</b>	<p>A condition which will be satisfied if, prior to the publication of the Public Auction Notice, the Issuer has obtained an opinion (addressed to the Issuer and the Trustee) in form and substance satisfactory to the Trustee from a reputable adviser of market standing for the provision of tax advice and having a high level of expertise in the United Kingdom taxation of securitisation companies as defined in the TSC Regulations that neither the process of seeking bids, nor selling the portfolio to successful bidders should cause the Issuer to cease to be taxed in accordance with the TSC Regulations prior to the time of completion of a sale to that that Market Purchaser.</p> <p>The Issuer will be required to obtain such tax opinion as soon as possible after the SORD if the Notes are still outstanding following the SORD.</p>
<b>Second Tax Condition</b>	A condition which will be satisfied if either (i) the Market Purchaser purchasing the legal (if applicable) and beneficial title in and to the Mortgage Loans is a resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Trustee, as applicable, has received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC) and is satisfied that the sale of legal (if applicable) and beneficial title in and to the relevant Mortgage Loans should not expose the Issuer or the Legal Title Holder, as applicable, to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Mortgage Loans. The costs relating to such tax advice shall be borne by the Market Purchaser.
<b>Ability of the Seller to repurchase the Mortgage Portfolio for Tax and other Reasons:</b>	The Seller (or an affiliate) may, pursuant to the terms of the Mortgage Sale Agreement, purchase the Mortgage Loans in respect of any optional redemption of the Notes pursuant to Condition 9.4 ( <i>Optional Redemption in whole for taxation reasons</i> ). The consideration payable by the Seller (or its affiliate) shall be an amount equal to the Call Option Price.
<b>Seller's Clean-up Call:</b>	The Seller (or an affiliate) may, pursuant to the terms of the Mortgage Sale Agreement, purchase the Mortgage Loans in respect of any optional redemption of the Notes pursuant to Condition 9.3 ( <i>Optional Redemption in whole</i> ). The consideration payable by the Seller (or its affiliate) shall be an amount equal to the consideration that would have been paid in respect of the Mortgage Portfolio Purchase Option.
<b>Ability of the Seller to repurchase the Mortgage Portfolio in the event of a Risk Retention Regulatory Change Event:</b>	The Seller (or any affiliate) shall have the right (but not any obligation) to acquire or re-acquire the entire beneficial interest of the Issuer in the Mortgage Portfolio upon the occurrence of a Risk Retention Regulatory Change Event in accordance with the terms of Condition 9.5 ( <i>Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option</i> ). The consideration payable by the Seller (or its affiliate) shall be an amount equal to the Call Option Price.

## ABILITY FOR THE MORTGAGE PORTFOLIO TO BE PURCHASED

It will be a condition of the purchase of the beneficial interest in the Mortgage Loans comprising the Mortgage Portfolio following the occurrence of a Risk Retention Regulatory Change Event that (A) either (i) the purchaser is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Trustee, as applicable, has received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC) and is satisfied that the sale of the beneficial title and interest in and to all Mortgage Loans and Related Security in the Mortgage Portfolio and (if applicable) transfer of the legal title thereto should not expose the Issuer or the Legal Title Holder, as applicable, to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Mortgage Loans, and, (B) each of the Issuer and the Trustee has received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC) that any such sale should not cause the Issuer to cease to be taxed in accordance with the TSC Regulations for times prior to the completion of the sale. The costs relating to such tax advice shall be borne by the Seller.

The purchaser(s) of the Mortgage Loans comprising the Mortgage Portfolio will be required to deposit the full amount of the Call Option Price in the Issuer Account on the date falling at least 2 Business Days immediately preceding the Interest Payment Date on which the Notes are to be redeemed, or provide irrevocable payment instructions for the Call Option Price to be transferred to the Issuer for value on the relevant Interest Payment Date, or take such other action as may be agreed with the Issuer.

Following exercise of the Risk Retention Regulatory Change Option, the Issuer will give not more than 15 nor less than 5 Business Days' notice to the Noteholders and the Certificateholders in accordance with Condition 22 (*Notices*) and Certificate Condition 20 (*Notices*) and the Trustee stating that the Notes and the Certificates will be redeemed on the Interest Payment Date immediately following the exercise of such option by the Seller.

### **Consequence of the purchase of the Mortgage Portfolio:**

On an Interest Payment Date (which, for the avoidance of doubt, may be the EORD, the FORD, the SORD or any Interest Payment Date thereafter) on which the relevant purchase of the Mortgage Portfolio has been completed, the relevant purchase price will be applied in accordance with the relevant Priorities of Payments and will result in the Notes being redeemed in full in accordance with Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*) of the Notes.

## TRIGGERS TABLES

## Rating Triggers Table

<u>Transaction Party</u>	<u>Ratings Trigger</u>	<u>Consequence</u>
<b>Issuer Account Bank:</b>	<p>Ceases to be rated A by S&amp;P; and</p> <p>Ceases to be rated (if rated by DBRS) a long-term rating of at least AA (low) by DBRS,</p> <p>or (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes (each, the "<b>Issuer Account Bank Rating</b>" and together, the "<b>Issuer Account Bank Ratings</b>").</p>	<p>The Issuer shall use commercially reasonable efforts to close the account and transfer the account to a successor institution within 60 calendar days of the date on which the Issuer Account Bank ceases to have the Issuer Account Bank Ratings, provided that such period can be extended for up to an additional 60 days (or, in the case of a downgrade relating to a S&amp;P rating, 30 days) if the Legal Title Holder or the Servicer (on behalf of the Legal Title Holder) provides the Trustee and the Rating Agencies with a written action plan before expiration of the initial 60 days period including the remedy steps taken and to be taken within such extended period.</p>
<b>Collection Account Bank:</b>	<p>Ceases to be rated BBB by S&amp;P; and</p> <p>Ceases to be rated (if rated by DBRS) a long-term rating of at least AA (low) by DBRS,</p> <p>or (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes.</p>	<p>The Legal Title Holder or the Servicer (on behalf of the Legal Title Holder) shall on behalf of, and at the sole cost and expense of, the Issuer:</p> <p>(a) terminate the appointment of the Collection Account Bank in accordance with the Collection Account Agreement and use commercially reasonable efforts to procure that the funds standing to the credit of the Collection Accounts are promptly transferred from the Collection Accounts and placed on deposit on terms the same or substantially the same (<i>mutatis mutandis</i>) as the Collection Account Agreement with an institution:</p> <p>(i) that maintains ratings at least equal to the Collection Account Bank Ratings;</p> <p>(ii) that is a bank for the purposes of</p>



Transaction Party	Ratings Trigger	Consequence
		<p>section 991 of the Income Tax Act 2007 and payments of interest (if any) are made in the ordinary course of its business within the meaning of section 878 of the Income Tax Act 2007; and</p> <p>(iii) that is an institution authorised to carry on banking business including accepting deposits under the FSMA; or</p> <p>(b) obtain a guarantee of the Collection Account Bank's obligations under the Collection Account Agreement from a bank with ratings at least equal to the Collection Account Bank Ratings,</p> <p>in each case, within 60 calendar days of the date on which the Collection Account Bank ceases to have the Collection Account Bank Ratings, provided that such period can be extended for up to an additional 60 days (or, in the case of a downgrade relating to a S&amp;P rating, 30 days) if the Legal Title Holder or the Servicer (on behalf of the Legal Title Holder) provides the Trustee and the Rating Agencies with a written action plan before expiration of the initial 60 days period including the remedy steps taken and to be taken within such extended period.</p>
<b>Interest Rate Swap Provider:</b>	<b>S&amp;P long-term and short-term unsecured, unsubordinated and unregulated debt rating requirements</b>	

Transaction Party	Ratings Trigger	Consequence
	<p>S&amp;P Global Ratings' 'Counterparty Risk Framework: Methodology And Assumptions', (published on 8 March 2019) permit four different options for selecting applicable frameworks containing transfer ratings triggers, and the contractual requirements that should apply on the occurrence of breach of a transfer ratings trigger by the Interest Rate Swap Provider (the S&amp;P Framework, as defined and set out in the Interest Rate Swap Agreement). Subject to certain conditions specified in the Interest Rate Swap Agreement, the Interest Rate Swap Provider may change the applicable S&amp;P Framework by written notice to the Issuer, the Trustee and S&amp;P. S&amp;P Framework S&amp;P Adequate is expected to apply on the Closing Date.</p> <p>Neither the Interest Rate Swap Provider (or its successor or permitted transferee) nor any Credit Support Provider from time to time in respect of the Interest Rate Swap Provider has a long-term rating at least:</p> <p>A- (if S&amp;P Framework "Strong", applies at the relevant time);</p> <p>A- (if S&amp;P Framework "Adequate" applies at the relevant time);</p> <p>A (or if the Interest Rate Swap Provider does not have a long-term rating by S&amp;P of at least A) a short-term unsecured debt rating by S&amp;P of at least A (if S&amp;P Framework</p>	<p>The consequence of the Interest Rate Swap Provider no longer having the requisite rating under the S&amp;P Framework "Strong", "Adequate" or "Moderate" (as applicable), shall be that the Interest Rate Swap Provider has to take certain remedial actions within the required time frame as set out in the terms of the Interest Rate Swap Agreement. Such remedial actions are as follows: (a) post collateral or (b) (i) procure a transfer to an eligible replacement of the obligations under the Interest Rate Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations, under the Interest Rate Swap Agreement or (iii) take such other action as required to maintain or restore the rating of the Rated Notes by S&amp;P.</p> <p>It is expected that Replacement Option Weak applies on the Closing Date. Consequently, as at the Closing Date the Initial S&amp;P Rating Event will not apply.</p>

Transaction Party	Ratings Trigger	Consequence
	<p>"Moderate" applies at the relevant time),</p> <p>(an "Initial S&amp;P Rating Event").</p>	
	<p>Neither the Interest Rate Swap Provider (or its successor or permitted transferee) nor any Credit Support Provider from time to time in respect of the Interest Rate Swap Provider has a long-term rating at least:</p>	<p>The consequence of the Interest Rate Swap Provider no longer having the requisite rating under the relevant S&amp;P Framework (as applicable), shall be that the Interest Rate Swap Provider has to take certain remedial actions within the required time frame as set out in the terms of the Interest Rate Swap Agreement. Such remedial actions are as follows: (a) use commercially reasonable efforts to (i) procure a transfer to an eligible replacement of the obligations under the Interest Rate Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations, under the Interest Rate Swap Agreement or (iii) take such other action as required to maintain or restore the Ratings of the Notes by S&amp;P and (b) (other than if S&amp;P Framework "Weak" applies) as long as the remedial actions of limb (a) have not been put into place, to post or continue to post collateral.</p>
	<p>BBB+ (if S&amp;P Framework "Strong", applies at the relevant time);</p>	
	<p>A- (if S&amp;P Framework "Adequate" applies at the relevant time);</p>	
	<p>A (or if the Interest Rate Swap Provider does not have a long-term rating by S&amp;P of at least A) a short-term unsecured debt rating by S&amp;P of at least A, (if S&amp;P Framework "Moderate" applies at the relevant time);</p>	

Transaction Party	Ratings Trigger	Consequence
	<p>A+ (if S&amp;P Framework "Weak" applies at the relevant time),</p> <p>(in each case, a "Subsequent S&amp;P Rating Event").</p>	<p>A failure by the Interest Rate Swap Provider to take such steps will, in certain circumstances, allow the Issuer to terminate the Interest Rate Swap Agreement.</p>
	<p><b>DBRS Requirements:</b></p>	
	<p>Collateral Trigger: at least "A" by DBRS or long-term unsecured, unguaranteed and unsubordinated debt obligations which are rated by DBRS at least "A" (by way of public rating) provided that if the Interest Rate Swap Provider is not rated by DBRS, a DBRS Equivalent Rating at least equal to "A" by DBRS.</p>	<p>The consequence of the Interest Rate Swap Provider no longer having the requisite rating, shall be that the Interest Rate Swap Provider has to take certain remedial actions within the required time frame as set out in the terms of the Interest Rate Swap Agreement. Such remedial actions are as follows: (a) post collateral or (b) (i) procure a transfer to an eligible replacement of the obligations under the Interest Rate Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations, under the Interest Rate Swap Agreement or (iii) take such other action as required to maintain or restore the Ratings of the Notes by DBRS.</p>
	<p>Transfer Trigger: at least "BBB" by DBRS or long-term unsecured, unguaranteed and unsubordinated debt obligations which are rated by DBRS at least "BBB" (by way of public rating) <b>provided that</b> if the Interest Rate Swap Provider is not rated by DBRS, a DBRS Equivalent Rating at least equal to "BBB" by DBRS.</p>	<p>The consequence of the Interest Rate Swap Provider no longer having the requisite rating, shall be that the Interest Rate Swap Provider has to take certain remedial actions within the required time frame as set out in the terms of the Interest Rate Swap Agreement. Such remedial actions are as follows: (a) use commercially reasonable efforts to (i) procure a transfer to an eligible replacement of the obligations under the Interest Rate Swap Agreement or (ii) procure a guarantee from an eligible guarantor in respect of its obligations, under the Interest Rate Swap Agreement or (iii) take such other action as required to maintain or restore the Ratings of the Notes</p>

<u>Transaction Party</u>	<u>Ratings Trigger</u>	<u>Consequence</u>
		by DBRS and (b) as long as the remedial actions of limb (a) have not been put into place, to post or continue to post collateral.

## Non-Rating Triggers Table

Nature of Trigger	Description of Trigger	Consequence
Servicer Termination Event  See the section entitled "Servicing" for further information on this.	<ul style="list-style-type: none"> <li>• Servicer payment default;</li> <li>• failure to comply with any of its other material covenants or obligations;</li> <li>• failure to maintain licenses; or</li> <li>• Insolvency Event in relation to the Servicer.</li> </ul>	A replacement Servicer will replace the Servicer and shall provide the Services in accordance with the terms of a Replacement Servicing Agreement as replacement Servicer.
Perfection Trigger Events  See the section entitled "Sale of the Mortgage Portfolio under the Mortgage Sale Agreement" for further information on this.	<ul style="list-style-type: none"> <li>• delivery of an Enforcement Notice by the Trustee;</li> <li>• the Legal Title Holder being required to perfect by an order of a court or regulatory authority;</li> <li>• the Legal Title Holder being required to perfect by requirement of law;</li> <li>• (for as long as Link Mortgage Services Limited is the Servicer) termination of the appointment of the Servicer or resignation of the Servicer and failure of any substitute servicer to assume the duties of the Servicer in such capacity;</li> <li>• the security under the Deed of Charge or any material part of that security is, in the opinion of the Trustee, in jeopardy; or</li> <li>• Insolvency Event in relation to the Legal Title Holder.</li> </ul>	The legal transfer by the Legal Title Holder to the Issuer of all the Mortgage Loans and their Related Security as soon as reasonably practicable.
Cash Manager Termination Event	<ul style="list-style-type: none"> <li>• Cash Manager payment default;</li> <li>• failure to provide any Quarterly Investor Report;</li> <li>• failure to comply with any other of its material covenants or obligations;</li> </ul>	Replacement cash manager to be appointed.  See the section entitled "Removal or Resignation of the Cash Manager" for further information.

Nature of Trigger	Description of Trigger	Consequence
	<ul style="list-style-type: none"> <li>• failure to instruct the Principal Paying Agent;</li> <li>• it becomes unlawful for the Cash Manager to perform or comply with any of its obligations; or</li> <li>• Insolvency Event in relation to the Cash Manager.</li> </ul>	
Issuer Account Bank	<ul style="list-style-type: none"> <li>• Insolvency Event in respect of the Issuer Account Bank, material breach of obligations or for tax reasons.</li> </ul>	Replacement account bank to be appointed.
Collection Account Bank	<ul style="list-style-type: none"> <li>• Insolvency Event in respect of the Collection Account Bank, breach of obligations or for tax reasons.</li> </ul>	Replacement Collection Account Bank to be appointed.

## FEES

The following table sets out the estimated on-going annual fees to be paid by the Issuer to the specified Transaction Parties. Such fees will be subject to caps in relation to their payment in priority to the Rated Notes, with excess amounts above the caps paid subordinate to payments of interest on the Rated Notes, as set out in more detail in the section entitled "*Key Structural Features—Credit Enhancement, Liquidity Support and Priority of Payments*".

## Servicer Fees

<u>Type of Fee</u>	<u>Amount of Fee</u>	<u>Priority in Cashflow</u>	<u>Frequency</u>
Servicer Fees	Start-Up Fee of £97,500 (exclusive of VAT)	Ahead of all outstanding Notes and Certificates	On or about the Closing Date
	Primary Servicing Fee of 0.15 per cent. per annum <i>multiplied by</i> the Average Principal Balance of the Mortgage Loans in the Mortgage Portfolio during the relevant calendar month (on the basis of the actual number of days in that month and a year of 365 days (366 days in any leap year)), calculated on the close of business on the last Business Day of such calendar month (exclusive of VAT)	Ahead of all outstanding Notes and Certificates	Quarterly in arrear on each Interest Payment Date
	Special Servicing Fee of 0.35 per cent. per annum <i>multiplied by</i> the Average Principal Balance of the Arrears Mortgage Loans in the Mortgage Portfolio during the relevant calendar month (on the basis of the actual number of days in that month and a year of 365 days (366 days in any leap year)), calculated on the close of business on the last Business Day of such calendar month (exclusive of VAT)		
	Loan Redemption Fees in an amount of £100 per Mortgage Loan (exclusive of VAT)		
	Additional Services Fee by reference to the Rate Card (exclusive of VAT)		
	The aggregate of the Primary Servicing Fee, the Special Servicing Fee, the Loan Redemption Fees and the Additional Services Fee in each one year period shall be capped at 0.25 per cent. per annum <i>multiplied by</i> the Average Principal Balance of the Mortgage Loans in the Mortgage Portfolio during the relevant calendar month (on the basis of the actual number of days in that month and a year of 365 days (366 days in any leap year)), calculated on the close of		



<b>Type of Fee</b>	<b>Amount of Fee</b>	<b>Priority in Cashflow</b>	<b>Frequency</b>
	business on the last Business Day of such calendar month (exclusive of VAT), subject always to a minimum of £30,000 per annum (exclusive of VAT)		

**Other fees**

<b>Type of Fee</b>	<b>Amount of Fee</b>	<b>Priority in Cashflow</b>	<b>Frequency</b>
Legal Title Holder Fees	Initial one-off legal title holder start-up fee of £85,000 (exclusive of VAT)	Ahead of all outstanding Notes and Certificates	On or about the Closing Date
	An amount equal to 0.03 per cent. per annum <i>multiplied by</i> the Average Principal Balance of the Mortgage Loans in the Mortgage Portfolio during the relevant calendar month (on the basis of the actual number of days in that month and a year of 365 days (366 days in any leap year)), calculated on the close of business on the last Business Day of such calendar month (exclusive of VAT)	Ahead of all outstanding Notes and Certificates	Quarterly in arrear on each Interest Payment Date
Other fees and expenses of the Issuer	Estimated at approximately £100,000 (exclusive of any applicable VAT).	Ahead of all outstanding Notes and Certificates	Quarterly in arrear on each Interest Payment Date
Expenses related to the admission to trading of the Notes	Approximately €13,500 (exclusive of any applicable VAT)		On or about the Closing Date

## CERTAIN REGULATORY DISCLOSURES

The following outlines certain matters that may be relevant to some investors. It does not purport to be a comprehensive list of regulatory matters that pertain to investors. All investors are responsible for analysing their own regulatory position.

Please refer to "*Risk Factors - Impact of regulatory initiatives on certain investors*" for more information.

### Securitisation Regulation

The Retention Holder, as an originator for the purposes of the Securitisation Regulation, will as at the Closing Date undertake to retain, on an ongoing basis until the Final Maturity Date or the date on which the Notes are redeemed in full, a material net economic interest of not less than 5 per cent. of the nominal value of the securitised exposures in the securitisation as required by Article 6 of the Securitisation Regulation as in force on the Closing Date (which does not take into account any relevant national measures). As at the Closing Date, such interest will be satisfied by the Retention Holder holding the economic interest in not less than 5 per cent. of the nominal value of each class of Notes sold or transferred to investors in accordance paragraph (a) with Article 6(3) of the Securitisation Regulation (which, in each case, does not take into account any relevant national measures). Any change to the manner in which such interest is held will be notified to Noteholders.

As to the information made available to prospective investors by the Issuer, reference is made to the information set out herein and forming part of this Prospectus and to any other information provided separately (which information shall not form part of this Prospectus) and, after the Closing Date, to the Investor Reports provided to the Noteholders by publication on the following website: on the website of the Cash Manager at [www.pivot.usbank.com](http://www.pivot.usbank.com) (or any alternative website) (which, for the avoidance of doubt does not form part of this Prospectus) and following the appointment by the Issuer of a securitisation repository registered under Article 10 of the Securitisation Regulation (the "**SR Repository**"), the Investor Reports will be published through such SR Repository pursuant to the Cash Management Agreement.

The Retention Holder will undertake in the Risk Retention Deed for the purposes of complying with the Securitisation Regulation:

- (a) to retain on an on-going basis a material net economic interest in the securitisation of not less than 5 per cent. of the nominal value of the securitisation exposures as required by Article 6 of the Securitisation Regulation as in force on the Closing Date (the "**E.U. Minimum Required Interest**");
- (b) to retain the E.U. Minimum Required Interest in accordance with paragraph (a) of Article 6(3) of the Securitisation Regulation, by holding the economic interest of not less than 5 per cent. of the nominal value of each Class of Notes sold or transferred to investors, in an amount not less than the E.U. Minimum Required Interest;
- (c) not to change the manner or form in which it retains the E.U. Minimum Required Interest, except as permitted under the Securitisation Regulation;
- (d) not to transfer, sell or hedge or take any action which would reduce its exposure to the economic risk of 5 per cent. of the nominal value of each Class of Notes in such a way that it ceases to hold the E.U. Minimum Required Interest except as permitted under the Securitisation Regulation; and
- (e) to comply with the disclosures and obligations described in Article 7(1)(e)(iii) of the Securitisation Regulation including by confirming the Retention Holder's (i) risk retention as contemplated by paragraph (a) of Article 6(3) of the Securitisation Regulation through the timely provision of the information specified in the Prospectus for the securitisation, and (ii) disclosure in the Investor Reports (as prepared by the Servicer and the Cash Manager) and by procuring provision to the Lead Manager and the Issuer of access to any relevant additional data reasonably available to the Retention Holder and information referred to in Article 7(1)(e)(iii) of the Securitisation Regulation (subject to all applicable laws including the Securitisation Regulation), **provided that** the Retention Holder will not be in breach of this paragraph (e) if it fails to so comply due to events, actions or circumstances beyond its control; and

- (f) that it shall immediately notify the Issuer, the Arranger and Lead Manager, the Trustee and the Cash Manager in writing if for any reason it fails to comply with the undertakings set out in (a) to (e) above in any way.

The Issuer is the designated entity under Article 7(2) of the Securitisation Regulation. The Issuer has also instructed the Servicer and the Cash Manager to provide or publish (as applicable) certain information to assist in the Issuer's performance of its obligations pursuant to Article 7(2) of the Securitisation Regulation, in accordance with the terms of the Servicing Agreement and the Cash Management Agreement (as applicable). For further information please refer to the section entitled "*The Servicing Agreement*", "*Key Structural Features*" and "*General Information*".

Each prospective investor who is subject to the Securitisation Regulation 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 Securitisation Regulation and any relevant national measures which may be relevant and none of the Issuer, the Retention Holder, the Seller, the Legal Title Holder, the Cash Manager, the Servicer, the Trustee, the Arranger or the Lead Manager (i) makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes, (ii) should have any liability to any such investor or any other person for any insufficiency of such information or any failure of the transactions contemplated herein to comply with or otherwise satisfy the requirements of the Securitisation Regulation or any other applicable legal, regulatory or other requirements, or (iii) shall have any obligation (other than the obligations in respect of Article 6 of the Securitisation Regulation undertaken by the Retention Holder in the Risk Retention Deed) to enable compliance with the requirements of Article 6 of the Securitisation Regulation or any other applicable legal, regulatory or other requirements.

For further information please refer to the Risk Factor entitled "*Certain Regulatory Considerations - Impact of regulatory initiatives on certain investors*" and section entitled "*Securitisation Regulation*".

*Information regarding the policies and procedures of the Originator*

As required by Article 9(3) of the Securitisation Regulation, the Seller and the Retention Holder carried out certain due diligence on the Mortgage Loans so as to verify that the Originator has applied the same sound and well-defined credit-granting criteria for the Mortgage Loans as it has applied to equivalent mortgage loans that are not part of the Mortgage Portfolio. In particular:

- (a) the Originator applied the same clearly established processes for approving and, where relevant, amending, renewing and refinancing for the Mortgage Loans as it has applied to equivalent mortgage loans that are not part of the Mortgage Portfolio; and
- (b) the Originator had in place effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the obligor meeting his obligations under the relevant Mortgage Loan Agreement.

Please see risk factor "*Knowledge of matters with respect to the Mortgage Loans represented in the Mortgage Loan Warranties*" and sections "*The Seller and Retention Holder*" and "*The Servicing Agreement*" for further information.

**CRA Regulation**

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The credit ratings included or referred to in this Prospectus have been issued by S&P and DBRS, each of which is established in the European Union and is registered under CRA Regulation.

### **EMIR and MiFID II/MiFIR**

The EU regulatory framework and legal regime relating to derivatives is primarily set out in Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as amended by Regulation (EU) 2019/834 of the European Parliament and of the Council dated 20 May 2019 ("**EMIR**") and by the Markets in Financial Instruments Directive as set out in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and "**MiFID II**" and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("**MiFIR**") and together with MiFID II "**MiFID II/MiFIR**").

The Issuer will be subject to certain regulatory requirements in relation to the Swap Transaction as a consequence of the implementation of EMIR and MiFID II/MiFIR which provides for certain OTC derivative contracts to be submitted to central clearing and imposes, amongst other things, margin posting and other risk mitigation techniques, reporting and record keeping requirements and requires certain standardised derivatives to trade on an exchange or other electronic trading platform.

Investors should be aware of the following:

- (a) regardless of the Issuer's classification under EMIR, the Issuer may need to appoint a third party and/or incur costs and expenses to enable it to comply with the regulatory requirements imposed by EMIR, in particular, in relation to reporting and record-keeping; and
- (b) the characterisation of the Issuer under EMIR as is currently in force will determine whether, among other things, it is required to comply with the clearing, margin-posting and trading requirements in relation to the Swap Transaction. If it were required to clear, post margin or trade on an exchange or other electronic platform, it is unlikely that the Issuer would be able to comply with such an obligation.

The Issuer considers itself to be a "non-financial counterparty" for the purposes of EMIR that is not subject to the clearing or the margin-posting requirements or the requirement to trade on an exchange or other electronic platform. However, there is no certainty that the Issuer's status as a non-financial counterparty will not change in the future or that the requirements of EMIR or MiFID/MiFIR will not change. In such circumstances, the margin-posting requirements (or other requirements under EMIR and MiFID II/MiFIR) may also apply to the Issuer and such consequences could significantly increase the Issuer's costs and adversely affect its ability to enter into derivatives transactions in the future. This could lead to regulatory sanctions against the Issuer, and ultimately to an Event of Default in respect of the Notes, which may cause the Noteholders to incur a loss on their Notes and/or suffer an early redemption of their Notes.

### **Volcker Rule**

The Issuer has been structured not to be a "covered fund" for the purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (such statutory provisions, together with such implementing regulations, the "**Volcker Rule**"). In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act and under the Volcker Rule may be available, the Issuer has relied on an exemption from registration as an "investment company" under the Investment Company Act under Section (3)(c)(5)(C) thereof. Under the Volcker Rule, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) thereof. Any prospective investor in the Notes or the Certificates, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

### **Credit Risk Retention**

The U.S. Risk Retention Rules generally require a "sponsor" of a "securitization transaction to acquire and retain (either directly or through a majority-owned affiliate) at least 5 per cent. of the credit risk of the securitized assets of the Issuer (the "**U.S. Risk Retained Interest**"). The Retention Holder intends to comply with the requirements of the U.S. Risk Retention Rules by designating itself as the entity that will acquire on the Closing Date and retain the U.S. Risk Retained Interest in the form of an eligible vertical interest equal (an "**EVI**") equal to not less than 5 per cent. of each Class of Notes and not less than 5 per

cent. of the Certificates issued by the Issuer on the Closing Date, being an amount, in relation to the Notes, equal to £12,800,000 of the Class A Notes, £870,000 of the Class B Notes, £570,000 of the Class C Notes, £380,000 of the Class D Notes, £340,000 of the Class E Notes, £155,000 of the Class F Notes, £305,000 of the Class RFN Notes, £345,000 of the Class X1 Notes, £305,000 of the Class X2 Notes, £38,750 of the Class Z Notes. 100 per cent. of the Certificates (being 1,000 Certificates) will be issued to the Retention Holder as part of the consideration for the purchase of the Mortgage Portfolio on the Closing Date. The material terms of the Notes are described in further detail under "*Transaction Overview – Terms and Conditions of the Notes*". The material terms of the Certificates are described in further detail under "*Transaction Overview – Terms and Conditions of the Certificates*".

The U.S. Risk Retention Holder is obliged by the U.S. Risk Retention Rules to retain, either directly or through or a majority-owned affiliate, the U.S. Risk Retained Interest from the Closing Date until the later of: (a) the fifth anniversary of the Closing Date and (b) the date on which the aggregate Current Balance of the Mortgage Loans has been reduced to 25 per cent. of the aggregate balance of the Mortgage Loans as of the Closing Date, but in any event no longer than the seventh anniversary of the Closing Date (the "**Sunset Date**"). In order to satisfy this obligation, the Retention Holder will retain, either directly or through a majority-owned affiliate, the U.S. Risk Retained Interest through the Sunset Date.

Until the Sunset Date, the U.S. Risk Retention Rules impose limitations on the ability of the Retention Holder (or a majority-owned affiliate) during such period to dispose of or hedge its risk with respect to the U.S. Risk Retained Interest.

Prior to the Sunset Date, any financing obtained by the Retention Holder (or its majority-owned affiliate) during such period to purchase or carry the U.S. Risk Retained Interest that is secured by the U.S. Risk Retained Interest must provide for full recourse to the Retention Holder (or its majority-owned affiliate) and otherwise comply with the U.S. Risk Retention Rules. In addition, prior to the Sunset Date, the Retention Holder (or its majority-owned affiliate) may not engage in any hedging transactions if payments on the hedge instrument are materially related to the U.S. Risk Retained Interest and the hedge position would limit the credit exposure of the Retention Holder or its majority owned affiliate to the U.S. Risk Retained Interest. The retention, financing and hedging limitations set forth in the U.S. Risk Retention Rules will not apply to any Notes held by the Retention Holder that do not constitute part of the U.S. Risk Retained Interest.

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

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. Risk Retention Rules.

If the amount of the U.S. Risk Retained Interest acquired by the Retention Holder (directly or through a majority-owned affiliate) on the Closing Date is materially different than the amounts disclosed above, the actual amount on or of each Class of Notes acquired as the U.S. Risk Retained Interest will be provided to investors on or prior to the first Interest Payment Date following the Closing Date.

Notwithstanding the foregoing, in the event the U.S. Risk Retention Rules (or any relevant portion thereof) are repealed or determined by applicable regulatory agencies to be no longer applicable to this transaction, neither Morgan Stanley Principal Funding, Inc. nor any other party will be required to comply with or act in accordance with the U.S. Risk Retention Rules (or such relevant portion thereof).

None of the Transaction Parties, Morgan Stanley Principal Funding, Inc. and Morgan Stanley & Co. International plc or their respective affiliates, corporate officers or professional advisors makes any representation, warranty or guarantee that Morgan Stanley Principal Funding, Inc., its respective affiliates or the transaction contemplated by this Prospectus will be in compliance with the U.S. Risk Retention Rules, and no such person shall have any liability to any prospective investor with respect to any failure by Morgan Stanley Principal Funding, Inc. to satisfy the U.S. Risk Retention Rules or any other applicable legal, regulatory or other requirements with respect to the issuance and offering of the Notes and the Certificates

**Eurosystem eligibility**

The Notes are intended to be held in a manner which would allow Eurosystem eligibility. This simply means that the Notes will be deposited with one of the ICSDs as common safekeeper. However, the deposit of the Notes with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that any of the Notes 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.

### WEIGHTED AVERAGE LIVES OF THE NOTES

The average lives of the Notes cannot be stated, as the actual rate of repayment of the Mortgage 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:

1. in the first scenario as set out in the table headed "*Assuming the occurrence of the Mortgage Portfolio Purchase Option on the EORD*" below, the Mortgage Portfolio Purchase Option Holder or the Subsidiary Option Holder exercises its option to redeem the Notes on the EORD. In the second scenario as set out in the table headed "*Assuming the occurrence of the Mortgage Portfolio Purchase Option on the FORD*" below, the Mortgage Portfolio Purchase Option Holder or the Subsidiary Option Holder exercises its option to redeem the Notes on the FORD. In the third scenario and as set out in the table headed "*Assuming no occurrence of an Optional Redemption or Market Sale*" below, none of the Mortgage Portfolio Purchase Option, the Subsidiary Option, or the clean-up call option are exercised;
2. the Mortgage Loans are fully performing and there are no arrears or enforcements;
3. the Mortgage Loans are subject to an annual rate of prepayment (exclusive of scheduled principal redemptions) as shown on the tables below;
4. the assets of the Issuer are not sold by the Trustee except as may be necessary to enable the Issuer to realise sufficient funds to exercise its option to redeem the Notes in accordance with Conditions 9.3 (Optional Redemption in whole) or 9.6 (Mandatory Redemption of the Notes following the exercise of the Mortgage Portfolio Purchase Option or Market Mortgage Portfolio Purchase);
5. no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;
6. no Flexible Drawings or Further Advances are agreed to by the Legal Title Holder with respect to any of the Mortgage Loans;
7. the Security is not enforced;
8. there are no reconciliation amounts to consider;
9. the portfolio reference date of the Mortgage Loans is 31 January 2020 (the "**Portfolio Reference Date**") and the cut-off date is 1 June 2020 (the "**Cut-off Date**"), and as such the remaining Term and the remaining Term to Revision of the Mortgage Loans are adjusted by 4 months to adjust for such difference;
10. the Mortgage Loans are sold to the Issuer for value as at the Cut-off Date, therefore the accrual of cash flows starts at the Cut-off Date;
11. the ratio of the Principal Amount Outstanding of the Class A Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 84.50%;
12. the ratio of the Principal Amount Outstanding of the Class B Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 5.75%;
13. the ratio of the Principal Amount Outstanding of the Class C Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 3.75%;
14. the ratio of the Principal Amount Outstanding of the Class D Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 2.50%;
15. the ratio of the Principal Amount Outstanding of the Class E Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 2.25%;
16. the ratio of the Principal Amount Outstanding of the Class F Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 1.00%;

## WEIGHTED AVERAGE LIVES OF THE NOTES

17. the ratio of the Principal Amount Outstanding of the Class RFN Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 2.00%;
18. the ratio of the Principal Amount Outstanding of the Class X1 Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 2.25%;
19. the ratio of the Principal Amount Outstanding of the Class X2 Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 2.00%;
20. the ratio of the Principal Amount Outstanding of the Class Z Notes to the Current Balance of the Provisional Mortgage Portfolio as at the Cut-off Date is 0.25%;
21. the Notes are issued on or about 30 June 2020;
22. the Interest Payment Dates are on the 20th day of every quarter, or if such day is not a Business Day, the immediately following Business Day, with the first Interest Payment Date being on or about 21 September 2020;
23. scheduled amortisation is calculated on an individual Mortgage Loan basis in accordance with the contractual repayment terms of each Mortgage Loan within the Portfolio and is initially aggregated on a monthly basis;
24. the annualised constant prepayment rate consists of both partial and full prepayments of the principal under the Mortgage Loans;
25. the interest, prepayments and scheduled payments of the Mortgage Loans are calculated on a 30/360 basis;
26. no early repayment charges are assumed for the Mortgage Loans;
27. there is no debit balance on any of the sub-ledgers of the Principal Deficiency Ledgers on any Interest Payment Date;
28. no Servicer Termination Event has occurred;
29. calculations of possible average lives of the Notes assume a flat Compounded Daily SONIA of 0.06% and a flat 3 Month Sterling LIBOR of 0.37%;
30. the amounts payable in relation to items (1), (2), (3) and (4) in the Pre-Enforcement Revenue Priority of Payments are equal to the sum of (i) fixed fees of £25,000 per Interest Payment Date, (ii) the Servicer Fees and (iii) the Legal Title Holder Fees.
31. the weighted average lives of the Notes are calculated on an Actual/365 day count convention.

The actual characteristics and performance of the Mortgage Loans are likely to differ from assumptions set out above. The following tables are hypothetical in nature and are provided only to give a general sense of how the principal cashflows might behave under various prepayment scenarios. For example, the Issuer does not expect that the Mortgage Loans will prepay at a constant rate until maturity, or that there will be no defaults or delinquencies on the Mortgage Loans. Any difference between the assumptions and, *inter alia*, the actual prepayment or loss experience on the Mortgage Loans will affect the redemption profile of the Notes and cause the weighted average lives of the Rated Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated CPR.



WEIGHTED AVERAGE LIVES OF THE NOTES

Assuming the occurrence of the Mortgage Portfolio Purchase Option on the EORD							
Class	0% CPR	5% CPR	10% CPR	15% CPR	20% CPR	30% CPR	Pricing CPR*
A Notes .....	1.47	1.42	1.36	1.31	1.25	1.14	1.42
B Notes .....	1.47	1.47	1.47	1.47	1.47	1.47	1.47
C Notes .....	1.47	1.47	1.47	1.47	1.47	1.47	1.47
D Notes .....	1.47	1.47	1.47	1.47	1.47	1.47	1.47
E Notes .....	1.47	1.47	1.47	1.47	1.47	1.47	1.47
F Notes .....	1.47	1.47	1.47	1.47	1.47	1.47	1.47
X1 Notes .....	0.69	0.70	0.71	0.74	0.76	0.81	0.70

\* Pricing CPR is 5% for 18 months, then 15% for another 6 months, then 50% for another 12 months and 20% thereafter.

Assuming the occurrence of the Mortgage Portfolio Purchase Option on the FORD							
Class	0% CPR	5% CPR	10% CPR	15% CPR	20% CPR	30% CPR	Pricing CPR*
A Notes .....	2.96	2.73	2.50	2.28	2.08	1.70	2.47
B Notes .....	2.97	2.97	2.97	2.97	2.97	2.97	2.97
C Notes .....	2.97	2.97	2.97	2.97	2.97	2.97	2.97
D Notes .....	2.97	2.97	2.97	2.97	2.97	2.97	2.97
E Notes .....	2.97	2.97	2.97	2.97	2.97	2.97	2.97
F Notes .....	2.97	2.97	2.97	2.97	2.97	2.97	2.97
X1 Notes .....	0.69	0.70	0.71	0.74	0.76	0.83	0.70

\* Pricing CPR is 5% for 18 months, then 15% for another 6 months, then 50% for another 12 months and 20% thereafter.

Assuming no occurrence of an Optional Redemption or Market Sale							
Class	0% CPR	5% CPR	10% CPR	15% CPR	20% CPR	30% CPR	Pricing CPR*
A Notes .....	14.00	8.26	5.40	3.87	2.96	1.93	3.07
B Notes .....	21.49	17.69	14.28	11.15	8.74	5.83	8.11
C Notes .....	21.67	18.76	16.26	13.09	10.55	7.08	10.01
D Notes .....	21.73	19.84	17.41	14.96	12.29	8.44	11.93
E Notes .....	21.88	20.85	18.45	16.80	14.39	10.34	14.29
F Notes .....	21.99	21.26	19.43	18.18	16.73	13.22	17.11
X1 Notes .....	0.69	0.70	0.71	0.74	0.76	0.83	0.70

\* Pricing CPR is 5% for 18 months, then 15% for another 6 months, then 50% for another 12 months and 20% thereafter.

The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic. They must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of the average lives estimated above, see "*Risk Factors – Risks related to the Notes – Considerations Relating to Yield, Prepayments, Mandatory Redemption and Optional Redemption*" above.

**USE OF PROCEEDS**

The gross proceeds of the Notes are estimated to be an amount equal to £306,816,680.00. The Issuer will use the gross proceeds of the Notes to:

- (a) pay the Purchase Price for the Mortgage Portfolio to the Seller on the Closing Date;
- (b) pay various fees and expenses; and
- (c) fund the Reserve Fund up to the Reserve Fund Required Amount using the proceeds received from the Class RFN Notes.

See the section entitled "*Sale of the Mortgage Portfolio under the Mortgage Sale Agreement*".

## RATINGS

The Rated Notes on issue (with respect to payments of interest and principal) are expected to be assigned the following ratings by S&P and DBRS:

<u>Class of Rated Note</u>	<u>S&amp;P</u>	<u>DBRS</u>
A	AAA	AAA
B	AA	AA
C	AA-	A
D	A	BBB
E	BBB	BB(high)
F	BB	BB(low)
RFN	NR	NR
X1	BB+	BB(high)
X2	NR	NR
Z	NR	NR

A security 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 so warrant.

The ratings assigned to the Rated Notes (including in respect of the Step-Up Margins) by the Rating Agencies address, *inter alia*:

- (a) the likelihood of full and timely payments to the holders of the Class A Notes of interest on each Interest Payment Date in accordance with the Conditions;
- (b) the likelihood of full payment to the holders of the Rated Notes (other than the Class A Notes) of all payments of interest in relation to the Rated Notes (other than the Class A Notes) on or prior to the Final Maturity Date; and
- (c) the likelihood of full and ultimate payment to the holders of the Rated Notes of principal in relation to the Rated Notes on or prior to the Final Maturity Date.

For more information as to what the ratings assigned by S&P represent, please see [https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352) (such website and the contents thereof do not form part of this Prospectus).

For more information as to what the ratings assigned by DBRS represent, please see <https://www.dbrs.com/research/350234/legal-criteria-for-european-structured-finance-transactions> (such website and the contents thereof do not form part of this Prospectus).

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

## THE ISSUER

Tudor Rose Mortgages 2020-1 PLC (the "**Issuer**") was incorporated and registered in England and Wales on 21 May 2020 with its address at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX (under company registration number 12616829) as a public limited company under the Companies Act 2006 (as amended).

The telephone number of the Issuer is +44 (0)20 7398 6300.

The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, one of which is fully paid, and 49,999 shares of which are a quarter paid up, all of which are beneficially owned by Holdings (see the section entitled "*Holdings*" below).

The Issuer has been established as a special purpose company for the purpose of acquiring the Mortgage Loans and issuing the Notes. The Issuer has no subsidiaries and no employees.

Intertrust Management Limited, as the Corporate Services Provider, acts as the corporate services provider for the Issuer. The office of the Corporate Services Provider serves as the general business office of the Issuer. Through the office and pursuant to the terms of the Corporate Services Agreement, the Corporate Services Provider performs various management functions on behalf of the Issuer, including the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 90 days written notice to the other party. The Corporate Services Provider's principal office is at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.

Neither the Legal Title Holder, the Seller nor any associated body of either of them owns directly or indirectly any of the share capital of the Share Trustee, Holdings or the Issuer.

The Issuer has not commenced operations and has not engaged, since its incorporation, and will not engage in any material activities other than those incidental to its incorporation under the Companies Act 2006 (as amended), authorisation and issue of the Notes and the Certificates, the matters referred to or contemplated in this document and the authorisation, execution, delivery and performance of the other documents referred to in this document to which it is a party and matters which are incidental or ancillary to the foregoing. The Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees) as at the time of this Prospectus.

The accounting reference date of the Issuer is 31 December. As of the date of this Prospectus, the Issuer has not prepared accounts. The first statutory accounts of the Issuer will be prepared for the period from the date of its incorporation to 31 December 2020.

### Directors

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

<b>Name</b>	<b>Address</b>	<b>Principal Activities</b>
Intertrust Directors 1 Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Company Director
Intertrust Directors 2 Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Company Director
Helena Whitaker	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Company Director

The directors of Intertrust Directors 1 Limited and Intertrust Directors 2 Limited and their principal activities are as follows:

<b>Name</b>	<b>Address</b>	<b>Principal Activities</b>
Susan Abrahams	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director
Helena Whitaker	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director
Michelle O'Flaherty	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director
Andrea Williams	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director
Ian Hancock	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director

The company secretary of the Issuer is:

<b>Name</b>	<b>Business Address</b>
Intertrust Corporate Services Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX

#### **Activities**

On the Closing Date, the Issuer will acquire from the Seller a portfolio of residential mortgages originated by the Originator. All Mortgage Loans acquired by the Issuer on such date will be financed by the proceeds of the issue of the Notes. The activities of the Issuer will be restricted by the Conditions and the Deed of Charge and will be limited to the issue of the Notes and the Certificates, the ownership of the Mortgage Loans and other assets referred to herein, the exercise of related rights and powers, and other activities referred to herein or reasonably incidental thereto. These activities will include the collection of payments of principal and interest from Borrowers in respect of Mortgage Loans and the operation of arrears procedures.

**HOLDINGS**

Tudor Rose 2020-1 Holdings Limited ("**Holdings**") was incorporated in England and Wales on 20 May 2020 with its address at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX (registered number 12613835) as a private limited company under the Companies Act 2006 (as amended).

The telephone number of Holdings' registered office is +44 (0)20 7398 6300.

The issued share capital of Holdings comprises one ordinary share of £1. The share of Holdings is held by Intertrust Corporate Services Limited as the Share Trustee, the benefit of which is expressed to be for discretionary purposes, under a declaration of trust dated 8 June 2020.

As at the date of this Prospectus, Holdings does not have any borrowings or contingent liabilities.

Holdings is organised as a special purpose company. Holdings holds the entire beneficial interest in the issued share capital of the Issuer. Other than the Issuer, Holdings has no subsidiaries.

The Seller does not own, directly or indirectly, any of the share capital of Holdings and 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 or any other similar vehicle.

There are no restrictions on the objects of Holdings in its articles of association and Holdings is therefore permitted, amongst other things, to borrow money, grant security over its property for the performance of its obligations and purchase property.

Holdings has not engaged in any other activities since its incorporation other than those incidental to the authorising of the Transaction Documents to which it is or will be a party and other matters which are incidental to those activities. Holdings has no employees.

**Directors**

The directors of Holdings and their respective business addresses and principal activities are:

<u>Name</u>	<u>Address</u>	<u>Principal Activities</u>
Intertrust Directors 1 Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Company Director
Intertrust Directors 2 Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Company Director
Helena Whitaker	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director

The directors of Intertrust Directors 1 Limited and Intertrust Directors 2 Limited and their principal activities are as follows:

<u>Name</u>	<u>Address</u>	<u>Principal Activities</u>
Susan Abrahams	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director
Helena Whitaker	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director
Michelle O'Flaherty	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director
Andrea Williams	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director

<u>Name</u>	<u>Address</u>	<u>Principal Activities</u>
Ian Hancock	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX	Director

The company secretary of Holdings is:

<u>Name</u>	<u>Business Address</u>
Intertrust Corporate Services Limited	1 Bartholomew Lane, London, United Kingdom, EC2N 2AX

The accounting reference date of Holdings is 31 December.

**MORGAN STANLEY PRINCIPAL FUNDING, INC. – THE SELLER AND THE RETENTION  
HOLDER**

Morgan Stanley Principal Funding, Inc. (the "**Seller**" and the "**Retention Holder**") is a wholly owned subsidiary of Morgan Stanley (NYSE: MS). The Retention Holder is a Delaware corporation and has its executive offices at 1585 Broadway, New York, NY 10036, U.S.A.

It acquired the beneficial title to the Mortgage Loans from Axis Bank UK Limited (the "**Originator**") pursuant to the portfolio transfer agreement dated 4 June 2020 (the "**Portfolio Transfer Agreement**").

On the Closing Date, the Class X1 Notes, the Class X2 Notes, the Class Z Notes and the Certificates will be acquired by the Seller as part of the disposal and acquisition mechanics and consideration for the Mortgage Portfolio.

The Retention Holder originates commercial mortgage loans secured by multifamily, office, retail, industrial, hotel and self-storage properties and extends warehouse and repurchase financing to commercial and residential mortgage lenders. The Retention Holder also acquires interests in mortgage loans, receivables, and securitises or syndicates such mortgage loans and receivables.

Morgan Stanley Principal Funding, Inc. (as Retention Holder) and Morgan Stanley & Co. International plc (as Arranger and Lead Manager) are each an affiliate of each other.



**AXIS BANK UK LIMITED – THE INTERIM LEGAL TITLE HOLDER**

Axis Bank UK Limited is registered with the Companies House and was incorporated on 7 March 2011 (company number 07554558). Its registered address is at 4 Chiswell Street (First Floor) London EC1Y 4UP. Axis Bank UK Limited commenced its banking operations in April 2013 after receiving regulatory approval. Among its other businesses it also lends to the specialist buy-to-let sector. However, it suspended accepting new applications for BTL mortgage loans in February 2020.

According to its accounts made up to March 2019, Axis Bank UK Limited had total assets (audited) of USD 825 million. Axis Bank UK Limited made a profit before tax (audited) of USD 8.4 million for the year ended 31 March 2019.

**BARCLAYS BANK PLC – THE COLLECTION 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 and 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 consumer and investment bank. The Group operates as two divisions – the Barclays UK division (Barclays UK) and the Barclays International division (Barclays International). These are housed in two banking subsidiaries – Barclays UK sits within Barclays Bank UK PLC and Barclays International sits within the Bank – which are supported by Barclays Execution Services Limited. 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 Europe 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 Europe Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited.

Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2019, the Barclays Bank Group had total assets of £876,672m (2018: £877,700m), loans and advances at amortised cost of £141,636m (2018: £136,959m), total deposits of £213,881m (2018: £199,337m), and total equity of £50,615m (2018: £47,711m) (including non-controlling interests of £0 (2018: £2m)). The profit before tax of the Barclays Bank Group for the year ended 31 December 2019 was £3,112m (2018: £1,286m) after credit impairment charges of £1,202m (2018: £643m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2019.

**INTERTRUST MANAGEMENT LIMITED – BACK-UP SERVICER FACILITATOR**

The role of Back-Up Servicer Facilitator will be performed by Intertrust Management Limited (registered number 03853947), having its principal address at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.

The Back-Up Servicer Facilitator will be appointed pursuant to the terms of the Servicing Agreement to use its reasonable endeavours to appoint a Replacement Servicer if required.

**LINK MORTGAGE SERVICES LIMITED –THE SERVICER**

Link Mortgage Services Limited (the "**Servicer**" or "**Link**") is a private limited company incorporated in England and Wales on 3 August 1967 and registered under company number 00912411. The registered office of Link Mortgage Services Limited is at 6th Floor 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

Link Mortgage Services Limited is one of the mortgage administration industry's longest established organisations and is rated RPS2- by Fitch Ratings Limited and ranked "Above Average" by S&P, in each case for primary servicing and RSS 2- and "Above Average", in each case for special servicing of residential mortgage loans.

Link Mortgage Services Limited currently services in excess of 48,000 borrowers, 53,000 accounts totalling £6.1bn of mortgage assets. It has the experience of being the only appointed standby mortgage servicer in the UK to have been called upon to undertake mortgage administration in place of a primary mortgage servicer. Link Mortgage Services Limited is part of Link Asset Services, which acquired Link Mortgage Services Limited in May 2014. Across its regulated subsidiaries, Link Asset Services currently services over £25bn of mortgage assets in the UK, and a total of €93bn across its European operations.

Link Mortgage Services Limited has ISO 9001-2008 certification, is an Associate Member of UK Finance and the Building Society Association and is authorised and regulated by the Financial Conduct Authority under registration number 306235. It holds all relevant permissions under FSMA and has made the necessary notifications under the Data Protection Act 1998 or necessary information filing and fee payment (as applicable) under the Data Protection Legislation.

ROOFTOP MORTGAGES LIMITED – THE LEGAL TITLE HOLDER

**ROOFTOP MORTGAGES LIMITED –THE LEGAL TITLE HOLDER**

Rooftop Mortgages Limited (the "**Legal Title Holder**") is a private limited company incorporated in England and Wales under company number 04621865 on 19 December 2002 for the purposes of originating residential mortgage loans to borrowers in England and Wales, Northern Ireland and Scotland. Rooftop Mortgages Limited is regulated and authorised by the Financial Conduct Authority under registration number 303059. The registered office of Rooftop Mortgages Limited is 6th Floor, 65 Gresham Street, London, United Kingdom, EC2V7NQ.

**U.S. BANK TRUSTEES LIMITED – THE 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 [www.usbank.com](http://www.usbank.com) (such website and the contents thereof do not form part of this Prospectus).

ELAVON FINANCIAL SERVICES, D.A.C., UK BRANCH – THE ISSUER ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE AGENT BANK AND THE REGISTRAR

**ELAVON FINANCIAL SERVICES, D.A.C., UK BRANCH – THE ISSUER ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE AGENT BANK AND THE REGISTRAR**

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services DAC (a U.S. Bancorp group company), is an integral part of the worldwide Corporate Trust business of U.S. Bank. U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the UK Branch of Elavon Financial Services DAC from its offices in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its UK Branch are also subject to the limited regulation of the UK Financial Conduct Authority and Prudential Regulation Authority.

U.S. Bank Global Corporate Trust Services in combination with U.S. Bank National Association, the legal entity through which the Corporate Trust Division conducts business in the United States, is one of the world's largest providers of trustee services with more than USD 4 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 document custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States.

U.S. BANK GLOBAL CORPORATE TRUST LIMITED – THE CASH MANAGER

**U.S. BANK GLOBAL CORPORATE TRUST LIMITED – THE CASH MANAGER**

U.S. Bank Global Corporate Trust Limited, a limited company registered in England and Wales having the registration number 05521133 and a registered address of 125 Old Broad Street, Fifth Floor, London, EC2N 1AR.

U.S. Bank Global Corporate Trust Services in combination with U.S. Bank National Association, the legal entity through which the Corporate Trust Division conducts business in the United States, is one of the world's largest providers of trustee services with more than USD 4 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 document custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States.



## BNP PARIBAS – THE INTEREST RATE SWAP PROVIDER

BNP Paribas is a French multinational bank and financial services company with its registered office located at 16 boulevard des Italiens 75009 Paris, France, and its corporate website in English is <http://www.bnpparibas.com/en> (such website and the contents thereof do not form part of this Prospectus).

BNP Paribas, together with its consolidated subsidiaries (the "**BNP Paribas Group**") is a global financial services provider, conducting retail, corporate and investment banking, private banking, asset management, insurance and specialized and other financial activities throughout the world.

The BNP Paribas Group, one of Europe's leading providers of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It operates in 71 countries and has nearly 199,000 employees, including over 151,000 in Europe. BNP Paribas holds key positions in its two main businesses:

- Retail Banking and Services, which includes:
  - Domestic Markets, comprising:
    - French Retail Banking (FRB),
    - BNL banca commerciale (BNL bc), Italian retail banking,
    - Belgian Retail Banking (BRB),
    - Other Domestic Markets activities including Luxembourg Retail Banking (LRB);
  - International Financial Services, comprising:
    - Europe-Mediterranean,
    - BancWest,
    - Personal Finance,
    - Insurance,
    - Wealth and Asset Management;
  - Corporate and Institutional Banking (CIB):
    - Corporate Banking,
    - Global Markets,
    - Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group.

At 31 March 2020, the BNP Paribas Group had consolidated assets of €2,673 billion (compared to €2,165 billion at 31 December 2019), consolidated loans and receivables due from customers of €841 billion (compared to €806 billion at 31 December 2019), consolidated items due to customers of €908 billion (compared to €835 billion at 31 December 2019) and shareholders' equity (Group share) of €109 billion (compared to €107.5 billion at 31 December 2019).

At 31 March 2020, pre-tax income was €1.8 billion (compared to €2.7 billion as at 31 March 2019). Net income, attributable to equity holders, for the first quarter 2020 was €1.3 billion (compared to €1.9 billion for the first quarter 2019).

At the date of this Memorandum, the BNP Paribas Group currently has Long Term Senior Preferred debt ratings of "A+" with negative outlook from S&P, "Aa3" with stable outlook from Moody's Investors

Service, Inc. and "AA-" under Rating Watch Negative from Fitch Ratings, Ltd and "AA (low)" with stable outlook from DBRS.

The information contained in this section relates to and has been obtained from BNP Paribas. The information concerning BNP Paribas and the BNP Paribas Group contained herein is furnished solely to provide limited introductory information regarding BNP Paribas and the BNP Paribas Group and does not purport to be comprehensive.

The delivery of the information contained in this section shall not create any implication that there has been no change in the affairs of BNP Paribas or the BNP Paribas Group since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

For up-to-date financial information, including quarterly results since the last fiscal year end, please refer to <http://invest.bnpparibas.com/en> (such website and the contents thereof do not form part of this Prospectus).

## THE MORTGAGE PORTFOLIO

### Introduction

The following is a description of some of the characteristics of the Mortgage Loans comprised in the Mortgage Portfolio including details of loan types and selected statistical information.

Unless otherwise indicated, the description that follows relates to types of Mortgage Loans that could be sold to the Issuer as part of the Mortgage Portfolio as at the Closing Date and formed part of the Provisional Mortgage Portfolio as at the Portfolio Reference Date.

The Provisional Mortgage Portfolio was drawn up as at the Portfolio Reference Date and comprised 1,020 Mortgage Loans with an aggregate Current Balance of £300,519,727. Each of the Mortgage Loans in the Mortgage Portfolio was advanced by Axis Bank UK Limited and is made up of Mortgage Loans which, immediately prior to the Seller's acquisition of the beneficial interest to such Mortgage Loans, were legally and beneficially owned by the Originator. The Mortgage Portfolio will differ from the Provisional Mortgage Portfolio due to (i) the exclusion of the Mortgage Loans which have been redeemed in full in the period between the Portfolio Reference Date and the Cut-Off Date, and (ii) the inclusion of new Mortgage Loans originated by the Originator between the Portfolio Reference Date and 30 April 2020 (inclusive). The Seller will sell the Mortgage Portfolio with the benefit of all collections received in respect thereof during the period from (and including) the Cut-off Date to the Closing Date.

The Legal Title to the Mortgage Loans in the Mortgage Portfolio will be originally retained by the Interim Legal Title Holder and will be transferred to the Legal Title Holder by the end of the Transitional Period. The Properties over which the Mortgage Loans in the Provisional Mortgage Portfolio are secured have not been revalued for the purposes of the issue of the Notes. See "*Annex A – Statistical Information on the Provisional Mortgage Portfolio*" for more detail on the Provisional Mortgage Portfolio.

### Characteristics of the Provisional Mortgage Portfolio

#### *Mortgage Product Type*

The Mortgage Portfolio consists of Mortgage Loans originated by Axis Bank UK Limited and which were intended for borrowers who are individuals and corporate borrowers who wished to use the Mortgage Loan to purchase or refinance residential property(s) for the purposes of letting to third parties. All Mortgage Loans included in the Provisional Mortgage Portfolio were made no earlier than 29 May 2015.

#### *Interest Type*

Interest on the Mortgage Loans is charged based on a fixed rate of interest or a floating rate of interest.

#### *Types of Interest Rate Terms*

The interest rate terms for each Mortgage Loan will comprise any of the following types:

- (a) Fixed Rate Mortgage Loans with a Fixed Rate Term of 2, 3 and 5 years, and thereafter reverting to a floating rate of interest based on a three month Sterling LIBOR reference rate (or such other floating rate as may replace LIBOR) plus a 4.5 per cent. or 5 per cent. per annum margin;
- (b) Floating Rate Mortgage Loans which pay interest by reference to a floating rate of interest based on a three month Sterling LIBOR reference rate (or such other floating rate as may replace LIBOR) plus a margin and the terms of which provide for a margin revision in the future; and
- (c) Floating Rate Mortgage Loans which pay interest by reference to a floating rate of interest based on a three month Sterling LIBOR reference rate (or such other floating rate as may replace LIBOR) plus a margin and the terms of which do not provide for a margin revision in the future and which are the Fixed Rate Mortgage Loans which passed the end of their applicable Fixed Rate Term.

***Types of Repayment Terms***

The type of repayment terms contained within each Mortgage Loan will comprise any of the following types:

- (a) Mortgage Loans in relation to which monthly payments cover interest only (the "**Interest Only Mortgage Loans**"); and
- (b) Mortgage Loans in relation to which monthly instalments cover both interest and principal, which are payable until the Mortgage Loan is fully repaid at its maturity (the "**Repayment Mortgage Loans**").

Each Mortgage Loan has an initial term of between 5 and 25 years.

***Loan and arrears status***

The Mortgage Portfolio is comprised of Mortgage Loans which are predominantly performing.

***Overpayments and underpayments***

Borrowers are permitted to make early payments and (in the case of the Repayment Mortgage Loans) overpayments. Early payments and overpayments will be permitted without an early redemption charge at the end of the Fixed Rate Term. During the Fixed Rate Term, the Borrowers will be allowed to make repayments and overpayments in an amount of up to 10 per cent. of the initial Mortgage Loan amount in each year unless it is a full redemption, in which case the early redemption charge will apply to the entire amount of the Mortgage Loan. Prepayments and overpayments in excess of that amount during the Fixed Rate Term will be subject to an early redemption charge in an amount equal to 1 per cent. of the amount redeemed for each year remaining of the Fixed Rate Term (for example, for a Fixed Rate Mortgage Loan with a Fixed Rate Term of 5 years, an early repayment during the first year will attract an early redemption charge of 5 per cent. of the amount redeemed and will continue to step down by 1 per cent. each year up until the last year of the Fixed Rate Term during which an early repayment will attract an early redemption charge of 1 per cent. of the amount redeemed).

The minimum amount of early payments and overpayments is the lesser of £1,000 and 5 per cent. of the outstanding Current Balance of the relevant Mortgage Loan.

***Payment Holidays***

Payment holidays are stated to not be available under the terms of the Mortgage Loans. However, following government guidance, as at 30 April 2020, the Originator has offered payment holidays of between one and three months in respect of 143 Mortgage Loans (with a total aggregate Current Balance equal to £47,519,660) granted to 84 unique Borrowers from the Provisional Mortgage Portfolio who or whose tenants are in financial difficulties due to COVID-19. See also "*Covid-19 may affect the timing and amount of payment on the Mortgage Loans or enforcement or repossession of the Mortgage Loans*".

***Further advances, product switches and porting***

Further advances and product switches are contemplated by the Lending Criteria subject to certain product criteria and fees and, in the case of the further advances, the terms of the Mortgage Loan Agreements and, in the case of further advances, subject to an obligation of the lender to provide further advances included in the Mortgage Loan Agreement.

Porting is not expressly contemplated by the Lending Criteria currently in force but was permitted previously subject to underwriting checks and conditions.

The Issuer is not aware of any further advances made to the Borrowers following completion of the relevant Mortgage Loans in the Provisional Mortgage Portfolio or of any porting in respect of such Mortgage Loans, and is aware that some Mortgage Loans in the Provisional Mortgage Portfolio were the subject of product switches in the past. Each of the Servicer and the Legal Title Holder will undertake in favour of the Issuer not to agree to any requests for a further advance, product switch or porting from any Borrower unless required to do so in accordance with applicable law or regulations. See also "*Sale of the Mortgage Portfolio*".

*under the Mortgage Sale Agreement – Mortgage Loan Warranties" and "Servicing – Further advances, product switches and porting".*

### **Lending Criteria**

The following is a summary of the general lending criteria (the "**Lending Criteria**") which will have been applied in respect of the Mortgage Loans comprising the Provisional Mortgage Portfolio. Unless otherwise indicated below, the summary is based on the version of the lending criteria which is currently in force.

#### ***Key features of the Lending Criteria***

The Lending Criteria prescribe the following key requirements:

- (a) each Mortgage Loan must be secured by a first ranking legal mortgage over either (a) a freehold property or (b) a leaseholder property with a minimum of 50 years on the life at the end of the mortgage term;
- (b) Mortgage Loans will be granted over residential investment properties offered as acceptable security in England and Wales (excluding Isle of Wight);
- (c) all Borrowers must be professional investors; in the case of the Borrowers who are individuals, the minimum age of such Borrowers must be at least 21 years old (or 25 years old if borrowing in their sole name); and
- (d) the property must be formally valued by a qualified approved valuer.

#### ***Security***

Eligible property types include freehold and leasehold properties. In the case of a Mortgage Loan secured by a leasehold property, the Lending Criteria require that the unexpired term of the lease must be at least 50 years on the life at the end of the agreed Mortgage Loan term.

#### ***Loan to Value***

The loan to value (or LTV) is calculated as the loan amount (exclusive of fees for underwriting purposes) divided by the purchase price or valuation as assessed by the approved valuer. The maximum amount of a Mortgage Loan is linked to the loan to value:

- (a) for standard and specialist Borrowers, (i) the maximum amount of a Mortgage Loan with a 75% LTV is up to £750,000; (ii) the maximum amount of a Mortgage Loan with a 70% LTV is up to £1,000,000; and (iii) the maximum amount of a Mortgage Loan with a 65% LTV is above £1,000,000;
- (b) for Expat Borrowers, (i) the maximum amount of a Mortgage Loan with a 75% LTV is up to £500,000; and (ii) the maximum amount of a Mortgage Loan with a 65% LTV above £500,000.

#### ***Valuations***

The Originator required that a valuation of the property be obtained from an approved valuer. The Originator required professional indemnity insurance to be held by panel valuers. Each valuation must be less than 3 months old and be valid for 6 months.

#### ***Insurance on the property***

A Borrower was required to arrange for buildings-only insurance on the mortgaged property with cover for not less than the rebuilding value of the property indicated in the valuation report. The applicant could arrange for the insurance independently. Where the applicant chose not to make its own insurance arrangements, the Originator made arrangements to insure the mortgaged property on behalf of the applicant and at its expense. Title insurance would have been required in circumstances where a particular risk has been identified.

***Mortgage Loan amount***

The minimum Mortgage Loan amount is £75,000 and the maximum Mortgage Loan amount is £2,000,000. The maximum exposure to a single borrower is £5,000,000.

***Mortgage Term***

Each Mortgage Loan was required to have an initial term of between 5 and 25 years.

***Interest on the Mortgage Loan***

Mortgage Loans are either Interest Only Mortgage Loans or Repayment Mortgage Loans.

***Borrowers***

Eligible Borrowers include individuals and corporate borrowers.

An individual Borrower must be a professional investor being an individual who owns a minimum of 2 existing buy-to-let properties and has a minimum of 2 years of experience (an earlier version of the Lending Criteria permitted ownership of a minimum of 3 existing buy-to-let properties). Individual Borrowers must (i) live in the UK full time; (ii) if an expatriate British citizen working abroad, have been resident and liable to pay income tax in the UK within the last 5 years; or (iii) if a non-British citizen, have been continually resident in the UK and paying income tax for at least 2 years immediately prior to application unless they previously resided in one of the countries for which visas are not required to work in the UK. All applicants must meet the applicable income tests.

All individual Borrowers borrowing must be at least 21 years old (or 25 years old if borrowing in their sole name). For individual Borrowers borrowing in their sole name the maximum age limit is 80 years old at the end of the mortgage term. Where there is more than one applicant on the application, the youngest applicant must be a maximum of 80 years old at the end of the mortgage term.

Eligible corporate borrowers are limited companies which are registered in England and Wales and have been established solely for the purpose of the investment and management of property (SPV). Such eligible corporate borrowers may have a maximum of four directors and each director must provide a personal guarantee for 100% of the Mortgage Loan.

***Properties***

The properties that are secured against the Mortgage Loan must not be an unacceptable property. Unacceptable properties include, among others, (i) common hold properties, (ii) 100% timber construction properties, (iii) steel frame properties (except new builds), (iv) properties with restrictions as regards to occupancy, (v) properties having actual or potential structural movement (with exceptions), (vi) properties determined as unacceptable as security by an appointed valuer (vii) properties that are less than 10 years old without NHBC guarantees or equivalent certificates, (viii) not wholly owned by the borrower or shared ownership properties (ix) mobile homes/house boats (x) commercial properties, (xi) freehold flats or maisonettes, (xii) properties containing Mundic block materials (xiii) and studio flats less than 20 square meters in size.

Lending on a property that is a House of Multiple Occupation will be permitted as long as licence is held and a maximum of 6 tenants occupy that property and each such occupant must have individual assured shorthold tenancy. A maximum of 10 units in a multi-unit freehold building also applies.

Lending against properties in shared ownership, common hold properties, 100% timber construction, less than 10 years old without an NHBC certificate, mobile homes or house boats or commercial properties is not permitted. For multi-unit freehold blocks, only up to 10 units within one block will be accepted.

***Income and repayment capacity***

The expected gross rental income from letting the property must meet the rent to interest cover criteria for the applicable type of the Mortgage Loan. The valuation obtained in respect of the relevant property in connection with an application was required to include either the market rental price of the property or (for

properties which were not let at the point of application) an estimate of the rental income obtainable together with an indication of the period which might be expected before a letting is achieved.

In calculating the rental coverage requirements, for individual basic rate taxpayers, re-mortgages and corporate borrowers, a minimum income cover ratio (or ICR) of 125% will apply and for high rate tax payers, a rate of 145% will apply. Consideration of an applicant's background income may be given to support rental shortfalls down to a floor of 100% of rental coverage. Lending below the 100% rental coverage may only been considered where the applicant met the regulatory "high net worth" definition of an annual income of £300,000 per annum or a net worth of £3,000,000 excluding their buy to let portfolio.

***Credit history***

- (a) *Credit search:* A credit search was carried out in respect of all applicants. Applications could be declined where an adverse credit history was revealed (for example, the lending criteria specifically refer to the adverse impact of any county court judgment, prior repossessions, default or bankruptcy notice).
- (b) *Other adverse credit history events:* the Originator would also consider as adverse credit history events prior repossessions, bankruptcies and IVAs, CCJs, mortgage arrears, defaults and missed payments (a formal lender's reference may be required) and other forms of adverse credit such as defaults under credit cards or missed personal loan payments.

***Originator's discretion to lend outside of its lending criteria***

On a case-by-case basis, and within approved limits as detailed in the Originator's lending criteria, the Originator could have determined that, based upon compensating factors, a prospective borrower that did not strictly qualify under the Lending Criteria applicable at that time warranted an underwriting exception.

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***Sale of the Mortgage Portfolio from the Seller to the Issuer***

Pursuant to the terms of the Mortgage Sale Agreement, the Seller will sell, assign or otherwise transfer to the Issuer its beneficial interest in the Mortgage Loans and their associated Related Security on the Closing Date, as well as the benefit of all collections received in respect of the Mortgage Loans during the period from (and including) the Cut-off Date until the Closing Date.

***Legal Title to be initially retained by the Interim Legal Title Holder and transferred to the Legal Title Holder***

The Originator will originally retain Legal Title to the Mortgage Portfolio in its capacity as the Interim Legal Title Holder. The Interim Legal Title Holder will undertake to transfer the Legal Title to the Mortgage Portfolio to the Legal Title Holder during the Transitional Period.

The Legal Title Holder will retain Legal Title to the Mortgage Portfolio from the end of the Transitional Period, and will undertake to transfer legal title when required under the terms of the Mortgage Sale Agreement, as described under "*Perfection Trigger Events*" below, and will provide certain further assurances to the Issuer and the Trustee.

***Consideration***

The sale by the Seller to the Issuer of the Mortgage Loans and their Related Security will be given effect to by an equitable assignment.

The consideration due to the Seller in respect of the Mortgage Portfolio together with its Related Security and the benefit of all collections received in respect of the Mortgage Portfolio for the period from (and including) the Cut-off Date to the Closing Date is expected to comprise of an amount equal to £299,177,980.00 (less the fees and expenses incurred by the Issuer in connection with the Transaction and issuance of the Notes) due on the Closing Date comprising the aggregate amount agreed to be paid by the Issuer to the Seller pursuant to the Mortgage Sale Agreement, together with the granting of the Mortgage Portfolio Purchase Option to the Seller and the issuance to the Seller on the Closing Date of the Class X1 Notes, the Class X2 Notes, the Class Z Notes and the Certificates representing excess spread in respect of the Mortgage Portfolio. The Seller will be entitled to dispose of the Class X1 Notes, the Class X2 Notes, the Class Z Notes and the Certificates in excess of the E.U. Retained Amount on or following the Closing Date and up to 95 per cent. of the Certificates following the Closing Date.

The terms "**sale**", "**sell**" and "**sold**" when used in this Prospectus in connection with the Mortgage Loans shall be construed to mean each such creation of an equitable interest and such equitable assignment.

***Perfection Trigger Events***

- (i) Legal Title will remain with the Interim Legal Title Holder during the Transitional Period. Following the end of the Transitional Period, legal title to the Mortgage Loans and their Related Security will remain with the Legal Title Holder. The completion of the legal assignment or transfer of the Mortgage Loans and Related Security (and, where appropriate, their registration) to the Issuer is, save in the limited circumstances referred to in this section, deferred. Notice of the sale of the Mortgage Loans and their Related Security to the Issuer will not (except as stated herein) be given to any Borrower.
- (ii) Under the Mortgage Sale Agreement and the Deed of Charge, the Issuer (with the consent of the Trustee) and the Trustee (the Trustee's right arising following delivery of an Enforcement Notice) will each be entitled to effect such registrations and give such notices as it considers necessary to protect and perfect its interests in the Mortgage Loans, and to effect a legal assignment or transfer of the Mortgage Loans and the Related Security in favour of the Issuer and a legal sub-mortgage or sub-security over such Mortgage Loans and Related Security in favour of the Trustee, inter alia, upon the occurrence of any of the following events (each, a "**Perfection Trigger Event**"):
  - (a) the delivery of an Enforcement Notice by the Trustee;
  - (b) it becoming necessary by law to do any or all of the acts referred to in paragraph (ii) above;



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- (c) (for as long as Link Mortgage Services Limited is the Servicer) termination of the appointment of the Servicer or resignation of the Servicer and failure of any substitute servicer to assume the duties of the Servicer in such capacity in accordance with the Servicing Agreement after expiration of applicable grace period;
- (d) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Trustee, in jeopardy; or
- (e) any Insolvency Event in relation to the Legal Title Holder or any other entity in which legal title to any Mortgage Loan is vested.

Following such legal assignment or transfer in relation to the Mortgage Loans, the Issuer (with the consent of the Trustee) and the Trustee (following delivery of an Enforcement Notice) will each be entitled to take all necessary steps to protect and perfect legal title to its interests in the Mortgage Loans and Related Security, including the carrying out of any necessary registrations and notifications.

The above rights are supported by irrevocable powers of attorney (including the Legal Title Holder Power of Attorney given by the Legal Title Holder in favour of the Issuer and Trustee).

For so long as neither the Issuer nor the Trustee have obtained legal title to the Mortgage Loans, the Legal Title Holder will undertake in the Mortgage Sale Agreement for the benefit of the Issuer and the Trustee that it will lend its name to, and take such other steps as may reasonably be required by the Issuer or the Trustee in relation to, any legal proceedings in respect of the Mortgage Loans and their Related Security. In carrying out such steps, the Servicer acting on behalf of the relevant Interim Legal Title Holder and the Legal Title Holder under the Servicing Agreement, will act in a manner consistent with the requirements of the relevant Interim Legal Title Holder Policies and Legal Title Holder Policies.

The title information documents and customer files relating to the Mortgage Portfolio are currently held by or to the order of the Interim Legal Title Holder who will undertake to transfer the same to or to the order of the Legal Title Holder by the end of the Transitional Period. The Legal Title Holder has, in turn, undertaken that, until perfection of the assignments contemplated by the Mortgage Sale Agreement, all the title information documents and customer files relating to the Mortgage Portfolio which are at any time in its possession or under its control or held to its order will be held to the order of the Issuer or as the Issuer directs. The Servicer is required by the Servicing Agreement to ensure the safe custody (to the extent held in physical form) or security (if held electronically) of the title deeds relating to the Mortgage Loans and to provide the Issuer and the Trustee with access to them at all reasonable times.

Save as described above, neither the Issuer nor the Trustee will be entitled to effect any registration to perfect the sale of the Mortgage Loans to the Issuer or the granting of security over them by the Issuer in favour of the Trustee, nor will they be entitled to obtain possession of the title deeds to the Properties the subject of the Mortgage Loans.

Notices of the sale to the Issuer and the granting of the Security in favour of the Trustee will not, save as mentioned above, be given to the Borrowers.

***Warranties and consequences of breach of warranty***

The Mortgage Sale Agreement will contain certain representations and warranties given by the Seller to the Issuer and the Trustee in relation to the Mortgage Loans in the Mortgage Portfolio transferred or assigned to the Issuer pursuant to the Mortgage Sale Agreement.

No searches, enquiries or independent investigation of title of the type which a prudent purchaser or mortgagee or heritable creditor would normally be expected to carry out have been or will be made by the Issuer or the Trustee, each of whom is relying entirely on the representations and warranties set out in the Mortgage Sale Agreement.

In the case of breach of any of the representations or warranties given by the Seller on the Closing Date which has or would have a material adverse effect on the relevant Mortgage Loan and its Related Security and which is not capable of remedy or is not remedied within 30 Business Days of being notified by the Issuer to the Seller, the Issuer's only remedy in respect of a breach of any Mortgage Loan Warranty will be to claim damages for breach of that Mortgage Loan Warranty, subject to the liability cap described below.

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The Seller will not be required to repurchase or procure the repurchase of any Mortgage Loan which is the subject of any breach of a Mortgage Loan Warranty. Further, if the Issuer wishes to make a claim in respect of any breach of a Mortgage Loan Warranty, the Issuer must at any time on or before the date falling two years after the Closing Date (the "**Warranty Expiry Date**") give notice of such breach to the Seller. The liability of the Seller in relation to any Warranty Claim shall terminate on the Warranty Expiry Date except in respect of claims of which notice is given to the Seller before the Warranty Expiry Date (time being of the essence in each case). The liability of the Seller in respect of any Warranty Claim shall in any event terminate if proceedings in respect of it have not been commenced within 12 months of the date of such notice.

The Seller's liability in respect of any breach of any Mortgage Loan Warranty shall be limited to not greater than five per cent. of the Current Balance of the relevant Mortgage Loan, provided that the Seller will have no liability to the Issuer in respect of a Mortgage Loan Warranty unless in each case the amount of damages to which the Issuer would be entitled as a result of that Warranty Claim but for such limit exceeds £5,000 per Mortgage Loan that is the subject of that Warranty Claim (unless there are Warranty Claims relating to breaches of the same Mortgage Loan Warranty arising from similar facts where the amount of such claim to which the Issuer would but for such limit be entitled as a result of those Warranty Claims exceeds £20,000 in aggregate).

***Mortgage Loan Warranties***

The representations and warranties of the Seller under the Mortgage Sale Agreement will include, inter alia, the following:

- (i) each Mortgage Loan was originated by the Originator in the ordinary course of its secured lending activities in England and Wales;
- (ii) the Interim Legal Title Holder is the legal owner of the Mortgage Loans and their Related Security;
- (iii) immediately prior to the transfer of the Mortgage Loans and their Related Security pursuant to the Mortgage Sale Agreement, the Seller was the beneficial owner of (and holder of the beneficial interest in) the Mortgage Loans and their Related Security free from all Encumbrances;
- (iv) so far as the Seller is aware, each Mortgage Loan constitutes a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms and secures the repayment of all advances, interest, costs and expenses payable by the Borrower, except that (i) enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies and (ii) this warranty shall not apply in respect of any early repayment charges, mortgage administration exit fees or charges payable in the event of a Borrower default;
- (v) so far as the Seller is aware, each Mortgage Loan is secured by a valid and subsisting first ranking charge by way of legal mortgage over the relevant Property situated in England and Wales (subject only to any registration which may be pending at the Land Registry);
- (vi) all Mortgage Loans are secured over residential property which is situated in England and Wales;
- (vii) the Seller has not received any notice or claim in writing by any Borrower of any threat to take steps to assert any right of set-off, rescission or counter-claim under or in connection with any of the Mortgage Loans and their Related Security;
- (viii) so far as the Seller is aware, in relation to each Mortgage Loan, the Property is registerable in the Land Registry and has been registered;
- (ix) in relation to each Mortgage Loan, the final repayment date will not fall beyond 3 years prior to the Final Maturity Date of the Notes;
- (x) so far as the Seller is aware, no agreement for any Mortgage Loan is in whole or in part a consumer buy-to-let mortgage contract as defined in the Mortgage Credit Directive Order 2015, a regulated mortgage contract as defined by article 61 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) or a regulated credit agreement as defined by article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI

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2001/544) or treated as such by the Consumer Credit Act 1974 (as amended , extended or re-enacted from time to time);

- (xi) so far as the Seller is aware, each Mortgage Loan has been made on the terms, or on substantially similar terms, of the Standard Documentation (so far as applicable);
- (xii) all Mortgage Loans are denominated in Sterling;
- (xiii) so far as the Seller is aware, each Mortgage Loan was originated in accordance with all applicable laws at the time of origination to the extent that failure to comply with those laws would have a material adverse effect on the enforceability of that Mortgage Loan or its Related Security;
- (xiv) so far as the Seller is aware, all Mortgage Loans are made to a Borrower who is either:
  - (a) unless such Borrower is a Corporate Borrower, a natural person who was at least 18 years of age at the date such Borrower submitted the relevant Mortgage Application; or
  - (b) where such Borrower is a Corporate Borrower:
    - (1) such Borrower is a private company incorporated with limited liability in England and Wales;
    - (2) the Seller has not received written notice of any steps having been taken for the liquidation or winding-up of, or the making of an administration order or analogous proceedings in relation to, such Borrower or of any steps having been taken to enforce any security over the assets of such Borrower (including, without limitation, the appointment of any receiver of rent in respect of the Borrower);
    - (3) prior to making the initial advance to such Borrower, the Originator instructed solicitors to undertake to conduct a search at Companies House in relation to such Borrower which revealed that no notices of appointment of a liquidator, administrator, administrative receiver or receiver had been filed and that no resolution had been passed to wind up the Borrower; and
    - (4) the particulars of the relevant Mortgage were registered with the Companies House within 21 days of the date of the grant of the Mortgage;
- (xv) the Seller has not waived in writing any of its rights under the Mortgage Loans and their Related Security against any Borrower nor entered into any arrangements with any Borrower or any other person where that has materially restricted the Seller's ability to enforce the terms of any Mortgage Loans and their Related Security other than those prescribed by any Applicable Laws;
- (xvi) so far as the Seller is aware, the Interim Legal Title Holder has kept or procured the keeping of such accounts, books and records as are necessary to show all material transactions, payments, receipts and proceedings relating to the Mortgage Loans and their Related Security;
- (xvii) no Mortgage Loan contains an obligation on the part of the Interim Legal Title Holder to make any further advance;
- (xviii) to the Seller's knowledge, no fraud has been committed by the Seller in respect of the origination of the Mortgage Loan and the Related Security; and
- (xix) the Seller may freely assign or otherwise transfer its interests therein without breaching any term or conditions applying to any of them.

**Servicer's actions on breach of Mortgage Loan Warranties**

The Servicer has undertaken to, as soon as reasonably practicable upon becoming aware of the breach of a Mortgage Loan Warranty, notify the Issuer and the Seller of the same, including by delivering the Mortgage Loan Warranty Breach Notice on the Seller in accordance with the Mortgage Sale Agreement.

## MORTGAGE REGULATION IN THE UNITED KINGDOM

In the United Kingdom, certain mortgage loans are regulated by FSMA. Consideration is given below to the Mortgage Loans and regulatory matters including unfairness legislation.

### **Mortgages Regulated under FSMA**

Under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the "**RAO**"), a mortgage contract entered into (a) between 31 October 2004 and 21 March 2016 or (b) prior to 31 October 2004 but materially varied between 31 October 2004 and 21 March 2016 (such that the original contract is replaced) is regulated under the RAO (and is therefore a "**Regulated Mortgage Contract**") if:

- (a) the borrower is an individual or trustee;
- (b) the contract provides for the obligation of the borrower to repay to be secured by a first legal mortgage (other than timeshare accommodation) in the United Kingdom; and
- (c) at least 40 per cent. of the land to which it relates 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 wider definition of Regulated Mortgage Contract applies for contracts entered into on or after 21 March 2016 (or entered into before then but materially varied after that date). As a result of the Mortgage Credit Directive (see "**Mortgage Credit Directive**" below), the definition of Regulated Mortgage Contract has been expanded to include loans secured on property that were previously regulated agreements under the Consumer Credit Act 1974 ("**CCA**"). If the mortgage contract was entered into on or after 21 March 2016, it will be a Regulated Mortgage Contract if it meets the following conditions (when read in conjunction with and subject to certain relevant exclusions and qualifications); (a) the borrower is an individual or trustee; and (b) the obligation of the borrower to repay is secured by a mortgage on land in the EEA, at least 40% of which is used, or is intended to be used, (i) in the case of credit provided to an individual, as or in connection with a dwelling; or (ii) in the case of credit provided to a trustee which 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.

A related person (in relation to a borrower, or in the case of credit provided to trustees, a beneficiary of the trust) is broadly the person's spouse, civil partner, parent, brother, sister, child, grandparent or grandchild, or a person with whom the borrower (or in the case of credit provided to trustees, a beneficiary of the trust) has a relationship which is characteristic of a spouse.

In the United Kingdom, subject to certain exemptions, entering into as a lender, arranging or advising in respect of or administering Regulated Mortgage Contracts (or agreeing to do any of these things) are regulated activities under FSMA and the RAO. Conducting regulated activities requires authorisation and permission from the Financial Conduct Authority ("**FCA**").

Article 60D of the RAO provides that a credit agreement is an exempt agreement when less than 40 per cent. of the land is used, or intended to be used, as or in connection with a dwelling by the borrower or a person related to the borrower. The extended conditions relating to the Mortgage Loans envisage that none of the land is to be occupied by the Borrower or their family members and so this exemption appears to have been met. As a result, the Mortgage Loans are unlikely to be regulated credit agreements.

### ***Mortgage Credit Directive***

The Mortgage Credit Directive (2014/17/EU) ("**MCD**") came into effect on 21 March 2016 and applies to: (a) credit agreements secured by a mortgage or comparable security commonly used in a member state of the European Union (a "**Member State**") on residential immovable property, or secured by a right relating to such property and (b) credit agreements used to purchase or retain rights in land or in an existing or in a residential building. The MCD also extends the Consumer Credit Directive to unsecured credit agreements used for the renovation of residential immovable property to a maximum total amount of credit of EUR 75,000. The United Kingdom implemented the MCD via the Mortgage Credit Directive Order 2015. This (i) put in place a new regulatory regime for consumer buy-to-let mortgages: (ii) widened the definition of a Regulated Mortgage Contract to include second mortgages, mortgages over secured land located within the EEA (rather than just the UK), timeshare accommodation and equitable mortgages; and (iii) transferred

the regulation of some existing regulated credit agreements (e.g. second charge loans) from the consumer credit regime to the Regulated Mortgage Contract regime. The new requirements became mandatory on 21 March 2016.

The regulatory regime for consumer buy-to-let mortgages is unlikely to be relevant to the Mortgage Loans on the basis that the Originator's policy has been to extend these loans only to "professional investors", those who own a minimum of three existing buy-to-let properties and have two years' experience of the buy-to-let market. The Mortgage Loans are therefore unlikely to qualify as consumer buy-to-let mortgages.

Any further changes in the regulatory framework may adversely affect the Mortgage Loans, the Legal Title Holder, the Seller and/or the Servicer and their respective businesses and operations.

#### ***Current regulation of consumer credit***

The Mortgage Loans in the Provisional Mortgage Portfolio were entered into on or after 29 May 2015 and are not regulated mortgage contracts under the FSMA regime. Whether the Mortgage Loans constitute regulated credit agreements for the purposes of the RAO or the CCA is therefore relevant.

Since 1 April 2014, the licensing regime for firms wishing to carry on certain regulated activities relating to regulated credit agreements transferred from the CCA to FSMA and the RAO. Under the RAO, a credit agreement is not a regulated credit agreement if it is an exempt agreement. Section 60D of the RAO provides that a credit agreement is an exempt agreement where less than 40 per cent. of the land is used, or intended to be used, as or in connection with a dwelling by the borrower or a person related to the borrower. The extended conditions relating to the Mortgage Loans envisage that none of the land is to be occupied by the Borrower or their family members and so this requirement appears to have been met. As a result, the Mortgage Loans are unlikely to be regulated credit agreements.

#### ***The Mortgage Credit (Amendment) (EU Exit) Regulations 2019***

The Mortgage Credit (Amendment) (EU Exit) Regulations 2019 will take effect on the date of the UK's exit from the European Union, as part of the complementary legislation to be enacted by the United Kingdom parliament as part of the UK's withdrawal from the European Union.

This statutory instrument does not make any substantial policy changes. However, there are certain necessary amendments that are required once the United Kingdom is no longer part of the European Union. This includes an amendment to the territorial scope of regulated consumer buy-to-let lending; this would no longer apply to land in EEA states, but only to land within the UK. There is also an amendment to the rules for consumer buy-to-let foreign currency mortgages, and amendments to the formula for the annual percentage rate of charge for consumer buy-to-let mortgages, whereby the United Kingdom treasury will be conferred the power to make regulations to amend the assumptions on which these calculations are made. These changes are unlikely to be relevant to the Mortgage Loans as they mostly deal with regulated consumer buy-to-let lending.

#### ***Unfair Terms in Consumer Contracts***

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 Regulations 1994 (together with the 1999 Regulations, the "**UTCCR**"), apply to business-to-consumer agreements made between 1 July 1995 and 30 September 2015, and the "consumer" for these purposes falls within the definition provided in the UTCCR), where the terms have not been individually negotiated. The UTCCR apply to all of the Mortgage Loans entered into with consumers within that period. The Consumer Rights Act 2015 ("**CRA**") applies to all of the Mortgage Loans entered into with consumers on or after 1 October 2015, (see below).

Where the UTCCR apply, they provide that:

- (a) a consumer (which would include an individual borrower who is acting under the Mortgage Loans for purposes which are outside their trade, business or profession but would not include a corporate borrower who does not qualify as consumer because they are acting in the context of their trade, business or profession under the Mortgage Loans) may challenge a standard term in an agreement on the basis that it is "unfair" within the UTCCR and 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

- (b) the lead enforcement body and any qualifying body for the UTCCR (such as the FCA) may seek to prevent a business from relying on unfair terms.

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.

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), but may affect other terms, such as the lender's power to vary the interest rate or 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 Legal Title Holder is permitted to do) is found to be unfair, the borrower will not be liable to pay interest at the increased rate.

Whilst the FCA has powers to enforce the UTCCR, it would be for a court to determine the proper interpretation. The broad wording of the UTCCR makes an assessment of the fairness of terms largely subjective and therefore difficult to predict whether or not a term would be held by a court to be unfair. If any term of the Mortgage Loans is found to be unfair under the UTCCR, this may adversely affect the ability of the Issuer to make payments to Noteholders on the Notes.

### ***Consumer Rights Act 2015***

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. The CRA revoked the UTCCR, making only minor changes to the unfairness regime under the UTCCR for contracts made on or after 1 October 2015. Agreements entered into before the CRA came into force on 1 October 2015 continue to be subject to the UTCCR.

Like the UTCCR, if 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 to 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 area of law continues to develop and further regulatory guidance and case law may follow. In December 2018, the FCA published new guidance on unfair contract terms, "*Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015*" (FG 18/7). The finalised guidance outlines a comprehensive list of factors financial services firms should consider under the CRA when drafting and reviewing variation terms in their consumer contracts. The factors that the FCA considers to be indicative of fairness and transparency of a variation term include whether the consumer has freedom to exit the contract in the case of an unfavourable variation, and whether the variation is reasonably necessary to achieve a legitimate purpose.

In December 2019, the FCA has issued the '*Unfair Contract Terms Regulatory Guide: Release 45*'. This Guide explains the FCA's formal powers under the CRA in relation to unfair terms and consumer notices. It also provides guidance on the approach the FCA takes before considering whether to exercise its formal powers under the CRA in relation to unfair terms and notices.

### ***Unfair Relationships***

Sections 140A – C of the CCA sets out an "unfair relationship" test which applies to all existing and new credit agreements except Regulated Mortgage Contracts and "regulated home purchase plans" (as defined in the RAO), whether or not they were regulated under the CCA and/or are regulated credit agreements. The test explicitly imposes liability to repay amounts received from a borrower on both the originator and any assignee, such as the issuer.

In applying the "unfair relationship" test, the courts can consider a wide range of circumstances surrounding the transaction, including the creditor's conduct before and after making the agreement. There is no statutory definition of the word "unfair" as the intention is for the test to be flexible and subject to judicial discretion. The courts may, but are not obliged to, look solely to section 140C of the CCA for guidance. If a borrower

alleges that an unfair relationship exists, the burden of proof is on the creditor to prove the contrary. There have been a number of legal cases where an unfair relationship has been the basis of litigation in consumer credit disputes and, in each case, the court has reached its conclusions based on the specific facts of the case before it.

### ***Repossessions***

Borrowers under owner-occupied residential mortgage agreements are generally afforded greater protection against repossessions than borrowers under buy-to-let mortgage agreements.

The pre-action protocol for repossessions based on mortgage or home purchase plan arrears in respect of residential property in England and Wales sets out steps that judges expect any lender to take before starting a claim. A number of mortgage lenders, have confirmed that they will delay the repossession action for at least six months after a Borrower who is an owner-occupier is in arrears. Such moratorium is subject to the wishes of the relevant borrower and may not apply in cases of fraud.

The Mortgage Repossession (Protection of Tenants etc) Act 2010 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. Additionally, under the Dwelling Houses (Execution of Possession Orders by Mortgagees) Regulations 2010, the lender has to serve at least 14 days' notice of its intention to execute a possession order over residential premises which have been let.

### ***Financial Ombudsman Service***

Under the FSMA, the Financial Ombudsman Service (the "**Ombudsman**") is required to make decisions on (among other things), complaints relating to activities and transactions under its jurisdiction on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all circumstances of the case taking into account (among other things), law and guidance.

Complaints brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman.

Complaints to the Ombudsman may not be available in respect of the Mortgage Loans on the basis that the Mortgage Loans are unregulated and entered into for business purposes. If complaints can be brought under the Ombudsman then the Seller may not be aware that a complaint has been made to the Ombudsman until it is notified of such complaint. Further, the Mortgage Loans may from time to time be the subject of a complaint where the basis of such complaint does not pertain to the validity or enforceability of such Mortgage Loans and does not affect the ability of the Seller to collect payments due in respect of such Mortgage Loan. However, as the Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a monetary award to a complaining borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments to Noteholders.

### ***Impact of Consumer Protection from Unfair Trading Regulations 2008***

On 11 May 2005, the European Parliament and the Council adopted a Directive (2005/29/EC) regarding unfair business to consumer commercial practices (the "**Unfair Practices Directive**"). Generally, this Directive applies full harmonisation, which means that member states of the European Union may not impose more stringent provisions in the fields to which full harmonisation applies. By way of exception, in March 2013, the European Commission published a report on the application of the Unfair Practices Directive which (among other things) permits member states of the European Union to impose more stringent provisions in the fields of financial services and immovable property, such as mortgage loans.

The Unfair Practices Directive provides that enforcement bodies may take administrative action or legal proceedings against a commercial practice on the basis that it is "unfair" within this Directive. The Unfair Practices Directive is intended to protect only collective interests of consumers, and so is not intended to give any claim, defence or right to set off to an individual consumer.

The Unfair Practices Directive has been implemented in the UK through the Consumer Protection from Unfair Trading Regulations (the "CPUTR"), which came into force on 26 May 2008 and affects all contracts entered into with persons who are natural persons and acting for purposes outside their respective business. Although the CPUTR is not solely concerned with financial services, it does apply to the residential mortgage market but only in so far as the mortgages are entered into with consumers. For the purposes of the CPUTR, a consumer is "an individual acting for purposes that are wholly or mainly outside that individual's business". Under the CPUTR a commercial practice is to be regarded as unfair and prohibited if it is:

- (a) contrary to the standard of special skill and care which a trader may reasonably be expected to exercise towards consumers, commensurate with honest market practice and/or general principles of good faith in the trader's field of activity; and
- (b) materially distorts or is likely to materially distort the economic behaviour of the average consumer (who is reasonably well informed and reasonably observant and circumspect, and taking into account social, cultural and linguistic factors) who the practice reaches or to whom it is addressed (or where a practice is directed at or is of a type which may affect a particular group of consumers, the average consumer of that group).

In addition to the general prohibition on unfair commercial practices, the CPUTR contains provisions aimed at aggressive and misleading practices (including, but not limited to: (i) pressure selling; (ii) misleading marketing (whether by action or omission); and (iii) falsely claiming to be a signatory to a code of conduct) and a list of practices which will in all cases be considered unfair. The effect (if any) of the CPUTRs on the mortgage loans, the seller or the issuer and their respective businesses and operations will depend on whether those entities engage in any of the practices described in the CPUTR. Whilst engaging in an unfair commercial practice does not render a contract void or unenforceable, to do so is an offence punishable by a fine and/or imprisonment and the possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreement may result in unrecoverable losses on amounts to which such agreements apply.

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.

On 14 March 2013 the Commission published the results of its review on the application of the Unfair Practices Directive. The Commission did not propose amending the directive but indicated that intensified national enforcement and re enforced cooperation in cross border enforcement were needed. The Commission also indicated that it would consider how it could play a more active role in enforcement and would continue to perform in-depth reviews of how the directive works in practice.

The CPUTR will only apply to the Mortgage Loans to the extent that they are entered into with consumers. No assurance can be given that the United Kingdom's implementation of the Unfair Practices Directive will not have a Material Adverse Effect on the Mortgage Loans and accordingly on the liability of the Issuer to make payments to the holders of the Notes.



## SERVICING

### **Mortgage Servicing**

On the Closing Date, Link Mortgage Services Limited (as the Servicer) will be appointed by the Issuer under the Servicing Agreement as its agent to administer the Mortgage Loans and their Related Security. The Servicer will undertake to comply with any proper directions and instructions that the Issuer and (following the delivery of an Enforcement Notice) the Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement. The Servicer will be required to administer the Mortgage Loans and their Related Security in accordance with the Servicing Agreement and with the same level of skill, care and diligence as would a Prudent Mortgage Lender and its actions in doing so are binding on the Issuer and (where applicable) the Legal Title Holder.

The Servicer's actions in servicing of the Mortgage Loans in accordance with its procedures and the Servicing Agreement will be binding on the Issuer. The Servicer may, in some circumstances, delegate or subcontract some or all of its responsibilities and obligations under the Servicing Agreement. However, the Servicer will remain liable at all times for the servicing of the Mortgage Loans and for the acts or omissions of any delegate or subcontractor.

### **Powers**

Subject to the guidelines for servicing set forth above, the Servicer will have the power, *inter alia*:

- (a) to exercise the rights, powers and discretions of the Issuer in relation to the Mortgage Loans and their Related Security and to perform its duties in relation to the Mortgage Loans and their Related Security; and
- (b) to do or cause to be done any and all other things which it reasonably considers necessary or convenient or incidental to the servicing of the Mortgage Loans and their Related Security or the exercise of such rights, powers and discretions.

### **Undertakings by the Servicer**

The Servicer will undertake, in relation to the Mortgage Loans and their Related Security, among other things, that it will:

- (a) administer the relevant Mortgage Loans and their Related Security as if the same had not been sold to the Issuer but had remained on the books of the relevant Legal Title Holder and in accordance with the relevant Legal Title Holder's procedures and servicing and enforcement policies as they apply to the Mortgage Loans from time to time;
- (b) provide the Services in such manner and with the same level of skill, care and diligence as would a Prudent Mortgage Lender;
- (c) comply with any reasonable and proper directions, orders and instructions which the Issuer and/or the relevant Legal Title Holder and/or the Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement, the Client Manual and any relevant Servicer Mandate;
- (d) maintain all approvals, authorisations, permissions, consents and licences required by the 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 the Servicer in connection with the performance of the Services;
- (e) not knowingly fail to comply with any Regulatory Requirement in the performance of the Services;
- (f) make all payments required to be made by it pursuant to the Servicing Agreement on the due date for payment thereof in Sterling (or as otherwise required under the Transaction Documents) in immediately available funds for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim but subject to any deductions required by law;

- (g) transfer an amount equal to the Daily Mortgage Loan Amount from the Interim Collection Account (during the Transitional Period) or the Collection Account (following the end of the Transition Period) into the Issuer Account no later than the next Business Day after that Daily Mortgage Loan Amount is identified as received in the Interim Collection Account or the Collection Account (as applicable);
- (h) not without the prior written consent of the Trustee amend or terminate any of the Transaction Documents except in accordance with their terms;
- (i) forthwith upon becoming aware of any event which may reasonably give rise to an obligation of the Seller to make a payment of damages resulting from a breach of any Mortgage Loan Warranty pursuant to the Mortgage Sale Agreement, notify the Issuer, the Trustee, the Seller and (on and from the end of the Transitional Period) the Legal Title Holder in writing of such event;
- (j) if at any time the Servicer receives any money (other than sums credited to the Interim Collection Account of the Collection Account) arising from the Mortgage Loans and the Related Security, hold such money upon trust for the Issuer as beneficial owner thereof and shall keep such money separate from other money held by it and shall promptly upon receipt transfer such money to the Issuer Account;
- (k) provide such information as may be reasonably requested by the Seller, the Issuer, or the Cash Manager (on behalf of the Issuer) for the purposes of enabling the Seller or the Issuer to comply with their respective obligations under Article 7 of the Securitisation Regulation; and
- (l) notify the Issuer (as the designated entity pursuant to Article 7(2) of the Securitisation Regulation) and the Cash Manager (on behalf of the Issuer) of any inside information and any significant event solely to the extent that it becomes aware of such information for the purposes of assisting the Issuer with its obligations under Articles 7(1)(f) and 7(1)(g), as applicable, of the Securitisation Regulation.

### **Servicing Procedures**

From and including the Closing Date, subject to the terms of the Servicing Agreement, the Issuer will grant the Legal Title Holder the full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to determine and set in relation to the Mortgage Loans sold by the Seller to the Issuer, the LIBOR referencing rate (and such other floating rate as may replace LIBOR) and any other discretionary rates or margins applicable in relation to the Mortgage Loans and the Legal Title Holder.

### **Further advances, product switches and porting**

Each of the Servicer, the Interim Legal Title Holder and the Legal Title Holder will undertake in favour of the Issuer not to agree to any requests for a further advance, product switch or porting from any Borrower unless required to do so in accordance with applicable law or regulations.

### **Determination of Interest Rates on the Mortgage Loans**

The interest due on the Floating Rate Mortgage Loans and, following the expiry of the relevant Fixed Rate Term, the Fixed Rate Mortgage Loans, is set by reference to 3 Month Sterling LIBOR (as determined in accordance with the relevant Mortgage Conditions) (such variable interest rate, the "**Floating Mortgage Rate**") plus the relevant margin. Subject to the terms of the Mortgage Sale Agreement, the Issuer grants the Servicer full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to determine the LIBOR (as defined in the Mortgage Conditions) for the purposes of further determining the Floating Mortgage Rates in relation to the Floating Rate Mortgage Loans and, following the expiry of the relevant fixed period, the Fixed Rate Mortgage Loans.

The terms of the Mortgage Loan Agreements are silent on the applicable fallback in connection with the discontinuation of LIBOR. The Legal Title Holder and the Servicer will undertake in the Servicing Agreement to undertake such steps as may be required in connection with the discontinuation of LIBOR by the applicable regulatory guidance and with regard to the general duties of the Legal Title Holder to treat customers fairly.

## Reporting

In accordance with the Servicing Agreement, the Servicer will prepare and provide to the Cash Manager for publication a monthly investor data tape containing certain loan-by-loan information in relation to the Mortgage Loans comprised in the Mortgage Portfolio in respect of the relevant Collection Period (the "**Monthly Investor Data Tape**") in respect of each month. The Monthly Investor Data Tapes will be provided by the Servicer to the Cash Manager for publication by no later than (i) in a month where an Interest Payment Date does not occur, the Monthly Reporting Date; and (ii) in a month where an Interest Payment Date occurs, the Quarterly Reporting Date.

In addition, the Servicer will provide a BoE Data Tape on a monthly basis and submit each BoE Data Tape to EuroABS for publication at [www.euroabs.com](http://www.euroabs.com) (which website does not and the contents available on it do not form part of this Prospectus). See also "*Cash Management – Investor Reports*".

## Securitisation Regulation Reporting

Prior to the ESMA Template Effective Date and upon the Issuer or the Servicer becoming aware of ESMA (or any relevant regulatory or competent authority) publishing or amending any regulatory technical standards (including any required reporting templates) under the Securitisation Regulation, the Servicer will consult with the Cash Manager, the Seller and the Issuer and will use all reasonable endeavours to amend from time to time (to the extent needed) the format of the Monthly Servicer Reports and Monthly Investor Data Tapes and include such additional and/or amended information as required to enable the Issuer and the Cash Manager to make available and publish the relevant reports and loan level information under the Cash Management Agreement. The Issuer will reimburse the Servicer for any reasonably incurred costs by the Servicer in amending the format of any reports it is required to provide to the Cash Manager and in fulfilling any additional reporting obligations arising as a result.

## Right of Delegation by the Servicer

The Servicer may subcontract or delegate the performance of its duties under the Servicing Agreement, **provided that** it meets particular conditions, including that:

- (a) the Servicer shall use all reasonable skill and care in the selection of any subcontractor or delegate;
- (b) written notification has been given to each of the Issuer, the Trustee and the Rating Agencies;
- (c) where the arrangements involve the custody or control of any customer files and/or title information documents, the subcontractor or delegate has executed a written acknowledgement in form and substance acceptable to the Issuer and Trustee that those customer files and/or title information documents are and will be held to the order of the Issuer and the Trustee;
- (d) where the arrangements involve or may involve the receipt by the subcontractor or delegate of moneys belonging to the Issuer which, in accordance with the Servicing Agreement, are to be paid into the Issuer Account, the subcontractor or delegate holds any such moneys on trust for the Issuer which will be paid forthwith into the Issuer Account in accordance with the terms of the Servicing Agreement and other applicable Transaction Documents;
- (e) the subcontractor or delegate has executed a written waiver of any Encumbrance arising in connection with the delegated services (to the extent that such encumbrance relates to the Mortgage Portfolio or any amount referred to in (d) above);
- (f) the subcontractor or delegate has confirmed that it has and will maintain all requisite licences, approvals, authorisations and consents, to enable to fulfil its obligations under or in connection with any such arrangements;
- (g) the Servicer shall be solely responsible for any fees and expenses payable to any sub-contractor or delegate and neither the Issuer nor the Trustee shall have any obligation in respect of any Liabilities payable to or suffered or incurred by such subcontractor or delegate or arising from the entering into, the amendment or the termination of any arrangement with any subcontractor or delegate other than in respect of the Issuer any liability which the Issuer would have to the Servicer if no such delegation had occurred;

- (h) such delegation will not cause the Issuer to have a taxable presence in any jurisdiction other than the United Kingdom; and
- (i) such delegation will not cause the Issuer to become subject to any Tax which it would not otherwise have become subject to, either directly or indirectly, and would not cause the imposition of any withholding tax.

The provisos set out in paragraphs (b), (c), (d) and (e) above will not be required in respect of any delegation to persons such as insurance brokers, accountants, insolvency practitioners, auctioneers, bailiffs, sheriff officers, debt counsellors, tracing agents, licensed conveyancers, qualified conveyancers, valuers, surveyors, estate agents, property management agents, receivers, solicitors or other relevant professional advisers.

Notwithstanding any subcontracting or delegation of the performance of its obligations under the Servicing Agreement, the Servicer shall remain responsible for the performance of all of the obligations of the Servicer under the Servicing Agreement, and the performance or non-performance or the manner of performance by any subcontractor or delegate of any of the Services shall not affect the Servicer's obligations under the Servicing Agreement and any breach in the performance of the Services by such subcontractor or delegate shall, subject to the Servicer being entitled for a period of 20 Business Days from the Servicer becoming aware of or receiving written notice of any breach by any subcontractor or delegate to remedy such breach, be treated as a breach of the Servicing Agreement by the Servicer.

#### **Replacement of the Collection Account Bank**

If at any time the Collection Account Bank ceases to have the Collection Account Bank Rating, the Legal Title Holder or the Servicer (on behalf of the Legal Title Holder) shall on behalf of, and at the sole cost and expense of, the Issuer:

- (a) terminate the appointment of the Collection Account Bank in accordance with the Collection Account Agreement and use commercially reasonable efforts to procure that the funds standing to the credit of the Collection Accounts are promptly transferred from the Collection Accounts and placed on deposit on terms the same or substantially the same (*mutatis mutandis*) as the Collection Account Agreement with an institution:
  - (i) that maintains ratings at least equal to the Collection Account Bank Ratings;
  - (ii) that is a bank for the purposes of section 991 of the Income Tax Act 2007 and payments of interest (if any) are made in the ordinary course of its business within the meaning of section 878 of the Income Tax Act 2007; and
  - (iii) that is an institution authorised to carry on banking business including accepting deposits under the FSMA; or
- (b) obtain a guarantee of the Collection Account Bank's obligations under the Collection Account Agreement from a bank with ratings at least equal to the Collection Account Bank Ratings,

in each case, within 60 calendar days of the date on which the Collection Account Bank ceases to have the Collection Account Bank Ratings, provided that such period can be extended for up to an additional 60 days (or, in the case of a downgrade relating to an S&P rating, 30 days) if the Legal Title Holder or the Servicer (on behalf of the Legal Title Holder) provides the Trustee and the Rating Agencies with a written action plan before expiration of the initial 60 days period including the remedy steps taken and to be taken within such extended period.

#### **Enforcement Procedures**

In relation to any default by any Borrower under or in connection with a Mortgage Loan or its Related Security, the Servicer shall comply with the Servicer Enforcement Procedures or, to the extent that the Servicer Enforcement Procedures are not applicable, it shall have regard to the nature of the default in question and comply with the usual procedures undertaken by a Prudent Mortgage Lender in connection with defaults of a similar nature provided that:

- (a) the Servicer shall only become obliged to comply with the Servicer Enforcement Procedures (to the extent applicable) or to take action after it has become aware of the default; and
- (b) the Servicer may exercise discretion as would a Prudent Mortgage Lender in applying the Servicer Enforcement Procedures to any particular defaulting Borrower or in taking action, provided that in exercising such discretion the interests of the Issuer in the Mortgage Portfolio are not materially prejudiced and, without limitation, the ability of the Issuer to claim for breach of warranty under the Mortgage Sale Agreement is not prejudiced.

The Servicer shall procure that if, upon completion of the Servicer Enforcement Procedures, an amount in excess of all sums due from the relevant Borrower under the relevant Mortgage Loan and its Related Security is recovered or received, the balance, after discharge of all sums due from that Borrower under the relevant Mortgage Loan and its Related Security, is paid to the relevant Borrower or the person or persons entitled thereto or, if such person cannot be found, is paid into court.

The Servicer is indemnified on demand by the Issuer against all costs, claims or expenses which may be incurred or suffered by the Servicer in the enforcement of any Mortgage Loan or the Issuer's and/or the Trustee's rights and remedies in relation thereto (save for any costs or claims incurred or suffered as a result of a Breach of Duty on the part of the Servicer).

### **Termination**

The Issuer (prior to delivery of an Enforcement Notice) with the written consent of the Trustee, or the Trustee itself (following delivery of an Enforcement Notice), (in the case of (a), (b) or (c) below) shall deliver written notice to the Servicer on becoming aware of the relevant Servicer Termination Event to terminate the Servicer's appointment with effect from the date of receipt of such notice (and in the case of (d) such notice shall be deemed to have been given to terminate the Servicer's appointment as Servicer under the Servicing Agreement with immediate effect) if any of the following events (each a "**Servicer Termination Event**") occurs:

- (a) *Non-Payments*: the Servicer defaults in the payment of any amount due under the Servicing Agreement or any other Transaction Documents to which it is party and fails to remedy that default for a period of 15 Business Days after the earlier of the Servicer becoming aware of the default and the Servicer being in receipt of written notice from the Issuer or (following service of an Enforcement Notice) the Trustee requiring the default to be remedied;
- (b) *Breach of other obligations*: default is made by the Servicer in the performance or observance of any of its other covenants and obligations under the Servicing Agreement or any other Transaction Document to which it is a party, which in the opinion of the Issuer or (following service of an Enforcement Notice) the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class of Notes (which determinations shall be conclusive and binding on all other Secured Creditors) and such default continues unremedied for a period of 15 Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (following delivery of an Enforcement Notice) the Trustee, as appropriate, requiring the same to be remedied;
- (c) *Licences*: failure by the Servicer to obtain or maintain the necessary licences, registrations, authorisations or regulatory approvals enabling it to continue servicing the Mortgage Loans; or
- (d) *Insolvency*: an Insolvency Event occurs in relation to the Servicer,

provided that the Servicer's appointment shall not be terminated until a successor servicer (the "**Successor Servicer**") has been appointed.

Upon and following the termination of appointment of the Servicer as servicer under the Servicing Agreement, the Issuer will be required to use its reasonable endeavours (assisted by the Back-Up Servicer Facilitator) to appoint a Successor Servicer which satisfies the conditions set out in the Servicing Agreement.

Additionally, the Issuer may terminate the appointment of the Servicer under the Servicing Agreement without cause upon the expiry of not less than 180 days' written notice of termination by the Issuer to the Servicer with a copy to the Trustee (or by such shorter period of notice as may be agreed between the

Servicer, the Issuer, the relevant Legal Title Holder, the Seller and the Trustee), provided that (a) such date of termination falls more than 36 months following the Closing Date; and (b) a Successor Servicer has been appointed. Such termination will be subject to the payment by the Issuer of the Servicer Break Costs.

Subject to the fulfilment of a number of conditions (including the appointment of a Successor Servicer), the Servicer may voluntarily resign by giving not less than 180 days' notice to the Issuer and the Trustee (or by such shorter period of notice as may be agreed between the Servicer, the Issuer, the Legal Title Holder, the Seller and Trustee), provided that (a) the date of such termination falls more than 36 months following the Closing Date; (b) the Issuer and the Trustee consent in writing to such termination, such consent in the case of the Trustee to be given on satisfaction of conditions to appointment of a Successor Servicer; and (c) a Successor Servicer shall have been appointed, such appointment to be effective not later than the date of such termination and the Servicer shall notify the Rating Agencies in writing of the identity of such Successor Servicer.

The Successor Servicer will be required, among other things, to have experience of administering and managing mortgage loans secured on residential properties in the United Kingdom and to enter into a servicing agreement with the Issuer and the Trustee substantially on the same terms as the relevant provisions of the Servicing Agreement.

If the appointment of the Servicer is terminated pursuant to the Servicing Agreement, the Servicer must as soon as reasonably practicable deliver the title information documents and customer files relating to the Mortgage Loans and Related Security to, or at the direction of, the Issuer.

Where a Successor Servicer is appointed following the occurrence of a Servicer Termination Event, or the voluntary resignation by the Servicer, the Issuer's costs and expenses associated with the transfer of servicing to the Successor Servicer (the "**Transfer Costs**") will be paid by the Servicer. Where the Servicer fails to pay such Transfer Costs, the Issuer shall pay such Transfer Costs in accordance with the Pre-Enforcement Revenue Priority of Payments.

#### **Back-Up Servicer Facilitator**

The Issuer will appoint the Back-Up Servicer Facilitator in accordance with the Servicing Agreement. If the Servicer's appointment is terminated, the Back-Up Servicer Facilitator shall use reasonable efforts to identify, on behalf of the Issuer, and assist the Issuer in the appointment of a suitable replacement servicer in accordance with the Servicing Agreement.

#### **Liability of the Servicer**

The Issuer shall at all times indemnify and hold the Servicer and/or the Legal Title Holder harmless against any Liability (but excluding any liability to Tax) incurred by the Servicer and/or the Legal Title Holder arising out of any act or omission of the Servicer and/or the Legal Title Holder taken or omitted to be taken in accordance with or related to the Servicing Agreement, in each case, other than any Liability to the extent arising as a result of Breach of Duty of the Servicer and/or the Legal Title Holder (as applicable) or breach by the Servicer and/or the Legal Title Holder (as applicable) in performing its obligations under the Servicing Agreement.

The maximum liability of the Servicer under the Servicing Agreement is limited to a capped amount of the aggregate of the Servicing Fees payable under the Servicing Agreement in any twelve month period for all claims arising in that twelve period.

## CASH MANAGEMENT

### Cash Manager

The Issuer has appointed the Cash Manager pursuant to the Cash Management Agreement. Pursuant to the Cash Management Agreement, the Cash Manager will agree to provide certain cash management and other services to the Issuer. The Cash Manager's principal functions will be effecting payments to and from the Issuer Account and effecting payments from the Interest Rate Swap Collateral Account and making corresponding calculations and determinations on behalf of the Issuer.

The Cash Manager may, with the prior written consent of the Issuer and the Trustee, appoint any person as its sub-contractor to carry out all or part of the cash management services subject to certain conditions, including that the Cash Manager shall not be released or discharged from any liability whatsoever under the Cash Management Agreement.

### Compensation of the Cash Manager

The Cash Manager will receive a cash management fee for the performance of the cash management services. The Issuer will pay the Cash Manager its cash management fee (exclusive of any applicable VAT) quarterly in arrears on each Interest Payment Date only to the extent that the Issuer has sufficient funds in accordance with the relevant Priority of Payments to pay them. Any unpaid balance will be carried forward until the next Interest Payment Date and, if not paid earlier, will be payable in full on the Final Maturity Date or on any earlier date on which an Enforcement Notice is served by the Trustee on the Issuer.

### Investor Reports

The Issuer (in its capacity as the designated entity pursuant to Article 7(2) of the Securitisation Regulation) has requested that the Servicer and the Cash Manager assist the Issuer in the preparation and publication of the Investor Reports.

The Cash Manager will (with the assistance of the Servicer and the Issuer) prepare and publish the Quarterly Investor Reports on a quarterly basis in respect of the three immediately preceding Collection Periods prior to the relevant Interest Payment Date containing information in relation to the Notes including, but not limited to, ratings of the Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments, required counterparty information, the Retention Holders' holding of the Notes (as confirmed to the Cash Manager) to be provided in relation to the Mortgage Portfolio and the Notes. The first Quarterly Investor Report shall be published within one month of the First Interest Payment Date and thereafter shall be published on a quarterly basis.

The Servicer will prepare and provide to the Cash Manager for publication the Monthly Investor Data Tapes and the Monthly Servicer Reports (see "*Servicing - Reporting*" for more detail). The Monthly Investor Data Tapes will be published by the Cash Manager on the Cash Manager's website at [www.pivot.usbank.com](http://www.pivot.usbank.com). Additionally, the Servicer will prepare, on a monthly basis, the BoE Data Tapes and submit each BoE Data Tape to EuroABS for publication at [www.euroabs.com](http://www.euroabs.com). Neither of the websites referred to in this paragraph nor the contents available on either of them form part of this Prospectus.

### Removal or Resignation of the Cash Manager

If any of the following events (each a "**Cash Manager Termination Event**") shall occur:

- (a) *Non-payment*: default is made by the Cash Manager in ensuring the payment on the due date of any payment due and payable by it under the Cash Management Agreement and such default continues (where capable of remedy) unremedied for a period of 3 Business Days from the earlier of (i) the Cash Manager becoming aware of such default or (ii) the receipt by the Cash Manager of written notice from the Issuer (prior to the delivery of an Enforcement Notice) or the Trustee (after the delivery of an Enforcement Notice) requiring the default to be remedied;
- (b) *Breach of other obligations*: default is made by the Cash Manager in the performance or observance of any of its other material covenants and obligations under the Cash Management Agreement, which in the opinion of the Issuer is materially prejudicial to the interests of the Noteholders and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default (where capable of remedy) and receipt

by the Cash Manager of written notice from the Issuer (prior to the delivery of an Enforcement Notice) or the Trustee (after delivery of an Enforcement Notice) requiring the same to be remedied (where capable of remedy) **provided that** no period for remedy shall apply in circumstances where in the opinion of the Issuer (prior to the delivery of an Enforcement Notice) or in the opinion of the Trustee (after the delivery of an Enforcement Notice) such breach shall be incapable of remedy;

- (c) *Unlawfulness*: it is or will become unlawful for the Cash Manager to perform or comply with any of its obligations under the Cash Management Agreement;
- (d) *Insolvency Event*: an Insolvency Event occurs in relation to the Cash Manager;
- (e) *Quarterly Investor Report*: the Cash Manager does not provide the Quarterly Investor Report in accordance with the terms of the Cash Management Agreement; or
- (f) *Paying Agent instructions*: the Cash Manager fails, in respect of an Interest Payment Date, to deliver the required notice to the Principal Paying Agent setting out, inter alia, principal and interest to be paid on such Interest Payment Date in accordance with the terms of the Cash Management Agreement,

then the Issuer or (following delivery of an Enforcement Notice) the Trustee shall upon becoming aware of the relevant Cash Manager Termination Event, deliver a notice (a "**Cash Manager Termination Notice**") of such Cash Manager Termination Event to the Cash Manager (with a copy to the Issuer or the Trustee, as applicable) to terminate its appointment as Cash Manager under the Cash Management Agreement immediately or at any time after the occurrence of such a Cash Manager Termination Event the effect of which shall be to terminate the Cash Manager's appointment under the Cash Management Agreement from the later of (i) the date specified in such notice and (ii) the appointment of a suitable substitute cash manager in accordance with the provisions of the Cash Management Agreement (the "**Cash Manager Termination Date**") **provided that**, the Cash Manager's appointment shall not be terminated until a successor Cash Manager has been appointed.

#### **Account Bank Agreement**

Pursuant to the terms of the Account Bank Agreement, the Issuer will maintain with the Issuer Account Bank the Issuer Account and the Interest Rate Swap Collateral Account.

The Issuer shall cause the following ledgers to be established in respect of the Issuer Account: (i) the Reserve Fund Ledger (such ledger recording amounts constituting the Reserve Fund); (ii) the Liquidity Reserve Fund Ledger (such ledger recording amounts constituting the Liquidity Reserve Fund); (iii) the Non-Liquidity Reserve Fund Ledger (such ledger recording amounts constituting the Non-Liquidity Reserve Fund); (iv) the Principal Ledger; (v) the Revenue Ledger; (vi) the Principal Deficiency Ledger; and (vii) the Issuer Profit Ledger. The Issuer will also cause the Interest Rate Swap Collateral Ledger to be established in respect of the Interest Rate Swap Collateral Account and any Custody Account to record the amounts of the Interest Rate Swap Collateral and certain other related amounts.

The Issuer Account and the Interest Rate Swap Collateral Account will be operated in accordance with the Account Bank Agreement, the Cash Management Agreement and the Deed of Charge. See the section headed "*Key Structural Features – Credit Enhancement, Liquidity Support, and Priority of Payments*" for more detail.

If at any time the Issuer Account Bank ceases to have the Issuer Account Bank Rating, the appointment of the Issuer Account Bank shall be terminated by the Issuer.

The appointment of the Issuer Account Bank may be terminated in other circumstances by the Issuer (in certain cases only with the consent of the Trustee) or (following the delivery of an Enforcement Notice) the Trustee or automatically upon an Insolvency Event in relation to the Issuer Account Bank, in each case in accordance with the provisions set out in the Account Bank Agreement.

#### **Interest Rate Swap Collateral Ledger**

The Cash Manager will (on behalf of the Issuer) open and maintain an "**Interest Rate Swap Collateral Ledger**" to record amounts representing Interest Rate Swap Collateral received by the Issuer from the Interest Rate Swap Provider. The Interest Rate Swap Collateral Ledger will be credited by amounts



representing Interest Rate Swap Collateral transferred to the Interest Rate Swap Collateral Account or any Custody Account by the Interest Rate Swap Provider and any Interest Rate Swap Provider Excluded Amounts received by the Issuer. The Interest Rate Swap Collateral Ledger will be debited by the relevant amount in the event that Interest Rate Swap Collateral is returned to the Interest Rate Swap Provider or is applied (or is realised and applied) towards satisfaction of obligations of that Interest Rate Swap Provider, in each case in accordance with the Interest Rate Swap Agreement. In the event that such Interest Rate Swap Collateral is applied towards satisfaction of obligations of such Interest Rate Swap Provider and is not to be applied by the Issuer in the purchase of one or more replacement interest rate swap transactions, such amount shall be credited to the Revenue Ledger for application in accordance with the Revenue Priority of Payments.

Amounts and securities recorded on the Interest Rate Swap Collateral Ledger will not be available for the Issuer or the Trustee to make payments to the Secured Creditors generally, but may be applied by the Cash Manager only in accordance with the Interest Rate Swap Collateral Account Priority of Payments. See "*Key Structural Features – Credit Enhancement, Liquidity Support and Priority of Payments – Operation of Ledgers*".

### **Collections**

All payments of Revenue Receipts and Principal Receipts made by the Borrowers under the Mortgage Loans will be paid into:

- (a) prior to the end of the Transitional Period, the Interim Collection Account opened in the name of the Originator as the Interim Legal Title Holder; and
- (b) following the end of the Transitional Period, the Collection Account opened in the name of the Legal Title Holder.

Both the Interim Collection Account and the Collection Account will be non-interest bearing.

All amounts credited to the Interim Collection Account and the Collection Account from (and including) the Closing Date will be identified by the Servicer as Daily Mortgage Loan Amounts. The Servicer will submit bank instructions to transfer an amount equal to the Daily Mortgage Loan Amount from the Interim Collection Account (prior to the end of the Transitional Period) or the Collection Account (following the end of the Transitional Period) into the Issuer Account no later than the next Business Day after that Daily Mortgage Loan Amount is identified as received in the Interim Collection Account or the Collection Account (as applicable).

The Originator has granted a collection account declaration of trust in favour of the Seller on or about 30 June 2020 (the "**ICADOT**"). The Seller will assign the benefit of the ICADOT in favour of the Issuer under a deed of assignment in respect of the ICADOT (the "**ICADOT Assignment Deed**").

The Legal Title Holder will declare a trust over the Collection Account in favour of the Issuer and itself absolutely as beneficiaries. The Issuer's trust property (the "**Issuer Trust Property**") on any date shall be in an amount equal to the aggregate of the Daily Mortgage Loan Amounts paid into the Collection Account from (and including) Closing Date to (and including) such date less an amount equal to the payments made by the Servicer (in accordance with the Servicing Agreement) into the Issuer Account from the Collection Account from (and including) the Closing Date to (and including) such date. The Legal Title Holder's trust property on any date shall be that which remains (if anything) after deduction of the Issuer Trust Property.

Borrowers are required to make payments by direct debit or cheque unless otherwise agreed. However, direct debits may be returned unpaid after the due date for payment and, under the Direct Debit Indemnity Scheme, a Borrower may make a claim at any time to his or her bank for a refund of direct debit payments. Similarly, cheques may be returned unpaid by the Borrower's bank.

The Collection Account Bank shall be entitled at any time to deduct from amounts standing to the credit of the Collection Account any amounts to satisfy any of its obligations and/or liabilities properly incurred under the Direct Debiting Scheme or in respect of other unpaid sums relating to amounts received in respect of the Mortgage Loans from Borrowers or to pay certain other amounts due or owing to the Collection Account Bank.

The Servicer will be permitted to reclaim from the Issuer Account the corresponding amounts previously

credited. If a direct debit is returned unpaid in these circumstances, the usual arrears procedures described in "*Servicing – Enforcement procedures*" will be taken.

Certain fees and expenses of the Collection Account Bank will be paid by the Issuer, subject to and in accordance with the applicable Priority of Payments.

**Collection Account Declaration of Trust**

Pursuant to the collection account arrangements in place, following the end of the Transitional Period only collections received in respect of the Mortgage Loans constituting the Mortgage Portfolio will be transferred into the Collection Account.

The Legal Title Holder has declared a trust over the funds in the Collection Account in favour of the Issuer and itself pursuant to the Collection Account Declaration of Trust.

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The Notes are obligations of the Issuer only and will not be the obligations of, or the responsibility of, or guaranteed by, any other party. However, there are a number of features of the transaction which enhance the likelihood of timely receipt of payments by the Noteholders, as follows.

**Liquidity Support for the Notes and the Certificates provided by Available Revenue Receipts**

It is anticipated that, during the life of the Notes, the interest payable by Borrowers on the Mortgage Loans will, assuming that all of the Mortgage Loans are fully performing, be sufficient so that the Available Revenue Receipts will be sufficient to pay the amounts payable in accordance with items (1) to (27) of the Pre-Enforcement Revenue Priority of Payments. The actual amount of any excess payable to the Certificateholders will vary during the life of the Certificates. Two of the key factors determining such variation are the interest rates applicable to the Mortgage Loans in the Mortgage Portfolio relative to the payments due on the Notes and the Certificates and the performance of the Mortgage 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 Mortgage Portfolio, amounts of Available Principal Receipts applied as item (g) of the Available Revenue Receipts and from the application of Available Principal Receipts in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments.

Amounts will also be available under the Reserve Fund in the following circumstances: (i) first, amounts available in the Non-Liquidity Reserve Fund will be applied as item (d) of the definition of the Available Revenue Receipts (see "*Non-Liquidity Reserve Fund*" below), and (ii) secondly, amounts available in the Liquidity Reserve Fund will be available to pay any remaining Revenue Shortfall as item (f) of the definition of the Available Revenue Receipts (see "*Liquidity Reserve Fund*" below).

**Non-Liquidity Reserve Fund**

On the Closing Date, the Non-Liquidity Reserve Fund will be established by the Issuer or the Cash Manager on its behalf, and will be funded up to the Non-Liquidity Reserve Fund Required Amount.

The Non-Liquidity Reserve Fund Actual Amounts will be applied as part of the Available Revenue Receipts as item (d) thereof to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments and will be available to provide liquidity support and credit enhancement in respect of the relevant Revenue Shortfall on each Interest Payment Date until the Rated Collateralised Notes Redemption Date.

On and from the Closing Date and up to (and including) the Rated Collateralised Notes Redemption Date, the Non-Liquidity Reserve Fund will be replenished in accordance with item (18) of the Pre-Enforcement Revenue Priority of Payments up to the Non-Liquidity Reserve Fund Required Amount.

Following the service of an Enforcement Notice, all amounts standing to the credit of the Non-Liquidity Reserve Fund will be applied in accordance with the Post-Enforcement Priority of Payments.

**Liquidity Reserve Fund**

On the Closing Date, the Liquidity Reserve Fund will be established by the Issuer or the Cash Manager on its behalf, and will be funded up to the Liquidity Reserve Fund Required Amount.

Amounts representing the Liquidity Reserve Fund Actual Amounts will be applied as part of the Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and will be available to cover shortfalls in payment of senior expenses and to provide liquidity support for the Class A Notes and (subject to the Class B PDL Condition) the Class B Notes **provided that** from the Class B Redemption Date, the Liquidity Reserve Fund Required Amount shall be reduced to zero.

The Liquidity Reserve Fund will be replenished up to the Liquidity Reserve Fund Required Amount (i)

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first, through the application of the Available Revenue Receipts as item (8) of the Pre-Enforcement Revenue Priority of Payments and (ii) secondly, through the application of the Available Principal Receipts pursuant to item (1) of the Pre-Enforcement Principal Priority of Payments.

Following the service of an Enforcement Notice, all amounts standing to the credit of the Liquidity Reserve Fund will be applied in accordance with the Post-Enforcement Priority of Payments.

**Principal Deficiency Ledger**

A Principal Deficiency Ledger will be established to record as a debit (i) any Losses on the Mortgage Portfolio, (ii) any amounts of Available Principal Receipts applied as item (g) of the Available Revenue Receipts; and (iii) any amounts of Available Principal Receipts applied as item (1) of the Pre-Enforcement Principal Priority of Payments.

The Principal Deficiency Ledger will comprise seven sub-ledgers (one for each Class of the Collateralised Notes).

Any (i) Losses on the Mortgage Portfolio will be recorded as a debit on the date on which the Cash Manager is informed of such Losses by the Servicer; and (ii) amounts of Available Principal Receipts applied as item (g) of the definition of the Available Revenue Receipts or applied in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments will be recorded as a debit on the Calculation Date immediately preceding the Interest Payment Date on which they are so applied. All such debits will be recorded and debited in the following manner:

- (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 F Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class F Notes;
- (c) *third*, to the Class E Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class E Notes;
- (d) *fourth*, to the Class D Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class D Notes;
- (e) *fifth*, to the Class C Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class C Notes;
- (f) *sixth*, to the Class B Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class B Notes; and
- (g) *seventh*, to the Class A Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class A Notes.

Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Mortgage Loan to outstanding fees, expenses, and interest amounts due and payable on the relevant Mortgage Loan.

The Cash Manager will record as a credit to the Principal Deficiency Ledger Available Revenue Receipts applied pursuant to items (6), (9), (11), (13), (15), (17) and (25) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).

**Operation of ledgers**

Pursuant to the Cash Management Agreement, the Cash Manager shall maintain the following ledgers on behalf of the Issuer:

- (a) the "**Principal Ledger**", which shall record as a credit all Principal Receipts received by the Issuer and as a debit the distribution of the Principal Receipts and the distribution of any other relevant

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amounts recorded on the Principal Ledger in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);

- (b) the "**Revenue Ledger**", which shall record as a credit all Revenue Receipts and any Swap Collateral Account Surplus and as a debit the distribution of the 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;
- (c) the "**Principal Deficiency Ledger**", which shall record (without duplication) on the appropriate sub-ledger as a debit deficiencies arising from:
  - (i) any Losses on the Mortgage Portfolio (on the date the Cash Manager is informed of such Losses by the Servicer);
  - (ii) any Available Principal Receipts applied as item (g) of the definition of the Available Revenue Receipts; and
  - (iii) any amounts of Available Principal Receipts applied as item (1) of the Pre-Enforcement Principal Priority of Payments (in the case of (ii) and (iii), on the Calculation Date immediately preceding the Interest Payment Date on which the relevant amounts are to be applied), and will record as a credit amounts of Available Revenue Receipts applied towards items (6), (9), (11), (13), (15), (17) and (25) of the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date (see "*Key Structural Features – Principal Deficiency Ledger*" above);
- (d) 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 as a debit any amount used to discharge any tax liability of the Issuer;
- (e) the "**Non-Liquidity Reserve Fund Ledger**" which shall record:
  - (i) **as a credit:**
    - (A) on the Closing Date, the Non-Liquidity Reserve Fund Required Amount; and
    - (B) on and from the First Interest Payment Date up to (and including) the Rated Collateralised Notes Redemption Date, in accordance with item (18) of the Pre-Enforcement Revenue Priority of Payments, up to the Non-Liquidity Reserve Fund Required Amount; and
  - (ii) **as a debit:**
    - (A) amounts included from time to time as item (d) of the Available Revenue Receipts on and from the Closing Date in order to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments;
    - (B) on the Rated Collateralised Notes Redemption Date, all amounts standing to the credit of the Non-Liquidity Reserve Fund Ledger; and
    - (C) amounts applied as item (f) of the Available Principal Receipts;
- (f) the "**Liquidity Reserve Fund Ledger**" which shall record:
  - (i) **as a credit:**
    - (A) on the Closing Date, the Liquidity Reserve Fund Required Amount;
    - (B) on and from the First Interest Payment Date up to (and including) the Class B Redemption Date, in accordance with item (8) of the Pre-Enforcement Revenue Priority of Payments, up to the Liquidity Reserve Fund Required Amount; and

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- (C) any amounts available for this purpose in accordance with item (1) of the Pre-Enforcement Principal Priority of Payments; and
- (ii) **as a debit:**
  - (A) amounts included from time to time as item (f) of the Available Revenue Receipts on and from the Closing Date in order to be applied in accordance with the Pre-Enforcement Revenue Priority of Payments;
  - (B) on the Class B Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund Ledger; and
  - (C) amounts applied as item (f) of the Available Principal Receipts;
- (g) the "**Reserve Fund Ledger**" which shall record the aggregate amounts available on the Non-Liquidity Reserve Fund Ledger and the Liquidity Reserve Fund Ledger; and
- (h) the "**Interest Rate Swap Collateral Ledger**" which shall record:
  - (i) **as a credit:**
    - (A) all amounts of the Interest Rate Swap Collateral deposited by the Interest Rate Swap Provider in accordance with the Interest Rate Swap Agreement;
    - (B) any Interest Rate Swap Replacement Premium received by the Issuer from a replacement swap provider;
    - (C) any early termination amount received by the Issuer from the Interest Rate Swap Provider (or a replacement swap provider, as applicable);
    - (D) any Swap Tax Credits; and
    - (E) any income, interest and/or distributions in respect of any of the above items;
  - (ii) **as a debit:**
    - (A) all amounts debited from the Interest Rate Swap Collateral Account and any Custody Account in accordance with the Interest Rate Swap Collateral Account Priority of Payments,

in each case, in accordance with the Interest Rate Swap Agreement, the Cash Management Agreement, the Account Bank Agreement and any Custody Agreement in respect of the Interest Rate Swap Collateral which may be opened in the name of the Issuer from time to time.

**Available Revenue Receipts, Available Principal Receipts and Interest Deferral**

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 Issuer Profit Amounts, it is not intended that any surplus will be accumulated in the Issuer.

If, on any Interest Payment Date while there are Rated Collateralised Notes outstanding, the Issuer has insufficient Available Revenue Receipts to pay the interest thereon or interest due on the Notes that would otherwise be payable (absent the deferral provisions in respect of the Notes (other than in respect of the Class A Notes)), then the Issuer will be entitled under Condition 8.12 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. Any such deferral in accordance with the deferral provisions contained in the Conditions will not constitute an Event of Default. However, failure to pay interest on the Class A Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Trustee enforcing the Security.

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

- (a) Revenue Receipts received by the Issuer during the three immediately preceding Collection Periods or, if any of the immediately preceding three Collection Periods is a Determination Period, Calculated Revenue Receipts (excluding, in each case, an amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*)) on the relevant Interest Payment Date;
- (b) interest payable to the Issuer on the Issuer Accounts (including any investment account set up by or on behalf of the Issuer) received during the three immediately preceding Collection Periods;
- (c) proceeds of any Eligible Investments attributable to Revenue Receipts and Principal Receipts received during the three immediately preceding Collection Periods;
- (d) amounts standing to the credit of the Non-Liquidity Reserve Fund Ledger;
- (e) (i) amounts standing to the credit of the Liquidity Reserve Fund Ledger in excess of the Liquidity Reserve Fund Required Amount (before application of the Pre-Enforcement Revenue Priority of Payments), on any Interest Payment Dates, excluding the Class B Redemption Date; and (ii) on the Class B Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund Ledger;
- (f) amounts standing to the credit of the Liquidity Reserve Fund Ledger to cover any relevant Revenue Shortfall which remains after application of amounts under paragraphs (d) and (e) above;
- (g) amounts representing Available Principal Receipts in an amount required to cover any relevant Revenue Shortfall to the extent the same exists after taking into account amounts available under items (d) and (f) of this definition;
- (h) any amounts received or to be received by the Issuer under the Interest Rate Swap Agreement (other than any amounts representing the Interest Rate Swap Provider Excluded Amounts) and any amounts transferred to the Issuer Account from any Interest Rate Swap Collateral Account or any Custody Account in accordance with the Interest Rate Swap Collateral Account Priority of Payments;
- (i) any amount of a revenue nature received by the Issuer from the Seller, the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or the Market Purchaser by way of the purchase price for the Mortgage Portfolio following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option, Risk Retention Regulatory Change Option or redemption of the Notes pursuant to Conditions 9.3 (*Optional Redemption in whole*) or 9.4 (*Optional Redemption in Whole for taxation reasons*);
- (j) any amounts of a revenue nature received by the Issuer from the Seller following a breach of the representations and warranties given by the Seller in respect of a Mortgage Loan under the Mortgage Sale Agreement;
- (k) any amount applied as Available Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*); and
- (l) other net income of the Issuer received during the three immediately preceding Collection Periods (other than any Principal Receipts),

less

Permitted Withdrawals.

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

- (a) Principal Receipts received by the Issuer during the three immediately preceding Collection Periods;

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- (b) amounts (if any) to be credited to the Principal Deficiency Ledger pursuant to items (6), (9), (11), (13), (15), (17) and (25) of the Pre-Enforcement Revenue Priority of Payments;
- (c) on the Rated Collateralised Notes Redemption Date, the amounts standing to the credit of the Non-Liquidity Reserve Fund Ledger;
- (d) any amounts of a principal nature received from the Seller following a breach of the representations and warranties given by the Seller in respect of a Mortgage Loan under the Mortgage Sale Agreement;
- (e) after the Step-Up Date, any Available Revenue Receipts to be applied pursuant to item 20) of the Pre-Enforcement Revenue Priority of Payments; and
- (f) any amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*);
- (g) any amount of:
  - (i) a principal nature received by the Issuer from the Seller, the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or the Market Purchaser by way of the purchase price for the Mortgage Portfolio following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option, Risk Retention Regulatory Change Option or redemption of the Notes pursuant to Conditions 9.3 (*Optional Redemption in whole*) or 9.4 (*Optional Redemption in Whole for taxation reasons*); and
  - (ii) forfeited deposit following a failed completion of the Mortgage Portfolio Purchase Option or the Market Sale (where applicable),

*less:*

- (h) such amount of Available Principal Receipts as is required to cover item (g) of the Available Revenue Receipts.

*where:*

**"Rated Collateralised Notes Redemption Date"** means the Interest Payment Date on which no Rated Collateralised Notes are outstanding prior to application of the Pre-Enforcement Principal Priority of Payments on such Interest Payment Date.

**"Interest Rate Swap Provider Excluded Amounts"** means, in respect of the Interest Rate Swap Agreement:

- (a) any Interest Rate Swap Collateral (including any income, interest and/or distribution thereon);
- (b) any Interest Rate Swap Replacement Premium paid to the Issuer;
- (c) any early termination amount received by the Issuer under the Interest Rate Swap Agreement; and
- (d) amounts in respect of Swap Tax Credit.

**"Swap Tax Credit"** means, where there has been a tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction relating to a deduction or withholding that gave rise to the payment by the Interest Rate Swap Provider of an "Additional Amount" (as defined under *"Interest Rate Swap Arrangements"*), an amount equal to the net cash received by the Issuer in respect of such tax credit, allowance, set-off or repayment.

**Application of Available Revenue Receipts prior to the service of an Enforcement Notice by the Trustee on the Issuer**

On each Interest Payment Date prior to the service of an Enforcement Notice by the Trustee on the Issuer, the Cash Manager (on behalf of the Issuer) shall apply or provide for 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"**):



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1. in or towards satisfaction of any fees, costs, charges, liabilities, expenses and all other amounts then due and payable or to become due and payable in the immediately succeeding Interest Period to the Trustee or any Appointee or Receiver, together with any VAT thereon (if payable);
2. 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 Agents and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to them under the Agency Agreement, together with any VAT thereon (if payable);
  - (ii) any remuneration then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to the Cash Manager under the Cash Management Agreement, together with any VAT thereon (if payable);
  - (iii) any remuneration then due and payable to the Issuer Account Bank and any Custodian and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to the Issuer Account Bank and any Custodian under the Issuer Account Bank Agreement or any Custody Agreement (as applicable), together with any VAT thereon (if payable);
  - (iv) any amounts, remuneration, costs, charges, liabilities and expenses then due and payable to the Servicer and the Legal Title Holder and any costs, charges, liabilities and expenses to become due and payable to the Servicer and the Legal Title Holder in the immediately succeeding Interest Period under the provisions of the Servicing Agreement, together with any VAT thereon (if payable);
  - (v) any amounts, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses then due or to become due and payable in the immediately succeeding Interest Period to the Corporate Services Provider under the Corporate Services Agreement, together with any VAT thereon (if payable);
  - (vi) any amount then due and payable to the Back-Up Servicer Facilitator and any fees, costs, charges, Liabilities, expenses and other amounts then due under the provisions of the Servicing Agreement, together with any amounts in respect of VAT comprised therein as provided therein;
  - (vii) (if applicable) the SR Repository fees, costs, liabilities and expenses; and
  - (viii) any amounts due and payable to the Interest Rate Swap Provider under the Interest Rate Swap Agreement (including, without limitation, any scheduled or termination payments) to the extent not paid in accordance with the Interest Rate Swap Collateral Account Priority of Payments but excluding any Interest Rate Swap Provider Subordinated Amounts;
3. in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) any amounts required to pay or discharge any fine, penalty or sanction imposed on the Issuer by a regulator or competent authority payable to a regulator or competent authority in connection with any breach or alleged breach of the Securitisation Regulation, including all fees, costs, liabilities and expenses; and
  - (ii) any amounts due and payable by the Issuer to third parties 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 necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period;

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4. in or towards satisfaction of the Issuer Profit Amount and amounts required to discharge any liability of the Issuer for corporation tax (which cannot be met out of amounts previously retained as Issuer Profit Amount);
5. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class A Notes;
6. to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
7. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class B Notes;
8. to credit the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;
9. to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
10. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class C Notes;
11. to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
12. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class D Notes;
13. to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
14. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class E Notes;
15. to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
16. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class F Notes;
17. to credit the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
18. to credit the Non-Liquidity Reserve Fund up the Non-Liquidity Reserve Fund Required Amount;
19. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class RFN Notes;
20. following the Step-Up Date, all remaining amounts to be applied as Available Principal Receipts;
21. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class X1 Notes;
22. in or towards payment *pro rata* and *pari passu* of the Principal Outstanding Amount of the Class X1 Notes until redeemed in full;
23. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class X2 Notes;
24. in or towards payment *pro rata* and *pari passu* of the Principal Outstanding Amount of the Class X2 Notes until redeemed in full;
25. to credit the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon;
26. in or towards payment *pro rata* and *pari passu* of interest due and payable on the Class Z Notes;
27. in or towards payment of any Interest Rate Swap Provider Subordinated Amounts, if any, due and payable to the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement other than any Interest Rate Swap Provider Subordinated Amounts that are due and payable to the Interest Rate Swap Provider under any Interest Rate Swap Agreement or under any other interest rate swap arrangements entered into by the Issuer which are funded by any Interest Rate Swap

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Provider Excluded Amounts in accordance with the Interest Rate Swap Collateral Account Priority of Payments; and

28. any remaining balance, in or towards payment *pro rata* and *pari passu* of the Certificate Payments.

On and from the Interest Payment Date on which the Class RFN Notes are the Most Senior Class of Notes, the Cash Manager shall apply the Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments before applying the Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

**Application of Principal Receipts prior to service of an Enforcement Notice**

Prior to the service of an Enforcement Notice on the Issuer by the Trustee, 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**"):

1. in or towards crediting the Liquidity Reserve Fund Ledger up to the Liquidity Reserve Fund Required Amount to cover any shortfall remaining after application of amounts under item 8 of the Pre-Enforcement Revenue Priority of Payments;
2. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class A Notes until the Class A Notes have been redeemed in full;
3. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class B Notes until the Class B Notes have been redeemed in full;
4. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class C Notes until the Class C Notes have been redeemed in full;
5. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class D Notes until the Class D Notes have been redeemed in full;
6. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class E Notes until the Class E Notes have been redeemed in full;
7. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class F Notes until the Class F Notes have been redeemed in full;
8. in or towards payment *pro rata* and *pari passu* of interest (including any deferred interest) due and payable on the Class RFN Notes;
9. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class RFN Notes until the Class RFN Notes have been redeemed in full;
10. in or towards payment *pro rata* and *pari passu* of interest (including any deferred interest) due and payable on the Class X1 Notes;
11. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class X1 Notes until the Class X1 Notes have been redeemed in full;
12. in or towards payment *pro rata* and *pari passu* of interest (including any deferred interest) due and payable on the Class X2 Notes;
13. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class X2 Notes until the Class X2 Notes have been redeemed in full;
14. in or towards payment *pro rata* and *pari passu* of interest (including any deferred interest) due and payable on the Class Z Notes;
15. in or towards payment *pro rata* and *pari passu* of principal due and payable on the Class Z Notes until the Class Z Notes have been redeemed in full;
16. any remaining balance, in or towards payment *pro rata* and *pari passu* of the Certificate Payments.

### Post-Enforcement Priority of Payments

Following the service of an Enforcement Notice by the Trustee on the Issuer, the Trustee (or the Cash Manager on its behalf or a Receiver) will apply all monies held in the Charged Accounts and all amounts received or recovered following service of an Enforcement Notice in the following order of priority (the "Post-Enforcement Priority of Payments"):

1. in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Trustee or any Appointee, under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and
  - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to any Receiver appointed by the Trustee or any Appointee or Receiver under the provisions of the Deed of Charge and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;
2. 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 Agents and any costs, charges, liabilities and expenses then due and payable to them under the Agency Agreement, together with (if payable) VAT thereon as provided therein;
  - (ii) any amounts then due and payable to the Cash Manager and any costs, charges, liabilities and expenses then due and payable to the Cash Manager or any such amount to become due and payable to the Cash Manager in the immediately succeeding Interest Period under the Cash Management Agreement, together with (if payable) VAT thereon as provided therein;
  - (iii) any amounts then due and payable to the Collection Account Bank (including any Direct Debit Liability Amount then due and payable to the Collection Account Bank), the Issuer Account Bank or any Custodian or to such bank at which any other account in the name of the Issuer is held and any costs, charges, liabilities and expenses then due and payable to the Collection Account Bank, the Issuer Account Bank or any Custody Agreement (as applicable) or to such bank at which any other account in the name of the Issuer is held, any such amount to become due and payable to the Collection Account Bank, the Issuer Account Bank, any Custodian or to any such other bank, as applicable, in the immediately succeeding Interest Period under the Collection Account Declaration of Trust, the Account Bank Agreement, any Custody Agreement or agreement governing the operation of any other account in the name of the Issuer, together with (if payable) VAT thereon as provided therein;
  - (iv) any amounts then due and payable to the Corporate Services Provider and any costs, charges, liabilities and expenses then due and payable or to become due and payable in the immediately succeeding Interest Period to the Corporate Services Provider under the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;
  - (v) any amounts due and payable to the Servicer and the Legal Title Holder, and any costs, charges, liabilities and expenses then due and payable to the Servicer and the Legal Title Holder, or any such amount to become due and payable to the Servicer or the Legal Title Holder in the immediately succeeding Interest Period under the Servicing Agreement, together with (if payable) VAT thereon as provided therein;
  - (vi) any amounts then due and payable to the Back-Up Servicer Facilitator and any fees, costs, charges, Liabilities and expenses then due and payable to the Back-Up Servicer Facilitator under the provisions of the Servicing Agreement together with any amounts in respect of VAT comprised therein as provided therein;
  - (vii) (if applicable) the SR Repository fees, costs, liabilities and expenses;

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- (viii) any amounts required to pay or discharge any fine, penalty or sanction imposed on the Issuer by a regulator or competent authority payable to a regulator or competent authority in connection with any breach or alleged breach of the Securitisation Regulation, including all fees, costs, liabilities and expenses; and
  - (ix) any amounts due and payable to the Interest Rate Swap Provider under the Interest Rate Swap Agreement (including, without limitation, any scheduled or termination payments) to the extent not paid in accordance with the Interest Rate Swap Collateral Account Priority of Payments but excluding any Interest Rate Swap Provider Subordinated Amounts;
3. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class A Notes until the Principal Amount Outstanding of the Class A Notes has been redeemed in full;
  4. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class B Notes until the Principal Amount Outstanding of the Class B Notes has been redeemed in full;
  5. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class C Notes until the Principal Amount Outstanding of the Class C Notes has been redeemed in full;
  6. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class D Notes until the Principal Amount Outstanding of the Class D Notes has been redeemed in full;
  7. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class E Notes until the Principal Amount Outstanding of the Class E Notes has been redeemed in full;
  8. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class F Notes until the Principal Amount Outstanding of the Class F Notes has been redeemed in full;
  9. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class RFN Notes until the Principal Amount Outstanding of the Class RFN Notes has been redeemed in full;
  10. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class X1 Notes until the Principal Amount Outstanding of the Class X1 Notes has been redeemed in full;
  11. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class X2 Notes until the Principal Amount Outstanding of the Class X2 Notes has been redeemed in full;
  12. in or towards payment *pro rata* and *pari passu* first of interest and then principal due and payable on the Class Z Notes until the Principal Amount Outstanding of the Class Z Notes has been redeemed in full;
  13. in or towards payment of any Interest Rate Swap Provider Subordinated Amounts, if any, due and payable to the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement other than any Interest Rate Swap Provider Subordinated Amounts that are due and payable to the Interest Rate Swap Provider under any Interest Rate Swap Agreement or under any other interest rate swap arrangements entered into by the Issuer which are funded by any Interest Rate Swap Provider Excluded Amounts in accordance with the Interest Rate Swap Collateral Account Priority of Payments;
  14. in or towards payment *pro rata* and *pari passu* of any amounts due and payable by the Issuer to third parties 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 necessary

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to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period;

15. to the Issuer, the Issuer Profit Amount and amounts required to discharge any liability of the Issuer for corporation tax (which cannot be met out of amounts previously retained as the Issuer Profit Amount); and
16. any balance in or towards payment *pro rata* and *pari passu* of the Certificate Payments.

***Interest Rate Swap Collateral***

Where the Interest Rate Swap Provider provides collateral to the Issuer in respect of its obligations under the Interest Rate Swap Agreement in accordance with the terms of the Approved Credit Support Document, such collateral ("**Interest Rate Swap Collateral**") will, upon receipt by the Issuer, be credited to and held:

- (a) where such collateral is in the form of cash, in the interest rate swap collateral account (the "**Interest Rate Swap Collateral Account**") opened in the name of the Issuer with the Issuer Account Bank on or about the Closing Date; and
- (b) where such collateral is in the form of securities, in a custody account or accounts (the "**Custody Accounts**") to be established by the Issuer with a suitably rated counterparty in their capacity as interest rate swap collateral custodian (the "**Custodian**") pursuant to an agreement to be entered into at such time (and prior to any proposed transfer of Interest Rate Swap Collateral comprising securities pursuant to the terms of the Interest Rate Swap Agreement) between, *inter alios*, the Custodian and the Issuer (the "**Custody Agreement**"),

in each case, on behalf of the Interest Rate Swap Provider. As security for the payment of all monies payable in respect of the Notes and the other Secured Amounts, the Issuer will grant a security over the Issuer's interest in the Interest Rate Swap Collateral Account, any Custody Account and the debts represented thereby (although such amounts will only be applied in accordance with the Interest Rate Swap Collateral Account Priority of Payments as described below).

All amounts of the Interest Rate Swap Collateral (both cash and securities) will be recorded by the Cash Manager on the Interest Rate Swap Collateral Ledger in accordance with the terms of the Cash Management Agreement and will not be available for the Issuer or the Trustee to make payments to the Secured Creditors generally, through the Pre-Enforcement Revenue Priority of Payments, Pre-Enforcement Principal Priority of Payments or Post-Enforcement Priority of Payments, but may be applied by the Cash Manager only in accordance with the following provisions (the "**Interest Rate Swap Collateral Account Priority of Payments**"):

- (a) to pay an amount equal to any Swap Tax Credits received by the Issuer to the Interest Rate Swap Provider;
- (b) prior to the designation of an Early Termination Date (as defined in the Interest Rate Swap Agreement, the "**Early Termination Date**") in respect of the Interest Rate Swap Agreement, solely in or towards payment or discharge of any Return Amounts (as defined in the Credit Support Annex), Interest Amounts and Distributions (as defined in the Credit Support Annex), on any day, directly to the Interest Rate Swap Provider;
- (c) following the designation of an Early Termination Date in respect of the Interest Rate Swap Agreement where (A) such Early Termination Date has been designated following an Interest Rate Swap Provider Event of Default or Interest Rate Swap Provider Downgrade Event and (B) the Issuer enters into a Replacement Swap Agreement in respect of the Interest Rate Swap Agreement on or around the Early Termination Date of the Interest Rate Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (as calculated in accordance with the Interest Rate Swap Agreement) (if any) payable to the Issuer has been received and the day on which an Interest Rate Swap Replacement Premium (if any) payable to the Issuer has been received, in the following order of priority:
  - (i) *first*, in or towards payment of an Interest Rate Swap Replacement Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement

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- Swap Agreement with the Issuer with respect to the Interest Rate Swap Agreement being terminated;
- (ii) *second*, in or towards payment of any termination payment (as calculated in accordance with the Interest Rate Swap Agreement) due to the outgoing Interest Rate Swap Provider; and
  - (iii) *third*, the surplus (if any) on such day to be transferred to the Issuer Account to be applied as Available Revenue Receipts;
- (d) following the designation of an Early Termination Date in respect of the Interest Rate Swap Agreement where: (A) such Early Termination Date has been designated otherwise than as a result of one of the events specified at item (c)(A) above, and (B) the Issuer enters into a Replacement Swap Agreement in respect of the Interest Rate Swap Agreement on or around the Early Termination Date of the Interest Rate Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (as calculated in accordance with the Interest Rate Swap Agreement) (if any) payable to the Issuer has been received and the day on which an Interest Rate Swap Replacement Premium (if any) payable to the Issuer has been received, in the following order of priority:
- (i) *first*, in or towards payment of any termination payment (as calculated in accordance with the Interest Rate Swap Agreement) due to the outgoing Interest Rate Swap Provider;
  - (ii) *second*, in or towards payment of an Interest Rate Swap Replacement Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Interest Rate Swap Agreement being terminated; and
  - (iii) *third*, any surplus on such day to be transferred to the Issuer Account to be applied as Available Revenue Receipts;
- (e) following the designation of an Early Termination Date in respect of the Interest Rate Swap Agreement for any reason where the Issuer does not enter into a Replacement Swap Agreement in respect of the Interest Rate Swap Agreement on or around the Early Termination Date of the Interest Rate Swap Agreement and, on the date on which the relevant payment is due, in or towards payment of any termination payment (as calculated in accordance with the Interest Rate Swap Agreement) due to the outgoing Interest Rate Swap Provider; and
- (f) following payments of amounts due pursuant to item (e) above, if amounts remain standing to the credit of an Interest Rate Swap Collateral Account or any Custody Account, such amounts may be applied only in accordance with the following provisions:
- (i) *first*, in or towards payment of an Interest Rate Swap Replacement Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Interest Rate Swap Agreement; and
  - (ii) *second*, any surplus remaining after payment of such Interest Rate Swap Replacement Premium to be transferred to the Issuer Account to be applied as Available Revenue Receipts,

**provided that** for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the Interest Rate Swap Agreement on or prior to the earlier of:

- (A) the Calculation Date immediately before the Interest Payment Date on which the Principal Amount Outstanding of all Rated Collateralised Notes would be reduced to zero (taking into account any Swap Collateral Account Surplus to be applied as Available Revenue Receipts on such Interest Payment Date); or
- (B) the day on which an Enforcement Notice is given pursuant to Condition 13 (*Events of Default*); or

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- (C) the date on which the Current Balance of the Fixed Rate Mortgage Loans is reduced to zero,

then the amount standing to the credit of such Interest Rate Swap Collateral Account or any Custody Account on such day shall be transferred to the Issuer Account to be applied as Available Revenue Receipts as soon as reasonably practicable thereafter.



**DESCRIPTION OF THE NOTES IN GLOBAL FORM****General**

The Notes of each Class will be offered and sold outside the United States to non-U.S. Persons in reliance on Regulation S and will be represented on issue by a Regulation S Global Note in fully registered form without interest coupons or principal receipts. Beneficial interests in a Regulation S Global Note may only be held through Euroclear or Clearstream, Luxembourg or their participants at any time. The Notes are intended to be held under the new safekeeping structure for registered global securities which are intended to constitute eligible collateral for Eurosystem monetary policy operations.

The Global Notes will have an ISIN and a common code and will be deposited on or about the Closing Date with a common safekeeper for both Euroclear and Clearstream, Luxembourg (the "**Common Safekeeper**") and registered in the name of the nominee for the Common Safekeeper.

All capitalised terms not defined in this section shall be as defined in the Conditions of the Notes. The Issuer will procure the Registrar to maintain a register in which it will register in the name of the Common Safekeeper as the owner of the Global Notes.

Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg will record book-entry interests representing beneficial interests (the "**Book-Entry Interests**") in the Global Notes attributable thereto (as the case may be).

Book-Entry Interests in respect of the Notes will be recorded in Minimum Denominations. Ownership of Book-Entry Interests is limited to Participants in Euroclear or Clearstream, Luxembourg or persons that hold interests in the Book-Entry Interests through 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. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg 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 Arranger. 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 of the Common Safekeeper is the registered holder of the respective Global Notes underlying the Book-Entry Interests, the nominee of the Common Safekeeper will be considered the sole Noteholder of the relevant Global Note for all purposes under the Trust Deed and the Agency Agreement. Except as set forth under "*Issuance of 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 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 Note 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 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 Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the

procedures to be implemented by Euroclear or Clearstream, Luxembourg will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Book-Entry Interests in the Global Notes are exchanged for Definitive Notes, the Global Notes registered in the name of a nominee of 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 respective Global Notes 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 forth 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 each respective Global Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's book-entry registration and transfer systems.

#### **Trading between Euroclear and/or Clearstream, Luxembourg participants**

Secondary market sales of book-entry interests in the notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds and Sterling denominated bonds.

#### **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 the Principal Paying Agent on behalf of the Issuer to the Common Safekeeper or its nominee as the registered holder thereof with respect to the relevant Global Note. 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 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 or as otherwise set out in Condition 12 (*Taxation*). 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, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent, 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. 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 shall be one Clearing System Business Day prior to the relevant Interest Payment Date where "**Clearing System Business Day**" means a day on which each clearing system for which the Notes are being held is open for business. 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, the Arranger, the Lead Manager, the Trustee or the Agents 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 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***

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 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 or the Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or 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 any 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 nominee of the Common Safekeeper and, upon final payment, the Registrar will surrender such Global Note (or portion thereof) to or to the order of the relevant 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 relevant 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 relevant Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

### **Cancellation**

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

### **Transfers and Transfer Restrictions**

All transfer of Book-Entry Interests will be recorded with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg pursuant to the 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. Neither the Global Notes nor any beneficial interest therein may be transferred except in compliance with the transfer restrictions set forth in the legend appearing in the Global Notes.

**Settlement and transfer of notes**

Subject to the rules and procedures of each applicable clearing system, purchases of notes held within a clearing system must be made by or through Participants, which will receive a credit for such notes on the clearing system's records. The ownership interest of each actual purchaser of each such note (being the beneficial owner) will in turn be recorded on the Participant's records. Beneficial owners will not receive written confirmation from any clearing system of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct and indirect participant through which such beneficial owner entered into the transaction. Transfers of ownership interests in notes held within the clearing system will be effected by entries made on the books of Participants acting on behalf of beneficial owners.

**Beneficial owners will not receive individual notes representing their ownership interests in such notes unless use of the book-entry system for the notes described in this section is discontinued.**

No clearing system has knowledge of the actual beneficial owners of the notes held within such clearing system and their records will reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*General*", above.

**Issuance of Definitive Notes**

Holders of Book-Entry Interests in a Global Note will be entitled to receive Definitive Notes in exchange for their respective holdings of 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 and do so cease to do business; 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 therein or thereof having power to tax or in the interpretation or administration of such legislation which becomes effective on or after the Closing Date, the Issuer or the Principal 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 Notes in definitive form.

In order to receive a 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 Definitive Notes.

Any Definitive Notes issued in exchange for Book-Entry Interests in a 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. 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 Book-Entry Interests. Holders of Definitive Notes issued in exchange for Book-Entry Interests in a Global Note, as the case may be, will not be entitled to exchange such Definitive Note, for Book-Entry Interests in a Global Note. Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under "*Transfers and Transfer Restrictions*" above **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. Definitive Notes will not be issued in a denomination that is not an integral multiple of the Minimum Denomination. As the Notes have a denomination consisting of the Minimum Denomination plus a higher integral multiple of another smaller amount, 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 case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the Minimum Denomination may not receive a Definitive Note in respect of such holding (should Definitive Notes be issued) and would need to purchase a principal amount of Notes such that its holding amounts to the Minimum Denomination.

**Action in Respect of the Global Note and the Book-Entry Interests**

Not later than 10 days after receipt by the Issuer of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, 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 Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear and Clearstream, Luxembourg 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 Notes in accordance with any instructions set forth 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.

**Reports**

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices, reports and other communications received relating to the Issuer, the Global Note or the Book-Entry Interests. Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to the applicable clearing system for communication by them to the holders of the relevant Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Notes are listed on the official list of Euronext Dublin and admitted to trading on its regulated market) any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin. See also Condition 22 (*Notices*) of the Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes in the form in which they will be set out in the Trust Deed. If the Notes were to be represented by Definitive Notes, the Conditions set out on the reverse of each of such Definitive Notes would be as follows. While the Notes are represented by Global Notes, they will be governed by the same terms and conditions except to the extent that such terms and conditions are appropriate only to securities in definitive form or are expressly varied by the terms of such Global Notes. These terms and conditions are subject to the detailed provisions of the Trust Documents and the other Transaction Documents (as defined below).*

### 1. General

- 1.1 The £256,000,000 Class A Mortgage Backed Floating Rate Notes due 2048 (the "**Class A Notes**"), the £17,400,000 Class B Mortgage Backed Floating Rate Notes due 2048 (the "**Class B Notes**"), the £11,400,000 Class C Mortgage Backed Floating Rate Notes due 2048 (the "**Class C Notes**"), the £7,600,000 Class D Mortgage Backed Floating Rate Notes due 2048 (the "**Class D Notes**"), the £6,800,000 Class E Mortgage Backed Floating Rate Notes due 2048 (the "**Class E Notes**"), the £3,100,000 Class F Mortgage Backed Floating Rate Notes due 2048 (the "**Class F Notes**"), (the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes being the "**Rated Collateralised Notes**", the £6,100,000 Class RFN Floating Rate Notes due 2048 (the "**Class RFN Notes**"), the £6,900,000 Class X1 Floating Rate Notes due 2048 (the "**Class X1 Notes**"), the £6,100,000 Class X2 Floating Rate Notes due 2048 (the "**Class X2 Notes**"), the £775,000 Class Z Mortgage Backed Floating Rate Notes due 2048 (the "**Class Z Notes**") (the Class RFN Notes, the Class X1 Notes, the Class X2 Notes and the Class Z Notes together with the Rated Collateralised Notes, the "**Notes**") will be issued by Tudor Rose Mortgages 2020-1 PLC (registered number 12616829) (the "**Issuer**") on or about the Closing Date.
- 1.2 The Issuer has agreed to issue the Notes subject to and with the benefit of the terms of the Trust Deed and the Agency Agreement. The security for the Notes is created pursuant to, and on the terms set out in, the Deed of Charge.
- 1.3 The Agency Agreement records certain arrangements in relation to the payment of interest and principal in respect of the Notes.
- 1.4 Certain provisions of these Conditions are summaries of the Trust Documents and the Incorporated Terms Memorandum and the Agency Agreement and are subject to their detailed provisions.
- 1.5 The Noteholders are bound by the terms of the Trust Documents and the Incorporated Terms Memorandum, and are deemed to have notice of all the provisions of the Transaction Documents.
- 1.6 Copies of the Transaction Documents and the Memorandum and Articles of Association of the Issuer are available for inspection by Noteholders, upon reasonable notice, during normal business hours at the principal office for the time being of the Trustee, being at the date hereof 125 Old Broad Street, Fifth Floor, London EC2N 1AR and at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below. Upon reasonable request, such Paying Agent will allow copies of such documents to be taken.

### 2. Definitions and Construction

- 2.1 In these Conditions the defined terms where used shall have the meanings set out in the Incorporated Terms Memorandum. Terms of construction set out in the Incorporated Terms Memorandum shall be construed accordingly in these Conditions.
- 2.2 Any reference to any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been or may from time to time be, amended, restated, varied, novated, supplemented or replaced.

### 3. Form and Denomination

- 3.1 The Notes are in fully registered form in the Minimum Denomination for such Notes, without principal receipts, interest coupons or talons attached.

- 3.2 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 under the Securities Act is represented by one or more global registered notes in fully registered form without coupons attached.
- 3.3 For so long as any Notes are represented by a Global Note, transfers and exchanges of beneficial interests in Global Notes 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. or Clearstream Banking, *société anonyme*, as appropriate.
- 3.4 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 in respect of the Regulation S Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof.
- 3.5 Definitive Notes will be issued in registered form and serially numbered in the circumstances referred to below. Definitive Notes, if issued, will be issued in Minimum Denominations.
- 3.6 If, while any Notes are represented by a Global Note:
- (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 and do so cease to do business; or
  - (b) as a result of any amendment to, or change in (A) the laws or regulations of the United Kingdom or any political sub-division therein or thereof having power to tax or (B) the interpretation or administration of such legislation which becomes effective on or after the Closing Date, the Issuer or the Principal 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 if the Notes were in definitive form,

(each a "**relevant event**") the Issuer will issue Definitive Notes to Noteholders whose accounts with the relevant clearing systems are credited with interests in that Global Note in exchange for those interests within 30 days of the relevant event but not earlier than the Exchange Date. The Global Note will not be exchangeable for Definitive Notes in any other circumstances.

- 3.7 References to "**Notes**" in these Conditions shall include the Global Notes and the Definitive Notes.

#### 4. **Title and transfer**

- 4.1 The holder registered in the Register as the holder of any Note will (to the fullest extent permitted by applicable law) 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 Note regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.
- 4.2 The Issuer shall cause to be kept at the Specified Office of the Registrar, the Register on which shall be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and of all transfers of the Notes.
- 4.3 No transfer of a Note will be valid unless and until entered on the Register.
- 4.4 Transfers and exchanges of beneficial interests in the Global Notes and any Definitive Notes and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Agency Agreement, the Trust Deed and the legend appearing on the face of the Notes. In no event will the transfer of a beneficial interest in a Global Note or the transfer of a Definitive Note be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by the Principal Paying Agent in the United Kingdom or the Registrar to any holder of a Note who so requests (and who provides evidence of such holding where the Notes are in global form) and will be available upon request at the Specified Office of the Registrar or the Principal Paying Agent.

- 4.5 A Definitive Note may be transferred in whole or in part upon the surrender of the relevant Definitive Note, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Note, a new Definitive Note, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.
- 4.6 Each new Definitive Note, to be issued upon transfer of Definitive Notes will, within five Business Days of receipt of such request for transfer, be available for delivery at the Specified Office of the Registrar or the Principal Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Note, to such address as may be specified in such request.
- 4.7 Registration of Definitive Notes on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.
- 4.8 No holder of a Definitive Note, may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.

5. **Status and Ranking**

5.1 **Status:** The Notes of each Class constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*)) unconditional obligations of the Issuer.

5.2 **Ranking:**

- (a) The Class A Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*)) unconditional obligations of the Issuer. The Class A Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times as provided in these Conditions and the Transaction Documents.
- (b) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*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, and subordinate to the Class A Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class B Noteholders will be subordinated to the interests of the Class A Noteholders (so long as any Class A Note remain outstanding).
- (c) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*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, and subordinate to the Class A Notes and the Class B Notes and as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class C Noteholders will be subordinated to the interests of each of the Class A Noteholders and the Class B Noteholders (so long as any Class A Notes and/or Class B Notes remain outstanding).
- (d) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*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, and subordinate to the Class A Notes, the Class B Notes and the Class C Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class D Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders (so long as any Class A Notes, Class B Notes, and/or Class C Notes remain outstanding).



- (e) The Class E Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A 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 Class E Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (so long as any Class A Notes, Class B Notes, Class C Notes and/or Class D Notes remain outstanding).
- (f) The Class F Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class F Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A 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 Class F Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as any Class A Notes, Class B Notes, Class C Notes, Class D Notes and/or Class E Notes remain outstanding).
- (g) The Class RFN Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class RFN Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A 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 Class RFN Noteholders will be subordinated to the interests of each of the Class A 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 A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and/or Class F Notes remain outstanding).
- (h) The Class X1 Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class X1 Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class RFN Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class X1 Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class RFN Noteholders (so long as any Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and/or Class RFN Notes remain outstanding).
- (i) The Class X2 Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class X2 Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class RFN Notes and the Class X1 Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class X2 Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class RFN Noteholders and the Class X1 Noteholders (so long as any

Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class RFN Notes and/or Class X1 Notes remain outstanding).

- (j) The Class Z Notes constitute direct, secured and (subject to the limited recourse provision in Condition 10 (*Limited Recourse and Non-Petition*) and Condition 8.12 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class Z Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, and subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class RFN Notes, the Class X1 Notes and the Class X2 Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class Z Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class RFN Noteholders, the Class X1 Noteholders and the Class X2 Noteholders (so long as any Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class RFN Notes, Class X1 Notes and/or Class X2 Notes remain outstanding).
- (k) The Trust Deed and the Deed of Charge contain provisions requiring the Trustee to have regard to the interests of holders of each Class of the Notes and each Class of the Certificates as regards all rights, powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise) but requiring the Trustee where there is a conflict of interests between one or more Classes of Notes and/or the Certificates in any such case to have regard (except as expressly provided otherwise) 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 the Certificates in the Post-Enforcement Priority of Payments (where for such purposes, the Certificates shall be deemed to rank junior to all Classes of Notes) and, if all the and Notes have been redeemed, the Certificates.

5.3 **Sole Obligations:** The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.

5.4 **Priority of Payments:** Prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts and Available Principal Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and Pre-Enforcement Principal Priority of Payments (as applicable) and thereafter, in accordance with the Post-Enforcement Priority of Payments.

## 6. Security

6.1 **Security:** The Notes are secured by the Security.

6.2 **Enforceability:** The Security will become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with Condition 13 (*Events of Default*) and subject to the matters referred to in Condition 14 (*Enforcement*).

## 7. Issuer Covenants

7.1 The Issuer makes the Issuer Covenants in favour of the Trustee which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed), dispose of assets or change the nature of its business, without the prior written consent of the Trustee or unless otherwise permitted by the Transaction Documents. So long as any Note remains outstanding, the Issuer shall comply with the Issuer Covenants.

7.2 Following the exercise of any right under the Deed Poll to purchase the Mortgage Portfolio in accordance with the terms of the Deed Poll, the Issuer shall not seek to enter into an arrangement with any other third party to sell the Mortgage Portfolio and/or participate in any arrangement which frustrates the rights of the Mortgage Portfolio Purchase Option Holder to complete any such acquisition of the Mortgage Portfolio.

8. **Interest**

8.1 **Accrual of Interest:** Each Note bears interest on its Principal Amount Outstanding, from (and including) the Closing Date.

8.2 **Cessation of Interest:** Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the principal is improperly withheld or refused or default is otherwise made in respect of the payment, in which case, it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of:

- (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder; and
- (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders of such Class (in accordance with Condition 22 (*Notices*)) that the full amount payable is available for collection by the Noteholder, **provided that** on due presentation payment is in fact made.

8.3 **Interest Payments:** Interest on each Note is payable in Sterling in arrear on each Interest Payment Date commencing on the First Interest Payment Date, in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on the day immediately preceding such Interest Payment Date subject to the rest of this Condition 8 (*Interest*) and in accordance with the applicable Priority of Payments.

8.4 **Calculation of Interest Amount:** Upon or as soon as practicable after each Interest Determination Date, the Issuer shall calculate (or shall cause the Agent Bank to calculate) the Interest Amount payable on each Note for the Related Interest Period.

8.5 **Step-Up Margins:** On and from the Interest Payment Date immediately following the FORD, the Step-Up Margin will (subject as provided in Condition 8.12 (*Subordination by Deferral*)) become payable as the Relevant Margin on each of the Rated Collateralised Notes.

8.6 **Determination of Note Rate, Interest Amount and Interest Payment Date:** The Agent Bank will, on each Interest Determination Date, determine:

- (a) the Rate of Interest for the each Class of the Notes for the Related Interest Period; and
- (b) the Interest Payment Date next following the Related Interest Period,

and notify the Issuer, the Servicer, the Cash Manager, the Trustee and the Paying Agents and for so long as the Notes are listed on Euronext Dublin.

8.7 **Publication of Note Rate, Interest Amount and Interest Payment Date:** As soon as practicable after receiving each notification of the Note Rate, the Interest Amount and the Interest Payment Date in accordance with Condition 8.6 (*Determination of Note Rate, Interest Amount and Interest Payment Date*) and in any event no later than the second Business Day thereafter, the Issuer will cause such Note Rate and Interest Amount for each Class and the next following Interest Payment Date to be published in accordance with the Notices Condition.

8.8 **Amendments to Publications:** The Note Rate, Interest Amount for each Class and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.

8.9 **Determination or Calculation by Trustee:** If the Agent Bank does not at any time for any reason determine the Note Rate or the Interest Amount for each Class in accordance with this Condition 8 (*Interest*), the Trustee may (but without, save in the case of any wilful default, fraud or gross negligence by the Trustee, any Liability accruing to the Trustee as a result):

- (a) determine the Note Rate for each Class at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in this Condition), it shall deem fair and reasonable in all the circumstances; and/or
- (b) calculate the Interest Amount for each Class in the manner specified in this Condition,

and any such determination and/or calculation shall be deemed to have been made by the Agent Bank. In each case the Trustee may, at the expense of the Issuer, employ an expert to make the determination and/or the calculation and any such determination and/or calculation shall be deemed to have been made by the Agent Bank.

- 8.10 **Notifications to be final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8 (*Interest*), whether by the Paying Agents, the Agent Bank or the Trustee shall (in the absence of any manifest error) be binding on the Issuer and all Noteholders and (in the absence of any Breach of Duty) no Liability to the Trustee or the Noteholders shall attach to the Agents in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 8 (*Interest*). The Trustee shall have no Liability to any person in connection with the exercise or non-exercise of its powers, duties and discretions under this Condition 8 (*Interest*).
- 8.11 **Agent Bank:** The Issuer shall ensure that, so long as any of the Notes remains outstanding there shall at all times be an Agent Bank, a Paying Agent and a Principal Paying Agent. In the event of an Agent being unable or unwilling to continue to act as an Agent, the Issuer shall appoint such other bank as may be previously approved in writing by the Trustee to act as such in its place. The Agent Bank may not resign until a successor approved in writing by the Trustee is appointed by the Issuer. Notice of any change in any of the Reference Banks or Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with the Notices Condition.
- 8.12 **Subordination by Deferral**

- (a) *Interest*
  - (i) If the Issuer otherwise has insufficient funds to make payment in full of all amounts of Required Interest (which shall, for the purposes of this Condition 8.12, include any Required Interest previously deferred under this Condition 8.12 and Additional Interest thereon) payable in respect of a respective Class of Subordinated 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 such Required Interest (such deferred interest being "**Deferred Required Interest**") in respect of the relevant Subordinated Notes to the extent only of any such insufficiency of funds.
  - (ii) Any amounts of Deferred Required Interest in respect of a Class of Subordinated Notes shall accrue Additional Interest at the Reference Rate plus the Relevant Margin.
  - (iii) Any such Deferred Required Interest and Additional Interest thereon shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that this Condition 8.12 again applies) or on such earlier date as the relevant Class of Subordinated Notes becomes due and repayable in full in accordance with these Conditions.
  - (iv) For the avoidance of any doubt, this Condition 8.12 does not apply to the Class A Notes.
- (b) *Notification*

As soon as practicable after becoming aware that any part of a payment of Required Interest on a Class of Subordinated Notes with the respective current shortfall will be (in addition to amounts previously deferred) deferred or that a payment previously deferred

will be made in accordance with this Condition 8.12, the Issuer will give notice thereof to the relevant Class of Noteholders, as appropriate, in accordance with Condition 22 (*Notices*). Any deferral of interest in accordance with this Condition 8.12 will not constitute an Event of Default. The provisions of this Condition 8.12 shall cease to apply on the Final Maturity 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.

### 8.13 ***Determinations and Reconciliation***

- (a) In the event that the Cash Manager does not receive the Servicer Report with respect to a Determination Period, then the Cash Manager may use the Servicer Reports in respect of the three most recent Collection Periods (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 this Condition 8.13 (*Determinations and Reconciliation*). When the Cash Manager receives the Servicer Report relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Condition 8.13(c). Any (i) calculations properly done on the basis of such estimates in accordance with Conditions 8.13(b) and/or 8.13(c); (ii) payments made under any of the Notes 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 Condition 8.13(b) and/or 8.13(c), shall be deemed to be done, 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:
- (i) determine the Interest Determination Ratio by reference to the three most recently received Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports received in the preceding Collection Periods);
  - (ii) calculate the Calculated Revenue Receipts; and
  - (iii) calculate the Calculated Principal Receipts.
- (c) Following the end of any Determination Period, upon receipt by the Cash Manager of the Servicer Reports in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with Condition 8.13(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 (i) the absolute value of the Reconciliation Amount and (ii) 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 (i) the absolute value of the Reconciliation Amount and (ii) 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 Trustee of such Reconciliation Amount.

9. **Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation**

9.1 **Final Redemption:** Unless previously redeemed or purchased and cancelled as provided in this Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*), the Issuer shall redeem the Notes in each Class at their Principal Amount Outstanding together with any accrued and unpaid interest on the Final Maturity Date.

9.2 **Mandatory Redemption in part:** On each Interest Payment Date prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Principal Receipts towards the redemption of the Notes to the extent that there are such amounts available to do so in accordance with the Pre-Enforcement Principal Priority of Payments, **provided that** if as a result of the application of the Available Principal Receipts a Class of Notes will be redeemed in full, it shall be redeemed together with all accrued but unpaid interest (including any interest deferred in accordance with Condition 8.12 (*Subordination by Deferral*)).

9.3 **Optional Redemption in whole:**

The Issuer may on any Interest Payment Date when, on the related Calculation Date, the aggregate of the Principal Amount Outstanding of the outstanding Notes is equal to or less than 10 per cent. of the Principal Amount Outstanding of all of the Notes as at the Closing Date, exercise its right to redeem all of the Notes (not partial) in each Class at their Principal Amount Outstanding together with accrued and unpaid interest subject to the following:

- (a) no Enforcement Notice has been delivered by the Trustee;
- (b) the Issuer has given not more than 60 nor less than 4 days' notice to the Trustee and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes in each Class; and
- (c) prior to giving any such notice, the Issuer shall have provided to the Trustee a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Principal Priority of Payments.

9.4 **Optional Redemption in whole for taxation reasons:**

The Issuer may exercise its right to redeem all of the Notes (not partial) in each Class at their Principal Amount Outstanding together with any accrued but unpaid interest:

- (a) after the date on which, by virtue of a change in Tax law (or the application or official interpretation of Tax law), the Issuer (or the Paying Agents on the Issuer's behalf) is to make any payment in respect of the Notes and the Issuer (or the Paying Agents on the Issuer's behalf) would be required to make a Tax Deduction in respect of such relevant payment; or
- (b) after the date on which, by virtue of a change in the Tax law (or the application or official interpretation of Tax law), the Issuer would be subject to United Kingdom corporation tax in an accounting period on an amount which materially exceeds the aggregate Issuer Profit Amount retained during that accounting period;

subject to the following:

- (i) no Enforcement Notice has been delivered by the Trustee;
- (ii) the Issuer has given not more than 60 nor less than 14 days' notice to the Trustee and the Noteholders in accordance with the Notices Condition of its intention to redeem all (but not some only) of the Notes in each Class; and

- (iii) that prior to giving any such notice, the Issuer has provided to the Trustee the following:
  - (A) in the case of 9.4(a) and 9.4(b) above only, a legal opinion (in form and substance satisfactory to the Trustee) from a firm of lawyers in the applicable jurisdiction (approved in writing by the Trustee), opining on the relevant change in Tax law;
  - (B) in the case of 9.4(a) above only, a certificate signed by two directors of the Issuer to the effect that the obligation to make a Tax Deduction cannot be avoided by the Issuer taking reasonable measures available to it; and
  - (C) in the case of 9.4(a) and 9.4(b) above only, a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Enforcement Principal Priority of Payments.

9.5 ***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 Seller exercise the Risk Retention Regulatory Change Option, the Issuer will give not more than 15 nor less than 5 Business Days' notice to (i) the Noteholders, in accordance with Condition 22 (*Notices*), and (ii) the Trustee, and the Notes will be redeemed at their respective amounts determined in accordance with Condition 9.5(b) on the Interest Payment Date immediately following the exercise of such option by the Seller, **provided that** the Issuer has, immediately prior to giving such notice, certified to the Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required to be paid in priority to or *pari passu* with the Notes and the Certificates on such Interest Payment Date (such certification to be provided by way of certificate signed by two directors of the Issuer on which the Trustee shall be entitled to rely without any further enquiry or liability) (and for the avoidance of doubt, the order of priority shall be as set out in the Post-Enforcement Priority of Payments).
- (b) Any Note redeemed pursuant to Condition 9.5(a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding for the respective Class of Notes up to, but excluding, the relevant Interest Payment Date (**provided that** in relation to any Notes held by the Retention Holder, or any of its affiliates or nominees (in each case each party having provided written confirmation of their agreement thereto together with evidence of their holding of the relevant Notes) the redemption amounts payable by the Issuer to such person in respect of the EU Retention Notes may be set off (to the greatest extent possible and directly or by way of multi-party direction and set-off) against the purchase price payable to the Issuer for the purchase of the Mortgage Portfolio).

9.6 ***Mandatory Redemption of the Notes following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or the Market Sale***

- (a) Following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or upon a Market Sale and, in each case, on giving not more than 5 nor less than 2 Business Days' notice to the Noteholders and the Certificateholders in accordance with Condition 22 (*Notices*) and Certificate Condition 20 (*Notices*), and the Trustee, the consideration received by the Issuer for the sale of the Mortgage Portfolio will be applied in accordance with the relevant Priority of Payments on the EORD, the FORD, the SORD or any Interest Payment Date falling thereafter (as applicable) on which the sale of the Mortgage Portfolio has been completed with the result that the Notes will be redeemed in full in accordance with this Condition 9.6.

- (b) Any Note redeemed pursuant to Condition 9.6(a) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the Interest Payment Date on which the redemption occurred or, in the case of redemption following the Market Sale, in an amount available for such purpose in accordance with the applicable Priority of Payments.

9.7 **Calculation of Note Principal Payment and Principal Amount Outstanding:** On each Calculation Date, the Issuer shall calculate (or cause the Cash Manager to calculate):

- (a) the aggregate of any Note Principal Payment due in relation to each Note in each Class on the Interest Payment Date immediately succeeding such Calculation Date; and
- (b) the Principal Amount Outstanding of each Note in each Class on the Interest Payment Date immediately succeeding such Calculation Date (after deducting any Note Principal Payment due to be made on that Interest Payment Date in relation to such Class),

and notify the Issuer, the Trustee, the Paying Agents, the Agent Bank and for so long as the Notes are listed on Euronext Dublin, Euronext Dublin in accordance with Condition 9.11 (*Notice of Calculation*).

9.8 **Calculations Final and Binding:** Each calculation by or on behalf of the Issuer of any Note Principal Payment and the Principal Amount Outstanding of a Note of each Class shall in each case (in the absence of manifest error) be final and binding on all persons.

9.9 **Trustee to determine Amounts in case of Issuer Default:** If the Issuer does not at any time for any reason calculate (or cause the Cash Manager to calculate) any Note Principal Payment and the Principal Amount Outstanding in relation to each Class in accordance with this Condition, such amounts may be calculated by the Trustee (without, in the absence of fraud, wilful default or gross negligence, any liability to any person accruing to the Trustee as a result) in accordance with this Condition (based on information supplied to it by the Issuer or the Cash Manager) and each such calculation shall be deemed to have been made by the Issuer. In each case, the Trustee may, at the expense of the Issuer employ an expert to make such calculations and any such calculations shall be deemed to have been made by the Issuer.

9.10 **Conclusiveness of Certificates and Legal Opinions:** Any certificate and legal opinion given by or on behalf of the Issuer pursuant to Condition 9.3 (*Optional Redemption in whole*) and Condition 9.4 (*Optional Redemption in whole for taxation reasons*) shall be relied on by the Trustee without further enquiry or Liability to any other person and shall be conclusive and binding on the Noteholders, the Trustee and on the other Secured Creditors.

9.11 **Notice of Calculation:** The Issuer will cause each calculation of a Note Principal Payment and Principal Amount Outstanding in relation to each Class to be notified immediately after calculation to the Trustee, the Agents and, for so long as the Notes are listed on Euronext Dublin, Euronext Dublin and will immediately cause details of each calculation of a Note Principal Payment and the Principal Amount Outstanding in relation to each Class to be published in accordance with the Notices Condition by no later than two Business Days prior to each Interest Payment Date.

9.12 **Notice irrevocable:** Any such notice as is referred to in Condition 9.3 (*Optional Redemption in whole*) or Condition 9.4 (*Optional Redemption in whole for taxation reasons*) or Condition 9.11 (*Notice of Calculation*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes to which such notice relates at their Principal Amount Outstanding if effected pursuant to Condition 9.3 (*Optional Redemption in whole*) or Condition 9.4 (*Optional Redemption in whole for taxation reasons*) and in an amount equal to the Note Principal Payment in respect of each Note calculated as at the related Calculation Date if effected pursuant to Condition 9.2 (*Mandatory Redemption in part*).

9.13 **Cancellation of redeemed Notes:** All Notes redeemed in full will be cancelled forthwith by the Issuer, together with all unmatured Coupons appertaining thereto or surrendered therewith, and no such Notes or Coupons may not be reissued or resold.



10. **Limited Recourse and Non-Petition**

10.1 If at any time following:

- (a) the occurrence of either:
  - (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable; or
  - (ii) the service of an Enforcement Notice; or
- (b) realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Notes in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable under any respective Class of Notes then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above) under such Class of Notes (and any Class of Notes junior to that Class of Notes and any payments in respect of the Certificates) shall, on the day following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer.

10.2 None of the Noteholders or any other Secured Creditor (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer or its directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, examinership, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or for the appointment of a liquidator, administrator, receiver or any other insolvency official in relation to the Issuer or in relation to the whole or any substantial part of the undertakings of the Issuer.

11. **Payments**

11.1 **Principal and Interest:** Payments of principal and interest shall be made by transfer to an account in Sterling, maintained by the payee with a bank in London and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Notes at the Specified Office of any Paying Agent in accordance with the terms of the Agency Agreement.

11.2 **Record Date:** Each payment in respect of a Note will be made to the person shown as the Noteholder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment. The person shown in the Register at the opening of business on the relevant record date in respect of a Note shall be the only person entitled to receive payments in respect of Notes represented by such Note and the Issuer will be discharged by payment to, or to the order of, such person in respect of each amount so paid.

11.3 **Payments subject to Fiscal Laws:** All payments in respect of the Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

11.4 **Partial Payments:** If a Principal Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note.

11.5 **Payments on Business Days:** If the due date for payment of any amount in respect of any Note is not a Business Day, then the holder shall not be entitled to payment until the next succeeding Business Day (unless such Business Day falls in the following calendar month, in which case it shall be brought forward to the immediately preceding Business Day) and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note.

12. **Taxation**

12.1 **Payments free of Tax:** All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed, levied, collected, withheld or assessed by the Issuer Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless the Issuer, the Trustee or the Paying Agents (as the case may be) are required by law to make any Tax Deduction. In that event, the Issuer, the Trustee or the Paying Agents (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted. Notwithstanding any other provision in these Conditions, the Issuer, the Trustee and the Paying Agent shall be permitted to withhold or deduct any amounts required pursuant to a FATCA withholding.

12.2 **No payment of additional amounts:** None of the Issuer, the Trustee or the Paying Agents will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction. None of the Issuer, the Trustee or the Paying Agent shall have any obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, the Trustee, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

13. **Events of Default**

13.1 **Events of Default:** Subject to the other provisions of this Condition, each of the following events shall be treated as an Event of Default:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Most Senior Class of Notes within seven Business Days following the due date for payment of such principal or fails to pay any amount of interest in respect of the Class A Notes within fourteen Business Days following the due date for payment of such interest;
- (b) **Breach of other obligations:** the Issuer defaults in the performance or observance of any of its other obligations under or in respect of Notes, the Issuer Covenants, the Trust Deed, the Deed of Charge or any of the other Transaction Documents to which it is a party and such default (a) is, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Most Senior Class of Notes and (b) is, in the opinion of the Trustee, incapable of remedy or is, in the opinion of the Trustee, capable of remedy, but remains unremedied for 30 days (or such longer period as the Trustee may permit) after the Trustee has given written notice of such default to the Issuer;
- (c) **Insolvency:** an Insolvency Event in respect of the Issuer occurs;
- (d) **Unlawfulness:** it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or Trust Documents or any of the other Transaction Documents; and
- (e) **Misrepresentation:** any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the Trustee is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Trustee may permit) (except that in any case where the 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 Trustee on the Issuer of notice requiring the same to be remedied.

13.2 **Delivery of Enforcement Notice:** If an Event of Default occurs and is continuing, the Trustee may at its discretion and shall:

- (a) if so requested in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; or

- (b) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes;

deliver an Enforcement Notice to the Issuer.

13.3 **Conditions to delivery of Enforcement Notice:** Notwithstanding Condition 13.2 (*Delivery of Enforcement Notice*) the Trustee shall not be obliged to deliver an Enforcement Notice unless:

- (a) in the case of the occurrence of any of the events mentioned in Condition 13.1(b) (*Breach of other obligations*) the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the holders of the Most Senior Class of Notes; and
- (b) it shall, in all circumstances, have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.4 **Consequences of delivery of Enforcement Notice:** Upon the delivery of an Enforcement Notice, the Notes of each Class shall become immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with any accrued interest.

#### 14. Enforcement

14.1 **Proceedings:** The Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class (including these Conditions), the Deed of Charge or under the other Transaction Documents or to enforce the Security, but it shall not be bound to do so unless:

- (a) so requested in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes (or, if there are no Notes outstanding, not less than 25 per cent. of the Certificates then outstanding); or
- (b) so directed by an Extraordinary Resolution of the holders of the Most Senior Class;

and in any such case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

14.2 **Restrictions on disposal of Issuer's assets:** If an Enforcement Notice has been delivered by the Trustee otherwise than by reason of non-payment of any amount due in respect of the Notes, the Trustee will not be entitled to dispose of the Charged Property (except in respect of any Interest Rate Swap Collateral which shall be repaid to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Collateral Account Priority of Payments) or any part thereof unless either:

- (a) the Issuer certifies to the Trustee (upon which certification the Trustee shall be entitled to rely absolutely and without enquiry and without any Liability for doing so) that a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments; or
- (b) the Trustee is of the opinion, which shall be binding on the Noteholders and the other Secured Creditors, reached solely in reliance upon the advice of an investment bank or other financial adviser selected by the Trustee, (and if the Trustee is unable to obtain such advice having made reasonable efforts to do so this Condition 14.2(b) shall not apply) that the cash flow 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 due in respect of the Notes of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments and the Trustee shall have no Liability to any person for the consequences of any such opinion reached in accordance with this Condition 14.2(b); and

- (c) the Trustee shall not be bound to make the determination, or seek the advice of an investment bank or other financial adviser, contained in Condition 14.2(b) unless the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable for which it may incur by so doing and shall have no Liability to anyone for not so doing.

14.3 **Third Party Rights:** No person shall have any right to enforce any Condition or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

15. **No action by Noteholders, Certificateholders or any other Secured Creditor**

15.1 Only the Trustee may pursue the remedies available under the general law or under the Trust Documents to enforce the Security and no Noteholder, Certificateholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Security and, in particular, none of the Noteholders, the Certificateholders or any other Secured Creditor (nor any person on its or their behalf, other than the Trustee where appropriate) are entitled:

- (a) otherwise than as permitted by these Conditions, to direct the Trustee to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- (b) to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due by the Issuer to such Noteholders, Certificateholders or any other Secured Creditors;
- (c) until the date falling two years after the Final Discharge Date, to initiate or join any person in initiating any insolvency proceeding in relation to the Issuer; or
- (d) to take or join in the taking of any steps or proceedings which would result in the Priority of Payments not being observed.

unless, the Trustee, having become bound 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, fails to do so within 60 days or is unable to do so, and such failure or inability shall be continuing, provided that no Noteholder, Certificateholder or other Secured Creditor shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

16. **Meetings of Noteholders**

16.1 **Convening:** The Trust Deed contains "*Provisions for Meetings of Noteholders*" for convening separate or combined meetings of Noteholders of any Class to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed, which modification may be made if sanctioned by an Extraordinary Resolution.

16.2 **Separate and combined meetings:** The Trust Deed provides that:

- (a) an Extraordinary Resolution which in the opinion of the Trustee affects the interests of the Noteholders of only one Class of Notes shall be transacted at a separate meeting of the Noteholders of that Class;
- (b) an Extraordinary Resolution which in the opinion of the Trustee affects the interests of the Noteholders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of one Class of Notes and the holders of another Class of Notes shall be transacted either at separate meetings of the Noteholders of each such Class or at a single meeting of the Noteholders of all such Classes of Notes, as the Trustee shall determine in its absolute discretion; and
- (c) an Extraordinary Resolution which in the opinion of the Trustee affects the Noteholders of more than one Class of Notes and gives rise to any conflict of interest, actual or potential between the Noteholders of one Class of Notes and the Noteholders of any other Class of Notes shall be transacted at separate meetings of the Noteholders of each such Class.

16.3 ***Request from Noteholders:*** A meeting of Noteholders of a particular Class may be convened by the Trustee or the Issuer at any time and must be convened by the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Noteholders of a particular Class holding not less than 10 per cent. in aggregate of the Principal Amount Outstanding of the outstanding Notes of that Class. However, so long as no Event of Default has occurred and is continuing, the Noteholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Trustee, without consent of the Issuer and, if applicable, certain other Transaction Parties pursuant to any relevant Transaction Documents, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

16.4 ***Quorum:*** The quorum at any meeting convened to vote on:

- (a) an Ordinary Resolution, relating to a meeting of a particular Class or Classes of the Notes will be one or more persons present and holding or representing in aggregate not less than 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or, at any adjourned meeting, one or more persons present and holding or representing in aggregate not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding;
- (b) an Extraordinary Resolution, other than regarding a Reserved Matter, relating to a meeting of a particular Class or Classes of the Notes will be one or more persons holding or representing, in aggregate, more than 50 per cent. of the Principal Amount Outstanding of the outstanding Notes in that Class or those Classes or, at any adjourned meeting, one or more persons holding or representing, in aggregate, not less than 25 per cent. of the Principal Amount Outstanding of the outstanding Notes so held or represented in such Class or those Classes; and
- (c) an Extraordinary Resolution relating to a Reserved Matter (which must be proposed separately to each Class of Noteholders) will be one or more persons holding or representing not less than 75 per cent. in aggregate of the Principal Amount Outstanding of the outstanding Notes in the relevant Class or Classes or, at any adjourned meeting, one or more persons holding or representing more than 50 per cent. in aggregate of the Principal Amount Outstanding of the outstanding Notes in the relevant Class or Classes.

16.5 ***Relationship between Classes:***

In relation to each Class of Notes:

- (a) no Extraordinary Resolution involving a Reserved Matter that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes (to the extent that there are outstanding Notes in each such other Classes);
- (b) no Extraordinary Resolution to approve any matter other than a Reserved Matter of any Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class of Notes, unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class of Notes;
- (c) any resolution passed at a Meeting of Noteholders of one or more Classes of Notes duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting; and
- (d) except in the case of a meeting relating to a Reserved Matter, any resolution passed at a meeting of the holders of the Most Senior Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes.

16.6 ***Resolutions in writing or by Electronic Consents:*** A Written Resolution shall take effect as if it were an Extraordinary Resolution. Any resolution passed by way of Electronic Consents given by

holders through the relevant clearing system(s) in accordance with these Conditions and the Trust Deed shall also be binding on the relevant Noteholders.

17. **Modification and Waiver**

17.1 **Modification:** the Trustee may at any time and from time to time, without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors (other than the Secured Creditors who are party to the relevant Transaction Document), concur with the Issuer and any other relevant parties in making:

- (a) any modification to these Conditions, the Certificate Conditions, the Trust Documents, the Notes, the Certificates or the other Transaction Documents in relation to which its consent is required (other than in respect of a Reserved Matter or any provisions of the Trust Documents referred to in the definition of a Reserved Matter) which, in the opinion of the Trustee will not be materially prejudicial to the holders of the Most Senior Class; or
- (b) any modification to these Conditions, the Certificate Conditions, the Trust Documents, the Notes, the Certificates or the other Transaction Documents in relation to which its consent is required, if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature or is made to correct a manifest error.

17.2 **Additional Right of Modification:**

Notwithstanding the provisions of Condition 17.1 (*Modification*), the Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or, subject to proviso (viii) below, any other Secured Creditor, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to these Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, **provided that** the Issuer certifies in writing to the Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (b) to enable the Issuer to enter into any new and/or amended bank account agreement or collection account agreement including (without limitation) 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 Rated Notes at their then current ratings) or to enter into a Custody Agreement, **provided that** the Issuer certifies to the Trustee (upon which the Trustee shall rely absolutely and without enquiry or liability) that any such new agreement and/or amendment would not have an adverse effect on the then current rating of the Most Senior Class of Notes;
- (c) for the purpose of complying with any changes after the Closing Date in the requirements of the CRA Regulation, the U.S. Credit Risk Retention Requirements, the Securitisation Regulation, the CRR, AIFMR and/or Solvency II (including any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) as amended from time to time, **provided that** the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, **provided that** the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);

- (e) for the purposes of enabling the Issuer or any other person that is a Transaction Party to comply with the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), **provided that** the Issuer or the relevant Transaction Party, as applicable, certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability); or
- (f) for the purpose of changing the reference rate from the Applicable Reference Rate in respect of each Class of Rated Notes to an alternative reference rate (any such rate, an "**Alternative Reference Rate**") and making such other amendments to these Conditions or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the changes envisaged pursuant to this Condition 17.2(f) (for the avoidance of doubt, this may include modifications to when the Rate of Interest applicable to any Class of Notes is calculated and/or notified to Noteholders or other such consequential modifications) (a "**Reference Rate Modification**"), **provided that** the Issuer certifies to the Trustee in writing (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that:
  - (i) the Reference Rate Modification is being undertaken due to any one or more of the following:
    - (A) a material disruption to the Applicable Reference Rate, a material change in the methodology of calculating the Applicable Reference Rate or the Applicable Reference Rate ceasing to exist or be published, or the administrator of the Applicable Reference Rate having used a fallback methodology for calculating the Applicable Reference Rate for a period of at least 30 calendar days; or
    - (B) the insolvency or cessation of business of the administrator of the Applicable Reference Rate (in circumstances where no successor administrator has been appointed); or
    - (C) a public statement by the administrator of the Applicable Reference Rate that it will cease publishing the Applicable Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Applicable Reference Rate) with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
    - (D) a public statement by the supervisor of the administrator of the Applicable Reference Rate that the Applicable Reference Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating the Applicable Reference Rate with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
    - (E) a public statement by the supervisor of the administrator of the Applicable Reference Rate that means the Applicable Reference Rate will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
    - (F) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a benchmark rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free

- Reference Rates, despite the continued existence of the Applicable Reference Rate; or
- (G) it having become unlawful and/or impossible and/or impracticable for any Paying Agent, Agent Bank, the Issuer or the Cash Manager to calculate any payments due to be made to any Noteholder using the Applicable Reference Rate; or
  - (H) it being the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (A), (B) or (G) will occur or exist within six months of the proposed effective date of such Reference Rate Modification; or
  - (I) the Alternative Reference Rate being adopted in a material number of publicly listed issues of asset-backed floating rate notes denominated in the same currency as any of the Notes; and
- (ii) the Alternative Reference Rate is any one or more of the following:
    - (A) a benchmark rate with an equivalent term to the Applicable Reference Rate as published, endorsed, approved or recognised as a replacement to the Applicable Reference Rate by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an Alternative Reference Rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Reference Rate); or
    - (B) a benchmark rate with an equivalent term utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in sterling in the six months prior to the proposed effective date of such Reference Rate Modification; or
    - (C) such other benchmark rate as the Issuer reasonably determines, **provided that** this option may only be used if the Issuer certifies to the Trustee (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that, in the reasonable opinion of the Issuer, neither Condition 17.2(f)(i)(A) nor Condition 17.2(f)(ii)(B) are applicable and/or practicable in the context of the transaction constituted by the Transaction Documents, and sets out the rationale in the Modification Certificate (as defined below) for choosing the proposed Alternative Reference Rate; and
  - (iii) the same Alternative Reference Rate will be applied to all Classes of Rated Notes; and
  - (iv) the details of and the rationale for any Note Rate Maintenance Adjustment (as defined below) proposed in accordance with item (v)(C) of the proviso to Conditions 17.2(a) to (g) are as set out in the notice to Noteholders given pursuant to sub-paragraph (v) below; and
  - (v) the modifications proposed are required solely for the purpose of applying the Alternative Reference Rate and making consequential modifications to these Conditions or any Transaction Document which are, as reasonably determined by the Issuer necessary or advisable, and the modifications have been drafted solely to such effect,



(the certificate to be provided by the Issuer or the relevant Transaction Party, as the case may be, pursuant to paragraphs (a) to (f) above being a "**Modification Certificate**"), **provided that:**

- (vi) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee;
- (vii) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect;
- (viii) the consent of each Secured Creditor which is party to the relevant Transaction Document or whose ranking in any Priority of Payments is affected has been obtained;
- (ix) either:
  - (A) the Issuer obtains from each of the Rating Agencies a written RAC (or certifies in the Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); or
  - (B) the Issuer certifies in the Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
- (x) the Issuer certifies in writing to the Trustee (which certificate may be in the Modification Certificate and upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 22 (*Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have not contacted the Issuer or Principal Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer or Principal Paying Agent that such Noteholders do not consent to the modification. In the case of a Reference Rate Modification, the notice to Noteholders given pursuant to this sub-paragraph (v) shall confirm:
  - (A) the sub-paragraph(s) of Condition 17.2(f) under which the Reference Rate Modification is being proposed; and
  - (B) which Alternative Reference Rate is proposed to be adopted pursuant to Condition 17.2(f)(ii), and, where Condition 17.2(f)(ii)(C) is being applied, the rationale for choosing the proposed Alternative Reference Rate; and
  - (C) details of the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Reference Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected

Rate of Interest applicable to each such Class of Notes had no such Reference Rate Modification been effected (the "**Note Rate Maintenance Adjustment**"), **provided that:**

- (1) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from the Applicable Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
- (2) in the event that it has become generally accepted market practice in the publicly listed asset backed floating rate notes to use a particular note rate maintenance adjustment mechanism in the context of a transition from the Applicable Reference Rate to the Alternative Reference Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; or
- (3) in the event that neither (1) nor (2) above apply, the Issuer shall use reasonable endeavours to propose an alternative Note Rate Maintenance Adjustment as reasonably determined by the Issuer and shall set out the rationale for the proposal or otherwise the Issuer shall set out in the notice to Noteholders the rationale for concluding that this is not a commercial and reasonable approach in relation to the Notes and the proposed Reference Rate Modification; and
- (4) if any Note Rate Maintenance Adjustment is proposed, the Note Rate Maintenance Adjustment applicable to each Class of Notes other than the Most Senior Class of Notes shall be at least equal to that applicable to the Most Senior Class of Notes. In circumstances where the Issuer proposes a lower Note Rate Maintenance Adjustment on any Class of Notes other than the Most Senior Class of Notes than that which is proposed for the Most Senior Class of Notes or another Class of Notes which ranks senior to the Class of Notes to which the lower Note Rate Maintenance Adjustment is proposed to be made, the Reference Rate Modification will not be made unless an Extraordinary Resolution is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders*) by the Noteholders of each Class of Notes then outstanding to which the lower Note Rate Maintenance Adjustment is proposed to be made; and
- (5) for the avoidance of doubt, the Note Rate Maintenance Adjustment may effect an increase or a decrease to the margin or may be set at zero; and

- (D) details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Condition 17.2 (*Additional Right of Modification*).

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have notified the Issuer or the Principal Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held, a copy of which notification the Principal Paying Agent shall promptly provide to the Issuer and the Trustee) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Most Senior Class of Notes is passed in favour of such modification in accordance with Condition 16 (*Meetings of Noteholders and Certificateholders*).

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.

- (g) Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:
- (i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
  - (ii) the Secured Creditors;
  - (iii) the Noteholders in accordance with Condition 22 (*Notices*); and
  - (iv) the Certificateholders in accordance with Certificate Condition 20 (*Notices*).
- (h) Following the making of a Reference Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Reference Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Reference Rate Modification, the Issuer is entitled to propose a further Reference Rate Modification pursuant to this Condition 17.2 (*Additional Right of Modification*).

### 17.3 ***Trustee's Rights and Protections***

Notwithstanding anything to the contrary in Condition 17.2 (*Additional Right of Modification*) or any Transaction Document:

- (a) when implementing any modification pursuant to this Condition 17.2 (*Additional Right of Modification*) (save to the extent the Trustee considers that the proposed modification would constitute a Reserved Matter), the Trustee shall not consider the interests of the Noteholders, Certificateholders, any other Secured Creditor or any other person and shall act and rely absolutely, and without enquiry or Liability, on any certificate (including any Modification Certificates) or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Condition 17.2 (*Additional Right of Modification*) and shall not be liable to the Noteholders, Certificateholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (b) the Trustee shall not be obliged to agree to any modification (or, if applicable, new agreement) which, in the sole opinion of the Trustee would have the effect of (i) exposing the 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 rights or protections, of the Trustee in the Transaction Documents and/or these Conditions.

- 17.4 **Waiver:** In addition, the Trustee may, without the consent of the Noteholders, the Certificateholders or any other Secured Creditor authorise or waive any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Notes, the Certificates or any of the other Transaction Documents or determine that any Event of Default or Certificates Event of Default shall not be treated as such for the purposes of these Conditions, the Notes, the Certificate Conditions or any of the Transaction Documents if, in the opinion of the Trustee, the interests of the holders of the Most Senior Class will not be materially prejudiced by such waiver.
- 17.5 **Restriction on power to waive:** The Trustee shall not exercise any powers conferred upon it by Condition 17.4 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes (or, if there are no Notes outstanding, not less than 25 per cent. of the Certificates then outstanding), but so that no such direction or request (a) shall affect any authorisation, waiver or determination previously given or made or (b) shall authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the holders of each Class of outstanding Notes and/or the holders of the Certificates then outstanding (as the case may be) in accordance with Condition 16.5 (*Relationship between Classes*) and Certificate Condition 14.4 (*Relationship between Noteholders and Certificateholders*) (as applicable) have, by Extraordinary Resolution, so authorised its exercise.
- 17.6 **Notification:** Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders, the Rating Agencies and the other Secured Creditors in accordance with the Notices Condition and the Transaction Documents, as soon as practicable after it has been made.
- 17.7 **Binding Nature:** Any authorisation, waiver, determination or modification referred to in Condition 17.1 (*Modification*) or Condition 17.4 (*Waiver*) shall be binding on the Noteholders and the other Secured Creditors.
18. **Prescription**
- 18.1 **Principal:** Claims for principal in respect of Notes shall become void where application for payment is made more than ten years after the due date therefor.
- 18.2 **Interest:** Claims for interest in respect of Notes, shall become void where application for payment is made more than five years after the due date therefor.
19. **Replacement of Notes**
- If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and Euronext Dublin requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.
20. **Trustee and Agents**
- 20.1 **Trustee's right to Indemnity:** Under the Transaction Documents, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.
- 20.2 **Trustee not responsible for loss or for monitoring:** The Trustee is not responsible for any loss, expense or Liability which may be suffered as a result of the Charged Property or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Servicer or by any person on behalf of the Trustee (as applicable). The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.

- 20.3 **Regard to classes of Noteholders:** In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will:
- (a) have regard to the interests of each Class of Noteholders as a Class and will not be responsible for any consequence for individual Noteholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction; and
  - (b) in the event of a conflict of interests of holders of different Classes of Notes and the Certificates, have regard only to the interests of the holders of the Most Senior Class of Notes and will not have regard to any lower ranking Class of Notes or (following the redemption in full of all Classes of Notes) the Certificates or to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds after the delivery of an Enforcement Notice in accordance with the Post-Enforcement Priority of Payments.
- 20.4 **Paying Agents solely agents of Issuer:** In acting under the Agency Agreement and in connection with the Notes, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.
- 20.5 **Initial Paying Agents:** The Issuer reserves the right (with the prior written approval of the Trustee) to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or agent bank and additional or successor paying agents at any time, having given not less than 30 days' notice to such Agent.
21. **Substitution of Issuer**
- 21.1 **Substitution of Issuer:** The Trustee may, without the consent of the Noteholders, the Certificateholders or any other Secured Creditor, subject to such further conditions as are specified in the Trust Deed, concur with the Issuer to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the Transaction Documents, the Notes, the Certificates and the Secured Amounts.
- 21.2 **Notice of Substitution of Issuer:** Not later than fourteen days after any substitution of the Issuer in accordance with this Condition, the Substituted Obligor shall cause notice of such substitution to be given to the Noteholders, the Certificateholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents.
- 21.3 **Change of Law:** In the case of a substitution pursuant to this Condition, the Trustee may in its absolute discretion agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors to a change of the law governing the Notes, the Certificates and/or any of the Transaction Documents **provided that** such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class, **provided that** the Rating Agencies are notified by the Issuer. For the avoidance of doubt, a Transaction Document cannot be amended without the agreement of all the parties thereto.
- 21.4 **No indemnity:** No Noteholder or Certificateholder shall, in connection with any such substitution, be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders or Certificateholders.
22. **Notices**
- 22.1 **Valid Notices:** For so long as the relevant Notes are in global form, any notice to Noteholders shall be validly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the relevant Class of Notes and shall be deemed to be given on the date on which it was so sent. While the Notes are represented by Definitive Notes, any notice to the holders thereof 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 Trustee shall approve in advance having a general circulation in the United Kingdom. So long as the relevant Notes are listed on the official list of Euronext Dublin and admitted to trading on its regulated market any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to its Company

Announcements Office, and any notice so published shall be deemed to have been given on the date of publication.

- 22.2 **Other Methods:** The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and **provided that** notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

23. **Non-Responsive Rating Agency**

- 23.1 In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Notes and any of the Transaction Documents, the Trustee shall be entitled but not obliged to take into account any RAC that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby.

- 23.2 If a RAC 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 RAC or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Trustee) and:

- (a) (I) one Rating Agency (such Rating Agency, a "**Non-Responsive Rating Agency**") indicates that it does not consider such RAC or response necessary in the circumstances or that it does not, as a matter of practice or policy provide such RAC or response or (II) within 30 days of delivery of such request, no RAC or response is received and/or such request elicits no statement by such Rating Agency that such RAC or response could not be given; and
- (b) one Rating Agency gives such RAC or response based on the same facts,

then such condition to receive a RAC or response from each Rating Agency shall be deemed modified so that there shall be no requirement for the RAC or response from the Non-Responsive Rating Agency, the Issuer provides to the Trustee a certificate signed by two directors certifying and confirming that each of the events in paragraphs (a)(I) or (II) and (b) above has occurred, the Issuer having sent a written request to each Rating Agency and the Trustee shall be entitled to rely upon such certificate absolutely and without enquiry or Liability to any person for so doing.

- 23.3 The Trustee shall be entitled to rely absolutely and without enquiry or Liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to this Condition 23. The Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a RAC or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such RAC or response from such Non-Responsive Rating Agency.

24. **Governing Law and Jurisdiction**

- 24.1 **Governing law:** 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.

- 24.2 **Jurisdiction:** The Courts of England and Wales 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, the Certificates and/or the Transaction Documents may be brought in such Courts. The Issuer has in each of the Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of such Courts. Notwithstanding the above, the Trustee may take proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee may take concurrent proceedings in any number of jurisdictions.

**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**

- 1.1 The 1,000 residual certificates (the "**Certificates**") will be issued by Tudor Rose Mortgages 2020-1 PLC (registered number 12616829) (the "**Issuer**") on or about the Closing Date. Any reference in these Certificate Conditions to Certificateholders shall be a reference to the holders of the Certificates.
- 1.2 The Issuer has agreed to issue the Certificates subject to and with the benefit of the terms of the Trust Deed and the Agency Agreement. The security for the Certificates is created pursuant to, and on the terms set out in, the Deed of Charge.
- 1.3 The Agency Agreement records certain arrangements in relation to the payment of Certificate Payments with respect to the Certificates.
- 1.4 Certain provisions of these Certificate Conditions are summaries of the Trust Documents and the Incorporated Terms Memorandum and the Agency Agreement and are subject to their detailed provisions.
- 1.5 The Certificateholders are bound by the terms of the Trust Documents and the Incorporated Terms Memorandum, and are deemed to have notice of all the provisions of the Transaction Documents.
- 1.6 Copies of the Transaction Documents and the Memorandum and Articles of Association of the Issuer are available for inspection by Certificateholders, upon reasonable notice, during normal business hours at the principal office for the time being of the Trustee, being at the date hereof 125 Old Broad Street, Fifth Floor, London, EC2N 1AR and at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below. Upon reasonable request, such Paying Agent will allow copies of such documents to be taken.

**2. Definitions**

- 2.1 Capitalised terms not otherwise defined in these Certificate Conditions and any rules of interpretation shall have the meanings given to them in the terms and conditions of the Notes.
- 2.2 ***Transaction Documents and other agreements:*** Any reference to any document defined as a Transaction Document or any other agreement or document shall be construed as a reference to such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced.

**3. Form and Denomination**

- 3.1 Each Certificate will be initially represented by a global certificate in registered form (a "**Global Certificate**").
- 3.2 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 or Clearstream, Luxembourg, as appropriate. The Global Certificate will be deposited with and registered in the name of a nominee of a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").
- 3.3 A Global Certificate will be exchanged for a Definitive Certificate only if either of the following applies:
  - (a) in the case of a Global Certificate held in Euroclear or Clearstream, Luxembourg, both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period

## TERMS AND CONDITIONS OF THE CERTIFICATES

of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business; or

- (b) as a result of any amendment to, or change in (A) the laws or regulations of the United Kingdom or any political sub-division therein or thereof having power to tax or (B) the interpretation or administration of such legislation which becomes effective on or after the Closing Date, the Issuer or the Principal 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 if the Certificates were in definitive form.

3.4 If Definitive Certificates are issued in respect of the 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.

3.5 Definitive Certificates will be serially numbered and will be issued in registered form only.

3.6 References to the "**Certificates**" in these Certificate Conditions shall include the Global Certificate and the Definitive Certificates, and references to "**Certificateholders**" means the holder of a respective Class of Certificates.

#### 4. **Title**

4.1 The holder registered in the Register of a respective Class of Certificate will (to the fullest extent permitted by applicable law) 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 Certificate regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.

4.2 The Issuer shall cause to be kept at the Specified Office of the Registrar, the Register on which shall be entered the names and addresses of the holders of the Certificates and the particulars of the Certificates held by them and of all transfers and redemptions of the Certificates.

4.3 No transfer of a Certificate will be valid unless and until entered on the Register.

4.4 Transfers and exchanges of beneficial interests in the Global Certificates and any Definitive Certificates and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Certificates and the detailed regulations concerning transfers of such Certificates contained in the Agency Agreement, the Trust Deed and the legend appearing on the face of the Certificates. In no event will transfer of a beneficial interest in a Global Certificate or the transfer of a Global Certificate be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by the Principal Paying Agent in the United Kingdom or the Registrar to any holder of a Certificate who so requests (and who provides evidence of such holding where the Certificates are in global form) and will be available upon request at the Specified Office of the Registrar or the Principal Paying Agent.

4.5 A Definitive Certificate may be transferred in whole or in part upon the surrender of the relevant Definitive Certificate, together with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Certificate, a new Definitive Certificate, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar.

4.6 Each new Definitive Certificate, to be issued upon transfer of Definitive Notes will, within five Business Days of receipt of such request for transfer, be available for delivery at the Specified Office of the Registrar or the Principal Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Certificate, to such address as may be specified in such request.

4.7 Registration of Definitive Certificates on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar



may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

5. **Status and Ranking**

5.1 **Status:** The Certificates constitute direct, secured and (subject to the limited recourse provision in Certificate Condition 10 (*Limited Recourse and Non-Petition*)) unconditional obligations of the Issuer, and represent the Issuer's obligation to pay any Certificate Payment amounts to the Certificateholders.

5.2 The Certificates rank *pari passu* without preference or priority among themselves in relation to payment of the Certificate Payments at all times, as provided in these Certificate Conditions and the Transaction Documents.

5.3 **Sole Obligations:** The Certificates are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other Transaction Parties.

5.4 **Priority of Payments.** Prior to the delivery of an Enforcement Notice, the Issuer is required to apply Available Revenue Receipts and Available Principal Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments (as applicable) and thereafter, in accordance with the Post-Enforcement Priority of Payments.

6. **Security**

6.1 **Security:** The Certificates are secured by the Security.

6.2 **Enforceability:** The Security will become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with (i) as long as there are Notes outstanding, Condition 13 (*Events of Default*) and subject to the matters referred to in Condition 14 (*Enforcement*), and (ii) while there are no Notes outstanding and as long as there are Certificates outstanding, Certificate Condition 11 (*Certificates Events of Default*) and subject to the matters referred to in Certificate Condition 12 (*Enforcement*).

7. **Issuer Covenants**

The Issuer makes the Issuer Covenants in favour of the Trustee which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed), dispose of assets or change the nature of its business, without the prior written consent of the Trustee or unless otherwise permitted by the Transaction Documents. So long as any Note remains outstanding or a Certificate remains outstanding, the Issuer shall comply with the Issuer Covenants.

8. **Certificate Payments**

8.1 **Right to Certificate Payments:** The Certificates represents a *pro rata* entitlement to receive Certificate Payments by way of excess spread generated from the purchase by the Issuer of the Mortgage Portfolio, respectively.

8.2 **Payment:** A Certificate Payment shall be payable in respect of the Certificates on each Interest Payment Date as referred to below.

8.3 **Determination of Certificate Payment Amount:** The Cash Manager shall on each Calculation Date determine the Certificate Payment payable on the immediately following Interest Payment Date and the Certificate Payment Amount payable in respect of each Certificate on such Interest Payment Date.

8.4 **Publication of Certificate Payment and Certificate Payment Amount:** The Cash Manager shall cause the Certificate Payment and Certificate Payment Amount (if any) for each Interest Payment Date to be notified to the Issuer, the Trustee, the Registrar and the Paying Agents (as applicable) and to be published in accordance with the Notices Condition as soon as possible after their

determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.

- 8.5 **Amendments to Publications:** The Certificate Payment and Certificate Payment Amount (if any) so published on a given Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the relevant Interest Period.
- 8.6 **Determination or Calculation by Trustee:** If the Cash Manager does not at any time for any reason determine the Certificate Payment and the Certificate Payment Amount in accordance with this Certificate Condition 8 (*Certificate Payments*), the Trustee may (but without, save in the case of any wilful default, fraud or gross negligence by the Trustee, any Liability accruing to the Trustee as a result) determine the Certificate Payment and the Certificate Payment Amount in the manner, in its absolute discretion (having such regard as it shall think fit to the procedure described in this Certificate Condition), it shall deem fair and reasonable in all the circumstances, and such determination and/or calculation shall be deemed to have been made by the Cash Manager. The Trustee may, at the expense of the Issuer, employ an expert to make the determination and/or the calculation and any such determination and/or calculation shall be deemed to have been made by the Cash Manager.
- 8.7 **Notifications to be final:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Certificate Condition 8 (*Certificate Payments*), whether by the Cash Manager or the Trustee shall (in the absence of any manifest error) be binding on the Issuer and all Certificateholders and (in the absence of any Breach of Duty) no Liability to the Trustee or the Certificateholders shall attach to the Cash Manager or the Agents in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Certificate Condition 8 (*Certificate Payments*). The Trustee shall have no Liability to any person in connection with the exercise or non-exercise of its powers, duties and discretions under this Certificate Condition 8 (*Certificate Payments*).
- 8.8 **Limited Recourse and Non-Petition**

If at any time following:

- (a) the occurrence of either:
- (i) the Final Maturity Date or any earlier date upon which all of the Notes of each Class are due and payable; or
  - (ii) the service of an Enforcement Notice; or
- (b) realisation of the Charged Property and application in full of any amounts available to pay amounts due and payable under the Certificates (including Certificate Payments) in accordance with the applicable Priority of Payments,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the applicable Priority of Payments, to pay in full all amounts then due and payable in respect of the Certificates then the amount remaining to be paid (after such application in full of the amounts first referred to in (b) above in respect of the Certificates) shall cease to be due and payable by the Issuer and the Certificateholders shall have no further claim against the Issuer in respect of any further amounts due to be paid in respect of the Certificates.

None of the Certificateholders or any other Secured Creditor (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer or its directors, officers, successors or assigns, or join in any institution against the Issuer of, any bankruptcy, examinership, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or for the appointment of a liquidator, administrator, receiver or any other insolvency official in relation to the Issuer or in relation to the whole or any substantial part of the undertakings of the Issuer.

9. **Payments**

9.1 **Payments:** Payments shall be made by transfer to an account in Sterling, maintained by the payee with a bank in London and (in the case of final cancellation) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent in accordance with the terms of the Agency Agreement.

9.2 **Record Date:** Each payment in respect of a Certificate will be made to the person shown as the Certificateholder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment. The person shown in the Register at the opening of business on the relevant record date in respect of a Certificate shall be the only person entitled to receive payments in respect of the Certificates represented by such Certificate and the Issuer will be discharged by payment to, or to the order of, such person in respect of each amount so paid.

9.3 **Payments subject to fiscal laws:** All payments in respect of the Certificates are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

9.4 **Partial Payments:** If a Principal Paying Agent makes a partial payment in respect of any Certificate, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

9.5 **Payments on Business Days:** If the due date for payment of any amount in respect of any Certificate is not a Business Day (unless such Business Day falls in the following calendar month, in which case it shall be brought forward to the immediately preceding Business Day), then the holder shall not be entitled to payment until the next succeeding Business Day and no further payments of additional amounts shall be due in respect of such Certificate.

9.6 **Cancellation:** The Certificates will be cancelled upon the earliest to occur of (i) the redemption in full of the Notes; and (ii) the Final Discharge Date.

10. **Taxation**

10.1 **Payments free of Tax:** All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed, levied, collected, withheld or assessed by the Issuer Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless the Issuer, the Trustee or the Paying Agents (as the case may be) are required by law to make any Tax Deduction. In that event, the Issuer, the Trustee or the Paying Agents (as the case may be) shall make such payments after such Tax Deduction and shall account to the relevant authorities for the amount so withheld or deducted. Notwithstanding any other provision in these Certificate Conditions, the Issuer, the Trustee and the Paying Agent shall be permitted to withhold or deduct any amounts required pursuant to a FATCA withholding.

10.2 **No payment of additional amounts:** None of the Issuer, the Trustee or the Paying Agents will be obliged to pay any additional amounts to the Certificateholders as a result of any such Tax Deduction. None of the Issuer, the Trustee or the Paying Agent shall have any obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, the Trustee, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA withholding.

11. **Certificates Events of Default**

11.1 **Certificates Events of Default:** Subject to the other provisions of this Certificate Condition and subject to the Notes no longer being outstanding, each of the following events shall be treated as a Certificates Event of Default:

- (a) **Non-payment:** the Issuer fails to pay any amount due in respect of the Certificates within seven Business Days following the due date for payment of such amount;

- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Certificates, the Issuer Covenants, the Trust Deed, the Deed of Charge or any of the other Transaction Documents to which it is a party and such default (a) is, in the opinion of the Trustee, materially prejudicial to the interests of the holders of the Most Senior Class, and (b) is, in the opinion of the Trustee, incapable of remedy or is, in the opinion of the Trustee, capable of remedy, but remains unremedied for 30 days (or such longer period as the Trustee may permit) after the Trustee has given written notice of such default to the Issuer;
  - (c) *Insolvency*: an Insolvency Event in respect of the Issuer occurs;
  - (d) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Certificates or Trust Documents or any of the other Transaction Documents; and
  - (e) *Misrepresentation*: any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which in the opinion of the 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 Trustee may permit) (except that in any case where the 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 Trustee on the Issuer of notice requiring the same to be remedied.
- 11.2 ***Delivery of Enforcement Notice***: If a Certificates Event of Default occurs and is continuing and **provided that** at such time all of the Notes are no longer outstanding, the Trustee may at its discretion and shall:
- (a) if so requested in writing by the holders of at least 25 per cent. in number of the Certificates then outstanding; or
  - (b) if so directed by an Extraordinary Resolution of the Certificateholders,
- deliver an Enforcement Notice to the Issuer.
- 11.3 ***Conditions to delivery of Enforcement Notice***: Notwithstanding Certificate Condition 11.2 (*Delivery of Enforcement Notice*) the Trustee shall not be obliged to deliver an Enforcement Notice unless:
- (a) in the case of the occurrence of any of the events mentioned in Certificate Condition 11.1(b) (*Breach of other obligations*) the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Certificateholders; and
  - (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.
- 11.4 ***Consequences of delivery of Enforcement Notice***: Upon the delivery of an Enforcement Notice or an enforcement notice pursuant to Condition 13.2 (*Delivery of Enforcement Notice*), any Certificate Payments pursuant to the Certificates shall thereby immediately become due and payable, without further action or formality.
12. **Enforcement**
- 12.1 ***Proceedings***: The Trustee may, at its discretion and without further notice, institute such steps, actions or proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class, the Certificates (including these Certificate Conditions), the Deed of Charge or under the other Transaction Documents or to enforce the Security, but it shall not be bound to do so unless:

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- (a) whilst there are Notes outstanding, it is:
  - (i) so requested in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; or
  - (ii) so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes; and
- (b) whilst there are no Notes outstanding but there are Certificates outstanding, it is
  - (i) so requested in writing by the holders of at least 25 per cent. in number of the Certificates then outstanding; or
  - (ii) so directed by an Extraordinary Resolution of the holders of the Certificates,

and in any such case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

12.2 **Directions to the Trustee:** If the Trustee shall take any action, step or proceeding described in Certificate Condition 12.1 (*Proceedings*) it may take such action, step or proceeding without having regard to the effect of such action on individual Certificateholders or any other Secured Creditor, **provided that** so long as any of the Notes are outstanding, the Trustee shall not, and shall not be bound to, act at the request or direction of the Certificateholders unless:

- (a) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders; or
- (b) (if the Trustee is not of that opinion) such action is sanctioned by an Extraordinary Resolution of each Class of Noteholders.

12.3 **Restrictions on disposal of Issuer's assets:** If an Enforcement Notice has been delivered by the Trustee otherwise than by reason of non-payment of any amount due in respect of the Notes or the Certificates, the Trustee will not be entitled to dispose of the Charged Property (except in respect of any Interest Rate Swap Collateral which shall be repaid to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Collateral Account Priority of Payments) or any part thereof unless either:

- (a) the Issuer certifies to the Trustee (upon which certification the Trustee shall be entitled to rely absolutely and without enquiry and without any Liability for doing so) that a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments; or
- (b) the Trustee is of the opinion, which shall be binding on the Noteholders, the Certificateholders and the other Secured Creditors, reached solely in reliance upon the advice of an investment bank or other financial adviser selected by the Trustee, (and if the Trustee is unable to obtain such advice having made reasonable efforts to do so this Certificate Condition 12.3(b) shall not apply) that the cash flow 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 due in respect of the Notes of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Enforcement Priority of Payments and the Trustee shall have no Liability to any person for the consequences of any such opinion reached in accordance with this Certificate Condition 12.3(b); and
- (c) the Trustee shall not be bound to make the determination, or seek the advice of an investment bank or other financial adviser, contained in Certificate Condition 12.3(b) unless the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable for which it may incur by so doing and shall have no Liability to anyone for not so doing.

12.4 **Third Party Rights:** No person shall have any right to enforce any Certificate Condition or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

13. **No action by Noteholders, Certificateholders or any other Secured Creditor**

13.1 Only the Trustee may pursue the remedies available under the general law or under the Trust Documents to enforce the Security and no Noteholder, Certificateholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Security and, in particular, none of the Noteholders, the Certificateholders or any other Secured Creditor (nor any person on its or their behalf, other than the Trustee where appropriate) are entitled:

- (a) otherwise than as permitted by these Certificate Conditions, to direct the Trustee to enforce the Security or take any proceedings against the Issuer to enforce the Security;
- (b) to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due by the Issuer to such Noteholders, Certificateholders or any other Secured Creditors;
- (c) until the date falling two years after the Final Discharge Date, to initiate or join any person in initiating any insolvency proceeding in relation to the Issuer; or
- (d) to take or join in the taking of any steps or proceedings which would result in the Priority of Payments not being observed.

unless, the Trustee, having become bound 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, fails to do so within 60 days or is unable to do so, and such failure or inability shall be continuing, provided that no Noteholder, Certificateholder or other Secured Creditor shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

14. **Meetings of Certificateholders**

14.1 **Convening:** The Trust Deed contains "*Provisions for Meetings of Certificateholders*" for convening meetings of Certificateholders to consider matters relating to the Notes and the Certificates (as applicable), including the modification of any provision of these Certificate Conditions or the Trust Deed, which modification may be made if sanctioned by an Extraordinary Resolution.

14.2 **Request from Certificateholders:** A meeting of Certificateholders may be convened by the Trustee or the Issuer at any time and must be convened by the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Certificateholders holding not less than 10 per cent. in number of the Certificates then outstanding. However, so long as no Certificates Event of Default has occurred and is continuing, the Certificateholders are not entitled to instruct or direct the Issuer to take any action, either directly or indirectly through the Trustee, without consent of the Issuer and, if applicable, certain other Transaction Parties pursuant to any relevant Transaction Documents, unless the Issuer has an obligation to take such action under the relevant Transaction Documents.

14.3 **Quorum:** The quorum at any meeting convened to vote on:

- (a) an Ordinary Resolution, relating to a meeting of the holders of Certificates will be one or more persons present and holding or representing in aggregate not less than 25 per cent. of the number of the relevant Class of Certificates then outstanding or, at any adjourned meeting, one or more persons present and holding or representing in aggregate not less than 10 per cent. of the number of the relevant Certificates then outstanding;
- (b) an Extraordinary Resolution, other than regarding a Reserved Matter, relating to a meeting of the holders of Certificates will be one or more persons holding or representing, in aggregate, more than 50 per cent. in number of the Certificates then outstanding or, at any adjourned meeting, one or more persons present and holding or representing in aggregate not less than 25 per cent. in number of the Certificates then outstanding; and

- (c) an Extraordinary Resolution relating to a Reserved Matter will be one or more persons holding or representing in aggregate not less than 75 per cent. in number of the Certificates then outstanding or, at any adjourned meeting, one or more persons holding or representing in aggregate more than 50 per cent. in number of the Certificates then outstanding.

14.4 ***Relationship between Noteholders and Certificateholders:***

In relation to each Class of Notes and the Certificates:

- (a) subject to Certificate Condition 14.4(e), no Extraordinary Resolution involving a Reserved Matter that is passed by the holders of the Certificates shall, to the extent there are Notes outstanding, be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each Class of Notes then outstanding in accordance with Condition 16 (*Meetings of Noteholders and Certificateholders*) unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the outstanding Notes;
- (b) no Extraordinary Resolution to approve any matter other than a Reserved Matter that is passed by the holders of the Certificates shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each Class of Notes then outstanding in accordance with Condition 16 (*Meetings of Noteholders and Certificateholders*) unless the Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the outstanding Notes;
- (c) any resolution passed at a Meeting of Certificateholders duly convened and held in accordance with the Trust Deed shall be binding upon all of the Certificateholders, whether or not present at such Meeting and whether or not voting;
- (d) except in the case of a meeting relating to a Reserved Matter, any resolution passed at a meeting of the holders of the Most Senior Class of Notes duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes and the Certificates; and
- (e) a matter which is a Reserved Matter affecting only the holders of the Certificates shall only require an Extraordinary Resolution of the holders of the relevant Class of Certificates then outstanding and, for avoidance of doubt, shall not require an Extraordinary Resolution of the holders of any Class or Classes of Notes.

***Resolutions in writing and Electronic Consents:*** A Written Resolution shall take effect as if it were an Extraordinary Resolution.

Any resolution passed by way of Electronic Consents given by holders through the relevant clearing system(s) in accordance with these Certificate Conditions and the Trust Deed shall also be binding on the Certificateholders.

15. **Modification and Waiver**

15.1 ***Modification:*** the Trustee may at any time and from time to time, without the consent or sanction of the Noteholders, Certificateholders or any other Secured Creditors (other than the Secured Creditors who are party to the relevant Transaction Document), concur with the Issuer and any other relevant parties in making:

- (a) any modification to these Certificate Conditions, the Conditions, the Trust Documents, the Notes, the Certificates or the other Transaction Documents in relation to which its consent is required (other than in respect of a Reserved Matter or any provisions of the Trust Documents referred to in the definition of a Reserved Matter) which, in the opinion of the Trustee will not be materially prejudicial to the holders of the Most Senior Class; or
- (b) any modification to these Certificate Conditions, the Conditions, the Trust Documents, the Notes, the Certificates or the other Transaction Documents in relation to which its consent

is required, if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature or is made to correct a manifest error.

15.2 ***Additional Right of Modification:***

Notwithstanding the provisions of Certificate Condition 15.1 (*Modification*), the Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or, subject to proviso (viii) below, any other Secured Creditor, to concur with the Issuer in making any modification (other than in respect of a Reserved Matter) to these Certificate Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

- (a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, **provided that** the Issuer certifies in writing to the Trustee that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (b) to enable the Issuer to enter into any new and/or amended bank account agreement, collection account agreement or liquidity facility agreement including (without limitation) 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 Rated Notes at their then current ratings) or to enter into any Custody Agreement, **provided that** the Issuer certifies to the Trustee (upon which the Trustee shall rely absolutely and without enquiry or liability) that any such new agreement and/or amendment would not have an adverse effect on the then current rating of the Most Senior Class of Notes;
- (c) for the purpose of complying with any changes after the Closing Date in the CRA Regulation, the U.S. Credit Risk Retention Requirements, the Securitisation Regulation, the CRR, AIFMR and/or Solvency II (including any associated regulatory technical standards and advice, guidance or recommendations from relevant supervisory regulators) as amended from time to time, **provided that** the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, **provided that** the Issuer certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);
- (e) for the purposes of enabling the Issuer or any other person that is a Transaction Party to comply with the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), **provided that** the Issuer or the relevant Transaction Party, as applicable, certifies to the Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability);  
or
- (f) for the purpose of changing the reference rate from the Applicable Reference Rate in respect of each Class of Rated Notes (and irrespective of whether any change is proposed to the Certificate Conditions) to an Alternative Reference Rate and making such other amendments to the Conditions of the Rated Notes or any other Transaction Document as are necessary or advisable in the reasonable judgment of the Issuer to facilitate the changes envisaged pursuant to this Certificate Condition 15.2(f) (for the avoidance of doubt, this may include modifications to when the Rate of Interest applicable to any Class of Notes



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is calculated and/or notified to Noteholders or other such consequential modifications) (a "**Reference Rate Modification**"), **provided that** the Issuer certifies to the Trustee in writing (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that:

- (i) the Reference Rate Modification is being undertaken due to any one or more of the following:
  - (A) a material disruption to the Applicable Reference Rate, a material change in the methodology of calculating the Applicable Reference Rate or the Applicable Reference Rate ceasing to exist or be published, or the administrator of the Applicable Reference Rate having used a fallback methodology for calculating the Applicable Reference Rate for a period of at least 30 calendar days; or
  - (B) the insolvency or cessation of business of the administrator of the Applicable Reference Rate (in circumstances where no successor administrator has been appointed); or
  - (C) a public statement by the administrator of the Applicable Reference Rate that it will cease publishing the Applicable Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Applicable Reference Rate) with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
  - (D) a public statement by the supervisor of the administrator of the Applicable Reference Rate that the Applicable Reference Rate has been or will be permanently or indefinitely discontinued or there will be a material change in the methodology of calculating the Applicable Reference Rate with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
  - (E) a public statement by the supervisor of the administrator of the Applicable Reference Rate that means the Applicable Reference Rate will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Reference Rate Modification; or
  - (F) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a Benchmark Rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates, despite the continued existence of the Applicable Reference Rate; or
  - (G) it having become unlawful and/or impossible and/or impracticable for any Paying Agent, Agent Bank, the Issuer or the Cash Manager to calculate any payments due to be made to any Noteholder using the Applicable Reference Rate; or
  - (H) it being the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (A), (B) or (G) will occur or exist within six months of the proposed effective date of such Reference Rate Modification;
  - (I) the Alternative Reference Rate being adopted in a material number of publicly listed issues of asset-backed floating rate notes denominated in the same currency as any of the Notes; or

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- (ii) the Alternative Reference Rate is any one or more of the following:
  - (A) a benchmark rate with an equivalent term to the Applicable Reference Rate as published, endorsed, approved or recognised as a replacement to the Applicable Reference Rate by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an Alternative Reference Rate together with a specified adjustment factor which may increase or decrease the relevant Alternative Reference Rate); or
  - (B) a benchmark rate with an equivalent term utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in sterling in the six months prior to the proposed effective date of such Reference Rate Modification; or
  - (C) such other benchmark rate as the Issuer reasonably determines, **provided that** this option may only be used if the Issuer certifies to the Trustee (upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that, in the reasonable opinion of the Issuer, neither Certificate Condition 15.2(f)(ii)(A) nor Certificate Condition 15.2(f)(ii)(B) are applicable and/or practicable in the context of the transaction constituted by the Transaction Documents, and sets out the rationale in the Modification Certificate for choosing the proposed Alternative Reference Rate; and
- (iii) the same Alternative Reference Rate will be applied to all Classes of Rated Notes; and
- (iv) the details of and the rationale for any Note Rate Maintenance Adjustment (as defined below) proposed in accordance with item (v)(C) of the proviso to Certificate Conditions 15.2(a) to (f) are as set out in the notice to Noteholders given pursuant to sub-paragraph (v) below; and
- (v) the modifications proposed are required solely for the purpose of applying the Alternative Reference Rate and making consequential modifications to the Conditions of the Notes or any Transaction Document which are, as reasonably determined by the Issuer necessary or advisable, and the modifications have been drafted solely to such effect

(the certificate to be provided by the Issuer or the relevant Transaction Party, as the case may be, pursuant to paragraphs (a) to (f) above being a "**Modification Certificate**"), **provided that:**

- (vi) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee;
- (vii) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect;
- (viii) the consent of each Secured Creditor which is party to the relevant Transaction Document or whose ranking in any Priority of Payments is affected has been obtained;
- (ix) either:
  - (A) the Issuer obtains from each of the Rating Agencies a written RAC (or certifies in the Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an

TERMS AND CONDITIONS OF THE CERTIFICATES

appropriately authorised person at each of the Rating Agencies) that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); or

- (B) the Issuer certifies in the Modification Certificate that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and
- (x) the Issuer certifies in writing to the Trustee (which certificate may be in the Modification Certificate and upon which certificate the Trustee shall be entitled to rely absolutely and without enquiry or liability) that the Issuer has provided at least 30 calendar days' notice to the Certificateholders of each Class of the proposed modification in accordance with Certificate Condition 20 (*Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Certificates, and Certificateholders representing at least 10 per cent. of the number of Certificates then outstanding have not contacted the Issuer or Principal Paying Agent in writing within such notification period notifying the Issuer or Principal Paying Agent that such Certificateholders do not consent to the modification. In the case of a Reference Rate Modification, the notice to Certificateholders given pursuant to this sub-paragraph (v) shall confirm:
  - (A) the sub-paragraph(s) of Certificate Condition 15.2(f) under which the Reference Rate Modification is being proposed; and
  - (B) which Alternative Reference Rate is proposed to be adopted pursuant to Certificate Condition 15.2(f)(ii), and, where Certificate Condition 15.2(f)(ii)(C) is being applied, the rationale for choosing the proposed Alternative Reference Rate; and
  - (C) details of, and rationale for, the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Rated Notes which are the subject of the Reference Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Rate of Interest applicable to each such Class of Notes had no such Reference Rate Modification been effected; and
  - (D) details of (i) other amendments which the Issuer proposes to make (if any) to the Conditions of the Notes or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Certificate Condition 15.2 (*Additional Right of Modification*).

If Certificateholders representing at least 10 per cent. of the number of Certificates then outstanding have notified the Issuer or Principal Paying Agent in writing a copy of which notification the Principal Paying Agent shall promptly provide to the Issuer and the Trustee within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the holders of the Certificates then outstanding is passed in favour of such modification in accordance with Certificate Condition 14 (*Meetings of Certificateholders*).

Objections made in writing must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Certificateholders holding of the Certificates.

- (g) Any such modification shall be binding on all Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:
  - (i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;
  - (ii) the Secured Creditors;
  - (iii) the Noteholders in accordance with Condition 22 (*Notices*); and
  - (iv) the Certificateholders in accordance with Certificate Condition 20 (*Notices*).
- (h) Following the making of a Reference Rate Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a benchmark rate of interest which is different from the Alternative Reference Rate which had already been adopted by the Issuer in respect of the Rated Notes pursuant to a Reference Rate Modification, the Issuer is entitled to propose a further Reference Rate Modification pursuant to this Certificate Condition 15.2 (*Additional Right of Modification*).

15.3 ***Trustee's Rights and Protections***

Notwithstanding anything to the contrary in Certificate Condition 15.2 (*Additional Right of Modification*) or any Transaction Document:

- (a) when implementing any modification pursuant to Certificate Condition 15.2 (*Additional Right of Modification*) (save to the extent the Trustee considers that the proposed modification would constitute a Reserved Matter), the Trustee shall not consider the interests of the Noteholders, Certificateholders, any other Secured Creditor or any other person and shall act and rely absolutely, and without enquiry or Liability, on any certificate (including any Modification Certificates) or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Certificate Condition 15.2 (*Additional Right of Modification*) and shall not be liable to the Noteholders, Certificateholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (b) the Trustee shall not be obliged to agree to any modification (or, if applicable, new agreement) which, in the sole opinion of the Trustee would have the effect of (i) exposing the 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 rights or protections, of the Trustee in the Transaction Documents and/or these Certificate Conditions.

15.4 ***Waiver:*** In addition, the Trustee may, without the consent of the Noteholders, the Certificateholders or any other Secured Creditor authorise or waive any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Notes, the Certificates or any of the other Transaction Documents or determine that any Event of Default or Certificates Event of Default shall not be treated as such for the purposes of these Certificate Conditions, the Notes, the Certificates or any of the other Transaction Documents if, in the opinion of the Trustee, the holders of the Most Senior Class will not be materially prejudiced by such waiver.

15.5 ***Restriction on power to waive:*** The Trustee shall not exercise any powers conferred upon it by Certificate Condition 15.4 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class (or, if there are no Notes outstanding, not less than 25 per cent. by number of the holders of the Certificates then outstanding), but so that no such direction or request (a) shall affect any authorisation, waiver or determination previously given or made or (b) shall authorise or waive any such proposed breach or breach relating to a Reserved Matter unless the holders of each Class of outstanding Notes and/or the holders of the Certificates then outstanding (as the case may be) in accordance with Condition 16.5 (*Relationship between Classes*) and Certificate Condition 14.4

*(Relationship between Noteholders and Certificateholders)* (as applicable) have, by Extraordinary Resolution, so authorised its exercise.

15.6 **Notification:** Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders, the Rating Agencies, the Certificateholders and the other Secured Creditors in accordance with the Certificate Condition 20 (*Notices*) and the Transaction Documents, as soon as practicable after it has been made.

15.7 **Binding Nature:** Any authorisation, waiver, determination or modification referred to in Certificate Condition 15.1 (*Modification*) or Certificate Condition 15.4 (*Waiver*) shall be binding on the Noteholders, the Certificateholders and the other Secured Creditors.

16. **Prescription**

16.1 **Certificate Payments:** 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 16, 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 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 20 (*Notices*).

17. **Replacement of the Certificates**

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

18. **Trustee and Agents**

18.1 **Trustee's right to Indemnity:** Under the Transaction Documents, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed for any Liabilities incurred by it in priority to the claims of the Noteholders and the Certificateholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

18.2 **Trustee not responsible for loss or for monitoring:** The Trustee is not responsible for any loss, expense or Liability which may be suffered as a result of the Charged Property or any documents of title thereto being uninsured or inadequately insured or being held by or to the order of the Servicer or by any person on behalf of the Trustee (as applicable). The Trustee shall not be responsible for monitoring the compliance by any of the other Transaction Parties with their obligations under the Transaction Documents.

18.3 **Regard to Classes of Noteholders:** In the exercise of its powers and discretions under these Certificate Conditions and the Trust Deed, the Trustee will:

- (a) have regard to the general interests of the Certificateholders and will not be responsible for any consequence for individual Certificateholders as a result of such holders being domiciled or resident in, or otherwise connected in any way with, or subject to the jurisdiction of, a particular territory or taxing jurisdiction; and
- (b) in the event of a conflict of interests of holders of different Classes of Notes and Certificates, have regard only to the interests of the holders of the Most Senior Class and will not have regard to any lower ranking Class of Notes or (following the redemption in full of all Classes of Notes) the Certificates or to the interests of the other Secured Creditors except to ensure the application of the Issuer's funds after the delivery of an Enforcement Notice in accordance with the Post-Enforcement Priority of Payments.

- 18.4 ***Paying Agents solely agents of Issuer:*** In acting under the Agency Agreement and in connection with the Notes and the Certificates, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or the Certificateholders.
- 18.5 ***Initial Paying Agents:*** The Issuer reserves the right (with the prior written approval of the Trustee) to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or agent bank and additional or successor paying agents at any time, having given not less than 30 days' notice to such Agent.
19. **Substitution of Issuer**
- 19.1 ***Substitution of Issuer:*** The Trustee may, without the consent of the Noteholders, the Certificateholders or any other Secured Creditor, subject to such further conditions as are specified in the Trust Deed, concur with the Issuer to the substitution of a Substituted Obligor in place of the Issuer as the principal debtor in respect of the Trust Documents, the Transaction Documents, the Notes, the Certificates and the Secured Amounts.
- 19.2 ***Notice of Substitution of Issuer:*** Not later than fourteen days after any substitution of the Issuer in accordance with this Certificate Condition, the Substituted Obligor shall cause notice of such substitution to be given to the Noteholders, the Certificateholders and the other Secured Creditors in accordance with the Notices Condition and the other relevant Transaction Documents.
- 19.3 ***Change of Law:*** In the case of a substitution pursuant to this Certificate Condition, the Trustee may in its absolute discretion agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors to a change of the law governing the Notes, the Certificates and/or any of the Transaction Documents **provided that** such change would not, in the opinion of the Trustee, be materially prejudicial (i) to the extent there are Notes outstanding, to the interests of the holders of the Most Senior Class of Notes, and (ii) while there are no Notes outstanding, to the interests of the Certificateholders **provided that** the Rating Agencies are notified by the Issuer. For the avoidance of doubt, a Transaction Document cannot be amended without the agreement of all the parties thereto.
- 19.4 ***No indemnity:*** No Noteholder or Certificateholder shall, in connection with any such substitution, be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders or Certificateholders.
20. **Notices**
- 20.1 ***Communications in writing:*** Any notice to the Certificateholders shall be delivered in writing, in the English language, personally or sent by first class post (and air mail if overseas) or by fax or by email to the party due to receive the notice at its address, fax number or email address and marked for the attention of the person or persons set out in Register in respect of the relevant Certificate.
- 20.2 ***Time of receipt:*** Unless there is evidence that it was received earlier, a notice marked for the attention of the person specified in accordance with Condition 20.1 (*Communications in writing*) is deemed given:
- (a) if delivered personally, when left at the relevant address referred to in the Register;
  - (b) if sent by post, except air mail, two Business Days after posting it;
  - (c) if sent by air mail, six Business Days after posting it;
  - (d) if sent by fax, on completion of its transmission; and
  - (e) if sent by email, two Business Days after sending it,
- provided that in each case where personal delivery or delivery by fax occurs after 6:00 p.m. on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9:00 a.m. on the next following Business Day.

- 20.3 **Other methods of notification:** The Trustee shall be at liberty to sanction any other 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 Trustee shall deem appropriate.
21. **Governing Law and Jurisdiction**
- 21.1 **Governing law:** 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.
- 21.2 **Jurisdiction:** The Courts of England and Wales 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, the Certificates and/or the Transaction Documents may be brought in such Courts. The Issuer has in each of the Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of such Courts. Notwithstanding the above, the Trustee may take proceedings in any other courts with jurisdiction. To the extent allowed by law, the Trustee may take concurrent proceedings in any number of jurisdictions.

## INTEREST RATE SWAP ARRANGEMENTS

### *Interest rate swap arrangements*

On the Closing Date, the Issuer will have entered into the Swap Transaction under the Interest Rate Swap Agreement which shall satisfy the applicable criteria of the Rating Agencies on the Closing Date to hedge against the possible variance between the Fixed Rate due and payable by the Borrowers to the Issuer on the Fixed Rate Mortgage Loans and the interest payable by the Issuer in respect of the Notes.

Under the Swap Transaction, on each Interest Payment Date, the Issuer will pay to the Interest Rate Swap Provider an amount calculated by reference to a fixed rate, and the Interest Rate Swap Provider will pay to the Issuer a floating amount calculated by reference to Compounded Daily SONIA (as defined in the Conditions).

On each Interest Payment Date (subject to the amounts being paid net of one another), the Issuer will pay an amount equal to the product of:

- (a) the notional amount of the Swap Transaction for the related calculation period;
- (b) a fixed rate; and
- (c) the Day Count Fraction,

and the Interest Rate Swap Provider will pay an equal to the product of:

- (a) the notional amount of the Swap Transaction for the related calculation period;
- (b) Compounded Daily SONIA for the related calculation period; and
- (c) the Day Count Fraction.

The notional amount under the Swap Transaction is determined by reference to a fixed amortisation schedule. The amortisation schedule will be based on the expected repayment profile of the Fixed Rate Mortgage Loans assuming a 10% constant prepayment rate. The notional amount under the Swap Transaction is independent from, and does not necessarily match to, the aggregate Current Balance of the Fixed Rate Mortgage Loans in the Mortgage Portfolio for the related calculation period.

In addition, the Issuer has given a covenant to the Interest Rate Swap Provider that it shall not agree to any (and shall procure that there is no) amendment to, modification of or supplement to any of the Transaction Documents without the Interest Rate Swap Provider's prior written consent (such consent not to be unreasonably withheld or delayed) insofar as such amendment, modification or supplement relates to or affects: (i) any Priority of Payments in a manner that adversely affects the Interest Rate Swap Provider and/or the operation of the Interest Rate Swap Collateral Account or any Custody Account (other than in relation to any replacement of the Issuer Account Bank or any Custodian, provided such replacement has the required ratings); (ii) the amount or timing of payments or deliveries due to be made to the Interest Rate Swap Provider under the Conditions or any Transaction Document or status of the Interest Rate Swap Provider as a Secured Creditor; or (iii) Condition 17.2(f) (*Additional Right of Modification*), as set out in the Interest Rate Swap Agreement.

### ***Ratings of Interest Rate Swap Provider and transfer of Interest Rate Swap Agreement***

Under the Interest Rate Swap Agreement, in the event that the relevant ratings of the Interest Rate Swap Provider, or its respective guarantor, as applicable, is or are, as applicable, downgraded by a Rating Agency below the relevant ratings specified (in accordance with the criteria of S&P and DBRS) in the Interest Rate Swap Agreement and (in some cases) as a result of such downgrade the then current ratings of the class of Rated Notes relating to the Interest Rate Swap Agreement, would or may, as applicable, be adversely affected, then the Interest Rate Swap Provider will be required to take certain remedial measures within the relevant time frame (in accordance with the Interest Rate Swap Agreement) which may include, each in respect of its obligations under the Interest Rate Swap Agreement: (i) providing collateral; (ii) arranging such obligations to be transferred to an entity with ratings required by the relevant Rating Agency as specified in the Interest Rate Swap Agreement (in accordance with the criteria of S&P and DBRS), (iii) procuring another entity, with ratings required by the relevant Rating Agency as specified in the Interest



Rate Swap Agreement (in accordance with the criteria of S&P and DBRS), to become co-obligor or guarantor in respect of such obligations, or (iv) take such other action as required to maintain or restore the Ratings of the Notes. If, at any time, the rating of the Interest Rate Swap Provider falls below a rating level specified in the Interest Rate Swap Agreement, the remedial measures available to the Interest Rate Swap Provider may be more limited. If the Interest Rate Swap Provider fails to take one of the actions described above within the specified period referred to in the Interest Rate Swap Agreement, then the Issuer will be entitled to terminate that Interest Rate Swap Agreement.

Any Interest Rate Swap Provider may, at its own expense and in accordance with the terms of the Interest Rate Swap Agreement, transfer its obligations in respect of any Interest Rate Swap Agreement to another entity.

***Termination payments upon early termination of hedging arrangements***

The Swap Transaction may be required to be terminated in whole due to the early redemption of the Notes. Furthermore, termination of the Swap Transaction or the Interest Rate Swap Agreement may occur independently of an Event of Default under the Notes.

The Interest Rate Swap Agreement may be terminated in certain circumstances, including but not limited to, the following, each as more specifically addressed in the Interest Rate Swap Agreement:

- (a) if there is a failure by a party to pay amounts due under the Interest Rate Swap Agreement and any applicable grace period has expired;
- (b) if certain insolvency events occur with respect to a party;
- (c) if a breach of a provision of the Interest Rate Swap Agreement by the Interest Rate Swap Provider is not remedied within the applicable grace period;
- (d) there is a change in tax law, which has the effect that a party to the Interest Rate Swap Agreement will, or there is a substantial risk that it will, be required to make any withholding in respect of any payments to the other party;
- (e) if a change of law results in the obligations of one of the parties becoming illegal;
- (f) if the Interest Rate Swap Provider is downgraded and fails to comply with the requirements of the downgrade provisions contained in the Interest Rate Swap Agreement;
- (g) if an Enforcement Notice is served on the Issuer, pursuant to Condition 13.2 (*Delivery of Enforcement Notice*) of the Notes;
- (h) if the Notes are redeemed in full pursuant to any of the following conditions: Condition 9.2 (*Mandatory Redemption in part*), Condition 9.3 (*Optional Redemption in whole*); Condition 9.4 (*Optional Redemption in whole for taxation reasons*); Condition 9.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*); or Condition 9.6 (*Mandatory Redemption of the Notes following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or the Market Sale*); or
- (i) if a right to terminate arises in accordance with the 2018 ISDA Benchmarks Supplement, as published by the International Swaps and Derivatives Association, Inc. on 19 September 2018.

Any termination of the Interest Rate Swap Agreement (whether in full or in part) may give rise to a termination payment due either to or from the Issuer. Any such payment due from the Issuer to the Interest Rate Swap Provider will rank in order of priority as described in the section entitled "*Summary of Credit Structure and Cashflows*", as applicable, and for the purposes of the relevant priority of payments "**Interest Rate Swap Provider Subordinated Amounts**" means in relation to the Interest Rate Swap Agreement the amount, if any, due to the Interest Rate Swap Provider pursuant to Section 6(e) of the Interest Rate Swap Agreement (but only to the extent that such amount cannot be satisfied by the application of Interest Rate Swap Collateral) in connection with a termination of the Interest Rate Swap Agreement where such termination has arisen as a result of an Interest Rate Swap Provider Event of Default or as a result of an Interest Rate Swap Provider Downgrade Event.

Where the Issuer enters into a further interest rate swap agreement to replace all or part of any Interest Rate Swap Agreement which terminates early, the Issuer shall upon receipt apply the Interest Rate Swap Replacement Premium (if any) in or towards payment of any termination payment then payable by the Issuer to the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement which has terminated early and the remainder of that amount, if any, shall be credited to the Revenue Ledger.

Any termination payment due to the Issuer in respect of a hedging transaction which is being terminated at the option of the Issuer due to the early redemption, enforcement or sale of a Fixed Rate Mortgage prior to the final redemption of the Notes will not be payable in full immediately but will be payable to the Issuer in the form of an annuity on each Interest Payment Date until the date on which the relevant swap or hedging agreement would have expired had it not been terminated early.

**Withholding under Swap Agreement**

If an Interest Rate Swap Provider or the Issuer is required to make any deduction or withholding, for or on account of any present or future tax, levy, impost, duty charge, assessment or fee that is imposed by any government or taxing authority from any amounts payable by it under the Interest Rate Swap Agreement on any Interest Payment Date, then under the terms of the Interest Rate Swap Agreement as the case may be (i) the Interest Rate Swap Provider will be obliged to pay additional amounts ("**Additional Amounts**") to ensure that the Issuer receives the full amount it would otherwise have received from the Interest Rate Swap Provider, or (ii) the Issuer shall make such payment after such withholding or deduction has been made and shall not be obliged to make any additional payments to the Interest Rate Swap Provider (as applicable) in respect of such withholding or deduction.

***Application of Excess Swap Collateral and Interest Rate Swap Replacement Premium***

Any amount attributable to the return of collateral to the Interest Rate Swap Provider and any Interest Rate Swap Replacement Premium applied by the Issuer in making any swap termination payment due from the Issuer to the Interest Rate Swap Provider will be paid directly to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Collateral Account Priority of Payments. Any swap termination payment applied by the Issuer in the purchase of one or more replacement interest rate swap transactions shall be applied directly to such purchase and shall be paid in accordance with the Interest Rate Swap Collateral Account Priority of Payments.

If the Issuer receives any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction relating to the deduction or withholding that gave rise to the payment by the Interest Rate Swap Provider of an "Additional Amount" then an amount equal to the net cash received by the Issuer in respect of such Swap Tax Credit shall be paid directly to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Collateral Account Priority of Payments.

***The Interest Rate Swap Agreement Credit Support Documents***

The Interest Rate Swap Provider will enter into a 1995 ISDA Credit Support Annex (Bilateral Form – Transfer) with the Issuer (the "**Approved Credit Support Document**") in support of its obligations under the Interest Rate Swap Agreement on or around the Closing Date.

Pursuant to the terms of the Approved Credit Support Document, if at any time the Interest Rate Swap Provider is required to provide collateral in respect of any of its obligations under the Interest Rate Swap Agreement, the Approved Credit Support Document provides that, from time to time and subject to the conditions specified in the Approved Credit Support Document and the Interest Rate Swap Agreement, the Interest Rate Swap Provider will make transfers of cash and/or securities by way of collateral to the Issuer in support of its obligations under the Interest Rate Swap Agreement and the Issuer will be obliged to return such collateral when required in accordance with the terms of the Approved Credit Support Document.

Any amount attributable to the return of collateral to the Interest Rate Swap Provider and any Interest Rate Swap Replacement Premium applied by the Issuer in making a swap termination payment due from the Issuer to the Interest Rate Swap Provider will be paid directly to the Interest Rate Swap Provider in accordance with the Interest Rate Swap Collateral Account Priority of Payments and not in accordance with the Revenue Priority of Payments or the Enforcement Priority of Payments (see also "*Cashflows and Cash Management*").

## UNITED KINGDOM TAXATION

### United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes and United Kingdom stamp tax in relation to the issue and transfer of the Notes. It is based on current United Kingdom tax law as applied in England and Wales and the published practice of HMRC (which may not be binding on HMRC) and which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. This summary does not deal with any taxation implications of an investment in the Certificates other than in relation to United Kingdom stamp tax on the issue and transfer of the Certificates. Noteholders and Certificateholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders and Certificateholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes or the Certificates are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders and Certificateholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes and the Certificates even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

### Interest on the Notes

#### *Withholding tax on payments of interest on the Notes*

The Notes will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007 for the purposes of section 987 of the Income Tax Act 2007. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and they are officially listed, in accordance with provisions corresponding to those generally applicable in the European Economic Area. Euronext Dublin is a recognised stock exchange for these purposes, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be officially listed in Ireland in accordance with provisions corresponding to those generally applicable in the European Economic Area and admitted to trading on the regulated market of Euronext Dublin.

In all cases falling outside the exemption described above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

### Other Rules Relating to United Kingdom Withholding Tax

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "**interest**" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the issuer pursuant to Condition 21 (*Substitution of Issuer*) of the Notes, Certificate Condition 19 (*Substitution of Issuer*) or otherwise and does not consider the tax consequences of any such substitution.

**United Kingdom Stamp Taxes**

Provided that the Notes do not carry and will not at any time carry a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital, no United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or on a transfer of, or agreement to transfer, any Notes.

No United Kingdom stamp duty reserve tax should be payable on the issue of any Certificate or agreements to transfer any Certificate. No United Kingdom stamp duty should be payable on the issue of any Certificate. United Kingdom stamp duty may be payable on any instrument transferring a Certificate or on any documentary agreement to transfer any interest in a Certificate. If such an instrument or agreement were created then stamp duty would be chargeable at the rate of 0.5 per cent. of the stampable consideration for the transfer or agreement to transfer.

**ERISA CONSIDERATIONS FOR INVESTORS**

The Notes may not be acquired by a "Benefit Plan Investor" or a governmental, church or non-U.S. plan which is subject to federal, state, local or non-U.S. laws which are similar to the prohibited transaction provisions of Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). A "Benefit Plan Investor" is defined as an (i) employee benefit plan as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, (ii) a plan described in and subject to Section 4975 of the Code or (iii) an entity whose underlying assets include plan assets by reason of a plan's investment in the entity under U.S. Department of Labor Regulations § 2510.3-101 (29 C.F.R. § 2510.3-101) as modified by Section 3(42) of ERISA. Each investor, in purchasing and holding the Notes shall be deemed to represent that it is not, and is not using the assets of, a Benefit Plan Investor or such a governmental, church or non-U.S. plan.

**WITHHOLDING OF U.S. TAX ON ACCOUNT OF FATCA**

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 may be 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 a relevant 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, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthrough payment" in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Potential investors should consult their own tax advisers regarding how these rules may apply to any 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 to a holder of Notes as a result of the withholding.

**FATCA is particularly complex and its application is uncertain at this time. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.**

## SUBSCRIPTION AND SALE

Morgan Stanley & Co. International plc in its capacity as Lead Manager and Morgan Stanley Principal Funding, Inc in its capacity as Retention Holder (or a wholly owned affiliate (or affiliates in respect of the EU Retention Notes only)) have, pursuant to a subscription agreement dated on or about 26 June 2020 amongst the Retention Holder, the Arranger, the Lead Manager and the Issuer (the "**Subscription Agreement**"), agreed with the Issuer (subject to certain conditions) to procure subscriptions and payments for or subscribe and pay for on the Closing Date:

- (a) in the case of the Lead Manager:
  - (i) £243,200,000 of the Class A Notes at the issue price of 99.64 per cent. of the aggregate principal amount of the Class A Notes;
  - (ii) £16,530,000 of the Class B Notes at the issue price of 99.43 per cent. of the aggregate principal amount of the Class B Notes;
  - (iii) £10,830,000 of the Class C Notes at the issue price of 99.29 per cent. of the aggregate principal amount of the Class C Notes;
  - (iv) £7,220,000 of the Class D Notes at the issue price of 97.49 per cent. of the aggregate principal amount of the Class D Notes;
  - (v) £6,460,000 of the Class E Notes at the issue price of 97.25 per cent. of the aggregate principal amount of the Class E Notes;
  - (vi) £2,940,000 of the Class F Notes at the issue price of 97.89 per cent. of the aggregate principal amount of the Class F Notes; and
  - (vii) £5,790,000 of the Class RFN Notes at the issue price of 99.37 per cent. of the aggregate principal amount of the Class RFN Notes; and
- (b) in the case of the Retention Holder (or a majority-owned affiliate (or affiliates)):
  - (i) £12,800,000 of the Class A Notes at the issue price of 99.64 per cent. of the aggregate principal amount of the Class A Notes;
  - (ii) £870,000 of the Class B Notes at the issue price of 99.43 per cent. of the aggregate principal amount of the Class B Notes;
  - (iii) £570,000 of the Class C Notes at the issue price of 99.29 per cent. of the aggregate principal amount of the Class C Notes;
  - (iv) £380,000 of the Class D Notes at the issue price of 97.49 per cent. of the aggregate principal amount of the Class D Notes;
  - (v) £340,000 of the Class E Notes at the issue price of 97.25 per cent. of the aggregate principal amount of the Class E Notes;
  - (vi) £160,000 of the Class F Notes at the issue price of 97.89 per cent. of the aggregate principal amount of the Class F Notes; and
  - (vii) £310,000 of the Class RFN Notes at the issue price of 99.37 per cent. of the aggregate principal amount of the Class RFN Notes.

The Issuer will also issue the Certificates in the form of Regulation S Global Certificates to the Seller on the Closing Date.

The Issuer has agreed to indemnify the Retention Holder, the Lead Manager and the Arranger against certain liabilities and to pay certain costs and expenses in connection with the issue of the Notes.

Any offers and sales of Notes will be made in negotiated transactions or otherwise at varying prices to be determined at the relevant time of sale. As a result, the purchase price paid by an investor in a portion of

the Notes may be higher or lower than the price paid by a different investor in the same Class sold in this offering.

Other than admission of the Notes to the official list of Euronext Dublin and admission to trading on its regulated market, no action has been taken by the Issuer, the Arranger, the Lead Manager, the Seller or the Retention Holder, which would or has been intended to permit a public offering of the Notes or Certificates, or possession or distribution of this Prospectus or other offering material relating to the Notes and Certificates, in any country or jurisdiction where action for that purpose is required.

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 or Certificates in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

### **Offers and Sales**

The Notes and the Certificates (including interests therein represented by a Global Note, a Definitive Note, a Book-Entry Interest or a Global Certificate) have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction and accordingly, may not be reoffered, resold, pledged or otherwise transferred except in accordance with the restrictions described below. Neither the Issuer nor any other person is required to register or qualify the Notes or the Certificates or to provide registration rights to any investor therein. The Notes and the Certificates are initially being offered and sold outside the United States to persons other than U.S. Persons pursuant to Regulation S.

The Notes and the Certificates may not be reoffered, resold, pledged or otherwise transferred except, subject to the restrictions on transfer described herein, (A) to a person whom the transferor reasonably believes is a non-U.S. Person in accordance with Rule 903 or 904 of Regulation S, and (B) in accordance with all applicable securities laws of any state of the United States or other applicable jurisdiction. Prospective purchasers are hereby notified that sellers of the Notes and Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act.

Ownership of interests in Regulation S Global Notes will be limited to persons who have accounts with Euroclear or Clearstream, Luxembourg, or persons who hold interests through Euroclear or Clearstream, Luxembourg. Any offers, sales or deliveries of Notes or Certificates to U.S. Persons by an investor holding such Notes or Certificates in the form of Regulation S Global Note or Regulation S Global Certificate may, except as described in "*Description of the Notes in Global Form – Transfers and Transfer Restrictions*", constitute a violation of U.S. law.

Subject to the restrictions applicable to all sales of Notes or Certificates, there is no restriction on the Issuer, the Seller or any of their respective affiliates from purchasing any Notes or Certificates.

### **Investor Representations and Restrictions on Resale**

Each purchaser of the Notes and the Certificates (which term for the purposes of this section will be deemed to include any interests in the Notes or Certificates, as applicable, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

- (a) it understands that the Notes or Certificates, as applicable, are only being offered in a transaction that does not require registration under the Securities Act and the Notes and Certificates have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other relevant jurisdiction and accordingly, may not be reoffered, resold, pledged or otherwise transferred to, for the account or benefit of, U.S. Persons except in accordance with the restrictions described below;
- (b) in the case of the Regulation S Global Note or a Regulation S Global Certificate, it is not a U.S. Person (within the meaning of Regulation S) and is acquiring such Notes or Certificates, as applicable, in an "offshore transaction" (as defined in Regulation S) pursuant to an exemption from registration provided by Regulation S;
- (c) it understands that the Issuer has not been registered under the Investment Company Act;



- (d) it will, and will require each subsequent holder to, notify any purchaser of the Notes or Certificates, as applicable, from it of the resale restrictions referred to in this section, if then applicable;
- (e) each purchaser understands that the Notes or the Certificates, as applicable, offered in reliance on Regulation S will be represented by the Regulation S Global Notes or Regulation S Global Certificates, as applicable. Before any interest in the Regulation S Global Note or Regulation S Global Certificates, as applicable may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of Regulation S Global Certificates, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;
- (f) it understands that the Issuer, the Registrar, the Arranger and the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the acknowledgments, representations and agreements contained in this section. If it is acquiring any Notes or Certificates for the account of one or more Qualified Institutional Buyers it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account;
- (g) it is an eligible counterparty or professional client, each as defined in MiFID II for the purposes of any product governance target market assessment in respect of the Notes or the Certificates; and
- (h) on each day from the date on which the purchaser or transferee acquires such Notes through and including the date on which the purchaser or transferee disposes of such Notes, it is not and will not be a Benefit Plan Investor or a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, and that in purchasing and holding such Notes it is not, will not be acting on behalf of and will not be using the assets of a Benefit Plan Investor or any such governmental, church or non-U.S. plan.

#### **United Kingdom**

Each of the Arranger, the Lead Manager and the Issuer has represented and agreed 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 issue or sale of any 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 Notes in, from or otherwise involving the United Kingdom.

Each of the Arranger, the Lead Manager and the Issuer has acknowledged that, save for having obtained the approval of the Central Bank of Ireland of this Prospectus as a prospectus in accordance with the requirement of the Prospectus Regulation and implementing measures in Ireland, having applied for the admission of the Notes to the official list of Euronext Dublin and admission to trading on its regulated market, no further action has been or will be taken in any jurisdiction by the Arranger, the Lead Manager or the Issuer 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.

#### **United States**

- (a) The Lead Manager represents, warrants and agrees that the Subscribed Notes have not been and will not be registered under the Securities Act or any state securities laws and 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 except in accordance with Regulation S or pursuant to any other exemption from or in a transaction not subject to, the registration requirements of the Securities Act.
- (b) The Lead Manager represents, warrants and agrees that it will only offer or sell the Subscribed 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**"), in accordance with Rule 903 or 904 of Regulation S and otherwise in accordance with Rule 903 or 904 of Regulation S or an available exemption.

- (c) At or prior to confirmation of sale of Subscribed Notes, the Lead Manager will have sent to each distributor, affiliate or other dealer receiving a selling concession, fee or other remuneration, that purchases Subscribed Notes from it during the Distribution Compliance Period, a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S."

- (d) The Lead Manager represents and agrees that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Subscribed Notes, and it and they have complied and will comply with the offering restrictions requirements of Rule 903 of Regulation S. Terms used above have the meaning given to them by Regulation S.
- (e) The Lead Manager represents, warrants and agrees that it has and throughout the Distribution Compliance Period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Subscribed Notes are aware that the Subscribed Notes may not be offered or sold during the Distribution Compliance Period to a person who is within the United States or its possessions or to a United States person.

#### **Ireland**

Each of the Lead Manager and the Issuer has represented and agreed that it will not offer, sell, place or underwrite or do anything in respect of the 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 authorisation (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 Companies Act 2014 (as amended, the "Companies Act"), the Irish Central Bank Acts 1942 – 2019 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) Regulation (EU) 2017/1129, the European Union (Prospectus) Regulations 2019) and any rules and guidance issued under Section 1363 of the Companies Act by the Central Bank; and
- (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 by the Central Bank.

#### **European Economic Area**

In relation to each Member State of the EEA which has implemented the Prospectus Regulation (each, a "**Relevant Member State**"), each of the Arranger, the Issuer and the Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

**provided that** no such offer of Notes will require the Issuer and the Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 16 of the Prospectus Regulation.

For the purposes of this provision, the expression of an offer of Notes to the public in relation to any Notes in any Relevant Member State means 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 for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

#### **Prohibition of Sales to EEA and UK Retail Investors**

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
- (i) from the date of application of the PRIIPs Regulation, a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) from the date of application of the PRIIPs Regulation, a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) 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 to the Notes.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement. A transferor of the Notes shall not transfer or resell the Notes except where the transferor transfers or resells all the Notes *en bloc* to one transferee.

#### **General**

Other than admission of the Notes to the official list of Euronext Dublin, no action has been taken by the Arranger, the Lead Manager and the Issuer that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Arranger, the Lead Manager, the Seller and the Issuer 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 or the Certificates 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 and all offers and sales of Notes by it will be made on the same terms.

The Arranger and the Lead Manager have acknowledged that the Notes may not be purchased or held by, any "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject thereto, any "plan" as defined in Section 4975 of the Code to which Section 4975 of the Code applies, any person any of the assets of which are, or are deemed for purposes of ERISA or Section 4975 of the Code to be, assets of such an "employee benefit plan" or "plan", or by any governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, and each purchaser of such Notes will be deemed to have represented, warranted and agreed that it is not, and for so long as it holds such Notes will not be, such an "employee benefit plan", "plan" or person, or such governmental, church or non-U.S. plan.

**Legends on Global Notes and Global Certificates**

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any series of the Notes is outstanding, a Regulation S Global Note and Regulation S Global Certificate (*mutatis mutandis*) will bear a legend substantially as set forth below:

NEITHER THIS [NOTE][CERTIFICATE] 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. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "**INVESTMENT COMPANY**" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

ANY TRANSFER OF THIS [NOTE][CERTIFICATE] MAY ONLY BE MADE: TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**"). EACH HOLDER OR SUBSEQUENT HOLDER OF THIS [NOTE] [CERTIFICATE] WILL BE DEEMED TO HAVE MADE THE REPRESENTATIONS AND AGREEMENTS SET FORTH IN THE TRUST DEED. ANY PURPORTED TRANSFER OF THIS [NOTE][CERTIFICATE] THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

TRANSFERS OF THIS [NOTE][CERTIFICATE] SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE [COMMON SAFEKEEPER][COMMON DEPOSITORY] OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS [NOTE][CERTIFICATE] SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

EACH PURCHASER OR HOLDER OF THIS NOTE SHALL BE DEEMED TO HAVE REPRESENTED BY SUCH PURCHASE AND/OR HOLDING THAT (I) IT IS NOT AND IS NOT USING THE ASSETS OF A BENEFIT PLAN INVESTOR, AND SHALL NOT AT ANY TIME HOLD THIS NOTE FOR OR ON BEHALF OF A BENEFIT PLAN INVESTOR AND (II) IT IS NOT AND IS NOT USING THE ASSETS OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO FEDERAL, STATE, LOCAL OR NON-U.S. LAWS WHICH ARE SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED, ("**ERISA**") OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"). THE TERM "**BENEFIT PLAN INVESTOR**" SHALL MEAN (I) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA), WHICH IS SUBJECT TO TITLE I OF ERISA, (II) A PLAN DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY UNDER U.S. DEPARTMENT OF LABOR REGULATIONS § 2510.3-101 (29 C.F.R. § 2510.3-101) AS MODIFIED BY SECTION 3(42) OF ERISA.

Because of the foregoing restrictions, purchasers of Notes or the Certificates, as applicable, are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

**LISTING AND GENERAL INFORMATION**

- (a) 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 its regulated market will be granted on or about 30 June 2020. The Certificates will not be listed.
- (b) This Prospectus is valid for a period of twelve months from the date of approval. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Prospectus is no longer valid. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Prospectus after the closing of the offer period or the time when trading of such securities on a regulated market begins, whichever occurs later.
- (c) 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 is aware), since the date of their respective incorporation 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).
- (d) As at the date of the Prospectus, the Issuer has not yet appointed an auditor. 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 filed with Euronext Dublin and shall be available at the Specified Office of the Principal Paying Agent in London.
- (e) For so long as the Notes are admitted to the official list of Euronext Dublin, the Issuer shall maintain a Paying Agent in the United Kingdom.
- (f) The financial year end of the Issuer is 31 December. The first statutory accounts of the Issuer will be prepared for the period ending 31 December 2020.
- (g) The Issuer does not publish interim accounts.
- (h) Since 21 May 2020 (being the date of incorporation), there has been (a) no material adverse change in the financial position or prospects of the Issuer and (b) no significant change in the financial or trading position of the Issuer.
- (i) Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
- (j) The issue of the Notes and the Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on or about 30 June 2020.
- (k) The following Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and Common Codes:

<u>Notes/Certificates</u>	<u>ISIN</u>	<u>Common Code</u>
<b>Notes</b>		
A	XS2187636936	2187636936
B	XS2187637074	2187637074
C	XS2187637157	2187637157
D	XS2187637231	2187637231
E	XS2187637660	2187637660
F	XS2187637827	2187637827
RFN	XS2187638478	2187638478
X1	XS2187638551	2187638551
X2	XS2187638809	2187638809
Z	XS2187639104	2187639104
<b>Certificates</b>	XS2187640375	2187640375

- (l) From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin's regulated market: (A) copies of the Transaction Documents and of the Memorandum and Articles

of Association of the Issuer may be inspected online at [www.pivot.usbank.com](http://www.pivot.usbank.com) (which website does not and the contents available on it do not form part of this Prospectus); and (B) the Memorandum and Articles of Association of the Issuer may be inspected in physical form at the offices of the Trustee at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, in each case for the life of the transaction set out herein.

- (m) In accordance with the Servicing Agreement, the Servicer will prepare and provide to the Cash Manager for publication (as described below) the Monthly Investor Data Tape on a monthly basis by no later than (i) in a month where an Interest Payment Date does not occur, the Monthly Reporting Date; and (ii) in a month where an Interest Payment Date occurs, the Quarterly Reporting Date.
- (n) In addition, the Servicer will also provide a BoE Data Tape on a monthly basis and submit each BoE Data Tape to EuroABS for publication at [www.euroabs.com](http://www.euroabs.com) (which website does not and the contents available on it do not form part of this Prospectus).
- (o) In accordance with the Cash Management Agreement, the Cash Manager will (with the assistance of the Servicer and the Issuer) prepare and publish the Quarterly Investor Reports on a quarterly basis in respect of the three immediately preceding Collection Periods prior to the relevant Interest Payment Date containing information in relation to the Notes including, but not limited to, ratings of the Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments, required counterparty information, the Retention Holders' holding of the Notes (as confirmed to the Cash Manager) to be provided in relation to the Mortgage Portfolio and the Notes. The first Quarterly Investor Report shall be published within one month of the First Interest Payment Date and thereafter shall be published on a quarterly basis.
- (p) The Monthly Investor Data Tapes will be published by the Cash Manager on the Cash Manager's website at [www.pivot.usbank.com](http://www.pivot.usbank.com) (which website does not and the contents available on it do not form part of this Prospectus).
- (q) The Issuer confirms that the Mortgage Loans backing the issue of the Notes and the Certificates 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 and the Certificates. Investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.
- (r) Arthur Cox 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.
- (s) The total expenses to be paid in relation to admission of the Notes to the official list of Euronext Dublin and trading on the regulated market of Euronext Dublin are estimated to be approximately €13,500.
- (t) A liability cash flow model relating to the Transaction will be made available on the website of EuroABS at [www.euroabs.com](http://www.euroabs.com) (which website does not and the contents available on it do not form part of this Prospectus) on or around the date on which the first Quarterly Investor Report is to be published.
- (u) The Issuer will:
  - (i) make available (or procure the availability of) the Transaction Documents required by Article 7(1)(b) of the Securitisation Regulation no later than 5 Business Days of the Closing Date;
  - (ii) publish (or procure the publication of) details of any inside information as required by and in accordance with Article 7(1)(f) of the Securitisation Regulation and any significant event information required by and in accordance with Article 7(1)(g) of the Securitisation Regulation; and

- (iii) the information set out in paragraphs (i) and (ii) above shall (subject to the same being provided to the Cash Manager in a form acceptable to it) be published by the Cash Manager on the Cash Manager's website at [www.pivot.usbank.com](http://www.pivot.usbank.com).
- (v) In addition, the Issuer confirms that it has caused to be made available the draft Transaction Documents and the preliminary prospectus as required by Article (7)(1)(b) of the Securitisation Regulation prior to the pricing date of the Notes via the website of the Cash Manager at [www.pivot.usbank.com](http://www.pivot.usbank.com) to the competent authorities and (upon request) to potential investors in the Notes.

For the avoidance of doubt, the websites referred to in this section "*Listing and General Information*" and the contents thereof do not form part of this Prospectus.

- (w) The Issuer's LEI code is 213800N2AWJ6DVHDEW88.
- (x) Any website referred to in this document does not form part of the Prospectus and has not been scrutinised or approved by the Central Bank of Ireland.

## GLOSSARY

"Account Bank Agreement"	means the agreement so named and dated on or about the Closing Date between the Issuer, the Cash Manager, the Issuer Account Bank and the Trustee.
"Accrued Interest"	means as at any date of determination on or after the Closing Date and in relation to any Mortgage Loan, interest on such Mortgage Loan (not being interest which is currently payable on such date of determination) which has accrued (but is not yet due and payable) from and including the Monthly Payment Date immediately prior to such date of determination to and including that date of determination.
"Additional Interest"	means the interest which accrues on Deferred Required Interest pursuant to Condition 8 ( <i>Interest</i> ).
"Additional Termination Event"	has the meaning given to it in the Interest Rate Swap Agreement.
"Affected Investor"	means each of EU-regulated credit institutions, EU-regulated investment firms, certain alternative investment fund managers, EU regulated insurers or reinsurers, certain investment companies authorized in accordance with Directive 2009/65/EC, managing companies as defined in Directive 2009/65/EC, institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorised entities appointed by such institutions subject thereto.
"Agency Agreement"	means the agreement so named and dated on or about the Closing Date between the Issuer, the Agents and the Trustee.
"Agent Bank"	means Elavon Financial Services, D.A.C., UK Branch.
"Agents"	means the Agent Bank, the Paying Agents and the Registrar (or any successors duly appointed) and " <b>Agent</b> " means any one of them.
"AIFMR"	means Regulation (European Union) No 231/2013.
"Alternative Bid"	means each bid to purchase the whole of the Mortgage Portfolio submitted by market participants following publication of a Public Auction Notice.
"Ancillary Rights"	means in relation to a Right, all ancillary rights, accretions and supplements to such Right, including any guarantees or indemnities in respect of such Right.
"Applicable Reference Rate"	means in respect of the Notes, Compounded Daily SONIA or such other alternative reference rate from time to time.
"Appointee"	means any delegate, agent, nominee, custodian, attorney or manager appointed or employed by the Trustee pursuant to the provisions of the Trust Documents and other Transaction Documents.
"Approved Credit Support Document"	means a 1995 ISDA Credit Support Annex (Bilateral Form – Transfer) entered into with between the Issuer and the Interest Rate Swap Provider on or around the Closing Date in support of the Interest Rate Swap Provider's obligations under the Interest Rate Swap Agreement.



"Arranger"	means Morgan Stanley & International Co. Plc.
"Arrears Mortgage Loans"	means Mortgage Loans where the relevant Borrower is in arrears on one or more Monthly Payments pursuant to the relevant Mortgage Conditions, other than, for the avoidance of doubt, any Mortgage Loans that are subject to any payment holiday.
"Arrears of Interest"	means as at any date of determination on or after the Closing Date and in relation to any Mortgage Loan, the aggregate of all interest (other than Capitalised Deferred Interest or Accrued Interest) on such Mortgage Loan which is currently due, payable and unpaid on that date.
"Authorised Investments"	means: <ul style="list-style-type: none"> <li>(a) Sterling gilt-edged securities; and</li> <li>(b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),</li> </ul> <p><b>provided that</b> in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and either:</p> <ul style="list-style-type: none"> <li>(i) such investments (A) have a maturity date of 60 days or less and mature before the next following Interest Payment Date or within 60 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 60 days, whichever is sooner, and (C) are rated at least A-1 by S&amp;P or (in each case, if rated by DBRS) R-1 (medium) (short-term) or AA (low) (long-term) by DBRS, or such other credit rating as would not adversely affect the then current rating of the Rated Notes;</li> <li>(ii) such investments (A) have a maturity date of 90 days or less and mature before the next following Interest Payment Date or within 90 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 90 days, whichever is sooner, and (C) are rated at least A-1+ by S&amp;P or (in each case, if rated by DBRS) R-1 (medium) (short-term) or AA (low) (long-term) by DBRS, or such other credit rating as would not adversely affect the then current rating of the Rated Notes,</li> </ul> <p><b>and provided further that</b>, for the avoidance of doubt, where such investments would be in a money market fund or would result in the recharacterisation of the Notes or any transaction as a "re-securitisation" or a "synthetic securitisation" as defined in Articles 2(4) and 2(10), respectively, of the Securitisation Regulation (as amended and/or supplemented</p>

from time to time), such investments shall not qualify as "**Authorised Investments**".

**"Available Principal Receipts"**

means for any Interest Payment Date (without double counting):

- (a) Principal Receipts received by the Issuer during the three immediately preceding Collection Periods;
- (b) amounts (if any) to be credited to the Principal Deficiency Ledger pursuant to items (6), (9), (11), (13), (15), (17) and (25) of the Pre-Enforcement Revenue Priority of Payments;
- (c) on the Rated Collateralised Note Redemption Date, the amounts standing to the credit of the Non-Liquidity Reserve Fund Ledger;
- (d) any amounts of a principal nature received from the Seller following a breach of the representations and warranties given by the Seller in respect of a Mortgage Loan under the Mortgage Sale Agreement;
- (e) after the Step-Up Date, any Available Revenue Receipts to be applied pursuant to item (20) of the Pre-Enforcement Revenue Priority of Payments; and
- (f) any amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*); and
- (g) any amount of:
  - (i) a principal nature received by the Issuer from the Seller, the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or the Market Purchaser by way of the purchase price for the Mortgage Portfolio following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option, Risk Retention Regulatory Change Option or redemption of the Notes pursuant to Conditions 9.3 (*Optional Redemption in whole*) or 9.4 (*Optional Redemption in Whole for taxation reasons*); and
  - (ii) forfeited deposit following a failed completion of the Mortgage Portfolio Purchase Option or the Market Sale (where applicable),

*less:*

- (h) such amount of Available Principal Receipts as is required to cover item (g) of the Available Revenue Receipts.

**"Available Revenue Receipts"**

means for any Interest Payment Date (without double counting):

- (a) Revenue Receipts received by the Issuer during the three immediately preceding Collection Periods or, if any of the immediately preceding three Collection Periods is a Determination Period, Calculated Revenue Receipts (excluding, in each case, an amount to be applied as Available Principal Receipts in accordance with Condition 8.13(c)(i) (*Determinations and Reconciliation*) on the relevant Interest Payment Date;

- (b) interest payable to the Issuer on the Issuer Accounts (including any investment account set up by or on behalf of the Issuer) received during the three immediately preceding Collection Periods;
- (c) proceeds of any Eligible Investments attributable to Revenue Receipts and Principal Receipts received during the three immediately preceding Collection Periods;
- (d) amounts standing to the credit of the Non-Liquidity Reserve Fund Ledger;
- (e) (i) amounts standing to the credit of the Liquidity Reserve Fund Ledger in excess of the Liquidity Reserve Fund Required Amount (before application of the Pre-Enforcement Revenue Priority of Payments), on any Interest Payment Dates, excluding the Class B Redemption Date; and (ii) on the Class B Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund Ledger;
- (f) amounts standing to the credit of the Liquidity Reserve Fund Ledger to cover any relevant Revenue Shortfall which remains after application of amounts under paragraphs (d) and (e) above;
- (g) amounts representing Available Principal Receipts in an amount required to cover any relevant Revenue Shortfall to the extent the same exists after taking into account amounts available under items (d) and (f) of this definition;
- (h) any amounts received or to be received by the Issuer under the Interest Rate Swap Agreement (other than any amounts representing the Interest Rate Swap Provider Excluded Amounts) and any amounts transferred to the Issuer Account from any Interest Rate Swap Collateral Account or any Custody Account in accordance with the Interest Rate Swap Collateral Account Priority of Payments;
- (i) any amount of a revenue nature received by the Issuer from the Seller, the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or the Market Purchaser by way of the purchase price for the Mortgage Portfolio following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option, Risk Retention Regulatory Change Option or redemption of the Notes pursuant to Conditions 9.3 (*Optional Redemption in whole*) or 9.4 (*Optional Redemption in Whole for taxation reasons*);
- (j) any amounts of a revenue nature received by the Issuer from the Seller following a breach of the representations and warranties given by the Seller in respect of a Mortgage Loan under the Mortgage Sale Agreement;
- (k) any amount applied as Available Revenue Receipts in accordance with Condition 8.13(c)(ii) (*Determinations and Reconciliation*);
- (l) other net income of the Issuer received during the three immediately preceding Collection Periods (other than any Principal Receipts),

less

(m) Permitted Withdrawals.

**"Average Principal Balance"** means on any date of calculation of fees under the Servicing Agreement: (x) the sum of the Principal Balance of the Mortgage Loans or the Arrears Mortgage Loans (as the case may be) on each calendar day during the relevant month to which such fees relate *divided by* (y) the actual number of calendar days in the relevant month.

**"Basel III"** means the Basel III reform package approved by the Basel Committee on Banking Supervision.

**"Benchmarks Regulation"** means the EU Benchmarks Regulation (Regulation (EU) 2016/1011).

**"Benefit"** in respect of any asset, agreement, property or right (each a **"Right"** for the purpose of this definition) held, assigned, conveyed, transferred, charged, sold or disposed of by any person shall be construed so as to include:

- (a) all right, title, interest and benefit, present and future, actual and contingent (and interests arising in respect thereof) of such person in, to, under and in respect of such Right and all Ancillary Rights in respect of such Right;
- (b) all monies and proceeds payable or to become payable under, in respect of, or pursuant to such Right or its Ancillary Rights and the right to receive payment of such monies and proceeds and all payments made including, in respect of any bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;
- (c) the benefit of all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such Right or its Ancillary Rights;
- (d) the benefit of all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such Right or its Ancillary Rights, including the right to demand, sue for, recover, receive and give receipts for proceeds of and amounts due under or in respect of or relating to such Right or its Ancillary Rights; and
- (e) all items expressed to be held on trust for such person under or comprised in any such Right or its Ancillary Rights, all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such Right and its Ancillary Rights, all rights of action in respect of any breach of or in connection with any such Right and its Ancillary Rights and all rights to receive damages or obtain other relief in respect of such breach.

**"Bids Review Period"** means, in relation to a Market Sale, the period starting on the day following the end of the Market Bidding Period and ending on the 5<sup>th</sup> Business Days after such date.

**"Borrower"** means, in relation to a Mortgage Loan, the individual or individuals, or a corporate specified as such in the relevant Mortgage Conditions

	together with the individual or individuals (if any) from time to time assuming an obligation to repay such Mortgage Loan or part of it.
<b>"Breach of Duty"</b>	means in relation to any person (other than the Trustee, the Issuer Account Bank, any Custodian, the Cash Manager and the Agents), a wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person and in relation to the Trustee, the Issuer Account Bank, any Custodian, the Cash Manager and each Agent means a wilful default, fraud or gross negligence by the Trustee, the Issuer Account Bank, any Custodian, the Cash Manager or the relevant Agent (as the case may be).
<b>"BoE Data Tape"</b>	means each monthly data tape in the format required by the Bank of England provided and uploaded by the Servicer by no later than the Monthly Reporting Date, relating to the immediately preceding Collection Period.
<b>"Buildings Insurance Policies"</b>	means all buildings insurance policies relating to Properties taken out (a) in the name of the relevant Borrower and (b) in the name of the landlord in the case of leasehold Properties where the relevant landlord is responsible for insuring the Property and each a <b>"Buildings Insurance Policy"</b> .
<b>"Business Day"</b>	means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in London.
<b>"Calculated Principal Receipts"</b>	means, in respect of any Determination Period, the product of (i) 1 minus the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period.
<b>"Calculated Revenue Receipts"</b>	means, in respect of any Determination Period, as the product of (i) the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period.
<b>"Calculation Date"</b>	means, in relation to an Interest Payment Date, 3 Business Days prior to such Interest Payment Date.
<b>"Call Option Price"</b>	means the purchase price for the Mortgage Loans and their Related Security comprising the Mortgage Portfolio pursuant to the Mortgage Portfolio Purchase Option, the Subsidiary Option and the Risk Retention Regulatory Change Option which shall be an amount equal to (without double counting) on the relevant Interest Payment Date: <ul style="list-style-type: none"> <li>(a) the amount required by the Issuer to pay in full all amounts payable or that will become payable under items (1) to (26) of the Pre-Enforcement Revenue Priority of Payments; plus</li> <li>(b) the amount required by the Issuer to redeem all of the Notes then outstanding in full at their respective Principal Amount Outstanding together with accrued and unpaid interest on such Notes; plus</li> <li>(c) the amount equal to the sum of (i) the Issuer's costs and expenses associated with transferring its interests in the Mortgage Portfolio to the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or the Seller (or its respective nominee or assignee (if any)), as applicable, <i>plus</i> (ii) an amount agreed between the Issuer and the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or the Seller (or its respective nominee or assignee (if any)), as applicable in respect of costs anticipated to be</li> </ul>

	incurred by the Issuer after the date on which the purchase of the Mortgage Portfolio is completed; <i>less</i>
	(d) the balance standing to the credit of the Liquidity Reserve Fund Ledger and the Non-Liquidity Reserve Fund Ledger; <i>less</i>
	(e) the aggregate amount of collections received by the Issuer in respect of the Mortgage Portfolio during the three Collection Periods immediately preceding the Interest Payment Date on which the relevant redemption of the Notes occurs.
<b>"Capital Balance"</b>	means in respect of a Mortgage Loan at any date the principal balance of that Mortgage Loan on that date.
<b>"Capitalised Deferred Interest"</b>	means, in relation to a Mortgage Loan, on any date, amounts (excluding Arrears of Interest or amounts comprising Capitalised Expenses) which are overdue in respect of that Mortgage Loan and which as at that date have been added to the Capital Balance of such Mortgage Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower.
<b>"Capitalised Expenses"</b>	means for any Mortgage Loan at any date, expenses which are overdue in respect of that Mortgage Loan and which as at that date have been added to the Capital Balance of that Mortgage Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower.
<b>"Cash Management Agreement"</b>	means the agreement so named entered into on or about the Closing Date between, among others the Cash Manager, the Issuer, the Servicer and the Trustee and/or any successor or replacement cash management agreement entered into by the Issuer from time to time.
<b>"Cash Manager"</b>	means U.S. Bank Global Corporate Trust Limited.
<b>"CCA"</b>	means Consumer Credit Act 1974 (as amended, extended or re-enacted from time to time).
<b>"Certificate Conditions"</b>	means, in relation to the Certificates, the terms and conditions to be endorsed on the Certificates in, or substantially in, the form set out in Schedule 6 ( <i>Terms and Conditions of the Certificates</i> ) to the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Certificate Condition shall be construed accordingly.
<b>"Certificateholders"</b>	means the persons who for the time being are the holders of the Certificates.
<b>"Certificate of Title"</b>	means a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the Originator in respect of each Property substantially in the form of the <i>pro-forma</i> set out in the Standard Documentation.
<b>"Certificate Payment"</b>	means, on any date of determination: <ul style="list-style-type: none"> <li>(i) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date from the Closing Date, the amount by which (a) Available Revenue Receipts exceeds the amounts required to satisfy items (1) to (27) (inclusive) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date and (b) Available Principal Receipts exceeds the amounts required to satisfy items (1) to (15)</li> </ul>

	(inclusive) of the Pre-Enforcement Principal Priority of Payments on that Interest Payment Date; and
	(ii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (1) to (15) of the Post-Enforcement Priority of Payments on that date.
<b>"Certificate Payment Amount"</b>	means, 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 then outstanding.
<b>"Certificates"</b>	means the 1,000 residual certificates issued by the Issuer on or about the Closing Date, any Definitive Certificate(s) and any Global Certificate(s).
<b>"Certificates Event of Default"</b>	means any one of the events specified in Certificate Condition 11 ( <i>Certificates Events of Default</i> ).
<b>"Charged Accounts"</b>	means the Issuer Accounts, the Interest Rate Swap Collateral Account, any Custody Account and any bank or other account in which the Issuer may at any time acquire a Benefit and over which the Issuer has created an Encumbrance in favour of the Trustee pursuant to the Deed of Charge.
<b>"Charged Property"</b>	means all the property of the Issuer which is subject to the Security.
<b>"Class"</b>	means a respective class of Notes or Certificates.
<b>"Class A Global Note"</b>	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class A Notes.
<b>"Class A Noteholders"</b>	means the persons who for the time being are the holders of the Class A Notes.
<b>"Class A Notes"</b>	means the £256,000,000 Class A Mortgage Backed Floating Rate Notes due 2048.
<b>"Class A Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class A Notes.
<b>"Class B Global Note"</b>	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class B Notes.
<b>"Class B Noteholders"</b>	means the persons who for the time being are the holders of the Class B Notes.
<b>"Class B Notes"</b>	means the £17,400,000 Class B Mortgage Backed Floating Rate Notes due 2048.
<b>"Class B PDL Condition"</b>	means a condition which will be satisfied on an Interest Payment Date if the debit balance on the Class B Principal Deficiency Sub-Ledger does not exceed 10% of the Principal Amount Outstanding of the Class B Notes on that Interest Payment Date prior to the application of funds in accordance with the applicable Priority of Payments.

<b>"Class B Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class B Notes.
<b>"Class B Redemption Date"</b>	means the date on which all Class B Notes are redeemed in full.
<b>"Class C Global Note"</b>	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class C Notes.
<b>"Class C Noteholders"</b>	means the persons who for the time being are the holders of the Class C Notes.
<b>"Class C Notes"</b>	means the £11,400,000 Class C Mortgage Backed Floating Rate Notes due 2048.
<b>"Class C Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class C Notes.
<b>"Class D Global Note"</b>	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class D Notes.
<b>"Class D Noteholders"</b>	means the persons who for the time being are the holders of the Class D Notes.
<b>"Class D Notes"</b>	means the £7,600,000 Class D Mortgage Backed Floating Rate Notes due 2048.
<b>"Class D Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class D Notes.
<b>"Class E Global Note"</b>	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class E Notes.
<b>"Class E Noteholders"</b>	means the persons who for the time being are the holders of the Class E Notes.
<b>"Class E Notes"</b>	means the £6,800,000 Class E Mortgage Backed Floating Rate Notes due 2048.
<b>"Class E Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class E Notes.
<b>"Class F Global Note"</b>	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class F Notes.
<b>"Class F Noteholders"</b>	means the persons who for the time being are holders of the Class F Notes.
<b>"Class F Notes"</b>	means the £3,100,000 Class F Mortgage Backed Floating Rate Notes due 2048.
<b>"Class F Principal Deficiency Sub-Ledger"</b>	means the sub-ledger of the Principal Deficiency Ledger relating to the Class F Notes.
<b>"Class RFN Global Note"</b>	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class RFN Notes.



"Class RFN Noteholders"	means the persons who for the time being are holders of the Class RFN Notes.
"Class RFN Notes"	means the £6,100,000 Class RFN Floating Rate Notes due 2048.
"Class X1 Global Note"	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class X1 Notes.
"Class X1 Noteholders"	means the persons who for the time being are holders of the Class X1 Notes.
"Class X1 Notes"	means the £6,900,000 Class X1 Floating Rate Notes due 2048.
"Class X2 Global Note"	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class X2 Notes.
"Class X2 Noteholders"	means the persons who for the time being are holders of the Class X2 Notes.
"Class X2 Notes"	means the £6,100,000 Class X2 Floating Rate Notes due 2048.
"Class Z Global Note"	means the Regulation S global note (as the context may require) in fully registered form without interest coupons or principal receipts attached, representing the Class Z Notes.
"Class Z Noteholders"	means the persons who for the time being are holders of the Class Z Notes.
"Class Z Notes"	means the £775,000 Class Z Mortgage Backed Floating Rate Notes due 2048.
"Class Z Principal Deficiency Sub-Ledger"	means the sub-ledger of the Principal Deficiency Ledger relating to the Class Z Notes.
"Clearing System Business Day"	means a day on which each Clearing System for which the Notes are being held is open for business.
"Clearing Systems"	means Clearstream, Luxembourg and Euroclear.
"Client Manual"	means the client manual agreed from time to time between the Servicer, the Long-Term Legal Title Holder and the Issuer in connection with the Servicing Agreement.
"Closing Date"	means 30 June 2020 or such other date as the Issuer, the Arranger, the Lead Manager and the Seller may agree.
"CMA"	means the Competition and Market Authority of the United Kingdom.
"CML's Lenders' Handbook"	Means the CML's Lenders' Handbook for England and Wales.
"Code"	means the U.S. Internal Revenue Code of 1986, as amended.
"Collection Account"	means an account in the name of the Legal Title Holder held with the Collection Account Bank into which collections are paid by Borrowers from time to time following the end of the Transitional Period.
"Collection Account Agreement"	means the agreement so named dated on or about the Closing Date between the Legal Title Holder, the Issuer, the Servicer, the Trustee,

	the Seller and the Collection Account Bank in respect of the Collection Account.
"Collection Account Bank"	means Barclays Bank PLC.
"Collection Account Bank Rating"	means: <ul style="list-style-type: none"> <li>(a) in the case of S&amp;P, a long-term, unsecured, unsubordinated and unguaranteed debt rating of BBB; and</li> <li>(b) in the case of DBRS (if rated by DBRS), a long-term rating of at least AA (low),</li> </ul> or (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes.
"Collection Account Declaration of Trust"	means the deed entered into on or about the Closing Date, between ( <i>inter alios</i> ) the Issuer, the Legal Title Holder and the Collection Account Bank whereby the Legal Title Holder declared a trust over the Collection Account (including all amounts standing to the credit of the Collection Account) in favour of the Issuer and the Legal Title Holder.
"Collection Period"	means each period from (and including) the first day in a calendar month (or, in the case of the first Collection Period, from (but excluding) the Cut-off Date) to (and including) the last day of that same calendar month (or in the case of the first Collection Period, the last day of June 2020).
"Compounded Daily SONIA"	means the rate of return of a daily compound interest investment (with the daily SONIA Reference Rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank on the related Interest Determination Date, as follows, and the resulting percentage will be rounded upwards, if necessary, to five decimal places: $\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-5LBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$ where: <p>"d" means the number of calendar days in the relevant Interest Period;</p> <p>"d<sub>0</sub>" means the number of Business Days in the relevant Interest Period;</p> <p>"i" means a series of whole numbers from 1 to d<sub>0</sub>, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period;</p> <p>"n<sub>i</sub>" means, for any day i, means the number of calendar days from and including such day i up to but excluding the following Business Day; and</p> <p>"SONIA<sub>i-pLBD</sub>" means, in respect of any Business Day falling in the relevant Interest Period, the Reference Rate for the Business Day falling five Business Days prior to the relevant Business Day i.</p>

<b>"Conditions"</b>	means, in relation to the Notes, the terms and conditions to be endorsed on the Notes in, or substantially in, the form set out in Schedule 5 ( <i>Terms and Conditions of the Notes</i> ) to the Trust Deed as any of the same may from time to time be modified in accordance with the Trust Deed and any reference to a particular numbered Condition shall be construed accordingly.
<b>"Consumer Buy-to-Let Mortgage Loan"</b>	means a mortgage loan regulated as a "consumer buy-to-let mortgage contract" as defined by the Mortgage Credit Directive Order 2015.
<b>"Corporate Borrower"</b>	means a Borrower who is not an individual.
<b>"Corporate Services Agreement"</b>	means the agreement so named dated on or about the Closing Date between, amongst others, the Corporate Services Provider, the Issuer and the Seller.
<b>"Corporate Services Provider"</b>	means Intertrust Management Limited.
<b>"Coupons"</b>	means the interest coupons related to the Notes in definitive form.
<b>"CPR"</b>	means on any Calculation Date, the annualised principal prepayment rate of all the Mortgage Loans during the previous three Collection Periods calculated as follows:  $1 - (1 - R^4)$ <p style="text-align: center;">where</p> <p><math>R</math> = (expressed as a percentage) (i) the total principal prepayments received by the Issuer during the immediately preceding three Collection Periods <i>divided by</i> (ii) (x) the aggregate Current Balance of the Mortgage Loans <i>less</i> (y) the aggregate Current Balance of any defaulted Mortgage Loans and the amount of any scheduled Principal Receipts as at the first day of first of the three Collection Periods.</p>
<b>"CRA Regulation"</b>	Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.
<b>"CRD IV"</b>	means the CRR together with the CRD, published in the Official Journal of the European Union on 27 June 2013.
<b>"CRR"</b>	means the Capital Requirements Regulation (EU) No. 575/2013 as amended by the CRR Amending Regulation.
<b>"CRR Amending Regulation"</b>	means Regulation (EU) 2017/2401.
<b>"Current Balance"</b>	means, for each Mortgage Loan, at any given date, the aggregate balance of the amounts charged to the Borrower's account in respect of a Mortgage Loan as at such date (but avoiding double counting) including: <ul style="list-style-type: none"> <li>(a) the original principal amount advanced to the relevant Borrower advanced on or before the given date due to the relevant Borrower and secured or intended to be secured by the related Mortgage;</li> <li>(b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent or</li> </ul>

capitalised in accordance with the Legal Title Holder's normal charging practices and any applicable regulatory obligation (including, without limitation, any Capitalised Deferred Interest and Capitalised Expenses) and added to the amounts secured or intended to be secured by the related Mortgage; and

- (c) any other amount (including, for the avoidance of doubt, 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 in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent or in accordance with the Legal Title Holder's normal charging practices and any applicable regulatory obligations but which is secured or intended to be secured by the related Mortgage,

as at the end of the Business Day immediately preceding that given date, minus any repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date.

<b>"Current Interest"</b>	means, with respect to any Class of Notes and any Interest Payment Date, the amount equal to (A) the product of (i) the actual number of days in the relevant Interest Period; (ii) the applicable Note Rate in relation to such Class of Notes for such Interest Payment Date; and (iii) the Principal Amount Outstanding of such Class of Notes immediately prior to such Interest Payment Date; divided by (B) 365.
<b>"Custodian"</b>	means a suitably rated counterparty acting as custodian in respect of a Custody Account.
<b>"Custody Account"</b>	means any account to be opened in the name of the Issuer with a Custodian following the Closing Date to hold amounts representing the Interest Rate Swap Collateral in the form of securities.
<b>"Custody Agreement"</b>	means an agreement which may be entered into between the Issuer and a Custodian following the Closing Date.
<b>"Customer File"</b>	means the file or files relating to each Mortgage Loan and its Related Security (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, correspondence between the Borrower, the Interim Legal Title Holder and the Legal Title Holder and including mortgage documentation applicable to the Mortgage Loan and its Related Security, each letter of offer for that Mortgage Loan and its Related Security, the Valuation Report (if applicable) and, to the extent available, the solicitor's or licensed conveyancer's Certificate of Title.
<b>"Cut-off Date"</b>	means 1 June 2020.
<b>"Daily Mortgage Loan Amount"</b>	means the aggregate daily amount credited to each Collection Account that relate to the Mortgage Loans, from (and including) the Closing Date.
<b>"Day Count Fraction"</b>	means, in respect of an Interest Period, the actual number of days in such period divided by 365.
<b>"DBRS"</b>	means DBRS Ratings Limited or DBRS Ratings GmbH and any successor to its rating business.

<b>"Deed of Charge"</b>	means the deed so named entered into on or about the Closing Date between, amongst others, the Issuer and the Trustee.
<b>"Deed Poll"</b>	means the deed poll dated the Closing Date executed by the Issuer in favour of the Mortgage Portfolio Purchase Option Holder from time to time.
<b>"Defaulted Winning Bidder"</b>	means, in relation to a Market Sale, a Winning Bidder that fails to pay the Market Sale Deposit as required within 3 Business Days of receiving the notice from the Issuer (or the Public Auction Adviser on behalf of the Issuer).
<b>"Deferred Required Interest"</b>	shall mean any interest deferred pursuant to Condition 8.12(a) ( <i>Subordination by Deferral – Interest</i> ).
<b>"Definitive Certificate"</b>	means any individual note certificate issued to a Certificateholder in respect of its holding of the Certificates in, or substantially in, the form set out in the Trust Deed.
<b>"Definitive Note"</b>	means any individual note certificate issued to a Noteholder in respect of its holding of the Notes in, or substantially in, the form set out in the Trust Deed.
<b>"Determination Period"</b>	means a Collection Period in respect of which the Cash Manager does not receive a Servicer Report.
<b>"Direct Debit"</b>	means a written instruction of a Borrower authorising its bank to honour a request of the Originator or the Legal Title Holder, as applicable, to debit a sum of money on specified dates from the account of the Borrower for deposit into an account of the Legal Title Holder or Originator, as applicable.
<b>"Direct Debit Liability Amount"</b>	means (i) any amount credited to the Collection Account (including under the Direct Debiting Scheme) which has not been received as cleared funds or has otherwise been recalled and (ii) any amounts required to satisfy any of the obligations and/or liabilities incurred by the Collection Account Bank under the Direct Debiting Scheme in respect of direct debit indemnity claims, where any such amount has not been paid to the Collection Account Bank pursuant to the Collection Account Declaration of Trust.
<b>"Direct Debiting Scheme"</b>	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.
<b>"Draft Disclosure RTS"</b>	means the final draft regulatory technical standards relating to information and details to be disclosed in connection with a securitisation, as published by the European Commission on 16 October 2019 (C(2019) 7334 final).
<b>"EEA"</b>	means the European Economic Area.
<b>"Electronic Consent"</b>	means consent given by way of electronic consents communicated through the electronic communications system of the relevant clearing system(s) to the Principal Paying Agent or another specified agent and/or the Trustee in accordance with the operating rules and procedures of the relevant clearing system(s).
<b>"Eligible Bid"</b>	means, in relation to a Market Sale, the Initial Bid and each Alternative Bid that satisfies the Eligible Bid Conditions.

<b>"Eligible Bid Conditions"</b>	<p>means, in respect to a Market Sale, and in order for a bid submitted as part of the Market Sale process (including the Initial Bid) to be eligible for consideration by the Issuer (or the Public Auction Advisor on behalf of the Issuer), it has to satisfy all of the following conditions:</p> <ul style="list-style-type: none"> <li>(a) it has to be received after the SORD and (in the case of the Initial Bid) prior to the commencement of the Market Bidding Period and (in the case of each Alternative Bid) during the Market Bidding Period;</li> <li>(b) it has to be a committed offer to buy the whole Mortgage Portfolio on the applicable Interest Payment Date for a price at least equal to the aggregate of the Minimum Call Option Price plus an additional non-negative amount in GBP; and</li> <li>(c) both the First Tax Condition and the Second Tax Condition have to be satisfied.</li> </ul>
<b>"Encumbrance"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) a mortgage, standard security, assignation in security, charge, pledge, lien or other encumbrance securing any obligation of any person;</li> <li>(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</li> <li>(c) any other type of preferential arrangement (including any title transfer and retention arrangement) having a similar effect.</li> </ul>
<b>"Enforcement Notice"</b>	<p>means a notice delivered by the Trustee to the Issuer in accordance with Condition 13 (<i>Events of Default</i>) and/or Certificate Condition 11 (<i>Certificates Events of Default</i>) which declares the Notes or, as applicable, the Certificates to be immediately due and payable.</p>
<b>"Enforcement Procedures"</b>	<p>means the exercise, in accordance with the procedures described in the Legal Title Holder's Policies, of rights and remedies against a Borrower in respect of such Borrower's obligations arising from any Mortgage in respect of which such Borrower is in default.</p>
<b>"EORD"</b>	<p>means the early optional redemption date which is the Interest Payment date falling in December 2021.</p>
<b>"ERISA"</b>	<p>means the U.S. Employee Retirement Income Security Act of 1974, as amended.</p>
<b>"ESMA"</b>	<p>means the European Securities and Markets Authority.</p>
<b>"ESMA Template Effective Date"</b>	<p>means the date of adoption of the final disclosure templates in respect of the transparency requirements under the Securitisation Regulation published by ESMA (or any other regulatory authority from time to time).</p>
<b>"EU Retention Notes "</b>	<p>means 5 per cent. of the Principal Amount Outstanding of each Class of Notes in accordance with Article 6(3)(a) of the Securitisation Regulation.</p>

<b>"EU Retention Requirements"</b>	means the requirement to retain a material net economic interest of not less than 5 per cent. in the securitisation as required by Article 6 of the Securitisation Regulation.
<b>"Event of Default"</b>	means any one of the events specified in Condition 13 ( <i>Events of Default</i> ).
<b>"EVI"</b>	shall have the meaning given to it in the section entitled " <i>Certain Regulatory Disclosures – U.S. Credit Risk Retention Requirements</i> ".
<b>"Exchange Act"</b>	means the U.S. Securities Exchange Act of 1934, as amended.
<b>"Exchange Date"</b>	means the first day following the expiry of forty days after the Closing Date.
<b>"Exercise Notice"</b>	means a notice to be delivered by the Mortgage Portfolio Purchase Option Holder or the Subsidiary Option Holder to exercise the Mortgage Portfolio Purchase Option or the Subsidiary Option (as applicable).
<b>"Exercise Period"</b>	means: (i) in respect of the Mortgage Portfolio Purchase Option, 60-75 calendar days, and (ii) in respect of the Subsidiary Option, 15-30 calendar days, in each case, prior to the EORD, the FORD or the SORD, as applicable.
<b>"Extraordinary Resolution"</b>	means: (i) a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders and Certificateholders by a majority of not less than 75 per cent. of the votes cast; (ii) a Written Resolution; or (iii) consent given by way of Electronic Consent by or on behalf of the Noteholders or the Certificateholders (as the case may be) in the case of the Noteholders, of not less than 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding or, in the case of the Certificateholders, of not less than 75 per cent. by number of the Certificates then outstanding.
<b>"FATCA"</b>	means Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.
<b>"FATCA withholding"</b>	means an agreement to deduct or withhold described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any amended or successor provisions), any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto.
<b>"FCA"</b>	means the United Kingdom Financial Conduct Authority or any replacement or successor body thereof.
<b>"Final Discharge Date"</b>	means the date on which the Trustee notifies the Issuer and the Secured Creditors that it is satisfied that all the Secured Amounts and/or all other monies and other liabilities due or owing by the Issuer have been paid or discharged in full.
<b>"Final Maturity Date"</b>	means the Interest Payment Date falling in June 2048.
<b>"Financial Ombudsman Service"</b>	means the Financial Ombudsman Service.

<b>"First Interest Payment Date"</b>	means the Interest Payment Date falling in September 2020.
<b>"First Tax Condition"</b>	means, in relation to a Market Sale, a condition which will be satisfied if, prior to the publication of the Public Auction Notice, the Issuer and the Trustee have been provided with an opinion in form and substance satisfactory to the Trustee from an appropriately qualified and experienced United Kingdom tax adviser that neither the process of seeking bids, nor selling the portfolio to successful bidders should cause the Issuer to cease to be taxed in accordance with the TSC Regulations prior to the time of completion of a sale to that Market Purchaser.
<b>"Fixed Rate"</b>	means, in respect of each Fixed Rate Mortgage Loan, its applicable fixed rate of interest which applies during the Fixed Rate Term.
<b>"Fixed Rate Mortgage Loan"</b>	means each Mortgage Loan which bears interest at its applicable fixed rate of interest during the initial period 2, 3 or 5 years and at a floating rate of interest thereafter and in respect of which its applicable fixed rate term has not expired as of the Cut-Off Date.
<b>"Fixed Rate Term"</b>	means, in respect of each Fixed Rate Mortgage Loan, the initial period during which the Mortgage Loan bears interest at the applicable fixed rate of interest.
<b>"Floating Rate Mortgage Loan"</b>	means: <ul style="list-style-type: none"> <li>(a) each Mortgage Loan which bears interest at a floating rate of interest plus a specified margin from its applicable origination date; and</li> <li>(b) each Fixed Rate Mortgage Loan the Fixed Rate Term in respect of which has expired as of the Cut-Off Date.</li> </ul>
<b>"FORD"</b>	means the first optional redemption date which is the Interest Payment date falling in June 2023.
<b>"FSMA"</b>	means the Financial Services and Markets Act 2000 (as amended).
<b>"Global Certificates"</b>	means any individual note certificate issued to a Certificateholder in respect of its holding of the Certificates in, or substantially in, the form set out in the Trust Deed.
<b>"Global Notes"</b>	means the Class A Global Note, the Class B Global Note, the Class C Global Note, the Class D Global Note, the Class E Global Note, the Class F Global Note, the Class RFN Global Note, the Class X1 Global Note, the Class X2 Global Note and the Class Z Global Note.
<b>"Guarantee"</b>	means a guarantee provided in support of the obligations of a Borrower under a Mortgage Loan.
<b>"Guarantor"</b>	means an individual who has provided a Guarantee in support of the obligations of a Borrower under a Mortgage Loan.
<b>"HMRC"</b>	means Her Majesty's Revenue and Customs.
<b>"ICADOT"</b>	means the deed entered into on or about the Closing Date between the Interim Legal Title Holder and the Seller whereby the Interim Legal Title Holder declared a trust over the Interim Collection Account in favour of the Seller.



<b>"ICADOT Assignment Deed"</b>	means the deed of assignment in respect of the ICADOT between the Seller as beneficiary of the ICADOT and the Issuer.
<b>"Incorporated Terms Memorandum"</b>	means the memorandum so named dated on or about the Closing Date and signed for the purpose of identification by each of the Transaction Parties.
<b>"Initial Available Revenue"</b>	means, on each Interest Determination Date, the amount standing to the credit of the Revenue Ledger as at the end of the preceding Determination Period.
<b>"Initial Bid"</b>	means, in relation to a Market Sale, a bid made by an Initial Market Bidder for the Mortgage Portfolio to the Issuer with a view to purchase the Mortgage Portfolio on the Interest Payment Date immediately following the date of such bid.
<b>"Initial Market Bidder"</b>	means, in relation to a Market Sale, a third party that submits an Initial Bid for the Mortgage Portfolio.
<b>"Insolvency Event"</b>	means, in relation to a company: <ul style="list-style-type: none"> <li>(a) such company is unable or admits its inability to pay its debts as they fall due (after taking into account any grace period of permitted deferral), or suspends making payments on any of its debts;</li> <li>(b) a moratorium is declared in respect of any indebtedness of such company;</li> <li>(c) the commencement of negotiations with one or more creditors of such company with a view to rescheduling any indebtedness of such company other than in connection with any refinancing in the ordinary course of business;</li> <li>(d) any corporate action, legal proceedings or other procedure or step is taken in relation to the following events: <ul style="list-style-type: none"> <li>(i) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any part of the undertaking or assets of such company except, in the case of the Issuer, the application to the Court under paragraph 12 or the filing of notice of intention to appoint an administrator under paragraph 26 of Schedule B1 to the Insolvency Act by the Issuer or its directors, or the appointment of an administrative receiver by the Trustee following any such application or notice;</li> <li>(ii) an encumbrancer or other security holder (excluding, in relation to the Issuer, by the Trustee or any Receiver) taking possession of the whole or any part of the undertaking or assets of such company;</li> <li>(iii) the making of an arrangement, composition or compromise (whether by way of voluntary arrangement, scheme of arrangement or otherwise) with any creditor of such company, a reorganisation of such company, a conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such</li> </ul> </li> </ul>

company generally other than in connection with any refinancing in the ordinary course of business; or

- (iv) any distress, diligence, execution, attachment or other process being levied or enforced or imposed upon or against the whole or any part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any Receiver); and
- (e) any procedure or step is taken, or any event occurs, analogous to those set out in (a) to (d) above, in any jurisdiction.

**"Insolvency Official"**

means, in relation to a company, a liquidator, (except, in the case of the Issuer, a liquidator appointed for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the holders of the Most Senior Class of Notes) provisional liquidator, administrator, examiner, administrative receiver, receiver, receiver or manager, compulsory or interim manager, nominee, supervisor, trustee, conservator, guardian or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction.

**"Insurance Policies"**

means the Buildings Insurance Policies relating to the Mortgage Loans from time to time.

**"Interest Amount"**

means in respect of a Note for any Interest Period the amount of interest calculated (under Condition 8.4 (*Calculation of Interest Amount*)) on the related Interest Determination Date in respect of such Note for such Interest Period by:

- (a) multiplying the Principal Amount Outstanding of such Note on the Interest Payment Date coinciding with such Interest Determination Date by the relevant Note Rate; and
- (b) then multiplying the amount so calculated in paragraph (a) by the relevant Day Count Fraction,

and rounding the resultant figure to the nearest Minimum Amount.

**"Interest Deferral"**

other than in respect of the Class A Notes, if on any Interest Payment Date the Issuer has insufficient funds to make payment in full of all amounts of interest payable in respect of the Notes, then the Issuer shall be entitled to defer any such payments of interest to the next Interest Payment Date.

Deferred Interest on the Rated Collateralised Notes, the Class Z Notes, the Class RFN Notes, the Class X1 Notes and the Class X2 Notes accrues additional interest at the relevant coupon rate of such Note.

**"Interest Determination Date"**

means the date falling 5 Business Days prior to each Interest Payment Date and, in relation to an Interest Period, the "**related Interest Determination Date**" means the Interest Determination Date which falls 5 Business Days prior to the Interest Payment Date at the end of such Interest Period.

**"Interest Determination Ratio"**

means (i) 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 received in the preceding Collection Periods, divided by (ii) the aggregate of all

	Revenue Receipts and all Principal Receipts calculated in such Servicer Reports.
<b>"Interest Only Mortgage Loan"</b>	means a Mortgage Loan in relation to which the principal amount is not repayable before maturity.
<b>"Interest Payment Date" or "IPD"</b>	means the 20th day of each month of March, June, September and December, commencing on the First Interest Payment Date, provided that if any such day is not a Business Day, the Interest Payment Date shall be the immediately succeeding Business Day unless it would as a result fall into the next calendar month, in which case it will be brought forward to the immediately preceding Business Day.
<b>"Interest Period"</b>	means the period from (and including) an Interest Payment Date (except in the case of the first Interest Period, where it shall be the period from (and including) the Closing Date) to (but excluding) the next succeeding (or first) Interest Payment Date and, in relation to an Interest Determination Date, the <b>"Related Interest Period"</b> means the Interest Period in which such Interest Determination Date falls.
<b>"Interest Rate Swap Agreement"</b>	means the ISDA 2002 Master Agreement (together with the Schedule and Credit Support Annex thereto and Confirmation thereunder) entered into between the Issuer and the Interest Rate Swap Provider on or about the Closing Date or any Replacement Swap Agreement thereafter.
<b>"Interest Rate Swap Collateral"</b>	means the collateral provided to the Issuer by the Interest Rate Swap Provider in respect of its obligations under the Interest Rate Swap Agreement in the form of cash or securities be credited to the relevant Interest Rate Swap Collateral Account or the Custody Account, as applicable.
<b>"Interest Rate Swap Collateral Account"</b>	means the account so named opened in the name of the Issuer with the Issuer Account Bank on or about the Closing Date and/or such additional or replacement bank account at such other account bank and/or other banks as may for the time being be in place with the prior consent of the Trustee and designated as such.
<b>"Interest Rate Swap Collateral Ledger"</b>	means the ledger so named opened and maintained by the Cash Manager in accordance with the terms of the Cash Management Agreement.
<b>"Interest Rate Swap Provider"</b>	means BNP Paribas in its capacity as the Interest Rate Swap Provider pursuant to the Interest Rate Swap Agreement or any replacement interest rate swap provider thereafter.
<b>"Interest Rate Swap Provider Event of Default"</b>	means the occurrence of an Event of Default (as defined in the Interest Rate Swap Agreement) where the Interest Rate Swap Provider is the Defaulting Party (as defined in the Interest Rate Swap Agreement).
<b>"Interest Rate Swap Provider Downgrade Event"</b>	means the occurrence of an Additional Termination Event (as defined in the Interest Rate Swap Agreement) following the failure by the Interest Rate Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Interest Rate Swap Agreement.
<b>"Interest Rate Swap Replacement Premium"</b>	means an amount received by the Issuer from a replacement interest rate swap provider or an amount paid by the Issuer to a replacement interest rate swap provider upon entry by the Issuer into a Replacement Swap Agreement.

<b>"Interest Rate Swap Provider Subordinated Amounts"</b>	means in relation to the Interest Rate Swap Agreement the amount, if any, due to the Interest Rate Swap Provider pursuant to Section 6(e) of the Interest Rate Swap Agreement (but only to the extent that such amount cannot be satisfied by the application of Interest Rate Swap Collateral) in connection with a termination of the Interest Rate Swap Agreement where an Interest Rate Swap Provider Event of Default or an Interest Rate Swap Provider Downgrade Event has occurred.
<b>"Interim Collection Account"</b>	means an account in the name of the Interim Legal Title Holder held with the Collection Account Bank into which collections are paid by the Borrowers from time to time during the Transitional Period.
<b>"Interim Legal Title Holder"</b>	means Axis Bank UK Limited.
<b>"Investment Company Act"</b>	means the Investment Company Act of 1940, as amended.
<b>"Investor Report"</b>	means each of the Quarterly Investor Reports and the Monthly Investor Data Tapes.
<b>"Issuer"</b>	means Tudor Rose Mortgages 2020-1 PLC.
<b>"Issuer Account"</b>	means the account in the name of the Issuer held at the Issuer Account Bank, or such additional or replacement bank account at such other account bank and/or other banks as may for the time being be in place with the prior consent of the Trustee and designated as such.
<b>"Issuer Account Bank"</b>	means Elavon Financial Services D.A.C., UK Branch.
<b>"Issuer Account Bank Rating"</b>	means in respect of the Issuer Account Bank: <ul style="list-style-type: none"> <li>(a) in the case of S&amp;P, a long-term unsecured, unsubordinated and unguaranteed debt rating of at least A; and</li> <li>(b) in the case of DBRS (if rated by DBRS), a long-term rating of at least AA (low),</li> </ul> or (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes.
<b>"Issuer Accounts"</b>	means the Issuer Account and any additional bank accounts in the name of the Issuer established or to be established pursuant to the Account Bank Agreement.
<b>"Issuer Covenants"</b>	means the covenants of the Issuer set out in Schedule 9 ( <i>Issuer Covenants</i> ) of the Incorporated Terms Memorandum.
<b>"Issuer Jurisdiction"</b>	means England and Wales (and the United Kingdom for tax purposes) or such other jurisdiction in which the Issuer or any Issuer substitute (as contemplated by Condition 21 ( <i>Substitution of Issuer</i> )) is incorporated and/or subject to taxation.
<b>"Issuer Profit Amount"</b>	means (i) £20,000 on the first Interest Payment Date falling after the Closing Date being the 20 <sup>th</sup> of September 2020 and (ii) £300 on each Interest Payment Date thereafter, in each case to be credited to the Issuer Account and to be retained by the Issuer as profit in respect of the business of the Issuer.
<b>"Issuer Profit Ledger"</b>	means the ledger maintained by the Cash Manager on behalf of the Issuer 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 as a debit any amount used to discharge any tax liability of the Issuer.
<b>"Land Registry"</b>	means the Land Registry of England and Wales.
<b>"Lead Manager"</b>	means Morgan Stanley & Co. International PLC.
<b>"Legal Title Holder"</b>	means Rooftop Mortgages Limited.
<b>"Legal Title Holder Power of Attorney"</b>	means the power of attorney granted by the Legal Title Holder in favour of the Issuer and the Trustee on the Closing Date in substantially the same form as that set out in the Mortgage Sale Agreement.
<b>"Lending Criteria"</b>	means the general lending criteria of the Originator applicable to Mortgage Loans.
<b>"Liabilities"</b>	means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, decrees, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and any Taxes and penalties incurred by that person.
<b>"LIBOR"</b>	means the London Interbank Offered Rate for Sterling deposits.
<b>"Liquidity Reserve Fund"</b>	means the portion of the Reserve Fund established on the Closing Date and funded by the proceeds of the Class RFN Notes as recorded on the Liquidity Reserve Fund Ledger.
<b>"Liquidity Reserve Fund Actual Amount"</b>	is an amount equal to the lesser of (i) the Liquidity Reserve Fund Required Amount, and (ii) the Reserve Fund Actual Amount.
<b>"Liquidity Reserve Fund Ledger"</b>	means the ledger so named opened and maintained by the Cash Manager in accordance with the terms of the Cash Management Agreement.
<b>"Liquidity Reserve Fund Required Amount"</b>	is an amount equal to: <ul style="list-style-type: none"> <li>(a) on any Interest Payment Date up to (but excluding) the Class B Redemption Date, an amount equal to the product of (i) 2.00% multiplied by (ii) the aggregate Principal Amount Outstanding of the Class A Notes and Class B Notes on that Interest Payment Date; and</li> <li>(b) on any Interest Payment Date on or after the Class B Redemption Date, zero.</li> </ul>
<b>"Losses"</b>	means the aggregate of: <ul style="list-style-type: none"> <li>(a) all realised losses (to the extent not already fully compensated for in accordance with the terms of the Mortgage Sale Agreement) on the Mortgage Loans which are not recovered from the proceeds following the sale of the Property to which such Mortgage Loan relates; and</li> <li>(b) any loss to the Issuer as a result of an exercise of any set-off by any Borrower in respect of its Mortgage Loan unless this is fully compensated under the provisions of the Mortgage Sale Agreement.</li> </ul>
<b>"LTV"</b>	means loan to value ratio.
<b>"Margin"</b>	means the margin per annum as set out below:

- (a) for the Class A Notes, 1.25 per cent per annum;
  - (b) for the Class B Notes, 2.00 per cent per annum;
  - (c) for the Class C Notes, 2.50 per cent per annum;
  - (d) for the Class D Notes, 3.00 per cent per annum;
  - (e) for the Class E Notes, 4.00 per cent per annum;
  - (f) for the Class F Notes 5.50 per cent per annum;
  - (g) for the Class RFN Notes 7.50 per cent per annum;
  - (h) for the Class X1 Notes 4.00 per cent per annum;
  - (i) for the Class X2 Notes 4.00 per cent per annum; and
  - (j) for the Class Z Notes, 9.00 per cent per annum;
- "Market Bidding Period"** means, in respect to a Market Sale, the period starting on the 60<sup>th</sup> day prior to the Relevant Interest Payment Date and ending on the 30<sup>th</sup> day prior to such Interest Payment Date.
- "Market Sale"** means, if the Notes remain outstanding on the SORD the sale of the Mortgage Portfolio by the Issuer to the Market Purchaser in accordance with clause 6 of the Deed Poll.
- "Market Sale Deposit"** means, in relation to a Market Sale, the cash deposit in an amount of 2.0% of the aggregate Current Balance of the Mortgage Portfolio on the Interest Determination Date immediately preceding the Relevant Interest Payment Date payable by the Winning Bidder as a condition of the Public Auction.
- "Market Purchaser"** means, in relation to a Market Sale, a Winning Bidder who has paid the Market Sale Deposit as required to purchase the Mortgage Portfolio on the Relevant Interest Payment Date.
- "Material Adverse Effect"** means, as the context specifies:
- (a) a Material Adverse Effect on the validity or enforceability of any of the Transaction Documents;
  - (b) in respect of a Transaction Party, a Material Adverse Effect on:
    - (i) the business, operations, assets, property, condition (financial or otherwise) or prospects of such Transaction Party;
    - (ii) the ability of such Transaction Party to perform its obligations under any of the Transaction Documents;
    - (iii) the rights or remedies of such Transaction Party under any of the Transaction Documents;
  - (c) in the context of the Assigned Rights, a Material Adverse Effect on the interests of the Issuer or the Trustee in the Assigned Rights, or on the ability of the Issuer (or the Servicer on the Issuer's behalf) to collect under the Mortgage Loans or on the ability of the Trustee to enforce its Security; or

	(d) a Material Adverse Effect on the validity or enforceability of any of the Notes.
<b>"Meeting"</b>	means (i) a meeting of Noteholders of any Class or Classes or (ii) a meeting of Certificateholders, in each case, whether originally convened or resumed following an adjournment.
<b>"Minimum Amount"</b>	means £0.01.
<b>"Minimum Call Option Price"</b>	means, in respect of the Market Sale, an amount equal to (without double counting): <ul style="list-style-type: none"> <li>(a) the amount required by the Issuer to pay in full all amounts payable on the Relevant Interest Payment Date under items (1) to (22) of the Pre-Enforcement Revenue Priority of Payments; <i>plus</i></li> <li>(b) the amount required by the Issuer to redeem the Rated Notes and the Class RFN Notes in full at their respective Principal Amount Outstanding, in each case, together with their respective accrued and unpaid interest; <i>plus</i></li> <li>(c) the Issuer's costs and expenses (including any fees of the Public Auction Advisor up to an amount of £300,000, payable in case of a successful completion of the Market Sale) associated with transferring its interests in the Mortgage Portfolio to the Winning Bidder (or its nominee (if any)) and an amount agreed between the Issuer and the Winning Bidder in respect of costs anticipated to be incurred by the Issuer after the completion of the purchase of the Mortgage Portfolio by the relevant Winning Bidder; <i>less</i></li> <li>(d) the balance standing to the credit of the Liquidity Reserve Fund Ledger and the Non-Liquidity Reserve Fund Ledger; <i>less</i></li> <li>(e) the aggregate amount of collections received by the Issuer in respect of the Mortgage Portfolio during the three Collection Periods immediately preceding the Interest Payment Date on which the redemption of the Notes following completion of the Market Sale occurs.</li> </ul>
<b>"Minimum Denomination"</b>	means, in respect of the Notes represented by the Global Notes and (if issued) the Definitive Notes, for so long as Euroclear and Clearstream, Luxembourg (as applicable) so permit £ 100,000 and integral multiples of £1,000 in excess thereof.
<b>"Monthly Investor Data Tape"</b>	means each monthly data tape of loan-by-loan information in the format required to be provided pursuant to Article 7(1)(a), and containing the information required pursuant to Article 7(1)(a) and Article 7(1)(e)(i) of the Securitisation Regulation, relating to the immediately preceding Collection Period, as provided by the Servicer pursuant to the Servicing Agreement.
<b>"Monthly Payment"</b>	means the amount scheduled to be repaid by a Borrower in respect of its Mortgage Loan in any given month as required by the applicable Mortgage Conditions to which such Mortgage Loan is subject.
<b>"Monthly Payment Date"</b>	means the date in each month on which interest (and principal in relation to a repayment mortgage) is due to be paid by a Borrower on a Mortgage Loan under the applicable Mortgage Conditions or, if any such day is not a Business Day, the next following Business Day,

	except where such next following Business Day falls in a different month in which case, the preceding Business Day.
<b>"Monthly Reporting Date"</b>	means the 20 <sup>th</sup> day of each calendar month or is such day is not a Business Day, the Business Day immediately preceding the Collection Period.
<b>"Monthly Servicer Report"</b>	means each monthly servicer report in the form set out in schedule 8 ( <i>Reporting</i> ) of the Servicing Agreement relating to the immediately preceding Collection Period, which shall record, <i>inter alia</i> , any amounts withdrawn from the Collection Account by the Servicer.
<b>"Moody's"</b>	means Moody's Investors Service Ltd.
<b>"Mortgage"</b>	means a first ranking legal charge or standard security over a freehold or leasehold Property located in England or Wales which is security for a Mortgage Loan.
<b>"Mortgage Conditions"</b>	means the terms and conditions applicable to a Mortgage Loan and/or Mortgage.
<b>"Mortgage Loan Agreement"</b>	means a loan agreement in respect of a Mortgage Loan.
<b>"Mortgage Loan"</b>	means a residential buy-to-let mortgage loan, secured by a Mortgage and its Related Security, sold or to be sold to the Issuer on the Closing Date pursuant to the Mortgage Sale Agreement.
<b>"Mortgage Portfolio"</b>	means the portfolio of Mortgage Loans, their Related Security and all moneys derived therefrom purchased or to be purchased by the Issuer from the Seller on or around the Closing Date.
<b>"Mortgage Portfolio Purchase Option"</b>	means the option held by the Mortgage Portfolio Purchase Option Holder to require the Issuer to (i) sell and transfer to the Mortgage Portfolio Purchase Option Holder or its nominee the beneficial title to all Mortgage Loans and Related Security in the Mortgage Portfolio (ii) transfer to the Mortgage Portfolio Purchase Option Holder (or its nominee) the right to legal title to the Option Portfolio; (iii) procure that the Legal Title Holder transfer legal title to the Mortgage Portfolio Purchase Option Holder or its nominee specified as such in the Exercise Notice; and (iv) serve all relevant notices and take all steps (including carrying out requisite registrations and recordings) in order to vest or transfer legal title in and to the Option Portfolio in the Mortgage Portfolio Purchase Option Holder or its nominee, in each case subject to the terms of the Deed Poll.
<b>"Mortgage Portfolio Purchase Option Holder"</b>	means (where the Certificates are represented by Definitive Certificates) the holder of greater than 50 per cent. of the Certificates or (where the Certificates are represented by the Global Certificate) the Certificateholder who holds the beneficial interest in more than 50 per cent. of the Certificates or (b) where no person holds greater than 50 per cent. of the Certificates or, as applicable, beneficial interest in more than 50 per cent. of the Certificates, the person who holds the greatest number of the Certificates or, as applicable, the beneficial interest in the greatest number of the Certificates.
<b>"Mortgage Rate"</b>	means, in relation to any Mortgage Loan and in relation to any Interest Payment Date, the annual rate of interest payable on such Mortgage Loan in accordance with the relevant Mortgage Conditions.
<b>"Mortgage Sale Agreement"</b>	means the agreement so named dated on or about the Closing Date between the Legal Title Holder, the Seller, the Servicer, the Cash



	Manager, the Issuer and the Trustee in relation to the sale of the Mortgage Portfolio to the Issuer.
<b>"Most Senior Class"</b>	means the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes or, if there are no Class A Notes or Class B Notes or Class C Notes then outstanding, the Class D Notes or, if there are no Class A Notes, Class B Notes, Class C Notes, or Class D Notes then outstanding, the Class E Notes, or if there are no Class A 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 A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class RFN Notes or if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class RFN Notes then outstanding, the Class X1 Notes, or if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class RFN Notes or Class X1 Notes then outstanding, the Class X2 Notes, or if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class RFN Notes, Class X1 Notes or Class X2 Notes then outstanding, the Class Z Notes, or if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes, Class RFN Notes, Class X1 Notes, Class X2 Notes or Class Z Notes then outstanding or if there are no Notes then outstanding, the Certificates.
<b>"Non-Liquidity Reserve Fund"</b>	means the portion of the Reserve Fund established on the Closing Date and funded by the proceeds of the Class RFN Notes as recorded on the Non-Liquidity Reserve Fund Ledger.
<b>"Non-Liquidity Reserve Fund Actual Amount"</b>	means an amount equal to the greater of (i) the Reserve Fund Actual Amount less the Liquidity Reserve Fund Required Amount, and (ii) zero.
<b>"Non-Liquidity Reserve Fund Ledger"</b>	means the ledger so named opened and maintained by the Cash Manager in accordance with the terms of the Cash Management Agreement.
<b>"Non-Liquidity Reserve Fund Required Amount"</b>	means an amount equal to (a) prior to the Rated Collateralised Notes Redemption Date, the Reserve Fund Required Amount less the Liquidity Reserve Fund Required Amount; and (b) on and after the Rated Collateralised Notes Redemption Date, zero.
<b>"Non-Responsive Rating Agency"</b>	has the meaning given to it in Condition 23.2 ( <i>Non-Responsive Rating Agency</i> ).
<b>"Notes"</b>	means, together, the £256,000,000 Class A Mortgage Backed Floating Rate Notes due 2048 (the " <b>Class A Notes</b> "), the £17,400,000 Class B Mortgage Backed Floating Rate Notes due 2048 (the " <b>Class B Notes</b> "), the £11,400,000 Class C Mortgage Backed Floating Rate Notes due 2048 (the " <b>Class C Notes</b> "), the £7,600,000 Class D Mortgage Backed Floating Rate Notes due 2048 (the " <b>Class D Notes</b> "), the £6,800,000 Class E Mortgage Backed Floating Rate Notes due 2048 (the " <b>Class E Notes</b> "), the £3,100,000 Class F Mortgage Backed Floating Rate Notes due 2048 (the " <b>Class F Notes</b> "), the £6,100,000 Class RFN Floating Rate Notes due 2048 (the " <b>Class RFN Notes</b> "), the £6,900,000 Class X1 Floating Rate Notes due 2048 (the " <b>Class X1 Notes</b> "), the £6,100,000 Class X2 Floating Rate Notes due 2048 (the " <b>Class X2 Notes</b> ") and the £775,000 Class Z Mortgage Backed Floating Rate Notes due 2048 (the " <b>Class Z Notes</b> ").

<b>"Note Principal Payment"</b>	means in respect of any Note on any Interest Payment Date, the principal amount redeemable in respect of such a Note, which shall be a proportion of the amount of Available Principal Receipts required as at that Interest Payment Date pursuant to the Pre-Enforcement Principal Priority of Payments to be applied in redemption of the relevant Class of Notes on such date equal to the proportion that the Principal Amount Outstanding of the relevant Note bears to the aggregate Principal Amount Outstanding of such Class of Notes rounded down to the nearest Minimum Amount <b>provided always that</b> no such Note Principal Payment may exceed the Principal Amount Outstanding of the relevant Note.
<b>"Note Rate"</b>	means, for each Interest Period and in respect of each Class of Notes, the Reference Rate determined as at the related Interest Determination Date plus the Relevant Margin in respect of such Class, subject to a minimum of zero.
<b>"Noteholder"</b>	means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class RFN Noteholders, the Class X1 Noteholders, the Class X2 Noteholders and the Class Z Noteholders or, where the context otherwise requires, the holders of Notes of a particular Class or Classes, as the case may be.
<b>"Notice of Non- Satisfaction Delivery Date"</b>	has the meaning given to it in the section " <i>Sale of the Mortgage Portfolio under the Mortgage Sale Agreement</i> " in this Prospectus.
<b>"Notices Condition"</b>	means, in the case of the Notes, Condition 22 ( <i>Notices</i> ) and, in the case of the Certificates, Certificate Condition 20 ( <i>Notices</i> ).
<b>"Notices Details"</b>	means, in relation to any Party, the provisions set out in Schedule 9 ( <i>Notice Details</i> ) to the Incorporated Terms Memorandum.
<b>"Option Portfolio"</b>	means the portfolio of Mortgage Loans, their Related Security and all moneys derived therefrom purchased or to be purchased by the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or a Market Purchaser in connection with the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or in connection with a Market Sale (as applicable).
<b>"Ordinary Resolution"</b>	means: (i) a resolution passed at a Meeting duly convened and held in accordance with the Provisions for Meetings of Noteholders and Certificateholders by a majority of not less than 50.1 per cent. of the votes cast; (ii) a Written Resolution; or (iii) consent given by way of Electronic Consent by or on behalf of the Noteholders or the Certificateholders (as the case may be) in the case of the Noteholders, of not less than 50.1 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes then outstanding or, in the case of the Certificateholders, of not less than 50.1 per cent. by number of the Certificates then outstanding.
<b>"Originator"</b>	means in relation to the Mortgage Loans, Axis Bank UK Limited.
<b>"Outstanding" or "outstanding"</b>	means: <ul style="list-style-type: none"> <li data-bbox="617 1711 1185 1743">(a) in relation to the Notes, all the Notes other than: <ul style="list-style-type: none"> <li data-bbox="698 1764 1331 1827">(i) those which have been redeemed in full and cancelled in accordance with the Conditions;</li> <li data-bbox="698 1848 1331 1908">(ii) those in respect of which the date for redemption, in accordance with the provisions of the Conditions, has</li> </ul> </li> </ul>

occurred and for which the redemption monies (including all interest accrued thereon to such date for redemption) have been duly paid to, or to the order of, the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with the Notices Condition) and remain available for payment in accordance with the Conditions;

- (iii) those which have been redeemed or surrendered for cancellation as provided in Condition 9 (*Final Redemption, Mandatory Redemption in part, Optional Redemption and Cancellation*) and notice of the cancellation of which has been given to the Trustee;
- (iv) those which have become void under the Conditions;
- (v) those mutilated or defaced Notes which have been surrendered or cancelled and those Notes which are alleged to have been lost, stolen or destroyed and in all cases in respect of which replacement Notes have been issued pursuant to the Conditions; and
- (vi) any Global Note, to the extent that it shall have been exchanged for the related Definitive Notes pursuant to the provisions contained therein and the Conditions,

**provided that** for each of the following purposes, namely:

- (vii) the right to attend and vote at any meeting of Noteholders;
- (viii) the determination of how many and which Notes are for the time being outstanding for the purposes of (in relation to the Trust Deed) clause 13 (*Waiver*), clause 14 (*Modifications*), clause 17 (*Proceedings and Actions by the Trustee*), clause 25 (*Appointment of Trustees*) and clause 26 (*Notice of a New Trustee*) of the Trust Deed and Condition 13 (*Events of Default*), Condition 14 (*Enforcement*), Condition 16 (*Meetings of Noteholders and Certificateholders*) and 17 (*Modification and Waiver*) and the Provisions for Meetings of Noteholders and Certificateholders; and
- (ix) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, any holding company of the Issuer or any subsidiary of either the Issuer or such holding company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

- (b) in relation to the Certificates, all the Certificates issued from time to time other than:
- (i) those Certificates which have become void or in respect of which claims have become prescribed, in each case under Certificate Condition 16 (*Prescription*);
  - (ii) those mutilated or defaced Certificates which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Certificate Condition 17 (*Replacement of the Certificates*);
  - (iii) for the purpose only of ascertaining the number of Certificates outstanding and without prejudice to the status for any other purpose of the relevant instrument those Certificates which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Certificate Condition 17 (*Replacement of the Certificates*) with respect to the Certificates; and
  - (iv) any Global Certificate to the extent that it shall have been exchanged for another Global Certificate in respect of the Certificates in definitive form pursuant to its provisions,

**provided that** for each of the following purposes, namely:

- (v) the right to attend and vote at any meeting of Certificateholders;
- (vi) the determination of how many and which Certificates are for the time being outstanding for the purposes of (in relation to the Trust Deed) clause 13 (*Waiver*), clause 14 (*Modifications*), clause 17 (*Proceedings and Actions by the Trustee*), clause 25 (*Appointment of Trustees*) and clause 26 (*Notice of a New Trustee*) of the Trust Deed and Certificate Condition 11 (*Certificates Events of Default*), Certificate Condition 12 (*Enforcement*), Certificate Condition 14 (*Meetings of Certificateholders*) and Certificate Condition 15 (*Modification and Waiver*) and the Provisions for Meetings of Noteholders and Certificateholders; and
- (vii) any discretion, power or authority, whether contained in the Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the Certificateholders or any of them,
- (viii) those Certificates (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, any holding company of the Issuer or any subsidiary of either the Issuer or such holding company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

<b>"Participants"</b>	means persons that have accounts with Euroclear or Clearstream, Luxembourg.
<b>"Paying Agents"</b>	means the Principal Paying Agent and any other paying agents named in the Agency Agreement together with any successor or additional paying agents appointed from time to time in connection with the Notes and the Certificates under the Agency Agreement.
<b>"Perfection Trigger Event"</b>	means any of the events in the subsection entitled " <i>Perfection Trigger Events</i> " in the section entitled " <i>Sale of the Mortgage Portfolio under the Mortgage Sale Agreement</i> ".
<b>"Permitted Withdrawals"</b>	means: <ul style="list-style-type: none"> <li>(a) payments of certain insurance premiums, as well as payments of the ground rent, service charges, agent fees, general fees, occupancy, receivership set up fees, security, solicitors costs, tradesmen and utilities payments made by the Servicer in accordance with the Legal Title Holder's policies and the Servicing Agreement;</li> <li>(b) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;</li> <li>(c) payment when due (but subject to any right to refuse or withhold payment or any right of set-off that has arisen by reason of the Borrower's breach of the terms of the relevant Mortgage) of any revenue amount payable to a Borrower under the Mortgage Conditions applicable to such Borrower (including following any overpayment by such Borrower); and</li> <li>(d) any amount received from a Borrower at any time (including upon redemption of the relevant Mortgage Loan) for the express purpose of payment being made to a third party or the Legal Title Holder for the provision of a service to that Borrower or the Legal Title Holder.</li> </ul>
<b>"Portfolio Reference Date"</b>	means 31 January 2020.
<b>"Post-Enforcement Priority of Payments"</b>	has the meaning as set out on page 140 of this Prospectus.
<b>"Pre-Enforcement Principal Priority of Payments"</b>	has the meaning set out on page 139 of this Prospectus.
<b>"Pre-Enforcement Revenue Priority of Payments"</b>	has the meaning set out on page 136 of this Prospectus.
<b>"PRIIPs Regulation"</b>	means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014.
<b>"Principal Amount Outstanding"</b>	means, on any day: <ul style="list-style-type: none"> <li>(a) in relation to a Note, the principal amount outstanding of that Note as at the Closing Date, less the aggregate amount of any principal payments in respect of that Note which have become due and payable (and been paid) on or prior to that day;</li> </ul>

	(b)	in relation to a Class, the aggregate of the amount in (a) in respect of all Notes outstanding in such Class; and
	(c)	in relation to the Notes outstanding at any time, the aggregate of the amount in (a) in respect of all Notes outstanding, regardless of Class.
<b>"Principal Deficiency Ledger"</b>		means the Principal Deficiency Ledger comprising the Class A Principal Deficiency Sub-Ledger (relating to the Class A Notes), the Class B Principal Deficiency Sub-Ledger (relating to the Class B Notes), the Class C Principal Deficiency Sub-Ledger (relating to the Class C Notes), the Class D Principal Deficiency Sub-Ledger (relating to the Class D Notes), the Class E Principal Deficiency Sub-Ledger (relating to the Class E Notes), the Class F Principal Deficiency Sub-Ledger (relating to the Class F Notes) and the Class Z Principal Deficiency Sub-Ledger (relating to the Class Z Notes) maintained by the Cash Manager on behalf of the Issuer which records on it all deficiencies arising from, without duplication (i) any Losses on the Mortgage Portfolio, (ii) any amounts of Available Principal Receipts applied as item (g) of the Available Revenue Receipts; and (iii) any amounts of Available Principal Receipts applied as item (1) of the Pre-Enforcement Principal Priority of Payments.
<b>"Principal Deficiency Sub-Ledger"</b>		means any of the Class A Principal Deficiency Sub-Ledger, the Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, the Class D Principal Deficiency Sub-Ledger, the Class E Principal Deficiency Sub-Ledger, the Class F Principal Deficiency Sub-Ledger and the Class Z Principal Deficiency Sub-Ledger.
<b>"Principal Ledger"</b>		means the ledger maintained by the Cash Manager on behalf of the Issuer which records all Principal Receipts received by the Issuer and the distribution of the Principal Receipts in accordance with the provisions of the Cash Management Agreement and in particular with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments (as applicable).
<b>"Principal Paying Agent"</b>		means Elavon Financial Services D.A.C., UK Branch.
<b>"Principal Receipts"</b>		means payments received by the Issuer representing: <ul style="list-style-type: none"> <li>(a) any payment in respect of principal received in respect of any Mortgage Loan (including Capitalised Expenses but excluding Accrued Interest, Arrears of Interest and Capitalised Deferred Interest);</li> <li>(b) recoveries of principal from defaulting Borrowers on enforcement of any Mortgage Loan (including the proceeds of sale of the relevant Property but excluding any recoveries of principal from defaulting Borrowers under Mortgage Loans in respect of which enforcement procedures have been completed);</li> <li>(c) any payment pursuant to any Insurance Policy in respect of a Property in connection with a Mortgage Loan in the Mortgage Portfolio;</li> <li>(d) recoveries of principal on redemption (including partial redemption) of any Mortgage Loan;</li> <li>(e) proceeds of any damages payable by the Seller to the Issuer pursuant to the Mortgage Sale Agreement (excluding, for the avoidance of doubt, amounts attributable to Accrued Interest</li> </ul>

	and Arrears of Interest thereon and other interest amounts in respect of the Mortgage Loans as at the relevant date);
	(f) any other payments received which are not classified as Revenue Receipts.
<b>"Priority of Payments" or "Priorities of Payments"</b>	means the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments, and the Post-Enforcement Priority of Payments.
<b>"Property"</b>	means a Property located in England or Wales.
<b>"Prospectus Regulation"</b>	means (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended).
<b>"Provisional Mortgage Portfolio"</b>	means, as at the Portfolio Reference Date, a portfolio comprised of 1,020 Mortgage Loans with an aggregate Current Balance of £300,519,727.
<b>"Prudent Mortgage Lender"</b>	means 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 or Wales and which have in all material respects the same or similar characteristics to the Mortgage Portfolio and are administered to standards, criteria and procedures as ought to have been applied in relation to the Mortgage Portfolio or, if the relevant content in the Servicing Agreement relates to a specific Mortgage Loan, as ought to have been applied in relation to such Mortgage Loan.
<b>"Purchase Price"</b>	means an amount equal to £299,177,980.00 (less the fees and expenses incurred by the Issuer in connection with the Transaction and issuance of the Notes) due on the Closing Date payable by the Issuer to the Seller pursuant to the Mortgage Sale Agreement.
<b>"Public Auction Advisor"</b>	means an advisor appointed by the Issuer in connection with a Market Sale.
<b>"Quarterly Investor Report"</b>	means the quarterly investor report delivered by the Cash Manager in accordance with the Cash Management Agreement, detailing, among other things, certain aggregated loan file data in relation to the Mortgage Portfolio, to be provided to investors pursuant to Article 7(1)(e) of the Securitisation Regulation.
<b>"Quarterly Reporting Date"</b>	means the date falling six Business Days prior to each Interest Payment Date.
<b>"Rate of Interest"</b>	means, in respect of each Class of the Notes, the Reference Rate determined as at the related Interest Determination Date plus the Relevant Margin, subject to a minimum of zero.
<b>"Rated Collateralised Notes"</b>	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.
<b>"Rated Collateralised Notes Redemption Date"</b>	means the Interest Payment Date on which no Rated Collateralised Notes are outstanding prior to application of the Pre-Enforcement Principal Priority of Payments on such Interest Payment Date.
<b>"Rated Notes"</b>	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class XI Notes.

"Rating Agencies"	means S&P and DBRS and, in each case, " <b>Rating Agency</b> " means any of them.
"Rating Agency Confirmation" or "RAC"	means any written confirmation or affirmation (in any form acceptable to the Trustee) from the relevant Rating Agencies of the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby.
"Realisation"	means, in relation to any Charged Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Charged Property including (without limitation) through sale or through performance by an obligor.
"Receiver"	means any receiver, manager, administrator, receiver or manager, or administrative receiver appointed in respect of the Issuer by the Issuer at the request of the Trustee or by the Trustee in accordance with the Deed of Charge.
"Reconciliation Amount"	means in respect of any Collection Period which is a Determination Period, (i) the actual Principal Receipts as determined in accordance with the available Monthly Servicer Reports, less (ii) the Calculated Principal Receipts in respect of such Collection Period, plus (iii) any Reconciliation Amount not applied in previous Collection Periods.
"Reference Rate"	means the Compounded Daily SONIA <b>provided that:</b> <ul style="list-style-type: none"> <li>(a) if, in respect of any Business Day in the relevant Interest Period, the Agent Bank (or such other party responsible for the calculation of the rate of interest) determines that the SONIA Reference Rate is not available on the relevant Screen or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (i) the Bank of England's bank rate (the "<b>Bank Rate</b>") prevailing at close of business on the relevant Interest Determination Date; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which the 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;</li> <li>(b) notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to: (i) how the SONIA Reference Rate is to be determined; or (ii) any rate that is to replace the SONIA Reference Rate, the Issuer (or the Servicer on behalf of the Issuer) shall, to the extent that it is reasonably practicable, follow such guidance in order to instruct the Agent Bank how to determine SONIA, for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors; and</li> <li>(c) in the event that the Compounded Daily SONIA cannot be determined in accordance with the foregoing provisions by the Agent Bank (or such other party responsible for the calculation of the rate of interest) or the Issuer, the Compounded Daily SONIA shall be: (i) that determined as at the last preceding Interest Determination Date; or (ii) if there is no such preceding Interest Determination Date, the initial Compounded Daily SONIA applicable for the first Interest</li> </ul>



Period had the notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Closing Date.

<b>"Register"</b>	means the register maintained by the Registrar in relation to the Notes and the Certificates.
<b>"Registrar"</b>	means Elavon Financial Services D.A.C., UK Branch (or any successor duly appointed).
<b>"Regulated Credit Agreement"</b>	means a mortgage loan regulated by the CCA as a regulated credit agreement – as defined by article 60B of the RAO.
<b>"Regulated Mortgage Contract"</b>	means a mortgage loan regulated by FSMA as a regulated mortgage contract – as defined by article 61 of the RAO.
<b>"Regulation S"</b>	means Regulation S under the Securities Act.
<b>"Regulation S Global Certificate"</b>	means the Global Certificates issued pursuant to Regulation S.
<b>"Regulation S Global Notes"</b>	means the Class A Global Note, the Class B Global Note, the Class C Global Note, the Class D Global Note, the Class E Global Note, the Class F Global Note, the Class RFN Global Note, the Class X1 Global Note, the Class X2 Global Note and the Class Z Global Note of the Regulation S Global Notes.
<b>"Related Security"</b>	<p>means, in relation to a Mortgage Loan, the security for the repayment of that Mortgage Loan including the relevant Mortgage and all other matters applicable thereto acquired as part of the Mortgage Portfolio sold to the Issuer pursuant to the Mortgage Sale Agreement including (without limitation):</p> <ul style="list-style-type: none"> <li>(a) the benefit of all affidavits, declarations, consents, renunciations, guarantees (including Guarantees), indemnities, waivers, ranking agreements and postponements (including, without limitation, deeds of consent relating to the relevant Property) from occupiers and other persons having an interest in or rights in connection with the relevant Property;</li> <li>(b) all right, title, estate, interest and benefit of the Seller in, to, under and in respect of such asset including, without limitation: <ul style="list-style-type: none"> <li>(i) all monies and proceeds payable or to become payable or received under, in respect of, or pursuant to such asset and the right to receive payment of such monies and proceeds and all payments made including, if such asset is a bank account, all sums of money which may at any time be credited to such bank account together with all interest accruing from time to time on such money and the debts represented by such bank account;</li> <li>(ii) all covenants, undertakings, representations, warranties and indemnities in favour of such person contained in or relating to such asset;</li> <li>(iii) all powers of and remedies for enforcing or protecting such person's right, title, interest and benefit in, to, under and in respect of such asset, including the right to demand, sue for, recover, receive and give receipts</li> </ul> </li> </ul>

	for proceeds of and amounts due under or in respect of or relating to such asset;
	(iv) all items expressed to be held on trust for such person under or comprised in any such asset;
	(v) all rights to deliver notices and/or take such steps as are required to cause payment to become due and payable in respect of such asset; and
	(vi) all rights of action in respect of any breach of or in connection with any such asset and all rights to receive damages or obtain other relief in respect of such breach.
<b>"Relevant Interest Payment Date"</b>	means, in relation to a Market Sale, the Interest Payment Date falling after the SORD on which the purchase of the Mortgage Portfolio by the Initial Market Bidder is proposed to be completed or the immediately following Interest Payment Date, as specified by the Initial Market Bidder in the Initial Bid.
<b>"Relevant Margin"</b>	means: <ul style="list-style-type: none"> <li>(a) in respect of each Class of the Rated Collateralised Notes (i) up to and including the FORD, the applicable Margin for that Class and (ii) thereafter, the applicable Step-Up Margin for that Class; and</li> <li>(b) in respect of all other Classes of Notes, the applicable Margin for that Class of Notes.</li> </ul>
<b>"Relevant Period"</b>	means, in relation to each Interest Determination Date, the length in months of the Related Interest Period.
<b>"Repayment Mortgage Loans"</b>	means Mortgage Loans in relation to which monthly instalments, which cover both interest and principal, are payable until the mortgage is fully repaid by its maturity.
<b>"Replacement Servicing Agreement"</b>	means the replacement servicing agreement entered into between <i>inter alios</i> any replacement servicer, the Seller, the replacement legal title holder and the Trustee from time to time.
<b>"Replacement Swap Agreement"</b>	means an agreement between the Issuer and a replacement interest rate swap provider to replace the Swap Transaction.
<b>"Required Interest"</b>	means, in relation to an Interest Payment Date and any Class of Subordinated Notes, an amount equal to the Current Interest for such Class of Subordinated Notes.
<b>"Requisite Account Bank Rating"</b>	Requisite Account Bank Rating means, that the ratings relating to the long term unsecured, unsubordinated and unguaranteed debt obligations ratings, as applicable, must be rated at least A by S&P and an equivalent rating by DBRS.
<b>"Reserve Fund"</b>	means a fund so named established by the Issuer on the Closing Date.
<b>"Reserve Fund Ledger"</b>	means the ledger so named opened and maintained by the Cash Manager in accordance with the terms of the Cash Management Agreement.

<b>"Reserve Fund Actual Amount"</b>	means the amount standing to the credit of the Reserve Fund Ledger.
<b>"Reserve Fund Required Amount"</b>	means an amount equal to 2.0% of the Principal Amount Outstanding of the Collateralised Notes on the Closing Date.
<b>"Reserved Matter"</b>	<p>means any proposal:</p> <ul style="list-style-type: none"> <li data-bbox="625 399 1334 766">(a) to change any date fixed for payment of principal or interest or any other amount in respect of the Notes of, or any Class or for any payment in respect of the Certificates including, without limitation, any Certificate Payment, to modify the amount of principal or interest or any other amount due on any date or require any other additional amount and/or premium to be paid in respect of the Notes of any Class or any payment in respect of the Certificates (including, without limitation, any Certificate Payment Amount) or to alter the method of calculating the amount of any payment in respect of the Notes of any Class or the Certificates (including, without limitation the Certificate Payment Amount) (other than a Reference Rate Modification);</li> <li data-bbox="625 798 1334 1018">(b) (except in accordance with Condition 21 (<i>Substitution of Issuer</i>) or Certificate Condition 19 (<i>Substitution of the Issuer</i>) and clause 15 (<i>Substitution</i>) of the Trust Deed) to effect the exchange, conversion or substitution of the Notes of any Class or the Certificates for, or the conversion of such Notes or Certificates into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;</li> <li data-bbox="625 1050 1334 1186">(c) the modification or addition of any other amount payable ranking ahead of or <i>pari passu</i> with any Class of Notes or Certificates, including any fees payable by the Issuer to any third party (save as permitted under the Transaction Documents);</li> <li data-bbox="625 1218 1055 1249">(d) to change the definition of FORD;</li> <li data-bbox="625 1270 1055 1302">(e) to change the definition of EORD;</li> <li data-bbox="625 1323 1055 1354">(f) to change the definition of SORD;</li> <li data-bbox="625 1375 1334 1575">(g) to change the terms of the Deed Poll or any provisions concerning the exercise of the optional call thereunder, including Condition 9.6 (<i>Mandatory Redemption of the Notes following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or the Market Sale</i>) (save for any change which is of a formal, minor or technical nature or is made to correct a manifest error);</li> <li data-bbox="625 1606 1334 1801">(h) to change the terms of the Subsidiary Option Deed or any provisions concerning the exercise of the optional call thereunder, including Condition 9.6 (<i>Mandatory Redemption of the Notes following the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or the Market Sale</i>) (save for any change which is of a formal, minor or technical nature or is made to correct a manifest error);</li> </ul>

- (i) to make any change to the provisions concerning limited recourse and non-petition in relation to the Issuer, including Condition 10 (*Limited Recourse and Non-Petition*);
- (j) to make any change to Condition 7.2 (*Issuer Covenants*);
- (k) to change the currency in which amounts due in respect of the Notes or the Certificates are payable;
- (l) to alter the Priority of Payments in respect of the Notes or the Certificates;
- (m) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution;
- (n) to amend the definition of Event of Default;
- (o) to amend this definition; or
- (p) any change to any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any Transaction Documents by any party thereto which would have the effect of any of the foregoing.

**"Revenue Ledger"**

means the ledger maintained by the Cash Manager on behalf of the Issuer which shall record as a credit all Revenue Receipts, any Swap Collateral Account Surplus and as a debit the distribution of the 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.

**"Revenue Receipts"**

means payments received by the Issuer representing:

- (a) payments of interest (including Arrears of Interest, Accrued Interest and Capitalised Deferred Interest) and fees due from time to time under the Mortgage Loans;
- (b) recoveries of interest and outstanding fees from defaulting Borrowers under Mortgage Loans being enforced;
- (c) recoveries of interest and/or principal from defaulting Borrowers under Mortgage Loans in respect of which enforcement procedures have been completed;
- (d) the proceeds of any damages claim in respect of any Mortgage Loan payable by the Seller from the Issuer pursuant to the Mortgage Sale Agreement to the extent such proceeds are attributable to Accrued Interest, Arrears of Interest and other interest amounts in respect of the Mortgage Loans as at the relevant transfer date;
- (e) in respect of the exercise of the Mortgage Portfolio Purchase Option, the Subsidiary Option or following a Market sale, amounts received from a third party purchaser or amounts received from the Mortgage Portfolio Purchase Option Holder, the Subsidiary Option Holder or the Market Purchaser, as applicable, to be applied as Revenue Receipts including accrued interest, fees, costs and expenses for the Issuer and other amounts to be applied as revenue to effect a redemption in full of the Notes pursuant to Condition 9.4

*(Optional Redemption in whole for taxation reasons), Condition 9.3 (Optional Redemption in whole) or Condition 9.6 (Mandatory Redemption of the Notes following the exercise of Mortgage Portfolio Purchase Option, the Subsidiary Option or upon Market Sale); and*

- (f) any early repayment charges which have been paid by the Borrower in respect of the Mortgage Loans.

**"Revenue Shortfall"**

means, in respect of any relevant Class of Notes:

- (a) for the purposes of determination under paragraph (f) of the definition of Available Revenue Receipts, any amount by which the amount of Available Revenue Receipts (before taking into account amounts under paragraphs (f) and (g) of that definition) is insufficient to provide for payment of items (1) to (4), (5) and (subject to the Class B PDL Condition), (7) in the Pre-Enforcement Revenue Priority of Payments; and
- (b) for the purposes of determination under paragraph (g) of the definition of Available Revenue Receipts, the amount by which the Available Revenue Receipts (before taking into account amounts available at paragraph (g) but after taking into account amounts under paragraph (f) of the definition of Available Revenue Receipts) is insufficient to provide for payments of items (1) to (4) and (subject to the relevant Class of Notes being the Most Senior Class of Notes at the time), item (5), (7), (10), (12), (14) or (16) in the Pre-Enforcement Revenue Priority of Payments.

**"Risk Retention Deed"**

means a deed so named, dated on or about the Closing Date between, among others, the Issuer and the Retention Holder.

**"Risk Retention Regulatory Change Event"**

means any change in or the adoption of any new law, rule or regulation which as a matter of law has a binding effect on the Seller after the Closing Date which would impose a positive obligation on it to subscribe for any Notes over and above those required to be maintained by it under its risk retention undertaking.

**"Risk Retention Regulatory Change Option"**

means the option of the Seller in the Mortgage Sale Agreement to acquire all but not some of the Mortgage Portfolio following a Risk Retention Regulatory Change Event.

**"S&P"**

means S&P Global Ratings Europe Limited and any successor to its rating business.

**"Screen"**

means Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA 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.

**"Second Tax Condition"**

means, in relation to a Market Sale, a condition which will be satisfied if either (i) the Market Purchaser purchasing the legal (if applicable) and beneficial title in and to the Mortgage Loans is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Trustee, as applicable, has received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HMRC) and is satisfied that the sale of legal

(if applicable) and beneficial title in and to the relevant Mortgage Loans should not expose the Issuer or the Legal Title Holder, as applicable, to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Mortgage Loans. The costs relating to such tax advice shall be borne by the Market Purchaser.

<b>"Secured Amounts"</b>	means the aggregate of all moneys and Liabilities which from time to time are or may become due, owing or payable by the Issuer to each, some or any of the Secured Creditors under the Notes, the Certificates or the Transaction Documents.
<b>"Secured Creditors"</b>	means the Trustee in its own capacity, any Receiver or any Appointee appointed by the Trustee, each in its own capacity, the Agent Bank, the Paying Agents, the Registrar, the Corporate Services Provider, the Servicer, the Back-Up Servicer Facilitator, the Legal Title Holder, the Interest Rate Swap Provider, the Cash Manager (and any replacement of the Cash Manager), the Collection Account Bank, the Issuer Account Bank, any Custodian, any bank at which any other account in the name of the Issuer is held, the Noteholders and the Certificateholders and any party named as such in a Transaction Document.
<b>"Securities Act"</b>	means the U.S. Securities Act of 1933, as amended.
<b>"Securitisation Regulation"</b>	means Regulation (EU) 2017/2402 known as the General Framework for Securitisation and the related regulatory technical standards and guidance.
<b>"Security"</b>	means the security granted by the Issuer to the Trustee under and pursuant to the Deed of Charge in favour of the Secured Creditors.
<b>"Seller"</b>	means Morgan Stanley Principal Funding, Inc..
<b>"Seller Power of Attorney"</b>	means each power of attorney granted by the Seller in favour of the Issuer and the Trustee on the Closing Date in substantially the same form as that set out in the Mortgage Sale Agreement.
<b>"Servicer"</b>	means: <ul style="list-style-type: none"> <li>(a) Link Mortgage Services Limited; or</li> <li>(b) any successor appointed as replacement servicer pursuant to the terms of a Replacement Servicing Agreement.</li> </ul>
<b>"Servicer Fee"</b>	means the fee payable by the Issuer to the Servicer pursuant to the Servicing Agreement (including for the avoidance of doubt any Replacement Servicing Agreement).
<b>"Servicer Mandate"</b>	means a specific grant of authority, contained within the Client Manual, granted to the Servicer by the Issuer to make decisions and take actions in connection with the Mortgage Loans and their Related Security within the Interim Legal Title Holder's or Legal Title Holder's Policies (as applicable) up to defined financial limits and to be exercised by defined levels of management and staff within the Servicer.
<b>"Servicer Termination Event"</b>	has the meaning given to it in the section " <i>Servicing - Termination</i> " in this Prospectus.
<b>"Servicing Agreement"</b>	means the agreement so named dated on or about the Closing Date between the Issuer, the Servicer, the Legal Title Holder, the Interim Legal Title Holder, the Seller and the Trustee, and/or any successor or

	replacement servicing agreement entered into by the Issuer from time to time.
<b>"Services"</b>	means the services to be provided by the Servicer under the relevant Servicing Agreement, as the context requires.
<b>"Share Trustee"</b>	means Intertrust Corporate Services Limited.
<b>"Similar Law"</b>	means any U.S. federal, state, local, non-U.S. or other law or regulation that contains one or more provisions that are substantially similar to the foregoing provisions of ERISA and the Code
<b>"Solvency II"</b>	means Article 254 of Regulation (EU) No 2015/35.
<b>"SONIA"</b>	means the Sterling Overnight Interbank Average Rate.
<b>"SONIA Reference Rate"</b>	means, in respect of any Business Day, a reference rate equal to the daily SONIA rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the relevant Screen or, if the relevant Screen is unavailable, as otherwise published by such authorised distributors (on the Business Day immediately following such Business Day).
<b>"SORD"</b>	means the Interest Payment Date immediately following the FORD.
<b>"Specified Office"</b>	means, in relation to any Agent: <ul style="list-style-type: none"> <li>(a) the office specified against its name in the Notices Details; or</li> <li>(b) such other office as such Agent may specify in accordance with the provisions of the Agency Agreement.</li> </ul>
<b>"SPV Criteria"</b>	means the criteria established from time to time by the Rating Agencies for a single purpose company in the Issuer Jurisdiction.
<b>"SR Repository"</b>	means a "securitisation repository" registered under Article 10 of the Securitisation Regulation and appointed by the Issuer as required by the transparency requirements under such regulation.
<b>"Standard Documentation"</b>	means the standard documentation of the Originator, a list of which is set out in the Mortgage Sale Agreement.
<b>"Step-Up Date"</b>	means the FORD.
<b>"Step-Up Margin"</b>	means the margin per annum as set out below: <ul style="list-style-type: none"> <li>(a) for the Class A Notes, 2.50 per cent per annum;</li> <li>(b) for the Class B Notes, 3.00 per cent per annum;</li> <li>(c) for the Class C Notes, 3.75 per cent per annum;</li> <li>(d) for the Class D Notes, 4.50 per cent per annum;</li> <li>(e) for the Class E Notes, 6.00 per cent per annum; and</li> <li>(f) for the Class F Notes, 8.25 per cent per annum.</li> </ul>
<b>"Subordinated Notes"</b>	means the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class RFN Notes, the Class X1 Notes, the Class X2 Notes and the Class Z Notes.

<b>"Subsidiary Option"</b>	means the option granted by the Issuer in favour of Morgan Stanley Principal Funding, Inc. under the Subsidiary Option Deed to require the Issuer to (i) sell and transfer to the Subsidiary Option Holder or its nominee the beneficial title to all Mortgage Loans and Related Security in the Mortgage Portfolio (ii) transfer to the Subsidiary Option Holder (or its nominee) the right to the legal title to the Option Portfolio; (iii) procure that the Legal Title Holder transfer the legal title to the Subsidiary Option Holder or its nominee specified as such in the Exercise Notice; and (iv) serve all relevant notices and take all steps (including carrying out requisite registrations and recordings) in order to vest or transfer legal title in and to the Option Portfolio in the Subsidiary Option Holder or its nominee, in each case subject to the terms of the Subsidiary Option Deed.
<b>"Subsidiary Option Deed"</b>	means the document so name dated on or about the Closing Date between the Issuer and Morgan Stanley Principal Funding, Inc..
<b>"Subsidiary Option Holder"</b>	means Morgan Stanley Principal Funding, Inc. (or any permitted assignee or transferee in accordance with the terms of the Subsidiary Option Deed).
<b>"Substituted Obligor"</b>	means a single purpose company incorporated in any jurisdiction that meets the SPV Criteria.
<b>"Swap Collateral Account Surplus"</b>	means any residual amount in the Interest Rate Swap Collateral Account or any Custody Account (a) following the satisfaction of the obligations of the Interest Rate Swap Provider and (b) that has not been applied to purchase a replacement swap transaction with a replacement interest rate swap provider, pursuant to the Interest Rate Swap Collateral Account Priority of Payments.
<b>"Swap Transaction"</b>	means the interest rate swap transaction entered by the Issuer with the Interest Rate Swap Provider under the Interest Rate Swap Agreement.
<b>"Tax"</b>	shall be construed so as to include any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same, but excluding taxes on net income) imposed or levied by or on behalf of any Tax Authority in the United Kingdom and Ireland and " <b>Taxes</b> ", " <b>taxation</b> ", " <b>taxable</b> " and comparable expressions shall be construed accordingly.
<b>"Tax Authority"</b>	means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function (including, without limitation, Her Majesty's Revenue and Customs).
<b>"Tax Deduction"</b>	means any deduction or withholding for or on account of Tax.
<b>"Transaction Documents"</b>	means the Account Bank Agreement, the Collection Account Agreement, any Custody Agreement, the Servicing Agreement, the Agency Agreement, the Cash Management Agreement, the Collection Account Declaration of Trust, the ICADOT Assignment Deed, the Corporate Services Agreement, the Deed of Charge (and any documents entered into pursuant to the Deed of Charge), the Incorporated Terms Memorandum, the Mortgage Sale Agreement, the Legal Title Holder Power of Attorney, the Seller Power of Attorney, the Interim Servicer Power of Attorney, the Long-Term Powers of Attorney, the Trust Deed, the Interest Rate Swap Agreement, the Deed Poll, the Subsidiary Option Deed, the Risk Retention Deed and such



other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and the Certificates and any other document designated as such (other than the Subscription Agreement).

<b>"Transaction Party"</b>	means any person who is a party to a Transaction Document and <b>"Transaction Parties"</b> means some or all of them.
<b>"Transitional Period"</b>	means the period commencing on the Closing Date and ending on (but excluding) such date on which the registration of the Legal Title Holder as the registered proprietor of all Mortgage Loans (together with their Related Security) in the Mortgage Portfolio at the Land Registry is completed.
<b>"Trustee"</b>	means U.S. Bank Trustees Limited.
<b>"Trust Deed"</b>	means the deed so named dated on or about the Closing Date between the Issuer and the Trustee and any document expressed to be supplemental to the Trust Deed.
<b>"Trust Documents"</b>	means the Trust Deed and the Deed of Charge and (unless the context requires otherwise) includes any deed or other document executed in accordance with or pursuant to the provisions of the Trust Deed or (as applicable) the Deed of Charge and expressed to be supplemental to the Trust Deed or the Deed of Charge (as applicable).
<b>"TSC Regulations"</b>	means the Taxation of Securitisation Companies Regulations 2006.
<b>"U.S. Credit Risk Retention Requirements"</b>	shall have the meaning given to it in the section entitled " <i>U.S. Risk Retention</i> " on page iv of this Prospectus.
<b>"U.S. Required Risk Retention Interest"</b>	shall have the meaning given to it in the section entitled " <i>Certain Regulatory Disclosures – U.S. Credit Risk Retention Requirements</i> " on page 90 of this Prospectus.
<b>"U.S. Person"</b>	means a "U.S. person" as such term is defined under Regulation S under the Securities Act.
<b>"UTCCR"</b>	means the Unfair Terms in Consumer Contracts Regulations 1994 and 1999.
<b>"Valuation Report"</b>	means the valuation report or reports for mortgage purposes, obtained by the Originator from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Prudent Mortgage Lender.
<b>"VAT"</b>	means: <ul style="list-style-type: none"> <li>(a) 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) (including, without limitation, United Kingdom value added tax imposed by the Value Added Tax Act 1994 and legislation and regulations supplemental thereto); and</li> <li>(b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in (a), or elsewhere;</li> </ul>
<b>"Volcker Rule"</b>	means the Section 13 of the Bank Holding Company Act of 1956, as amended, and the regulations adopted thereunder.

<b>"Warranty Claim"</b>	means each claim of the Issuer for breach of a Mortgage Loan Warranty under the Mortgage Sale Agreement.
<b>"Warranty Expiry Date"</b>	means the date falling two years after the Closing Date.
<b>"Winning Bidder"</b>	means, in relation to a Market Sale, the bidder who has submitted the highest Eligible Bid (which may be the Initial Market Bidder).
<b>"Written Resolution"</b>	means a resolution in writing signed by or on behalf of the holders of 75 per cent. in aggregate Principal Amount Outstanding of the Notes of the relevant Class for the time being outstanding or of 75 per cent. of the number of Certificates then outstanding who for the time being are entitled to receive notice of a Meeting in accordance with the Provisions for Meetings of Noteholders and Certificateholders, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes or the Certificates.

**ANNEX A  
STATISTICAL INFORMATION ON THE PROVISIONAL MORTGAGE PORTFOLIO**

The statistical and other information contained in this section has been compiled by reference to the Provisional Mortgage Portfolio as of 31 January 2020 (being the "**Portfolio Reference Date**") which is comprised of 1,020 Mortgage Loans with an aggregate Current Balance of £300,519,727.

The Mortgage Portfolio will consist of the Mortgage Loans in the Provisional Mortgage Portfolio on the Cut-Off Date after (i) removing Mortgage Loans which have been redeemed in full in the period between the Portfolio Reference Date and the Cut-Off Date; and (ii) including Mortgage Loans originated by the Originator between the Portfolio Reference Date and 30 April 2020 (inclusive).

The information contained in this section has not been updated to reflect any decrease in the size of the Mortgage Portfolio from that of the Provisional Mortgage Portfolio.

Except as otherwise indicated, these tables have been prepared using the Current Balance as of the Portfolio Reference Date. The terms "unpaid principal balance", and "Total Unpaid Balance" in this section mean Current Balance. Columns may not add up to the total due to rounding.

As of the Portfolio Reference Date, the Provisional Mortgage Portfolio had the following characteristics:

**Key Collateral Highlights<sup>(1)</sup>**

<b>Main Strats</b>	<b>Tudor Rose Mortgages 2020-1 PLC</b>
Current Balance.....	300,519,727
Number of Loans.....	1,020
Number of Properties.....	1,020
Numbers of Borrower Sets.....	671
Average Current Balance.....	294,627
Weighted Average Current Interest Rate %.....	3.86%
Weighted Average Maturity (in years).....	19.08
Weighted Average Remaining Term to Repricing (in years) <sup>(2)</sup> .....	2.76
Weighted Average Seasoning (in years).....	2.28
Weighted Average OLV %.....	69.85%
Weighted Average CLTV %.....	69.74%
Weighted Average ILTV %.....	69.35%
Loans greater than 1 month in arrears.....	0.80%
Loans greater than 3 months in arrears.....	0.23%
Weighted Average DSCR.....	1.82
Original Balance.....	301,570,409
Total Asset Value.....	441,238,552
IO%.....	99.57%

<sup>(1)</sup> As of the Portfolio Reference Date

<sup>(2)</sup> Scope is loans with revision date

### Unpaid Principal Balances

The following table shows the range of Unpaid Principal Balances of the Mortgage Loans as of the Portfolio Reference Date.

From(>)	To(<=)	Current Balance	% of Total	Number of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average CLTV
	50,000	47,300	0.02%	1	0.10%	3.79%	23.58	18.92%
50,000 .....	100,000	3,238,212	1.08%	38	3.73%	3.94%	15.60	63.88%
100,000 .....	150,000	19,269,303	6.41%	155	15.20%	3.89%	18.19	72.06%
150,000 .....	200,000	27,464,502	9.14%	156	15.29%	3.80%	18.78	72.01%
200,000 .....	250,000	34,427,967	11.46%	152	14.90%	3.80%	18.67	70.72%
250,000 .....	300,000	35,730,069	11.89%	131	12.84%	3.80%	19.56	72.16%
300,000 .....	350,000	34,801,536	11.58%	107	10.49%	3.91%	20.23	72.72%
350,000 .....	400,000	31,761,133	10.57%	85	8.33%	3.83%	19.59	72.51%
400,000 .....	450,000	27,189,477	9.05%	64	6.27%	3.88%	19.95	72.33%
450,000 .....	500,000	17,977,483	5.98%	38	3.73%	3.82%	19.71	70.67%
500,000 .....	550,000	17,050,780	5.67%	33	3.24%	3.96%	19.29	67.33%
550,000 .....	600,000	5,107,369	1.70%	9	0.88%	4.06%	18.02	65.03%
600,000 .....	650,000	6,178,406	2.06%	10	0.98%	3.78%	18.51	65.92%
650,000 .....	700,000	2,685,885	0.89%	4	0.39%	4.25%	16.34	53.75%
700,000 .....	750,000	2,166,282	0.72%	3	0.29%	3.63%	17.45	63.95%
750,000 .....	800,000	5,425,363	1.81%	7	0.69%	3.98%	16.26	63.93%
800,000 .....	850,000	5,805,662	1.93%	7	0.69%	3.73%	19.32	65.57%
850,000 .....	900,000	2,577,250	0.86%	3	0.29%	3.98%	22.80	66.08%
900,000 .....	950,000	928,200	0.31%	1	0.10%	4.15%	22.33	66.30%
950,000 .....	1,000,000	1,959,115	0.65%	2	0.20%	4.14%	17.42	63.31%
1,000,000 .....	1,500,000	14,465,435	4.81%	12	1.18%	3.94%	17.51	58.22%
1,500,000 .....	2,000,000	1,725,500	0.57%	1	0.10%	4.09%	6.67	69.48%
2,000,000 .....		2,537,500	0.84%	1	0.10%	3.38%	21.92	33.83%
<b>Total</b> .....		<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Average .....	294,627							
Minimum .....	47,300							
Maximum .....	2,537,500							

### Indexed Current Loan to Value Ratios (ICLTVs)

The following table shows the range of ICLTVs of the Mortgage Loans calculated by dividing the aggregate Current Balance of all Mortgage Loans (including capitalised interest and capitalised fees) as of the Portfolio Reference Date by the original valuation amount of the Property securing the Mortgage Loans) indexed using the regional quarterly seasonally adjusted Nationwide House Price Index from the date of the original valuation until Q1 2020. The weighted average ICLTV as of the Portfolio Reference Date of the Mortgage Loans is 69.35 per cent.

From(>)	To(<=)	Current Balance	% of Total	Number of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average CLTV
	20%	303,556	0.10%	4	0.39%	4.48%	11.23	19.07%
20% .....	30%	1,253,833	0.42%	2	0.20%	3.30%	13.31	27.45%
30% .....	40%	3,126,612	1.04%	6	0.59%	3.48%	19.95	34.22%
40% .....	50%	4,242,178	1.41%	19	1.86%	3.89%	15.96	46.05%
50% .....	55%	8,936,176	2.97%	28	2.75%	4.22%	18.04	52.62%
55% .....	60%	17,276,751	5.75%	46	4.51%	3.95%	18.15	59.05%
60% .....	65%	30,889,173	10.28%	92	9.02%	4.00%	18.37	63.41%
65% .....	70%	71,697,241	23.86%	214	20.98%	3.93%	18.53	68.14%
70% .....	75%	66,866,791	22.25%	286	28.04%	3.79%	18.96	74.49%
75% .....	80%	93,920,684	31.25%	317	31.08%	3.78%	20.31	76.09%
80% .....		2,006,731	0.67%	6	0.59%	3.46%	19.10	77.51%
<b>Total</b> .....		<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average ..	69.35%							
Minimum .....	15.89%							
Maximum .....	81.68%							

### Original Loan to Value (OLTV)

The following table shows the OLTV of the Mortgage Loans.

From(>)	To(<=)	Current Balance	% of Total	Number of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average CLTV
	20%	122,400	0.04%	1	0.10%	3.55%	15.00	15.79%
20%.....	30%	1,101,275	0.37%	2	0.20%	3.45%	12.25	28.06%
30%.....	40%	2,830,525	0.94%	3	0.29%	3.45%	20.81	33.76%
40%.....	50%	4,206,556	1.40%	17	1.67%	4.13%	16.81	45.37%
50%.....	55%	8,106,824	2.70%	24	2.35%	3.91%	18.35	51.04%
55%.....	60%	14,571,636	4.85%	35	3.43%	4.20%	17.72	58.09%
60%.....	65%	32,296,446	10.75%	93	9.12%	3.83%	19.48	62.61%
65%.....	70%	60,430,748	20.11%	153	15.00%	3.92%	18.45	66.76%
70%.....	75%	40,378,777	13.44%	146	14.31%	3.87%	19.03	72.42%
75%.....	80%	135,979,905	45.25%	544	53.33%	3.80%	19.55	76.18%
80%.....		494,635	0.16%	2	0.20%	3.38%	21.70	81.09%
<b>Total.....</b>		<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average .	69.85%							
Minimum .....	15.79%							
Maximum .....	82.76%							

### Current Loan to Value (CLTV)

The following table shows the CLTV of the Mortgage Loans.

From(>)	To(<=)	Current Balance	% of Total	Number of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average CLTV
	20%	169,700	0.06%	2	0.20%	3.62%	17.39	16.66%
20%.....	30%	1,387,690	0.46%	4	0.39%	3.52%	12.36	26.94%
30%.....	40%	3,126,612	1.04%	6	0.59%	3.48%	19.95	34.22%
40%.....	50%	4,372,067	1.45%	17	1.67%	4.16%	16.58	45.65%
50%.....	55%	7,566,090	2.52%	24	2.35%	4.01%	18.29	52.12%
55%.....	60%	14,971,433	4.98%	37	3.63%	4.18%	18.86	57.85%
60%.....	65%	32,048,079	10.66%	93	9.12%	3.82%	19.46	62.68%
65%.....	70%	61,257,989	20.38%	158	15.49%	3.91%	18.26	66.81%
70%.....	75%	39,466,229	13.13%	140	13.73%	3.89%	19.17	72.48%
		135,659,20						
75%.....	80%	3	45.14%	537	52.65%	3.80%	19.53	76.30%
80%.....		494,635	0.16%	2	0.20%	3.38%	21.70	81.09%
<b>Total.....</b>		<b>300,519,77</b>	<b>100.0%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average.	69.74%							
Minimum .....	15.79%							
Maximum.....	81.55%							

### Months in Arrears

The following table shows the range of Months in Arrears of the Mortgage Loans as of the Portfolio Reference Date.

From(>)	To(<=)	Current Balance	% of Total	Number of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average CLTV
	0	297,342,771	98.94%	1,014	99.41%	3.86%	19.16	69.71%
0 .....	1	766,331	0.26%	3	0.29%	4.14%	14.64	75.77%
1 .....	3	1,725,500	0.57%	1	0.10%	4.09%	6.67	69.48%
3 .....		685,125	0.23%	2	0.20%	3.99%	21.67	78.15%
<b>Total.....</b>		<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average ...	0.03							
Minimum .....	0.00							
Maximum .....	8.00							

### ***Payment Holidays Granted***

The following table shows the number of payment holidays granted in relation to the Mortgage Loans in the Provisional Mortgage Portfolio as of the Portfolio Reference Date (as per the "Payment Holiday" flag as of 30 April 2020).

Description	Current Balance	% of Total	Number of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average CLTV
Yes .....	47,519,660	15.81%	143	14.02%	3.82%	20.08	70.58%
No .....	253,000,067	84.19%	877	85.98%	3.87%	18.89	69.59%
<b>Total .....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

### ***Geographical Distribution of Properties***

The following table shows the distribution of geographic region of Properties securing the Mortgage Loans throughout the United Kingdom as of the Portfolio Reference Date.

Description	Current Balance	% of Total	Number of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average CLTV
London, England (UKI) .....	193,287,364	64.32%	521	51.08%	3.87%	19.53	68.81%
South East, England (UKJ) .....	54,023,283	17.98%	232	22.75%	3.83%	17.80	71.96%
East of England (UKH) .....	21,001,764	6.99%	91	8.92%	3.86%	17.87	71.36%
South West, England (UKK) .....	15,491,795	5.16%	71	6.96%	3.82%	19.23	68.70%
West Midlands, England (UKG) .....	4,988,812	1.66%	30	2.94%	3.93%	19.45	72.24%
East Midlands, England (UKF) .....	3,644,069	1.21%	21	2.06%	3.87%	19.66	72.69%
Wales (UKL) .....	1,394,761	0.46%	7	0.69%	4.75%	22.30	73.39%
Yorkshire and the Humber, England (UKE) .....	1,787,363	0.59%	14	1.37%	3.69%	19.82	71.13%
North West, England (UKD) .....	4,627,875	1.54%	30	2.94%	3.68%	18.15	72.74%
North East, England (UKC) .....	272,641	0.09%	3	0.29%	3.48%	19.58	64.88%
<b>Total .....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

### ***Remaining Term***

The following table shows the range of the number of years until the maturity dates of all the Mortgage Loans as of the Portfolio Reference Date. The weighted average remaining term as of the Portfolio Reference Date of the Mortgage Loans is 19.08 years.

From(>)	To(<=)	Current Balance	% of Total	Number of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average CLTV
.....	5 years	3,921,504	1.30%	20	1.96%	3.83%	3.38	69.88%
5 years .....	10 years	18,038,400	6.00%	66	6.47%	4.05%	7.31	68.81%
10 years .....	15 years	31,882,346	10.61%	113	11.08%	3.78%	12.87	68.53%
15 years .....	20 years	79,338,548	26.40%	264	25.88%	3.83%	17.76	69.22%
20 years .....		167,338,929	55.68%	557	54.61%	3.87%	22.53	70.32%
<b>Total .....</b>		<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average .....		19.08						
Minimum .....		0.67						
Maximum .....		25.00						

### ***Remaining Term to Repricing***

The following table shows the range of the number of years until the maturity dates of all the Mortgage Loans as of the Portfolio Reference Date.<sup>1</sup>

<b>From(&gt;)</b>	<b>To(&lt;=)</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
.....	1 years	21,581,076	7.59%	76	7.94%	3.72%	17.58	69.03%
1 years.....	2 years	53,618,927	18.86%	167	17.45%	3.93%	18.63	68.58%
2 years.....	3 years	106,072,300	37.31%	356	37.20%	3.85%	19.27	69.98%
3 years.....	4 years	56,058,103	19.72%	188	19.64%	3.66%	19.39	69.37%
4 years.....		46,966,018	16.52%	170	17.76%	3.52%	19.95	72.52%
<b>Total.....</b>		<b>284,296,423</b>	<b>100.00%</b>	<b>957</b>	<b>100.00%</b>	<b>3.76%</b>	<b>19.16</b>	<b>69.94%</b>
Weighted Average....	2.76							
Minimum.....	0.08							
Maximum.....	5.00							

### ***Repayment Type***

The following table shows the repayment types of all the Mortgage Loans as of the Portfolio Reference Date.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Annuity.....	1,301,285	0.43%	10	0.98%	4.14%	21.30	59.27%
Interest Only.....	299,218,442	99.57%	1,010	99.02%	3.86%	19.07	69.79%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

### ***Interest Rate Index for Mortgage Loans***

The table below shows the interest rate indices applicable to the Mortgage Loans as of the Portfolio Reference Date.<sup>2</sup>

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Libor 3M	21,007,858	100.00%	86	100.00%	5.16%	18.42	66.26%
<b>Total.....</b>	<b>21,007,858</b>	<b>100.00%</b>	<b>86</b>	<b>100.00%</b>	<b>5.16%</b>	<b>18.42</b>	<b>66.26%</b>

### ***Interest Rate Types***

The table below shows the interest rate types applicable to the Mortgage Loans as of the Portfolio Reference Date.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Fixed rate loan with compulsory future switch to floating.	279,511,869	93.01%	934	91.57%	3.76%	19.13	70.01%
Floating rate loan (margin revision in the future).....	4,784,554	1.59%	23	2.25%	3.79%	20.74	66.08%
Floating rate loan (without margin revision).....	16,223,304	5.40%	63	6.18%	5.56%	17.73	66.32%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

<sup>1</sup> Scope is loans with revision.

<sup>2</sup> Scope is floating loans.

### **Current Interest Rates**

The following table shows the range of Current Interest Rates for the Mortgage Loans as of the Portfolio Reference Date. The weighted average Current Interest Rate as of the Portfolio Reference Date of the Mortgage Loans is 3.86 per cent.

<b>From(&gt;)</b>	<b>To(&lt;=)</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
.....	3.50%	49,900,702	16.60%	192	18.82%	3.40%	19.02	69.45%
3.50%.....	3.75%	117,891,229	39.23%	387	37.94%	3.65%	19.54	70.00%
3.75%.....	4.00%	75,567,144	25.15%	272	26.67%	3.92%	19.67	70.80%
4.00%.....	4.50%	31,865,902	10.60%	85	8.33%	4.14%	16.77	69.18%
4.50%.....	5.00%	9,071,446	3.02%	21	2.06%	4.59%	19.15	67.37%
5.00%.....	5.50%	7,374,475	2.45%	30	2.94%	5.29%	17.62	65.23%
5.50%.....		8,848,829	2.94%	33	3.24%	5.79%	17.82	67.22%
<b>Total</b>		<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average		3.86%						
Minimum .....		3.28%						
Maximum .....		5.79%						

### **Current Interest Rate Margin<sup>(1)</sup>**

The table below shows the range of Margin Rates for the Mortgage Loans as of the Portfolio Reference Date. The weighted average Current Interest Rate Margin for active adjustable rate Mortgage Loans as of the Portfolio Reference Date of the Mortgage Loans is 4.37 per cent.

<b>Current Interest Rate Margin</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
3.00%.....	4,784,554	22.78%	23	26.74%	3.79%	20.74	66.08%
4.50%.....	7,374,475	35.10%	30	34.88%	5.29%	17.62	65.23%
5.00%.....	8,848,829	42.12%	33	38.37%	5.79%	17.82	67.22%
<b>Total</b> .....	<b>21,007,858</b>	<b>100.00%</b>	<b>86</b>	<b>100.00%</b>	<b>5.16%</b>	<b>18.42</b>	<b>66.26%</b>
Weighted Average...		4.37%					
Minimum .....		3.00%					
Maximum.....		5.00%					

<sup>(1)</sup> Scope: Floating loans

### **Final Interest Rate Margin**

The table below shows the final interest rate margin for the Mortgage Loans as of the Portfolio Reference Date.

<b>Final Interest Rate Margin</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
4.5%.....	219,702,470	73.11%	799	78.33%	3.81%	19.17	69.74%
5.0%.....	80,817,258	26.89%	221	21.67%	3.99%	18.84	69.75%
<b>Total</b> .....	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average...		4.63%					
Minimum .....		4.50%					
Maximum.....		5.00%					



## STATISTICAL INFORMATION ON THE PROVISIONAL MORTGAGE PORTFOLIO

**Bankruptcy or Individual Voluntary Arrangements (IVA)**

The following table shows the Mortgage Loans that belong in the "Bankruptcy or Individual Voluntary Arrangements" category as of the Portfolio Reference Date.

<b>Bankruptcy or Individual Voluntary Arrangement</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
No .....	300,519,727	100.00%	1,020	100.00%	3.86%	19.08	69.74%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

**Property Type**

The following table shows the types of Properties securing the Mortgage Loans at the Portfolio Reference Date.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Residential (House, detached or semi-detached) .....	35,554,294	11.83%	101	9.90%	3.82%	18.82	65.15%
Residential (Flat/Apartment) ..	128,646,726	42.81%	500	49.02%	3.85%	19.15	71.33%
Residential (Bungalow) .....	5,026,759	1.67%	19	1.86%	3.83%	18.89	63.92%
Residential (Terraced House) .	57,167,987	19.02%	209	20.49%	3.91%	19.05	68.57%
Multifamily house (properties with more than four units securing one loan) with recourse to the borrower .....	74,123,962	24.67%	191	18.73%	3.85%	19.13	70.50%
<b>Total .....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

**Property Type Detailed**

The following table shows the types of Properties in detail securing the Mortgage Loans at the Portfolio Reference Date.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Bungalow .....	5,026,759	1.67%	19	1.86%	3.83%	18.89	63.92%
Converted flat .....	44,839,254	14.92%	173	16.96%	3.88%	19.08	70.58%
Detached house .....	16,493,883	5.49%	37	3.63%	3.86%	18.01	62.31%
End-of-terrace house.....	11,939,039	3.97%	43	4.22%	4.14%	18.17	70.27%
HMO .....	45,385,232	15.10%	133	13.04%	3.84%	19.44	72.36%
Maisonette .....	5,203,529	1.73%	24	2.35%	3.77%	20.91	69.85%
Multi-Unit .....	28,738,730	9.56%	58	5.69%	3.88%	18.64	67.55%
Purpose-built flat .....	78,603,943	26.16%	303	29.71%	3.85%	19.06	71.85%
Semi-detached house.....	19,060,410	6.34%	64	6.27%	3.78%	19.52	67.60%
Terraced house .....	45,228,948	15.05%	166	16.27%	3.85%	19.28	68.12%
<b>Total .....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

***Years since last in Arrears***

The following table shows the years since last in arrears as of the Portfolio Reference Date.

<b>From(&gt;)</b>	<b>To(&lt;=)</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
In arrears.....		3,176,956	1.06%	6	0.59%	4.08%	11.82	72.87%
0 .....	1	988,795	0.33%	3	0.29%	4.31%	21.33	73.56%
1 .....	2	1,679,825	0.56%	4	0.39%	4.34%	17.48	70.34%
2 .....		3,413,899	1.14%	7	0.69%	3.84%	17.48	65.01%
Not in arrears since origination.....		291,260,252	96.92%	1,000	98.04%	3.85%	19.18	69.75%
<b>Total.....</b>		<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Minimum .....	0.00							
Maximum .....	2.75							

***Mortgage Loan Purpose***

The following table shows the purpose of the Mortgage Loans in the Provisional Mortgage Portfolio.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Investment Mortgage .....	300,519,727	100.00%	1,020	100.00%	3.86%	19.08	69.74%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

***Ownership Type***

The following table shows the ownership type of the Properties securing the Mortgage Loans in the Provisional Mortgage Portfolio as of the Portfolio Reference Date.

<b>Ownership Type</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Freehold .....	159,905,159	53.21%	488	47.84%	3.87%	18.94	68.30%
Leasehold .....	140,614,568	46.79%	532	52.16%	3.85%	19.24	71.38%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

***Borrower Type***

The following table shows the description of the borrower of the Mortgage Loans as of the Portfolio Reference Date, differentiating between individual and commercial borrowers.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Individual .....	188,062,705	62.58%	613	60.10%	3.88%	18.58	68.61%
Commercial.....	112,457,023	37.42%	407	39.90%	3.82%	19.92	71.63%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

***Employment Status of Borrower***

The following table shows the employment status of the borrower of the Mortgage Loans as of the Portfolio Reference Date, differentiating between employed and self-employed borrowers.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Employed.....	57,533,826	19.14%	212	20.78%	3.92%	18.97	70.85%
Self employed .....	242,985,902	80.86%	808	79.22%	3.84%	19.11	69.48%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

***Occupancy Type***

The following table shows the occupancy types of the Properties securing the Mortgage Loans as of the Portfolio Reference Date.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Buy-to-let.....	300,519,727	100.00%	1,020	100.00%	3.86%	19.08	69.74%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

ANNEX A  
STATISTICAL INFORMATION ON THE PROVISIONAL MORTGAGE PORTFOLIO

**Origination Year**

The following table shows the range of years in which the Mortgage Loans in the Provisional Mortgage Portfolio were originated.

<u>Origination Year</u>	<u>Current Balance</u>	<u>% of Total</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Weighted Average Coupon</u>	<u>Weighted Average Maturity</u>	<u>Weighted Average CLTV</u>
2015.....	10,598,242	3.53%	27	2.65%	3.97%	11.35	61.91%
2016.....	52,577,870	17.50%	164	16.08%	4.24%	18.49	69.13%
2017.....	136,309,197	45.36%	479	46.96%	3.87%	19.25	69.89%
2018.....	60,029,415	19.98%	210	20.59%	3.70%	19.72	69.74%
2019.....	39,392,878	13.11%	131	12.84%	3.53%	20.25	71.93%
2020.....	1,612,125	0.54%	9	0.88%	3.47%	22.50	75.46%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average .....	2017						
Minimum .....	2015						
Maximum .....	2020						

**Direct Debit Status**

The following table shows the status of the direct debits applicable to the Mortgage Loans in the Provisional Mortgage Portfolio as of the Portfolio Reference Date.

<u>Direct Debit</u>	<u>Current Balance</u>	<u>% of Total</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Weighted Average Coupon</u>	<u>Weighted Average Maturity</u>	<u>Weighted Average CLTV</u>
Yes.....	276,166,887	91.90%	957	93.82%	3.87%	18.94	70.03%
No.....	24,352,841	8.10%	63	6.18%	3.73%	20.70	66.46%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

**Current Debt Service Coverage**

The following table shows the current debt service coverage ratio applicable to the Mortgage Loans as of the Portfolio Reference Date.

<u>From(&gt;)</u>	<u>To(&lt;=)</u>	<u>Current Balance</u>	<u>% of Total</u>	<u>Number of Loans</u>	<u>% of Total</u>	<u>Weighted Average Coupon</u>	<u>Weighted Average Maturity</u>	<u>Weighted Average CLTV</u>
	1.20	7,177,265	2.39%	20	1.96%	5.58%	19.37	64.72%
1.20.....	1.25	15,719,530	5.23%	43	4.22%	4.20%	20.57	69.05%
1.25.....	1.50	72,057,980	23.98%	207	20.29%	3.99%	19.15	70.06%
1.50.....	1.75	77,732,068	25.87%	259	25.39%	3.80%	18.74	70.75%
1.75.....	2.00	54,505,373	18.14%	205	20.10%	3.74%	19.04	70.50%
2.00.....	2.25	26,519,836	8.82%	91	8.92%	3.62%	19.45	65.00%
2.25.....	2.50	16,323,603	5.43%	69	6.76%	3.61%	19.01	70.93%
2.50.....	4.00	27,604,665	9.19%	106	10.39%	3.68%	18.57	70.94%
4.00.....	6.00	2,369,783	0.79%	15	1.47%	3.74%	20.54	63.22%
6.00.....	8.00	387,225	0.13%	4	0.39%	3.79%	20.74	69.60%
8.00.....		122,400	0.04%	1	0.10%	3.55%	15.00	15.79%
<b>Total.....</b>		<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>
Weighted Average .....	1.82							
Minimum .....	1.06							
Maximum .....	8.77							

***Loan Payment Frequency***

The following table shows the frequency of loan payments of the Mortgage Loans as of the Portfolio Reference Date.

<b>Description</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
Monthly.....	300,519,727	100.00%	1,020	100.00%	3.86%	19.08	69.74%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

***Originator of the Mortgage Loans***

The following table shows the originator of the Mortgage Loans as of the Portfolio Reference Date.

<b>Originator</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
AXIS BANK UK Limited.....	300,519,727	100.00%	1,020	100.00%	3.86%	19.08	69.74%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

***Servicer of the Mortgage Loans***

The following table shows the servicer of the Mortgage Loans as of the Portfolio Reference Date.

<b>Servicer</b>	<b>Current Balance</b>	<b>% of Total</b>	<b>Number of Loans</b>	<b>% of Total</b>	<b>Weighted Average Coupon</b>	<b>Weighted Average Maturity</b>	<b>Weighted Average CLTV</b>
LMS.....	300,519,727	100.00%	1,020	100.00%	3.86%	19.08	69.74%
<b>Total.....</b>	<b>300,519,727</b>	<b>100.00%</b>	<b>1,020</b>	<b>100.00%</b>	<b>3.86%</b>	<b>19.08</b>	<b>69.74%</b>

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