IMPORTANT NOTICE

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

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN INVITATION OR OFFER TO SELL, OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY, SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**), AND THE SECURITIES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. CERTAIN OF THE SECURITIES WILL BE OFFERED AND SOLD IN THE UNITED STATES TO A LIMITED NUMBER OF QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A OF THE SECURITIES ACT) IN RELIANCE ON RULE 144A OF THE SECURITIES ACT.

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

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

COLUMBIA OR (II) A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN EACH CASE ACTING FOR YOUR OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS, AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLES 49(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005 OR A CERTIFIED HIGH NET WORTH INDIVIDUAL WITHIN ARTICLE 48 OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005.

The prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Avon Finance No. 3 PLC (the **Issuer**), Isle of Wight Home Loans Limited (the **Seller**) and Barclays Bank PLC (**Barclays**, the **Arranger** and the **Lead Manager**) nor any person who controls any such person nor any director, officer, employee or agent of any such person or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from the Lead Manager.

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

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

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

The terms of the issue, the transactions and the Transaction Documents described in this prospectus are not yet final and, without limitation, are subject to updating, further detailed negotiation, amendment, verification and completion. This prospectus has not been fully reviewed or approved by the rating agencies (which are expected to assign ratings to some or all of the securities) and has not been reviewed by the transaction parties.

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

Neither the Notes nor the Certificates have been and nor will they be registered under the United States Securities Act 1933, as amended (the Securities Act), or the securities laws of any state or other jurisdiction of the United States, and neither the Notes nor the Certificates may be offered or sold (i) within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (Regulation S)) except to persons that are "qualified institutional buyers" (QIBs) as defined in Rule 144A under the Securities Act (Rule 144A) acting for their own account or for the account of one or more QIBs in reliance on Rule 144A, or (ii) in transactions that occur outside the United States, except to persons other than U.S. persons in accordance with Regulation S and, in each case, in compliance with any applicable state or local securities laws. Prospective purchasers are hereby notified that sellers of the Notes and the Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Notes and the Certificates will be subject to restrictions on resale and transfer. See "*Subscription, Sale and Selling Restrictions*" and "*Transfer Restrictions and Investor Representations*".

Avon Finance No. 3 PLC
(*Incorporated in England and Wales with limited liability, registered number 14918971*)
Legal Entity Identifier: 213800AFVZCS1I277A87
Securitisation Transaction Unique Identifier: 213800AFVZCS1I277A87 N202301

Class	Initial Class Principal Amount	Issue Price	Reference Rate[1]	Initial Margin (per annum)	Step-Up Margin (per annum)	First Optional Redemption Date[2]	Expected Ratings[3] (S&P/Fitch)	Final Redemption Date
Class A Notes	£504,292,000	99.79454 per cent.	Compounded Daily SONIA	1.10 per cent.	1.65 per cent.	Interest Payment Date falling in August 2026	AAA / AAA	Interest Payment Date falling in November 2050
Class B Notes	£33,019,000	98.27646 per cent.	Compounded Daily SONIA	1.75 per cent.	2.65 per cent.	Interest Payment Date falling in August 2026	AA+ / AA-	Interest Payment Date falling in November 2050
Class C Notes	£19,511,000	97.64993 per cent.	Compounded Daily SONIA	2.50 per cent.	3.50 per cent.	Interest Payment Date falling in August 2026	AA- / A	Interest Payment Date falling in November 2050
Class D Notes	£11,106,000	95.64804 per cent.	Compounded Daily SONIA	3.00 per cent.	4.00 per cent.	Interest Payment Date falling in August 2026	A / BBB+	Interest Payment Date falling in November 2050
Class E Notes	£12,607,000	93.24269 per cent.	Compounded Daily SONIA	3.50 per cent.	4.50 per cent.	Interest Payment Date falling in August 2026	BBB / BB+	Interest Payment Date falling in November 2050
Class F Notes	£9,605,000	90.71402 per cent.	Compounded Daily SONIA	4.00 per cent.	5.00 per cent.	Interest Payment Date falling in August 2026	BB- / B	Interest Payment Date falling in November 2050
Class Z Notes	£10,205,000	63.40608 per cent.	N/A (Zero Coupon)	N/A (Zero Coupon)	N/A (Zero Coupon)	Interest Payment Date falling in August 2026	NR/NR	Interest Payment Date falling in November 2050
Class R Notes	£7,189,000	63.40608 per cent.	N/A (Zero Coupon)	N/A (Zero Coupon)	N/A (Zero Coupon)	Interest Payment Date falling in August 2026	NR/NR	Interest Payment Date falling in November 2050
Class X Notes	£9,005,000	97.33976 per cent.	Compounded Daily SONIA	4.00 per cent.	4.00 per cent.	Interest Payment Date falling in August 2026	B- / CCC	Interest Payment Date falling in November 2050
Class X1 Certificates[6]	N/A[4]	N/A	Class X1 Certificate Payment	N/A[5]	N/A	N/A	NR/NR	N/A
Class X2 Certificates[6]	N/A[4]	N/A	Class X2 Certificate Payment	N/A[5]	N/A	N/A	NR/NR	N/A
Class Y Certificates[6]	N/A[4]	N/A	Class Y Certificate Payment	N/A[5]	N/A	N/A	NR/NR	N/A

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 Z Notes, the Class R Notes and the Class X Notes are collectively the **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 X Notes are collectively the **Rated Notes**. The Class Z Notes and the Class R Notes are collectively the **Unrated 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 X Notes are collectively the **Floating Rate Notes**.

(1) The rate of interest payable on the Floating Rate Notes for each accrual period will be based on a per annum rate equal to the SONIA Reference Rate plus the Initial Margin or the Step-Up Margin as described above.

(2) The First Optional Redemption Date is the Interest Payment Date in August 2026. The first Interest Payment Date will occur on the Interest Payment Date falling in November 2023, and thereafter will occur on the Interest Payment Date falling in February, May, August and November in each year.

(3) A designation of "NR" means that the Rating Agencies will not rate that Class of Notes or Certificate as of the Closing Date. The Class Z Notes, the Class R Notes and the Certificates will not be rated by any Rating Agency.

(4) The Certificates do not have a principal amount outstanding. See "*Description of the Terms and Conditions of the Notes and the Certificates*".

(5) No rate of interest is earned on the Class Z Notes, the Class R Notes or the Certificates.

(6) The Certificates are not being offered by this Prospectus.

(7) Any reference in this Prospectus to a Class of **Class X Certificate** shall be a reference to either, or both, of the Class X1 Certificate and the Class X2 Certificate, as the case may be. The holders of the Class X Certificates are referred to in this Prospectus as **Class X Certificateholders**.

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

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

ARRANGER AND LEAD MANAGER

BARCLAYS

The date of this Prospectus is 25 August 2023

Issue Date	The Issuer will issue the Notes on or about 25 August 2023 (the **Closing Date**).
Standalone/ programme issuance	Standalone issuance.
Simple, Transparent and Standardised (STS) Securitisation	The Notes are not intended to be designated as a UK STS securitisation or an EU STS securitisation for the purposes of the UK Securitisation Regulation or the EU Securitisation Regulation.
Listing	This document comprises a prospectus (the **Prospectus**) for the purposes of Regulation (EU) 2017/1129 (as amended or superseded) (the **EU Prospectus Regulation**). This Prospectus has been approved as a prospectus by the Central Bank of Ireland (the **Central Bank**) as the competent authority under the EU Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Approval by the Central Bank should not be considered an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. This document does not comprise a prospectus for the purposes of the UK Prospectus Regulation (where the **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, varied, superseded or substituted from time to time, the **EUWA**)). Such approval relates 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 X Notes (together, the **Rated Notes**) and the Class Z Notes and the Class R Notes (together, the **Unrated Notes** and together with the Rated Notes, the **Notes**) which Notes are to be admitted to trading on an EU regulated market for the purposes of Directive 2014/65/EU (**EU MiFID II**) and/or are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin, (**Euronext Dublin**) for the Notes to be admitted to the official list (the **Official List**) and traded on its regulated market (the **Regulated Market**). The Regulated Market of Euronext Dublin is a regulated market for the purposes of EU MiFID II. Each of the Class X Certificates and Class Y Certificates (the **Certificates**) are not and will not be listed or admitted to trading. The Certificates are not being offered by this Prospectus. Information contained in this Prospectus relating to the Certificates is included herein for completeness. This Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision of or rule under the Securities Act. The Prospectus is valid until the Notes have been admitted to the Official List and to trading on the Regulated Market of Euronext Dublin. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply once the Notes are admitted to the Official List and trading on its Regulated Market.

UK Benchmarks Regulation

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

EU Benchmarks Regulation

Amounts payable on the Floating Rate Notes are calculated by reference to the Sterling Overnight Index Average (**SONIA**). As at the date of this Prospectus, the administrator of SONIA is not included in the FCA's register of administrators under Article 36 of Regulation (EU) No 2016/1011 (the **EU Benchmarks Regulation**).

The Bank of England, as administrator of SONIA, is exempt under Article 2 of the EU Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions.

The Notes

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

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

The Volcker Rule

The Issuer is not now, and immediately after giving effect to any offering and sale of Notes and the application of the proceeds thereof will not be, a "covered fund" as defined in the regulations adopted under Section 13 of the U.S. Bank Holding Company Act of 1956, as amended (commonly known as the **Volcker Rule**). In reaching this conclusion, although other statutory or regulatory exemptions under the U.S. Investment Company Act of 1940, as amended (the **Investment Company**

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

Underlying Assets

The Issuer will make payments on the Notes from, *inter alia*, payments of principal and revenue received from a portfolio comprising owner-occupied and buy-to-let loans, which, other than the Shortfall Loans, are secured over residential properties located in England, Wales, Scotland and Northern Ireland (the **Portfolio** or **Mortgage Portfolio**), the equitable and beneficial interest in which will be sold to the Issuer by Isle of Wight Home Loans Limited (referred to in this Prospectus as the **Seller**) on the Closing Date.

The Loans comprising the Portfolio:

- were originally purchased by the Seller from Warwick Finance Residential Mortgages Number Two PLC (the **Vendor**) (and originally originated by Platform Funding Limited (**PFL**) or GMAC-RFC Limited (**GMAC** or **GMAC-RFC**, and together with PFL, the **Originators**)) on 19 June 2020 and on-sold by the Seller to the Avon Finance No. 1 PLC (the **Avon 1 SPV)** on 4 August 2020); and
- will be sold by the Avon 1 SPV to the Seller on the Closing Date pursuant to the IoW Mortgage Sale Agreement (as defined below) on account of the exercise of a portfolio purchase option under the securitisation transaction of the Avon 1 SPV.

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

Credit Enhancement

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

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

Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

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

Liquidity Support

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

- the subordination in payment of those Classes of Notes and Certificates ranking junior in the Priority of Payments;
- in respect of the Class 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 X Certificates only, prior to the service of an Enforcement Notice all amounts standing to the credit of the General Reserve Fund (if any) will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments (subject, where applicable, to the relevant PDL Condition being satisfied);
- in respect of the Class A Notes, Class B Notes and the Class X Certificates only, prior to the Class A Notes and Class B Notes being redeemed in full or the service of an Enforcement Notice, amounts standing to the credit of the Liquidity Reserve Fund (if any) will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts (save that, in respect of the Class B Notes, subject to the relevant PDL Condition being satisfied); and
- in respect of 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 only, the Principal Addition Amounts to cure any Revenue Shortfall (subject, where applicable, to the relevant PDL Condition being satisfied).

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

Redemption Provisions

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

Credit Rating Agencies

Standard & Poor's Rating Services, a division of S&P Global Ratings UK Limited (**S&P**) and Fitch Ratings Limited (**Fitch**) (each a **Rating Agency** and together, the **Rating Agencies**).

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

As of the date of this Prospectus, none of S&P and Fitch are established in the European Union and have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**). The ratings issued by S&P have been endorsed by S&P Global Ratings Europe Limited and the ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited, in each case in accordance with the EU CRA Regulation.

S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited are established in the European Union and registered under the EU CRA Regulation. As such S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority in accordance with the EU CRA Regulation.

Credit Ratings

Ratings are expected to be assigned 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 X Notes (together, the **Rated Notes**) as set out above on or before the Closing Date. The Class Z Notes and the Class R Notes will not be rated.

The ratings assigned by S&P and Fitch to the Class A Notes and the Class B Notes address the likelihood of full and timely payment of interest and ultimate payment of principal on the Class A Notes and the Class B Notes.

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

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

Obligations

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

UK and EU Risk Retention

Barclays Bank PLC (the **Retention Holder**) will retain, as originator, on an ongoing basis a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation not taking into account any relevant national measures, as if it were applicable to it).

As at the Closing Date, the retention will comprise the Retention Holder holding no less than five per cent. of the nominal value of each Class of Notes, the Class X1 Certificates and the Class X2 Certificates in accordance with Article 6(3)(a) of the UK Securitisation Regulation and Article 6(3)(a) of the EU Securitisation Regulation (together with the interest retained pursuant to the U.S. Credit Risk Retention Requirements (as defined below), the **Retained Interest**).

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

U.S. Credit Risk Retention Requirements

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

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

Certificates

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

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

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

The Certificates will be issued on the Closing Date to the Seller and the Seller will transfer 100 per cent. of the Certificates to the Retention Holder. The Retention Holder will transfer up to 95 per cent. of the Class Y Certificates to either one or more funds or related funds managed or advised by the same investment manager. See the section entitled "*Terms and Conditions of the Certificates*" for further details.

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

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

Significant Investors

Significant investors in the Notes:

- On the Closing Date, the Retention Holder will acquire 5 per cent. of each Class of Notes.

- On the Closing Date, the Lead Manager will preplace up to 95 per cent. of each Class of Notes with either one or more funds or related funds managed or advised by the same investment manager.

Significant investors in the Certificates:

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

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

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

AVAILABLE INFORMATION

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

UNITED STATES DISTRIBUTION RESTRICTIONS

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

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

IT IS EXPECTED THAT THE CLASS A NOTES WILL BE ERISA-ELIGIBLE NOTES (AS DEFINED HEREIN). EACH PURCHASER AND TRANSFEREE OF ANY NOTE THAT IS AN ERISA-ELIGIBLE NOTE (OR INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT EITHER (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS SUCH A NOTE (OR INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), WHICH IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**) THAT IS SUBJECT TO SECTION 4975 OF THE CODE, (C) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (EACH OF (A), (B) AND (C), A **BENEFIT PLAN INVESTOR**), OR (D) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406

OF ERISA AND/OR SECTION 4975 OF THE CODE (A **SIMILAR LAW**), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD SUCH NOTE OR ANY INTEREST THEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, OR (II) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE (OR INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAW. EACH PURCHASER AND TRANSFEREE THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR WILL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT: (I) NONE OF THE ISSUER, THE PAYING AGENT, ANY TRANSFER AGENT, THE REGISTRAR OR ANY OTHER PARTY TO THE TRANSACTIONS REFERRED TO IN THIS PROSPECTUS, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR (**PLAN FIDUCIARY**), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THE NOTES, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THE NOTES; AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE INVESTMENT IN THE NOTES.

EACH PURCHASER AND TRANSFEREE OF A CERTIFICATE OR OF ANY NOTE THAT IS NOT AN ERISA-ELIGIBLE NOTE (EACH CLASS OF NOTES OTHER THAN THE CLASS A NOTES) (OR ANY INTEREST THEREIN) WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (I) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS SUCH CERTIFICATE OR NOTE (OR INTEREST THEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), A BENEFIT PLAN INVESTOR, AND (II) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (A) IT IS NOT, AND FOR SO LONG AS IT HOLDS SUCH CERTIFICATE OR NOTE (OR INTEREST THEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY CERTIFICATE OR NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO ANY SIMILAR LAW, AND (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH CERTIFICATE OR NOTE (OR INTEREST THEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW. SEE "*ERISA CONSIDERATIONS FOR INVESTORS*".

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

IMPORTANT NOTICES

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

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

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

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

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

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

PART HEREOF NOR ANY OTHER OFFERING DOCUMENT, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT OR OTHER OFFERING MATERIAL OR INFORMATION MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION, (INCLUDING THE UNITED KINGDOM) EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER AND THE ARRANGER TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

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

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

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

1286/2014 (AS AMENDED, THE **EU PRIIPS REGULATION**) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE EU PRIIPS REGULATION.

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

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

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

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

THE RETENTION HOLDER, THE SPONSOR AND THE SERVICER ADMINISTRATOR ACCEPT RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTIONS HEADED "*THE RETENTION HOLDER, THE SPONSOR AND THE SERVICER ADMINISTRATOR*", "*CERTAIN REGULATORY DISCLOSURES – UK SECURITISATION REGULATION AND EU SECURITISATION REGULATION*" AND "*CERTAIN REGULATORY DISCLOSURES – U.S CREDIT RISK RETENTION*". TO THE BEST OF THE KNOWLEDGE OF THE RETENTION HOLDER, THE SPONSOR AND THE SERVICER ADMINISTRATOR, THE INFORMATION CONTAINED IN THE SECTIONS REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Enforceability of Judgments

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

Forward-Looking Statements

Certain matters contained herein are statements which constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements appear in a number of places in this Prospectus, including, but not limited to, statements made under the caption "*Risk Factors*" with respect to assumptions on prepayment and certain other characteristics of the Loans, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the residential mortgage industry in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. None of the Relevant Parties has attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Relevant Parties assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

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

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

1. RISKS RELATED TO THE AVAILABILITY OF FUNDS TO PAY THE NOTES

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

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

The Notes and Certificates are limited recourse obligations of the Issuer

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

(a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;

(b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and

(c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal and interest) and amounts due in respect of the Certificates,

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

There are limitations on enforcement and therefore the proceeds of that enforcement may not be enough to make all the payments due on the Notes and the Certificates. No Noteholder or Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless (i) the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a 60 day period and such failure shall be continuing or (ii) the Note Trustee or, as the case may be, the Security Trustee, is unable to do so and such inability is continuing, provided that no Noteholder or Certificateholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer in any circumstances. Any proceeds received by a Noteholder or Certificateholder pursuant to any such proceeding shall be paid to the Note Trustee promptly following receipt thereof and applied in accordance with the applicable Priority of Payments.

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

The Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Servicer, on behalf of the Issuer, to realise or recover sufficient funds under the arrears and default procedures in respect of any Loan and its Related Security in order to discharge all amounts due and owing by the relevant Borrower(s) under such Loan, which may adversely affect payments on the Notes and the

Certificates. While the structure benefits to some extent from certain credit enhancement features which are described in the section entitled "*Credit Structure*", no assurance can be made as to the effectiveness of such credit enhancement features, or that such credit enhancement features will protect the Noteholders or the Certificateholders from all risk of loss. Should there be credit losses arising in respect of the Loans, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes and payments due in respect of the Certificates.

The Issuer is subject to the risk of insufficiency of funds on any Interest Payment Date as a result of payments being made late by Borrowers (if, for example, such payment is made after the end of the Collection Period immediately preceding the Interest Payment Date) or a customer taking a Payment Holiday in accordance with the terms and conditions of the relevant Loan. This risk is addressed in respect of the Notes and the Certificates by the provision of liquidity from alternative sources as more fully described in the section entitled "*Credit Structure*".

However, no assurance can be made as to the effectiveness of such liquidity support features, or that such features will protect the Noteholders or the Certificateholders from all risk of delayed payment and/or loss.

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

The Class B Notes are subordinated in right of payment of interest and principal to the Class A Notes and the payment of the Class X Certificate Payments at all times.

The Class C Notes are subordinated in right of payment of interest and principal to the Class A Notes, the payment of the Class X Certificate Payments and the payment of interest and principal to the Class B Notes at all times.

The Class D Notes are subordinated in right of payment of interest and principal to the Class A Notes, the payment of the Class X Certificate Payments and the payment of interest and principal to the Class B Notes and the Class C Notes at all times.

The Class E Notes are subordinated in right of payment of interest and principal to the Class A Notes, the payment of the Class X Certificate Payments and the payment of interest and principal to the Class B Notes, the Class C Notes and the Class D Notes at all times.

The Class F Notes are subordinated in right of payment of interest and principal to the Class A Notes, the payment of the Class X Certificate Payments and the payment of interest and principal to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes at all times.

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

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

The Class X Notes are, in relation to payment of interest, subordinated (prior to the service of an Enforcement Notice on the Issuer) to all payment of interest due in respect of the Class A Notes, the payment of the Class X Certificate Payments and all payment of interest due in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and (following the service of an Enforcement Notice on the Issuer) to all payments due in respect of the Class A Notes, the payment of the Class X Certificate Payments and all payments due in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class R Notes.

The Class X Notes are, in relation to payment of principal, subordinated (prior to the service of an Enforcement Notice on the Issuer) to all payment of interest due in respect of the Class A Notes, the payment of the Class X Certificate Payments and all payment of interest due in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes and (following the service of an Enforcement Notice on the Issuer) to all payments due in respect of the Class A Notes, the payment of the Class X Certificate Payments, all payments due in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class R Notes and all payments of interest due in respect of the Class X Notes.

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

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

Payments of principal in respect of all Classes of Notes (other than the Class X Notes) will be subordinate to payments of any Principal Addition Amounts.

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

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

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

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

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

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

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

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

(a) the Available Revenue Receipts and Available Principal Receipts may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on the Notes; and

(b) there may be insufficient Available Revenue Receipts and Available Principal Receipts to repay the Notes on or prior to the Final Redemption Date of the Notes.

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

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) due on the Notes (other than the Class A Notes and the Class B Notes or the Most Senior Class of Notes) or, in certain circumstances, the Class X Certificate Payments in respect of the Class X Certificates that would otherwise be payable (absent the deferral provisions in respect of the Notes (other than the Class A Notes and the Class B Notes or the Most Senior Class of Notes)) after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer will be entitled under Condition 17 (*Subordination by Deferral*) of the Conditions or Certificate Condition 18 (*Non-Responsive Rating Agency*) (as applicable) of the Certificate Conditions (as applicable) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as the relevant Class of Notes or Certificates becomes due and repayable in full in accordance with the Conditions or Certificate Conditions.

In the event that such amounts of interest are not paid in full on the Notes (other than the Class A Notes and the Class B Notes or the Most Senior Class of Notes) or, in certain circumstances, the Class X

Certificate Payments are not made as a result of the deferral provisions in Condition 17 (*Subordination by Deferral*) or Certificate Condition 18 (*Non-Responsive Rating Agency*) (as applicable) as noted above, such failure will not constitute an Event of Default until the Final Redemption Date or such earlier date on which the Notes are redeemed in accordance with Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) and the Note Trustee and the Security Trustee will not be able to accelerate the Notes or payments due in respect of the Certificates or take any action to enforce the Security or to effect a sale or disposal of the Portfolio.

Failure to pay interest on the Most Senior Class then outstanding or, to the extent it is not the Most Senior Class then outstanding, the Class B Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Notes being accelerated and the Security Trustee enforcing the Security.

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

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

Significant investor

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

In addition, on the Closing Date, the Retention Holder will acquire and retain five per cent. of all Classes of Notes, 100 per cent of the Class X Certificates and five per cent. of the Class Y Certificates. Further, either one or more funds or related funds managed or advised by the same investment manager is expected to acquire up to 95 per cent. of all Classes of Notes and 95 per cent. of the Class Y Certificates. Therefore, no assurance can be given that any subsequent Noteholder or Certificateholder will have influence to block or pass certain Noteholder and/or Certificateholder resolutions.

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

Considerations relating to interest rate mismatches

The Issuer is subject to the risk of a mismatch between the rate of interest (including margin) payable in respect of the Loans and the rate of interest (including margin) payable in respect of the Notes. In addition, amounts due in respect of the Class X Certificates are based on a percentage of the Current Balance of the Loans as set out in the Certificate Conditions. Some of the Loans in the Portfolio pay or will pay a rate set by reference to the relevant Standard Variable Rate or a rate of interest set by reference to the base rate from time to time of the Bank of England (the **BBR** or **Bank of England Base Rate**) or a rate of interest set by reference to synthetic LIBOR, while the Issuer's liabilities under the Floating Rate Notes are calculated by reference to SONIA for the relevant period. Subject to the terms of the Servicing Agreement and the restrictions set out therein the Servicer shall set the Standard Variable Rate in line with the Standard Variable Rate of the Interim Legal Title Holders (and at all times in accordance with the relevant Mortgage Conditions and Applicable Laws). In exercising such rights, the Servicer and the Interim Legal Title Holders are under no obligation to consider the interests of the Noteholders or the Certificateholders and may exercise such rights in a manner that would be prejudicial to the Noteholders or the Certificateholders. For more information please see the section titled "*Summary of the Key Transaction Documents – Servicing Agreement – Setting of Interest Rates on the Loans*". As at the date of this Prospectus, the Issuer has not entered into any interest rate swap or other hedging transaction in relation to any of the Loans, and as a result there is no hedge in respect of the risk of any variance in the rates charges on any Loans, which in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Noteholders, Certificateholders and the other Secured Creditors.

Subject to the terms of the Interim Legal Title Holders Deed and the restrictions set out therein, the Interim Legal Title Holders shall have full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to determine, set and change the interest rate(s) applicable to the Loans in accordance with the relevant Mortgage Conditions, Applicable Law, the Interim Legal Title Holders' Rate Setting Policies and as a Reasonable Prudent Mortgage Lender. In exercising such rights, the Interim Legal Title Holders are under no obligation to consider the interests of the Noteholders or the Certificateholders and may exercise such rights in a manner that would be prejudicial to the Noteholders or the Certificateholders.

For more information please see the section titled "*Summary of the Key Transaction Documents – Servicing Agreement– Setting of Interest Rates on the Loans*".

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

The yield to maturity of each Class of Notes will depend on, among other things, the amount and timing of payment of principal and interest (including prepayments, sale proceeds arising on enforcement of a Loan and repurchases of (or payments of indemnity amounts in lieu of the Seller repurchasing such Loan, including any accrued interest) such Loans required to be made under the Mortgage Sale Agreement) on the Loans and the price paid by the holders of the Notes of each Class. Such yield may be adversely affected by, among other things, a higher or lower than anticipated rate of prepayments on the Loans.

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

No assurance can be given as to the level of prepayments that the Portfolio will experience. Accelerated prepayments will lead to a reduction in the weighted average life of the Notes. Generally, when market interest rates increase, Borrowers are less likely to prepay their Loans, while conversely, when market interest rates decrease, Borrowers (in particular those paying by reference to a fixed interest rate, where there are no or minimal associated Early Repayment Charges) are generally more likely to prepay their Loans. Borrowers may prepay Loans when they refinance their loans or sell their properties (either voluntarily or as a result of enforcement action taken). If the Seller is required to make an indemnity payment to the Issuer in relation to a Loan and its Related Security because, for example, one of the Loans does not comply with the Loan Warranties, then the payment received by the Issuer will have the same effect as a prepayment of all or part of the relevant Loan. *See also "Limited remedies available to the Issuer in respect of any breach of representation or warranty made by the Seller under the Mortgage Sale Agreement"* with respect to the Issuer's limited ability to make indemnity claims against the Seller.

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

In addition, the Issuer shall, following the exercise of the Portfolio Purchase Option, redeem all of the Notes and cancel the Certificates. Pursuant to the Portfolio Purchase Option, the Portfolio Option Holder has the option, pursuant to the Portfolio Option Deed Poll, to elect to purchase the Loans from the Issuer subject to certain restrictions as detailed in the section "*Early Redemption of the Notes Pursuant to the Portfolio Purchase Option, Regulatory Change Event or Optional Redemption for Tax and Other Reasons*". There are no conditions or restrictions (whether by reference to time period or otherwise) on the exercise by the Portfolio Option Holder of the Portfolio Purchase Option. Additionally, no make-whole amount or other early repayment fee will be paid to the Noteholders if any such option is exercised by the Portfolio Option Holder. However, the Portfolio Option Holder is not obliged to exercise its rights in respect of the Portfolio Purchase Option on the First Optional Redemption Date or at any time thereafter and, as such, no assurance can be given that the Notes will be redeemed in full on or following the First Optional Redemption Date as a result of a purchase or sale of the Portfolio.

Pursuant to the Risk Retention Regulatory Change Option (i) the Retention Holder (or any of its delegates) and (ii) provided that the Retention Holder has not exercised the Risk Retention Regulatory Change Option, the Seller (or any of its delegates) has the right (but not any obligation) pursuant to the Retention Holder Deed Poll to acquire or re-acquire (or procure the acquisition or reacquisition of), as applicable, the entire beneficial interest of the Issuer in the Portfolio and thereby effect a redemption of the Notes following the occurrence of a Risk Retention Regulatory Change Event (subject to the Portfolio Option Holder's right to exercise the Portfolio Purchase Option in such situation). The Notes are subject to mandatory redemption following the occurrence of a Risk Retention Regulatory Change Event if the Retention Holder or the Seller (or any of their delegates) exercises its Risk Retention Regulatory Change Option in accordance with Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) (subject to the Portfolio Option Holder's right to exercise the Portfolio Purchase Option). A Risk Retention Regulatory Change Event may occur in the following circumstances: any change in or the adoption of any new law, rule, technical standards or regulations or any determination made by a relevant regulator, which: (i) as a matter of law, has a binding effect on the Retention Holder or the Seller after the Closing Date and which would impose a positive obligation on any of them to subscribe for any additional Notes (other than the Notes issued on the Closing Date) in order to comply with the Risk Retention Undertaking or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Risk Retention Requirements (as determined by them, acting reasonably); (ii) as a matter of law, in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer for purposes of the Risk Retention Requirements; and the Retention

Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case as determined by the Retention Holder, in its sole discretion; or (iii) by virtue of the Retention Holder's obligation to comply with the EU Risk Retention Undertaking or the U.S. Credit Risk Retention Requirements, would, in respect of the Retention Holder, have an analogous effect or result to those specified in paragraphs (i) and (ii) above.

In addition, the Issuer shall, following the exercise of the Portfolio Purchase Option, redeem all of the Notes on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (as of the immediately preceding Calculation Date), is less than or equal to 20 per cent. of the original aggregate Principal Amount Outstanding of the Notes on the Closing Date. There is no obligation on any party to the transaction to repurchase the Portfolio and the Issuer is not required to accept any such offer to repurchase. As such, no assurance can be given that the Notes will be redeemed in full on or following the occurrence of the circumstances described above as a result of a repurchase of the Portfolio by the Seller or otherwise.

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

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

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 not be obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes and the Certificates shall be accepted by any of the Relevant Parties or by any person other than the Issuer.

2. RISKS RELATING TO THE UNDERLYING ASSETS

Mortgage prisoners and Standard Variable Rates

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

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

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

As part of the Co-operative Bank PLC's (**Co-op Bank** parent entity of the Interim Legal Title Holders) response to the Mortgages Market Study Final Report (the **MMS Final Report**) Policy Statement PS19/27 and Consultation Paper CP20/13 issued by the FCA in respect of "mortgage prisoners", the Co-op Bank proposes to offer to eligible Borrowers the ability to switch to a new mortgage made by a member of the Co-op Bank Group which, if accepted by an eligible Borrower, will be made on new borrower terms and conditions issued upon completion in relation to any new loan entered into with the relevant Borrower. If a Borrower re-mortgages on such terms, that Borrower's loan in the Portfolio will be redeemed. The interest element of such redemption will be applied as Available Revenue Receipts and the principal element of such redemption will be applied as Available Principal Receipts. If a large number of Borrowers re-mortgage in such a manner, the yield to maturity of the Notes may be adversely affected as a result of the prepayment of the loans of such Borrowers that are included in the Portfolio.

Claims and/or complaints brought by consumers and/or claims management companies in relation to the setting of standard variable rates are increasing in both the courts and via the Financial Ombudsman Services, particularly in relation to claims that changes to standard variable rates may not have been made in accordance with the parameters of customer loan terms and conditions or are unfair.

In October 2018, Mortgage Agency Services Number Five Limited (**MAS5**), a subsidiary of the Co-operative bank Group, received a complaint from a mortgage customer which included a complaint regarding changes made to MAS 5's standard variable rate between 2009 and 2012. The complaint was referred to the FOS and on 26 August 2021, the FOS found that it had jurisdiction to consider the complaint. MAS 5 commenced a claim for judicial review of FOS's decision, on the grounds that the Co-operative bank Group considered this part of the complaint to be time-barred under DISP 2.8.2 of the dispute resolution chapter of the FCA Handbook, and therefore outside of FOS's jurisdiction. The Co-operative bank Group's claim for judicial review was dismissed on 27 July 2022.

In April 2023 MAS5 received a provisional decision from the FOS regarding the merits of the case. As the decision remains at this stage provisional, MAS 5 continues to work with the FOS regarding its conclusions ahead of any final decision being published.

A successful claim in respect of mortgage prisoners and/or challenges to setting of standard variable rates could have an adverse effect on the ultimate amount received by the Issuer in respect of the relevant Loans and the realisable value of the Portfolio and/or the ability of the Issuer to make payments of interest and/or principal on the Notes and payments on the Certificates.

The Interim Legal Title Holders have provided certain indemnities in the Interim Legal Title Holders Deed in favour of the Issuer that provide some protection in respect of these issues, however, the indemnities may not cover all claims and complaints which may arise in respect of standard variable rates or any other issues.

Issuer may not have direct rights against third parties

Pursuant to the Mortgage Sale Agreement, the Seller will assign to the Issuer (or, in the case of Scottish Loans, will procure that the relevant Interim Legal Title Holder holds in trust for the Issuer pursuant to the Scottish Declaration of Trust (as defined below)) the causes and rights of action against solicitors and valuers in respect of the Loans to the extent that they are assignable or otherwise transferable (the Seller itself having acquired such rights from the Avon 1 SPV). However, save in the case of the Scottish Loans, in respect of which Platform Funding Limited was the originator, none of the Seller, the Interim Legal Title Holders or the Vendor was the originator of the Loans and the said rights may therefore not have been effectively assigned to the Seller by the Vendor or effectively assigned to the Vendor by the relevant 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 Loan, may have been negligent or fraudulent.

Credit balances on Loans and the future ability of borrowers to make contractual monthly payments

As at 30 June 2023, approximately 1.48 per cent. of Borrowers have credit balances on their account (such credit balances totalling approximately £4,204.64 in aggregate). Such balances may exist, for example, as a result of the relevant Borrower's accounts being credited with amounts arising from required remediation, or following overpayments made by Borrowers of their contractual monthly payment. As Borrowers may become accustomed to paying a reduced contractual monthly payment as a result of such credit balance (or possibly no contractual monthly payment in some cases) for a period of time until the credit balance is exhausted, there is a risk that Borrowers may be unable to resume making payments of their full contractual monthly payment as a result of changes to their lifestyle, budgeting or spending habits during the period where reduced, or no, contractual monthly payments were charged. If a significant number of Borrowers are unable to make payments on their Loans, this may have an adverse impact on the ability of the Issuer to make payments of interest and/or principal on the Notes and payments on the Certificates.

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

The sale by the Vendor to the Seller of the English Loans and the Northern Irish Loans and their Related Security took effect in equity only pursuant to a mortgage sale agreement dated 19 June 2020 (the **Vendor Mortgage Sale Agreement**). The sale by the Vendor to the Seller of the Scottish Loans and their Related Security was given effect by Platform Funding Limited, with the consent of the Vendor granting a Scottish declaration of trust dated 19 June 2020 in favour of the Seller.

On 4 August 2020, pursuant to the Avon 1 Mortgage Sale Agreement, the Seller sold the Loans and their Related Security comprising the Portfolio to the Avon 1 SPV and, in respect of the Scottish Loans and their Related Security, procured that Platform Funding Limited entered into a Scottish declaration of trust dated the same date.

On the Closing Date, pursuant to IoW Mortgage Sale Agreement, the Avon 1 SPV will sell the Loans and their Related Security comprising the Portfolio to the Seller, in exchange for IoW MSA Consideration.

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

The sale by the Seller to the Issuer of the English Loans, the Northern Irish Loans and their Related Security (until legal title is conveyed) takes effect in equity only. The sale by the Seller to the Issuer of the Scottish Loans and their Related Security is given effect to by the creation of a Scottish declaration of trust by the relevant Interim Legal Title Holder (the **Scottish Declaration of Trust**) in favour of the Issuer at the request of the Seller. The holding of a beneficial interest under a Scottish Trust has (broadly) equivalent legal consequences in Scotland to the holding of an equitable interest in England and Wales.

This means that, subject to provisions in relation to transfer of legal title to the Long-Term Legal Title Holder, legal title to the Loans and their Related Security in the Portfolio will remain with the Interim

Legal Title Holders until the occurrence of a Perfection Trigger Event pursuant to the Interim Legal Title Holders Deed. Upon occurrence of a Perfection Trigger Event, legal title to the Loans will be transferred to the Issuer (or a nominee of the Issuer) as soon as reasonably practicable (see "*Summary of the Key Transaction Documents – Interim Legal Title Holders Deed*" below).

The Issuer has not applied, and prior to the occurrence of a Perfection Trigger Event will not apply, to the Land Registry of England and Wales (the **Land Registry**) or the Registry of Deeds for Northern Ireland or the Land Registry of Northern Ireland (together the **Land Registers of Northern Ireland**) to register or record its equitable interest in the English Mortgages or the Northern Irish Mortgages, respectively, and cannot, in any event, apply to the General Register of Sasines or Land Register of Scotland (as appropriate) (together, the **Registers of Scotland**) to register or record its beneficial interest in the Scottish Mortgages pursuant to the Scottish Declaration of Trust.

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

Until the time such notice is given to the relevant Borrowers, equitable or independent set-off rights may accrue in favour of any Borrower against his or her obligation to make payments to the Interim Legal Title Holders under the relevant Loan. These rights may result in the Issuer receiving reduced payments on the Loans. Under the Interim Legal Title Holders Deed, the Interim Legal Title Holders provide an indemnity to the Issuer in respect of any losses incurred by the Issuer as a result of balance adjustments to the Loans resulting from any acts or omissions of the Originators or the Interim Legal Title Holders, their servicers or other agents prior to the Closing Date. However, there is no assurance that the Interim Legal Title Holders will be able to fund these claims and the set-off rights may result in the Issuer receiving reduced payments on the Loans. The Loans and their Related Security will continue to be subject to any prior rights any applicable Borrower may become entitled to after the transfer. However, following notice of the assignment or assignation to the Issuer or its nominee being given to the Borrowers, some rights of set-off (being those rights that are not connected with or related to the relevant Loan) may not arise after the date notice is given. For the purposes of this Prospectus, references herein to "set-off" shall be construed to include analogous rights in Scotland. For further information on the effects of set-off in relation to the Portfolio, see below under "*Set-off and claims against interim legal title holders may adversely affect the value of the Portfolio or any part thereof*".

The Interim Legal Title Holders have notified the Issuer that they intend to transfer legal title to the loans to another provider. The Issuer (in consultation with the Committee) and Western Mortgage Services Limited will use reasonable endeavours to enter into a Long-Term Servicing and Legal Title Holder Deed as soon as reasonably practicable following the Closing Date. In the event that if the Issuer cannot agree the terms of appointment of Western Mortgage Services Limited as new legal title holder, the Issuer (in consultation with the Committee) will use reasonable endeavours to transfer legal title and servicing to another entity nominated by the Committee or the Interim Legal Title Holders (as applicable). Any replacement or termination of the Servicer and/or the Interim Legal Title Holders (including any termination for the purposes a legal title migration process contemplated under the Transaction Documents) is subject to the consent of the Committee, the Committee Members of which may act solely for their own benefit and without regard to the Noteholders. In this regard, please refer to risk associated with counterparties below under "*Counterparty Risks*", in relation to rights of Committee see below "*Summary of the Key Transaction Documents – Servicing Agreement*" and further information in relation to proposed transfer of legal title to the Loans, see the section entitled "*Summary of the Key Transaction Documents –Interim Legal Title Holders Deed – Transfer of Legal Title*" below.

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

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

See further the section entitled "*Summary of the Key Transaction Documents –Interim Legal Title Holders Deed*" below.

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

As described above, the sale by Avon 1 SPV to the Seller and the subsequent sale by the Seller to the Issuer of the Loans and their Related Security will be given effect by an equitable assignment. For the Scottish Loans and their Related Security, the sale by the Seller to the Issuer of the Scottish Loans and their Related Security will be given effect by the Scottish Declaration of Trust. The previous chain of sales from the Seller to Avon 1 SPV were also effected by an equitable assignment and declaration of trust governed by Scots law.

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

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

The relevant Borrower may set off any claim for damages arising from the relevant Interim Legal Title Holder's breach of contract against the relevant Interim Legal Title Holder's (and therefore, as equitable assignee of or holder of the beneficial interest in the Loans and their Related Security, the Issuer's) claim for payment of principal and/or interest under the relevant Loan as and when it becomes due. These set-off claims will constitute "transaction set-off" as described above.

The amount of any such claim against the Interim Legal Title Holders for equitable set-off will, in many cases, be the cost to the Borrower of finding an alternative source of funds. A Borrower may also attempt to set off an amount greater than the amount of his or her damages claim against his or her mortgage payments. In that case, the Servicer will be entitled to take enforcement proceedings against the Borrower, although the period of non-payment by the Borrower is likely to continue until a judgment or (in Scotland) a decree is obtained. For example, where the Interim Legal Title Holders have failed to effect a Porting, having committed to do so, the Borrower could set off against the Issuer, where the Interim Legal Title Holders failed to re-extend the relevant Loan, the difference between the rate of interest on the Loan and the interest rate at which the Borrower could borrow money in the market on the new property. In addition to the difference in the cost of borrowing, the relevant Borrower could also set off any direct losses arising from the Interim Legal Title Holders' breach of contract; namely, the associated costs of obtaining alternative funds (for example, legal fees and survey fees).

Although it is not currently envisaged that any Borrower would have a significant right of set-off against any Interim Legal Title Holder, the effect of the exercise of set-off rights by Borrowers (even if this is in respect of a small amount, but applicable to a large number of Borrowers in the Portfolio) may adversely affect the timing of receipt and the ultimate amount received by the Issuer in respect of the relevant Loans and the realisable value of the Portfolio and/or the ability of the Issuer to make payments under the Notes.

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

If any of the Loan Warranties (which, for the avoidance of doubt, do not address all of the potential risks that may arise in relation to the Loans) proves to have been untrue on the Closing Date in respect of a Loan and if such breach is not capable of remedy or, if capable of remedy, is not remedied within a 30 Business Day period as specified in the Mortgage Sale Agreement, then notice will be served on the Seller (a **Loan Remedy Notice**) requiring the Seller to indemnify the Issuer and keep indemnified the Issuer against all liabilities relating to the breach of Loan Warranty, which gave rise to the notice (such liabilities of the Seller under the Mortgage Sale Agreement as remain outstanding from time to time being the **MSA Relevant Liabilities**). The Seller will not provide the Loan Warranties in respect of the Shortfall Loans. There are certain matters that have been disclosed by the Seller in the Mortgage Sale Agreement and the Issuer will not be able to claim against the Seller for any losses caused by such disclosed matters.

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

If there are available undrawn commitments under the Avon 3 Commitment pursuant to the Seller Loan Agreement at the time of receipt of a Loan Remedy Notice, the Seller shall draw such amounts for the purposes of paying an amount sufficient to eliminate any debit on the MSA Warranty Claims Ledger when due in accordance with the Mortgage Sale Agreement. See "*The Seller*" and "*Credit Structure – MSA Warranty Indemnity Amounts and MSA Warranty Rebates*" for further detail. The Seller has limited resources to fund any indemnity claim under the Mortgage Sale Agreement in respect of a breach of Loan Warranty (as to which see paragraphs below regarding the Avon 3 Commitment) and the Seller has no other means of funding any repurchase of the Loans.

Any MSA Relevant Liabilities of the Seller in relation to any Loan shall not exceed an amount equal to the Current Balance of such Loan(s) as at the date of such indemnification payment or repurchase prior to any deductions or downward balance adjustment or payments that may have been applied or made in respect of remediation, claims or set-off related to the relevant Loan Warranty for which such Loan and its Related Security (together with any other Loan secured or intended to be secured by such Related

Security or any part of it) is being indemnified or repurchased plus the Issuer's costs and expenses (if any) associated with the indemnity payment.

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

Further, investors should note that the obligations of the Seller pursuant to the Mortgage Sale Agreement are limited recourse obligations and therefore, in the event that the Seller has insufficient funds available to satisfy in full any obligations under the Mortgage Sale Agreement after the Avon 3 Trust Property has been exhausted, the Issuer (or the Security Trustee following the service of an Enforcement Notice) will have no further claim against the Seller or its directors, shareholders, officers or successors in respect of any amounts owing to it which remain unpaid and such unpaid claims against the Seller shall be deemed to be discharged in full and any relevant rights to payment by the Seller shall be extinguished.

There can be no assurance that the Seller will have the financial resources to repurchase or to make any indemnity payment in respect of any MSA Relevant Liabilities (see "*The Seller*"). Other than its obligation to advance the Avon 3 Commitment to the Seller under the Seller Loan Agreement, Barclays Bank PLC will have no obligation to advance any amounts or to provide any financial or other support of any nature to the Seller and neither Barclays Bank PLC nor any other person will guarantee or act as surety for any obligations of the Seller. Other than amounts made available to it under the Seller Loan Agreement (which are available for the purposes of meeting indemnity claims for warranty breaches but not for funding for any repurchase of Mortgage Loans), the Seller is not expected to have any material sources of funds. There can be no assurance that the Seller will have the financial resources to repurchase or to make any such indemnity payment in respect of any Loan and its Related Security.

In addition, there are time limits and monetary caps on claims against the Seller in relation to breach of warranties in respect of the Mortgage Loans. In particular, the Seller will have no liability to the Issuer for breach of warranty in respect of the Mortgage Loans (i) unless the Issuer has notified the Seller in writing of such breach within the period of two years from and including the Closing Date, and (ii) to the extent that payment of any related MSA Warranty Indemnity Amount would result in the debit balance of the Seller MSA Rebate Ledger at that time exceeding £1,450,000. However, Available Revenue Receipts will still be available to remedy any debit balance on the MSA Warranty Claims Ledger as described in "*Credit Structure – MSA Warranty Indemnity Amounts and MSA Warranty Rebates*".

Remediation

The Seller has made enquiries of the Servicer and the Interim Legal Title Holders who have confirmed that there are no Loans within the Portfolio which are subject to ongoing remediation action as a result of conduct issues in respect of the Loans or otherwise. There can be no assurance that the Loan Warranties in the Mortgage Sale Agreement will provide protection in respect of remediation liabilities that may arise in the future as a result of remediation action that may arise from time to time in respect of the Loans. In addition, as mentioned above, claims against the Seller under the Mortgage Sale Agreement are subject to a time limit and to financial limits on the amount that can be claimed. To the extent that a remediation exercise is conducted in the future and the costs of such exercise are not recoverable from the Seller under the Mortgage Sale Agreement it would have an adverse effect on the amounts available to the Issuer to effect payments on the Notes and the Certificates. The Interim Legal Title Holders have provided an indemnity to the Issuer in the Interim Legal Title Holders Deed in respect of any losses incurred by the Issuer as a result of balance adjustments and Interest Rate adjustments to the Loans resulting from any acts or omissions of the Originators or the Interim Legal Title Holders, their servicers or other agents prior to the Closing Date. However, there is no assurance that the Interim Legal Title Holders will be able to fund these claims. To the extent that a remediation exercise is conducted in the future and the costs of such exercise are not recoverable from the Interim Legal Title Holders this may result in the Issuer receiving reduced payments on the Loans.

Provisional Portfolio

The information in the section entitled "*Characteristics of the Provisional Portfolio*" has been extracted from the systems of the Servicer as at 30 June 2023 (the **Portfolio Reference Date**). The pool of Loans (excluding the Shortfall Loans) held by the Issuer from which the Mortgage Portfolio will be comprised (the **Provisional Portfolio**) as at the Portfolio Reference Date comprises 6,118 Loans with an aggregate Current Balance of £609,655,578.43. The characteristics of the Mortgage Portfolio as at the Closing Date will vary from those of the Provisional Portfolio as a result of Loans which redeem prior to the Closing Date. Accordingly, there may be material changes in the characteristics of the Mortgage Portfolio between the Portfolio Reference Date and the Closing Date, which may adversely affect the quality of the Loans and their Related Security in the Mortgage Portfolio and accordingly the ability of the Issuer to make payments on the Notes. See sections "*The Loans*" and "*Characteristics of the Provisional Portfolio*" for more detail.

Risks associated with Shortfall Loans

The Portfolio contains Shortfall Loans, being Loans in relation to which the relevant Mortgage has been discharged and the proceeds received on such discharge were insufficient to satisfy the entire Current Balance of that Loan as at the date of such discharge. As of the Portfolio Reference Date, 0.60 percent of Provision Portfolio is Shortfall Loans which have a total aggregate Current Balance of £3,644,492.13. No consideration will be paid by the Issuer to the Seller in relation to these assets and no assurance can be given that any payment by Borrowers will be made in relation to any Shortfall Loans and as such investors should ascribe no credit to these assets nor should they rely on any cashflows derived from them. If any losses or non-recoveries are incurred in relation to the Shortfall Loans, this will not result in a debit entry on the Principal Deficiency Ledger.

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

As at the Portfolio Reference Date, 13.74 per cent. of the Provisional Portfolio (calculated by reference to the Current Balance of the Loans at the main account level) are in arrears (meaning the relevant Borrower is in arrears by an amount equal to at least one monthly payment past due on the relevant Loan), 5.92 per cent. of the Provisional Portfolio by Current Balance at the main-account level are three months or more in arrears, and in the case of 0.37 per cent. of the Provisional Portfolio by Current Balance the relevant Properties have been repossessed.

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

In addition, the UK economy is experiencing a range of economic effects, partly associated with COVID-19, with uneven impacts. Developments such as consumer energy price inflation and disruption to global supply chains alongside elevated global demand for goods and supply shortages of specific goods have led to recent inflationary pressure and rising costs of living. In response to such pressure, the Bank of England's Monetary Policy Committee has increased the Bank Rate several times since December 2021. Further inflationary pressure may result in further interest rate increases over time. There is currently some economic uncertainty and concern in relation to potential stagnation or recession. If there were further interest rate increases, this could adversely affect Borrowers' disposable income and ability to pay interest or repay principal on their Loans, particularly against a background of price rises for essential goods. If inflationary pressure on prices combines with suppressed wage growth, there is the potential for stagflation. Widespread economic impacts have the potential to create contagion effects. A deflationary environment may negatively affect Property values.

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

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

In order to exercise a power of sale in respect of a mortgaged property the relevant mortgagee or (in Scotland) heritable creditor 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 or heritable creditor 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 and for discharging the obligation to take reasonable care to obtain a proper price. If obtaining possession of a property and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Notes or the Certificates may be reduced. The Issuer's ability to make such payments may be reduced further if the powers of a mortgagee or heritable creditor in relation to obtaining possession of a property permitted by law are restricted in the future. There can be no assurance that the level of Loans in arrears will remain at their current levels and not increase.

Investors should note, as at the date of this Prospectus, the Mortgages Tailored Support Guidance, as described below in the section entitled "*FCA response to the cost of living crisis*" in response to the COVID-19 outbreak in the UK states that from 1 April 2021, subject to any relevant government restrictions on repossessions, firms may enforce repossession provided they act in accordance with (as applicable) the Mortgages Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Mortgages Tailored Support Guidance provides that action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed. The FCA makes clear in the guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with these requirements. The FCA is currently consulting on incorporating aspects of the Mortgages Tailored Support Guidance into MCOB, with the expectation that new rules will come into force in the first half of 2024 and the Mortgages Tailored Support Guidance will be withdrawn at the same time.

Investors should further note, as at the date of this Prospectus, as described below in the section entitled "Mortgage Charter", Platform Funding Limited (one of the Interim Legal Title Holders) are voluntary signatories to the Mortgage Charter and have agreed that among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment.

The COVID-19 pandemic may have negative effects on the Portfolio

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

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

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

Buy-to-Let Loans

Approximately 26 per cent. of the Loans in the Portfolio are residential loans intended to be taken out by a Borrower in relation to the purchase or re-mortgage of a Property for residential letting purposes (**Buy-to-Let Loans**). The Borrower's ability to service such Loans is likely to depend on the Borrower's ability to lease the relevant Properties on appropriate terms.

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

Upon enforcement of a Mortgage in respect of a Property which is the subject of an existing tenancy, the Servicer or the Seller may not be able to obtain vacant possession of the Property until the end of the tenancy, in which case the Servicer or the Seller will only be able to sell the Property as an investment property with one or more sitting tenants. This may affect the amount which the Servicer or the Seller could realise upon enforcement of the Mortgage and the sale of the Property. In such a situation, amounts received in rent may not be sufficient to cover all amounts due in respect of the Loan, although the existence of any such tenant paying rent in full on a timely basis may not have an adverse effect on the amount of such realisation. Depending on the remaining term of the tenancy, a tenanted property may be vacated sooner than an owner-occupied property. However, enforcement procedures in England and Wales and Northern Ireland in relation to such Mortgages include appointing a receiver of rent, in which case such a receiver must collect any rents payable in respect of the Property and apply them accordingly in payment of any interest and arrears accruing under the Loan (no such enforcement procedures exist in Scotland). See further the "*Risks Related to the Availability of Funds to Pay the Notes – Considerations relating to yield, prepayments, mandatory redemption and optional redemption*" section above.

There have been various tax-related changes to United Kingdom legislation in recent years which may affect the ability of the Borrowers to repay Buy-to-Let Loans due to the increased tax costs associated with buy-to-let mortgages and there may be further changes in the future which further impact the Borrowers' ability to meet their obligations under such Loans. For example, with effect from 6 April 2020 there is no longer a deduction available for finance costs against rental income for individual landlords and instead all rental income is only eligible for a tax credit at the basic rate of income tax (currently 20 per cent.) which may result in higher taxes for the individual landlords depending on their personal circumstances.

Further, a higher rate of stamp duty land tax (**SDLT**), Welsh land transactions tax (**WLTT**) and Scottish land and buildings transaction tax (**LBTT)** applies to the purchase of additional residential properties (such as buy-to-let properties) in England and Northern Ireland, Wales and Scotland respectively. The current additional tax rates are as follows: (i) in England and Northern Ireland the higher rate is three per cent. above the current SDLT rates; (ii) in Wales the higher rate is four per cent. above the current WLTT rates; and (iii) in Scotland the additional rate is six per cent. of the full chargeable consideration of the property (where the property is valued at £40,000 or more) .

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

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

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

Loans were made to Borrowers with credit impairments

The Portfolio comprises certain Loans made to Borrowers who as of the Portfolio Reference Date may have impairments to their credit profile, including but not limited to county court judgments (or a Sheriff Court decree, being the Scottish equivalent of a county court judgment), individual voluntary arrangements, debt arrangement schemes or bankruptcy orders. Loans made to Borrowers with credit impairments may experience higher rates of delinquency write-offs and enforcement than have historically been experienced by Loans made to Borrowers without credit impairments and therefore carry a higher degree of risk.

In addition, while the underwriting standards of originators generally consider, among other things, a Borrower's credit history, employment history and status, repayment ability and debt service-to-income ratio, as well as the value of the property, and those underwriting standards are used with a view, in part, to mitigating the risks in lending to Borrowers, the Seller was not the originator of the Loans and therefore has limited knowledge as to the origination and lending policies used by the relevant Originator in relation to the Loans.

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

Borrowers with a Loan subject to a variable rate of interest or with a Loan for which the related interest rate adjusts following a 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 Loan with a low introductory rate at the end of the relevant fixed or introductory period). This increase in Borrowers' monthly payments, which (in the case of a Loan with a low introductory rate) may be compounded by any further increase in the related mortgage interest rate during the relevant fixed period, may ultimately result in higher delinquency rates and losses in the future.

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

Declining property values

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

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

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

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

As at the Portfolio Reference Date, approximately 84.22 per cent. (by Current Balance) of the Loans in the Portfolio constitute interest only loans (**Interest-only Loans**), being Loans that are originated with a requirement that the Borrower pay scheduled interest payments only and the principal amount is not repayable before maturity. There is no scheduled amortisation of principal.

Approximately 0.68 per cent. (by Current Balance) of the Loans in the Portfolio constitute part-and-part loans where the Borrower makes monthly payments of both interest and principal in respect of part of the Loan, and makes monthly payments of interest but not of principal in respect of the remainder of the Loan (**Part-and-Part Loans**) as further described in the section entitled "*The Loans*" below. Consequently, upon the maturity of an Interest-only Loan, the relevant Borrower will be required to make a "bullet" payment that will represent the entirety of the principal amount outstanding and, upon the maturity of a Part-and-Part Loan, the relevant Borrower will be required to make a "bullet" payment that will represent the entirety of the principal amount outstanding in respect of the portion of the relevant Part-and-Part Loan that was interest only.

The ability of such a Borrower to repay an Interest-only Loan or a Part-and-Part Loan at maturity frequently may depend on such Borrower's ability to sell or refinance the associated Property or obtain funds from another source such as savings accounts, a pension policy, investment plans, a repayment vehicle or an endowment policy. None of the Issuer, the Security Trustee, the Note Trustee, the Seller or the Servicer can provide any assurance that the Borrower has any such other source of funds and none of them has obtained security over the Borrower's right in respect of any such other source of funds. The ability of a Borrower to sell or refinance the Property will be affected by a number of factors, including the value of the Property, the Borrower's equity in the Property, the financial condition of the Borrower, tax laws and general economic conditions at the time. Because of the greater risk relating to refinancing of Interest-only Loans or Part-and-Part Loans, a significant downturn in the property market or the economy could lead to a greater increase in defaults or the repayment of principal on Interest-only Loans or Part-and-Part Loans than on repayment loans. Moreover, the Loan Conditions in respect of Interest-only Loans and Part-and-Part Loans do not require a Borrower to put in place alternative funding arrangements.

A large number of Borrowers who currently have Interest-only Loans may not switch to a repayment loan prior to the final maturity date of the relevant Mortgage. If a large number of Borrowers are unable to repay their Interest-only Loan at maturity and there is a high concentration of such Borrowers within a short period of time, the ability of the Issuer to make repayments on the Notes could be adversely affected.

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

Geographic concentration risks

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

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

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

Where Borrowers are only required to pay interest during the term of the Loan, with the capital being repaid in a lump sum at the end of the term, it is generally recommended that Borrowers ensure that some repayment mechanism such as an investment policy is put in place to ensure that funds will be available to repay the capital at the end of the term. A repayment mechanism may also include the sale of the Mortgaged Property. The ability of a Borrower to repay an Interest-only Loan at maturity will often depend on such Borrower's ability to refinance or sell the Property or to obtain funds from another source such as pension policies, personal equity plans or endowment policies (the **Policies**). The Seller does not have and the Issuer will not have the benefit of any Policies taken out by Borrowers.

Borrowers of Interest-only Loans may not make payment of the premia due on any relevant Policy taken out in relation to repayment of the relevant interest-only mortgages in full or on time, which Policies may therefore lapse, and/or no further benefits may accrue thereunder. In certain cases, the Policy may be surrendered but not necessarily in return for a cash payment and any cash received by the Borrower may not be applied in paying amounts due under the Loan. Thus the ability of such a Borrower to repay an Interest-only Loan, at maturity, without resorting to the sale of the underlying Property depends on such Borrower's responsibility in ensuring that sufficient funds are available from a given source such as pension policies, Personal Equity Plans, Individual Savings Accounts (ISAs) or endowment policies, as well as the financial condition of the Borrower, Tax laws and general economic conditions at the time. If a Borrower cannot repay an Interest-only Loan and a loss occurs, this may affect repayments on the Notes if the resulting Principal Deficiency Ledger entry cannot be cured from Available Revenue Receipts being applied for such purpose in accordance with the Pre-Enforcement

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

See further "*Risks Related to the Availability of Funds to Pay the Notes – Considerations relating to yield, prepayments, mandatory redemption and optional redemption*" above.

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

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

Knowledge of matters represented in Loan Warranties

Neither the Seller nor the Retention Holder were originators of any of the Loans comprised in the Portfolio. The Seller acquired its interest in the Loans and their Related Security from the Vendor under a mortgage sale agreement entered into on 19 June 2020 (the **Vendor Mortgage Sale Agreement**) in respect of the Loans. The Vendor is a special purpose orphan vehicle that acquired the Loans from PFL, MAS4 and MAS5 (the **Original Sellers**) in 2015 and financed the acquisition through a securitisation. The Vendor Mortgage Sale Agreement contains no warranties in respect of the Loans and there is no indemnity or repurchase obligation on the Vendor in respect of the Loans. In acquiring the Portfolio, the Seller and the Retention Holder and/or entities on their behalf have undertaken due diligence and certain verifications as set out in the section "*The Loans – Credit Risk Mitigation – Criteria for Credit Granting and Due Diligence*". The Seller will acquire its interest in the Loans and their Related Security from the Avon 1 SPV under a mortgage sale agreement to be entered into on the Closing Date (the **IoW Mortgage Sale Agreement**) and will give certain representations and warranties in respect of the Loans (other than the Shortfall Loans) on-sold by it to the Issuer.

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

While the Loans were previously securitised by the Vendor in September 2015 and representations and warranties were given by the Originators and the prior seller as part of such transaction, since neither the Seller nor the Retention Holder has direct knowledge as to matters relating to, amongst other things, the actual origination of the Loans, certain warranties relating to, among other things, the origination process are necessarily qualified by reference to the awareness of the Seller. Further, the Seller has no direct knowledge as to whether certain Loan Warranties (including the Loan Warranties which relate to the origination process) are correct or not, and no assurance can be given that the applicable policies and procedures were followed by the Original Sellers or the applicable servicer prior to the Seller's acquisition of its interest in the Provisional Portfolio. It may be practically difficult for the Seller or the Retention Holder to detect a breach of warranty in respect of the Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of the Seller or the Retention Holder, as there is no ongoing active involvement of the Seller or the Retention Holder in monitoring or notifying any defect in relation to the circumstances of the Loans and the Seller may only detect a breach of Loan Warranty if that is evident from the face of the Servicer Report or is otherwise notified of a breach.

There can be no assurance that the Seller will have the financial resources to honour the obligation to indemnify or repurchase in respect of Loans pursuant to the Mortgage Sale Agreement given that the Seller's assets and funds are limited to amounts that it receives from Barclays Bank PLC under the Seller Loan Agreement, such amounts only to be applied in respect of any indemnity, and any rights the Seller or the Issuer has pursuant to the Vendor Mortgage Sale Agreement, as to which see "*Limited remedies available to the Issuer in respect of any breach of representation or warranty made by the Seller under the Mortgage Sale Agreement*" and "*Counterparty Risks – Limited remedies available to the Issuer and limited resources of the Seller*".

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

Non-disclosure of broker commissions

The Loans were originated through intermediaries, including mortgage brokers and mortgage advisers. In line with market practice, the Originators paid commission to such intermediaries in consideration for such activities in the form of a procuration fee. As part of the legal due diligence exercise that was undertaken on behalf of the Originators with respect to the Loans, it was confirmed that standard loan offer documents for a number of such Loans specified the fact and amount of commission, however the standard loan offer documents of a number of other such Loans were silent as to broker commissions. The fact and amount of commission may in fact have been disclosed to the Borrowers even where this was not evident from the standard loan offer documents, however it was not possible to verify this from the due diligence undertaken.

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

Loans are subject to certain legal and regulatory risks

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

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

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

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

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

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

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

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

Mortgage repossessions. The protocols for mortgage repossession may have adverse effects in relation to the ability of the Interim Legal Title Holders to repossess properties in markets experiencing above average levels of possession claims. Delays in the initiation of responsive action in respect of the Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments on the Notes and the Certificates. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Mortgage repossession*" below.

Investors should note, as at the date of this Prospectus, the Mortgages Tailored Support Guidance, as described below in the section entitled "*FCA response to the cost of living crisis*" in response to the COVID-19 outbreak in the UK states that from 1 April 2021, subject to any relevant government restrictions on repossessions, firms may enforce repossession provided they act in accordance with (as applicable) the Mortgages Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Mortgages Tailored Support Guidance provides that action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed. The FCA makes clear in the guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with these requirements. The FCA is currently consulting on incorporating aspects of the Mortgages Tailored Support Guidance into MCOB, with the expectation that new rules will come into force in the first half of 2024 and the Mortgages Tailored Support Guidance will be withdrawn at the same time.

Investors should further note, as at the date of this Prospectus, as described below in the section entitled "Mortgage Charter", Platform Funding Limited (one of the Interim Legal Title Holders) are voluntary signatories to the Mortgage Charter and have agreed that among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment.

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

Private Residential Tenancies in Scotland. The provisions of the Private Housing (Tenancies) Scotland Act 2016 and The Cost of Living (Tenant Protection) (Scotland) Act 2022 could result in longer periods for recovery of possession of Scottish Properties securing Buy-to-Let Loans and thereby result in lower recoveries in relation to Mortgages secured over such Scottish Properties. This may adversely affect the ability of the Issuer to make payments in full on the Notes and the Certificates when due. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – Private Residential Tenancies in Scotland*".

Consumer Duty. The FCA published in July 2022 its finalised guidance and policy statement on the introduction of a new consumer duty on regulated firms (the **Consumer Duty**), which aims to set a higher level of consumer protection in retail financial markets. The Consumer Duty applied from 31 July 2023 for new and existing products or services that are open to sale or renewal and will apply from 31 July 2024 for closed products and services. The FCA has its usual enforcement powers, such as issuing fines and securing redress for consumers, in relation to breaches of the Consumer Duty. If (for example) the obligations relating to fair value or not causing harm are not met in relation to the Mortgage Portfolio, it could adversely affect the amounts received or recoverable in relation to the Mortgage Portfolio. This may adversely affect the ability of the Issuer to make payments in full on the Notes and the Certificates when due. Further detail is included in the section headed "*Certain Regulatory Considerations in respect of the Loans – FCA Consumer Duty*".

Breathing Space Regulations. There is a risk that delays in the initiation of enforcement action in respect of the Loans as a result of the Breathing Space Regulations in England and Wales and the Bankruptcy (Scotland) Act 2016 in Scotland may result in lower recoveries and may adversely affect the ability of the Issuer to make payments due under the Notes.

The Renting Homes (Wales) Act 2016. The Renting Homes Act may result in lower recoveries in relation to buy-to-let mortgage loans over properties in Wales and may affect the ability of the Issuer to make payments under the Notes.

3. OTHER RISKS RELATED TO CHANGES TO THE STRUCTURE AND DOCUMENTS

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

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

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

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

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

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

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

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

The Conditions and Certificate Conditions also provide that, other than in respect of a Basic Terms Modification or matters affecting a Class Y Certificates Entrenched Right, Class X Certificates Entrenched Right or Retained Interest Entrenched Right, the Issuer may (A) enter into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank or the Interim Period Collection Account Bank are downgraded below the required rating and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Document) in order to maintain the ratings of the Notes at their then current rating) and (B) take any actions that are required to effect the appointment of a Successor Servicer (including, but not limited to, the Issuer entering into any new and/or amended servicing agreement and/or collection account declaration of trust) provided that the conditions to the appointment of that Successor Servicer set out in the Servicing Agreement are satisfied, provided that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment (including, for the avoidance of doubt, any new appointment made thereunder) which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (a) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

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

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

(b) (I) comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date (including the appointment of a third party assist with the Issuer's reporting obligations in relation thereto); or (II) comply with any changes in the requirements of the U.S. Credit Risk Retention Requirements, including as a result of any other U.S. risk retention legislation, regulations or official guidance in relation thereto, in each case applying in respect of the Transaction;

(c) enable the Notes to be (or to remain) listed and admitted to trading on Euronext Dublin;

(d) enable the Issuer or any of the other transaction parties to comply with FATCA, the CRS and/or any equivalent tax reporting and/or withholding tax regime;

(e) comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto;

(f) comply with the provisions of Rule 17g-5 of the Securities Exchange Act; and

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

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

(i) receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely absolutely without liability or enquiry) issued by the Issuer signed by two directors of the Issuer (or the Seller on its behalf, signed by two directors of the Seller) certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect and in the case of a Proposed Amendment under paragraph (a) above, shall include a memorandum addressed to the Note Trustee and the Security Trustee for the benefit of Noteholders by a reputable law firm confirming that the Proposed Amendment seeks to address the non-compliance set out in paragraph (a) above and each of the Note Trustee and the Security Trustee shall be entitled to rely on such certificate and memorandum absolutely without enquiry or liability. Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification under Condition 13.6 which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or increases the obligations or duties, or decreases the protections of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or the Conditions and/or the Certificate Conditions; and

(ii) the Issuer (or the Seller on its behalf) certifying in writing to the Note Trustee and the Security Trustee that:

(A) the Issuer has provided at least 30 calendar days' notice to the Noteholders and Certificateholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes and Certificates; and

(B) Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding or the Class Y Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or the Class Y Certificates may be held) within such notification period notifying the Issuer that such Noteholders or Certificateholders do not consent to the modification.

If Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class then outstanding or the Class Y Certificates then in issue have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes or Certificates may be held within the notification period referred to above that they object to the proposed modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class then outstanding and/or of the Class Y Certificates then in issue, as applicable, is passed in favour of such modification in accordance with the Trust Deed.

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

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

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

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

The Conditions and the Certificate Conditions also provide that the Note Trustee may agree (and may direct the Security Trustee to agree), without the consent of the Noteholders, the Certificateholders or the other Secured Creditors (other than any Secured Creditors which are party to the relevant

Transaction Document), to (a) any modification of, or the waiver or authorisation of any breach or proposed breach of, the Conditions, the Certificate Conditions or any of the Transaction Documents which is not, in the opinion of the Note Trustee materially prejudicial to the interests of the Noteholders or Certificateholders of any Class or (b) any modification which, in the opinion of the Note Trustee is of a formal, minor or technical nature or made to correct a manifest error.

Therefore, it is possible that a modification could be made without the vote of any Noteholders or even if holders holding not less than 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Floating Rate Notes then outstanding objected to it. In addition, Noteholders should be aware that, unless they have made arrangements to promptly receive notices sent to Noteholders from any custodians or other intermediaries through which they hold their Notes and give the same their prompt attention, meetings may be convened or resolutions (including Extraordinary Resolutions) may be proposed and considered and passed or rejected or deemed to be passed or rejected without their involvement even if, were they to have been promptly informed, they would have voted in a different way from the Noteholders which passed or rejected the relevant proposal or resolution. See Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*) and Certificate Condition 12 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*).

There is no guarantee that any changes made to the Transaction Documents, the Conditions and/or the Certificate Conditions pursuant to the obligations imposed on the Note Trustee and the Security Trustee, as described above, would not be prejudicial to the Noteholders or Certificateholders.

Conflict between Classes of Noteholders or Certificateholders

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

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

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

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

In addition, it is expected that on the Closing Date either one or more funds or related funds managed or advised by the same investment manager, will acquire a majority holding in each Class of Notes and the Class Y Certificates, giving it a sufficient holding of such Notes to allow it to pass or block Noteholder resolutions in respect of Basic Terms Modifications or resolutions in respect of such Classes of Notes. Therefore, no assurance can be given that any other Noteholder or group of Noteholders will, individually or in the aggregate, have the requisite influence to block or pass certain Noteholder resolutions.

Conflict between Noteholders and Certificateholders, and other Secured Creditors

So long as any of the Notes or Certificates are outstanding, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors, subject to the provisions of the Trust Deed, the Deed of Charge and Condition 13.4 and Certificate Condition 12.4.

Class Y Certificates modifications and Class Y Certificates Entrenched Rights

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

Retained Interest modifications and Retained Interest Entrenched Rights

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

Class X Certificates modifications and Class X Certificates Entrenched Rights

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

4. COUNTERPARTY RISKS

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

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

The Seller is a thinly capitalised, special purpose vehicle incorporated in England with limited assets and funds and as such will, after having satisfied its obligations to pay its secured creditors, have no source of funds other than the Seller Loan Agreement (described below). Further, investors should note that the obligations of the Seller pursuant to the Mortgage Sale Agreement are limited recourse obligations and therefore, in the event that the Seller has insufficient funds in respect of the Avon 3 Trust Property available to satisfy in full any obligations under the Mortgage Sale Agreement, the Issuer (or the Security Trustee following the service of an Enforcement Notice) will have no further claim against the Seller or its directors, shareholders, officers or successors in respect of any amounts owing to it which remain unpaid, and such unpaid amounts shall be deemed to be discharged in full and any relevant rights to payment shall be extinguished.

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

On the Closing Date, the Seller will enter into a revolving loan agreement with the Retention Holder (the **Seller Loan Agreement**) pursuant to which the Retention Holder will agree to advance to the Seller, *inter alios*, an amount equal to any MSA Warranty Indemnity Amount due to be paid on such date by the Seller to the Issuer in accordance with the Transaction Documents. The agreement to advance such amounts applies from the Closing Date to the date on which all claims made prior to the date falling two years following the Closing Date have been paid in full (the **Avon 3 Commitment Period**) and applies up to a facility limit of £1,450,000 (the **Avon 3 Facility Limit**) (the **Avon 3 Commitment**). Any amounts drawn by the Seller under the Avon 3 Commitment shall be repaid from time to time out of the proceeds of any MSA Warranty Rebate paid to the Seller by the Issuer in accordance with the Transaction Documents. The Avon 3 Commitment, once repaid, may be reborrowed only during the Avon 3 Commitment Period and subject to the Avon 3 Facility Limit. Other than its obligation to advance the Avon 3 Commitment to the Seller under the Seller Loan Agreement, the Retention Holder will have no obligation to advance amounts or to provide financial or other support to the Seller and the Retention Holder will not guarantee or act as surety for the payment obligations of the Seller in connection with the Transaction. Therefore, there can be no assurance that the Seller will have the financial resources to make any payment to the Issuer in respect of any Loan and its Related Security.

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

Issuer reliance on other third parties

The Issuer is also a party to contracts with a number of other third parties who have agreed to perform services in relation to the Issuer and/or Notes and Certificates. In particular, but without limitation, the Corporate Services Provider has agreed to provide certain corporate services to the Issuer pursuant to the Corporate Services Agreement; the Servicer has agreed to provide certain administration services in respect of the Portfolio pursuant to the Servicing Agreement; the Interim Legal Title Holders have agreed to hold legal title to the Loans in the Portfolio pursuant to the Interim Legal Title Holders Deed; the Issuer Account Bank has agreed to provide the Issuer Accounts pursuant to the Bank Account Agreement; the Cash Manager has agreed to provide cash management services pursuant to the Cash Management Agreement; the Replacement Cash Manager Facilitator has agreed to provide replacement Cash Manager facilitation services pursuant to the Cash Management Agreement; and the Paying Agents, the Registrar and the Agent Bank have all agreed to provide services with respect to the Notes and the Certificates pursuant to the Agency Agreement. In the event that any of the above parties were to fail to perform their obligations under the respective agreements to which they are a party and/or are removed or if such parties resign without sufficiently experienced substitutes or any substitutes being appointed in their place promptly thereafter, collections on the Portfolio and/or payments to Noteholders and Certificateholders may be disrupted and Noteholders and/or Certificateholders may be adversely affected.

The Servicer

Western Mortgage Services Limited will be appointed by the Issuer as Servicer to service the Loans. The Servicer will be entitled to subcontract or delegate all or a portion of the Services under the Servicing Agreement to one or more counterparties, subject to the terms set out in the Servicing Agreement. However, the Servicer remains liable at all times for servicing the Loans and their Related Security and for the acts or omissions of any subcontractor or delegate.

If default is made by the Servicer in the performance or observance of any of its covenants and obligations under the Servicing Agreement which, other than in respect of a payment default, is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders and such default continues unremedied for a period of 15 Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied, a Servicer Termination Event will have occurred and the appointment of the Servicer may be terminated by the Issuer or, following delivery of an Enforcement Notice, the Security Trustee. The occurrence of a Servicer Termination Event may disrupt the collection of payments due on the Loans and ultimately could adversely affect the ability of the Issuer to make payments on the Notes and the Certificates.

The appointment of Servicer may be terminated in the event Western Mortgage Services Limited does not agree to terms of appointment as long-term legal title holder or is unable to act as the legal title holder. See further information in relation to proposed transfer of legal title to the Loans, see the section entitled "*Summary of the Key Transaction Documents –Interim Legal Title Holders Deed – Transfer of Legal Title*" below.

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

There can be no assurance that a substitute servicer with sufficient experience of servicing the Loans would be found who would be willing and able to service the Loans on the terms, or substantially similar terms, set out in the Servicing Agreement. Further, it may be that the terms on which a substitute servicer may be appointed are substantially different from those set out in the Servicing Agreement and the terms may be such that the Noteholders may be adversely affected. In addition, as described below, any substitute servicer will be required, *inter alia*, to be authorised under the Financial Services and Markets Act 2000 (the **FSMA**) in order to service Loans that constitute Regulated Mortgage Contracts under the FSMA.

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

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

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

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

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

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

Certain material interests and potential for conflicts

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

Where a party to the Transaction Documents and/or any of its affiliates act in numerous capacities (including, but not limited to, Barclays acting in its capacities as Arranger, the Lead Manager, Sponsor, Retention Holder and Servicer Administrator) there may be actual or potential conflicts between (1) the interests of such party and/or any such affiliates in such various capacities and (2) the interests of the Noteholders and such transaction parties and/or any such affiliates. If such conflicts arise, the effect on Noteholders would be unknown and such entities may have no duty to act in the best interests of the Noteholders.

Investors should note that the activities and interests of Barclays Bank PLC, its Affiliates and their respective officers, members and employees will not necessarily align with, and may in fact be directly contrary to, the interests of the Noteholders.

Interests of the Arranger and the Lead Manager

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

5. MACRO-ECONOMIC AND MARKET RISKS

Absence of secondary market

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

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

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

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

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 value of the Notes. The Issuer has not requested that the Class Z Notes, the Class R Notes or the Certificates be rated by the Rating Agencies.

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

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

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

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

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

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

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

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

Any such Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency. Certain Rating Agencies have indicated that they will no longer provide Rating Agency Confirmations as a matter of policy. To the extent that a Rating Agency Confirmation cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions. It should be noted that, depending on the nature of the request, the timing of delivery of the request and of any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. A Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities have formed part since the Closing Date. A Rating Agency Confirmation represents only a restatement of the opinions given as at the Closing Date and cannot be construed as advice for the benefit of any parties to the transaction.

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

Rule 17g-5, unsolicited ratings and the selection and qualification of rating agencies rating the Notes may impact the value of the Notes

Nationally recognised statistical rating organisations, as defined in Section 3(a)(62) of the Exchange Act, that the Issuer has not engaged to rate any Class of Notes may nevertheless issue unsolicited credit ratings on one or more Classes of Notes, in each case relying on information they receive pursuant to Rule 17g-5 under the Exchange Act (**Rule 17g-5**), or otherwise. If any such unsolicited ratings are issued with respect to any particular Class of Notes, there can be no assurance that they will not be lower than the rating(s) assigned by any of the Rating Agencies engaged by the Issuer to rate that Class of Notes on the Closing Date. The issuance of any such unsolicited ratings with respect to any particular Class of Notes that are lower than the rating(s) assigned to it by any of the engaged rating agencies on the Closing Date may negatively impact the liquidity, market value and regulatory characteristics of that Class of Notes. Although unsolicited ratings may be issued by any rating agency, a rating agency might be more likely to issue an unsolicited rating if it was not selected after having provided preliminary feedback to the Issuer.

The Issuer selected S&P and Fitch to rate all of the Rated Notes. There can be no assurance that, had the Issuer selected other rating agencies to rate the Notes, the ratings that such rating agencies would have ultimately assigned to those Classes of Notes would have been equivalent to those assigned by S&P and Fitch. Neither the Issuer nor any other person or entity will have any duty to notify you if any other nationally recognised statistical rating organisation issues, or delivers notice of its intention to issue, unsolicited ratings on one or more Classes of the Notes after the Closing Date. Furthermore, the SEC may determine that one or more of the rating agencies engaged by the Issuer no longer qualifies as a nationally recognised statistical rating organisation and that determination may have an adverse effect on the liquidity, market value and regulatory characteristics of the Notes.

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

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

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies to transactions within its scope from 1 January 2018 in general, subject to certain transitional provisions. Certain requirements of the EU Benchmarks Regulation apply with respect to the provision of a wide range of benchmarks (including SONIA), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the EU 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).

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

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

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

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

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

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

(b) while an amendment may be made under Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*) of the Conditions of the Notes to change the base rate on the Floating Rate Notes from SONIA to an alternative base rate under certain circumstances broadly related to SONIA dysfunction or discontinuation and subject to certain conditions being satisfied, there can be no assurance that any such amendment will be made or, if made, that it (i) will fully or effectively mitigate all relevant interest rate risks or result in an equivalent methodology for determining the interest rates on the Floating Rate Notes or (ii) will be made prior to any date on which any of the risks described in this risk factor may become relevant; and

(c) if SONIA is discontinued or is otherwise unavailable, then the rate of interest on the Notes may be determined for a period by any applicable fall-back provisions provided for under Condition 6 (*Interest*) although such provisions may not operate as intended (depending on market circumstances and the availability of rates information at the time).

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

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

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

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

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

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

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

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

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

6. LEGAL AND REGULATORY RISKS

Security and insolvency considerations

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

In particular, it should be noted that significant changes to the UK insolvency regime have been enacted under the Corporate Insolvency and Governance Act 2020 which received Royal Assent on 25 June 2020 and came into effect on 26 June 2020. The changes include, among other things: (i) the introduction of a new moratorium regime that certain eligible companies can obtain which will prevent creditors taking certain action against the company for a specified period; (ii) a ban on operation of or exercise of *ipso facto* clauses preventing (subject to exemptions) termination, variation or exercise of other rights under a contract due to a counterparty entering into certain insolvency or restructuring procedures; and (iii) a new compromise or arrangement under Part 26A of the Companies Act 2006 (the **Restructuring Plan**) that provides for ways of imposing a restructuring on creditors and/or shareholders without their consent (so-called cross-class cram-down procedure), subject to certain conditions being met and with a court adjudicating on the fairness of the restructuring proposal as a whole in determining whether or not to exercise its discretionary power to sanction the Restructuring Plan. While the Issuer is expected to be exempt from the application of the new moratorium regime and the ban on *ipso facto* clauses, there is no guidance on how the new legislation will be interpreted and the Secretary of State may by regulations modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may by regulations provide for exclusion of certain companies providing financial services and the UK government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change.

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

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

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

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

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

UK Taxation position of the Issuer

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

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

The Issuer is expected to be a passive foreign investment company for U.S. federal income tax purposes, which means that a United States holder of the Class E Notes, the Class F Notes, the Class R Notes, the Class X Notes and the Class Z Notes (and any other Class of Notes treated as equity for U.S. federal income tax purposes) may be subject to adverse tax consequences unless such holder elects to treat the Issuer as a qualifying electing fund (a **QEF**) and to recognise currently its proportionate share of the Issuer's ordinary income and long-term capital gain whether or not distributed to such holder. In addition, and depending on the overall ownership of interests in the Issuer, a United States holder of more than 10 per cent. of the Equity Notes may be treated as a United States shareholder in a controlled foreign corporation (a **CFC**) and required to recognise currently its proportionate share of the "subpart F income" of the Issuer, whether or not distributed to such holder. The Issuer agrees to make available to any United States holder of Equity Notes or of any Class of Notes that is determined by the U.S. Internal Revenue Service to be treated as equity in the Issuer, upon such United States holder's request and at the Issuer's expense, the books and records of the Issuer, and to provide information to such United States holder pertinent to the Issuer's status as a PFIC as defined in Section 1297(a) of the Code. Upon request by such United States holder, the Issuer will timely provide to each such United States holder, at the Issuer's expense, all information reasonably available to the Issuer to permit such United States holder to (i) accurately prepare all tax returns and comply with any reporting requirements as a result of the Issuer's status as a PFIC and (ii) make and maintain any tax election (including, without limitation, a QEF election under Section 1295 of the Code) with respect to the Issuer and comply with any reporting or other requirements incident to such election. In addition, the Issuer, at its expense, shall from time to time at the request of a Noteholder provide all information that is reasonably required to determine if United States shareholders' (as defined in the section entitled "*United States Federal Income Taxation – Taxation of United States holders of the Equity Notes – Investment in a Controlled Foreign Corporation*") direct or indirect ownership of the Issuer would cause the Issuer to be considered a CFC as defined in Section 957(a) of the Code. If the Issuer or a Noteholder determines that the Issuer is a CFC, the Issuer shall furnish to each Noteholder upon its reasonable request, on a timely basis, and at the Issuer's expense, all information necessary to satisfy the U.S. income tax return filing requirements of such Noteholder arising from its investment in the Issuer. A United States holder that makes a QEF election or that is required to recognise currently its proportionate share of the subpart F income of the Issuer will be required to include in the current income its pro rata share of such earnings, income or amounts whether or not the Issuer actually makes any payments to such holder. Potential investors should consult with their tax advisers regarding the applications of the passive foreign investment company rules to an investment in the Notes and the controlled foreign corporation rules and the applicability of such rules to each such potential investor.

U.S. tax characterisation of the Notes

The Issuer has agreed and, by its acceptance of a U.S. Note (as defined in the section entitled "*United States Federal Income Taxation – Characterisation of the Rule 144A Notes*"), each holder (and any beneficial owners of any interest therein) will be deemed to have agreed, to treat the U.S. Notes as debt of the Issuer for U.S. federal income tax purposes, except as otherwise required by applicable law and for certain limited purposes. The determination of whether a Note will be treated as debt for U.S. federal income tax purposes is based on the facts and circumstances existing at the time the Note is issued.

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

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

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

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

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

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

Risks relating to the Banking Act 2009

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

The tools available under the Banking Act include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify certain contractual arrangements in certain circumstances) and special insolvency procedures which may be commenced by the UK authorities. It is possible that the extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a Relevant Entity could be made and, in certain circumstances, the UK authorities may exercise broad pre-resolution powers in respect of the Relevant Entities with a view to removing impediments to the exercise of the stabilisation tools.

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

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

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

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

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

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

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

In Europe, the U.S., and elsewhere, there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in multiple measures for increased regulation which are at various stages of implementation and in particular, investors in the Notes should note the following regulatory initiatives which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect. None of the Issuer, the Arranger, the Lead Manager, the Retention Holder or the Servicer Administrator makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date, or at any time in the future.

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

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

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

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

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

The UK Securitisation Regulation applies in the UK from 11pm (London time) on 31 December 2020 following the end of the transition period relating to the UK's withdrawal from the EU (note that the UK is also no longer part of the EEA). The UK Securitisation Regulation largely mirrors (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020 (meaning that the amendments that took effect in the EU from 9 April 2021 are not part of the UK regime). The HM Treasury issued a report on this review in December 2021 outlining a number of areas where legislative changes may be introduced in due course. The legislative reforms affecting the UK Securitisation Regulation regime are being introduced under the Financial Services and Markets Act 2023 which received Royal Assent on 29 June 2023 and the "Edinburgh Reforms" of UK financial services unveiled on 9 December 2022. The timing and all of the details for the implementation of securitisation-specific reforms are not yet known, but these are expected to become clearer during the course of 2023 and/or 2024. Therefore, some divergence between EU and UK regimes exists already and the risk of more divergence in the future between EU and UK regimes cannot be ruled out.

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

Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective UK or EU regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as STS, compliance of that transaction with the STS requirements. If the relevant UK or European-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, as applicable to them under their respective EU or UK regime, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors.

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

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

Non-compliance with the UK Securitisation Regulation and/or the EU Securitisation Regulation could adversely affect the regulatory treatment of the Notes and the market value and/or liquidity of the Notes in the secondary market.

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

STS designation impacts on regulatory treatment of the Notes

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

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

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

U.S. Risk Retention

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

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

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

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

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

Potential reforms to the UK Securitisation Regulation

The UK Securitisation Regulation regime is currently subject to a review. The HM Treasury issued a report on this review in December 2021 outlining a number of areas where legislative changes may be introduced in due course. The legislative reforms affecting the UK Securitisation Regulation regime are being introduced under the Financial Services and Markets Act 2023 which received Royal Assent on 29 June 2023 and "Edinburgh Reforms" of UK financial services unveiled on 9 December 2022. The timing and all of the details for the implementation of securitisation-specific reforms are not yet known, but these are expected to become clearer in the course of 2023 and/or 2024.

7. RISKS RELATING TO THE CHARACTERISTICS OF THE NOTES

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

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

Registered Definitive Notes and denominations in integral multiples

The Notes have a denomination consisting of a minimum authorised denomination of £100,000 plus higher integral multiples of £1,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination.

In such a case, if Registered Definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a Registered Definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that its holding amounts to the minimum authorised denomination (or another relevant denomination amount).

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

Considerations relating to Book-Entry Interests

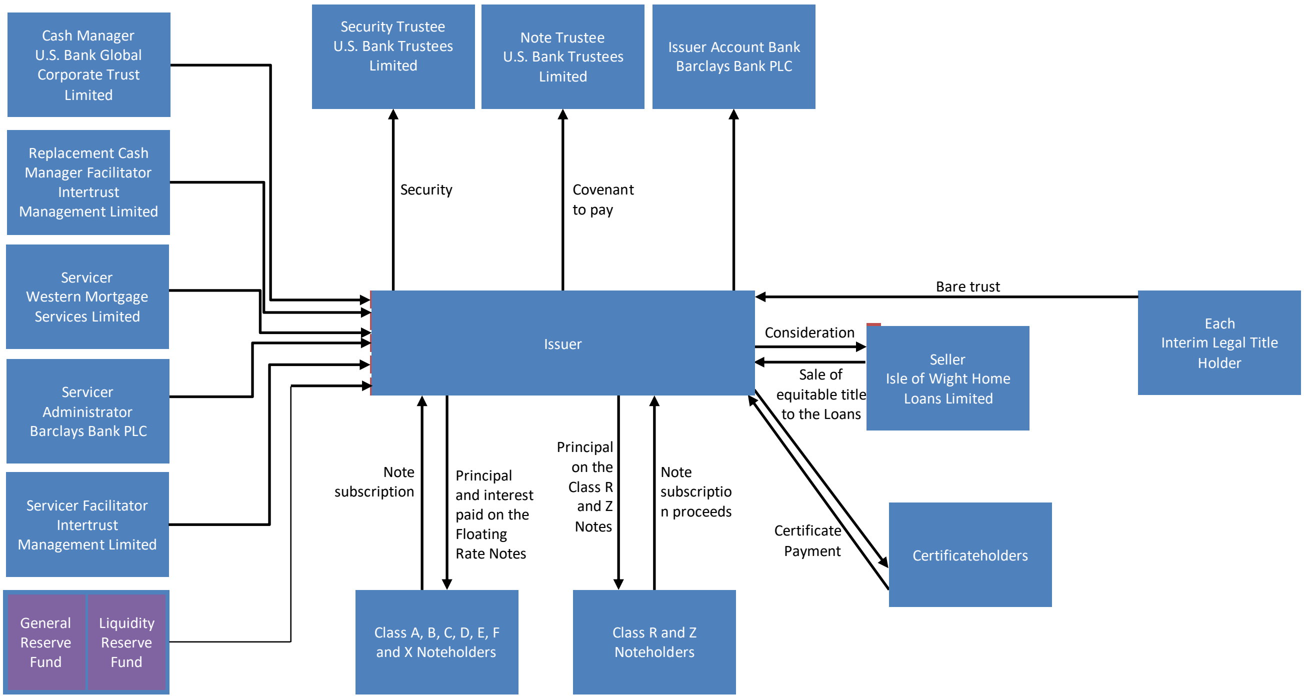
The Notes and the Certificates are initially issued in global form and deposited with a Common Safekeeper for Euroclear and/or Clearstream, Luxembourg. Interests in the Global Notes and the Global Certificates will trade in book-entry form only. The Common Safekeeper for Euroclear and/or Clearstream,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

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

STRUCTURE DIAGRAMS

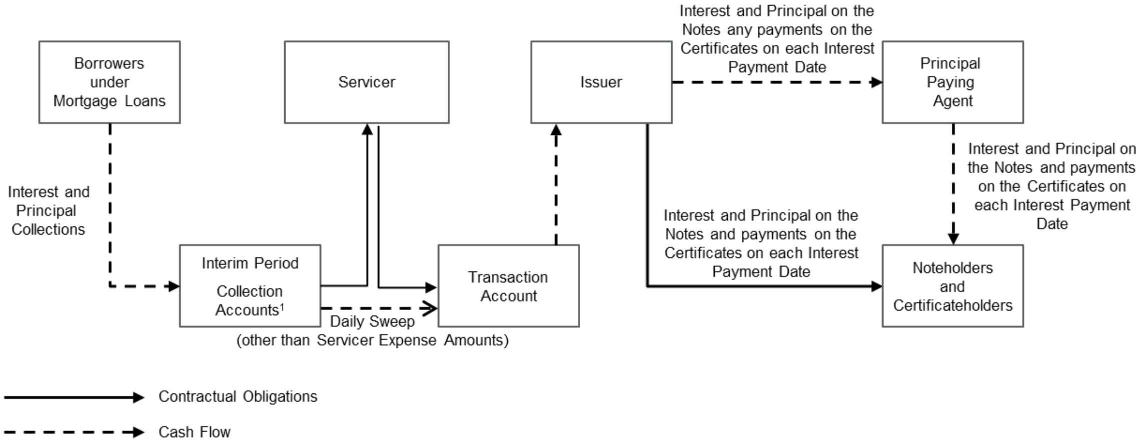
DIAGRAM OF THE TRANSACTION

Figure 1 – Transaction Structure



DESCRIPTION OF THE TRANSACTION'S ONGOING CASHFLOWS

Figure 2 – Cashflow Structure



[1] Held in the name of each relevant Interim Legal Title Holder subject to Interim Period Collection Account Declaration of Trust

OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER

Figure 3 – Ownership Structure

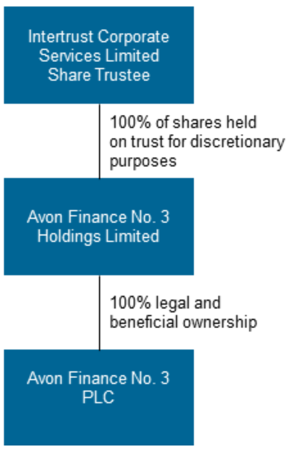


Figure 3 illustrates the ownership structure of the special purpose companies that are parties to the Transaction Documents, as follows:

- The Issuer is a wholly owned subsidiary of Holdings in respect of its legal and beneficial ownership.
- The entire issued share capital of Holdings is held on trust by the Share Trustee under the terms of a trust, the benefit of which is expressed to be for discretionary purposes.

- None of the Issuer, Holdings or the Share Trustee is either owned, controlled, managed, directed or instructed, whether directly or indirectly, by the Seller or by any member of the group of companies containing the Seller.

DESCRIPTION OF THE TRANSACTION PARTIES

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

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

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

Party	Name	Address	Document under which appointed/Further Information
Issuer	Avon Finance No. 3 PLC	1 Bartholomew Lane, London, EC2N 2AX	See the section entitled "*The Issuer*" for further information.
Holdings	Avon Finance No. 3 Holdings Limited	1 Bartholomew Lane, London, EC2N 2AX	See the section entitled "*Holdings*" for further information.
Seller	Isle of Wight Home Loans Limited	1 Churchill Place, Canary Wharf, London E14 5HP	See the section entitled "*The Seller*" for further information.
Sponsor and **Retention Holder** for U.S. risk retention purposes, and **Retention Holder** for UK and EU risk retention purposes and the **Servicer Administrator**	Barclays Bank PLC	1 Churchill Place, Canary Wharf, London E14 5HP	Administration Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Administration Agreement*" and "*The Retention Holder, the Sponsor and the Servicer Administrator*" for further information.
Interim Legal Title Holders	Platform Funding Limited, Mortgage Agency Services Number Four Limited and Mortgage Agency Services Number Five Limited	PO Box 101, 1 Balloon Street, Manchester, M60 4EP	The Interim Legal Title Holders Deed. See the section entitled "*The Interim Legal Title Holders*".
Servicer	Western Mortgage Services Limited	30 Berners Street, London W1T 3LR	The Servicing Agreement. See the section entitled "*Summary of the Key*

Party	Name	Address	Document under which appointed/Further Information
			Transaction Documents – Servicing Agreement" for further information.
Cash Manager	U.S. Bank Global Corporate Trust Limited	Fifth Floor, 125 Old Broad Street, London EC2N 1AR	Cash Management Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Cash Management Agreement*" and "*The Cash Manager*" for further information.
Replacement Cash Manager Facilitator	Intertrust Management Limited	1 Bartholomew Lane, London, EC2N 2AX	Cash Management Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Cash Management Agreement*" and "*The Cash Manager*" for further information.
Servicer Facilitator	Intertrust Management Limited	1 Bartholomew Lane, London, EC2N 2AX	Administration Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Administration Agreement*" and "*The Corporate Services Provider, the Replacement Cash Manager Facilitator and the Servicer Facilitator*" for further information.
Issuer Account Bank	Barclays Bank PLC	1 Churchill Place, Canary Wharf, London, E14 5HP	Bank Account Agreement. See the sections entitled "*Summary of the Key Transaction Documents – The Bank Account Agreement*" and "*The Cash Manager*" for further information.
Interim Period Collection Account Bank	National Westminster Bank Plc	135 Bishopsgate, London, EC2M 3UR	Interim Period Collection Account Declaration of Trust. See the section entitled "*Summary of the Key Transaction*

Party	Name	Address	Document under which appointed/Further Information
			Documents – Servicing Agreement – Operation of Interim Period Collection Accounts" for more information.
Security Trustee	U.S. Bank Trustees Limited	Fifth Floor, 125 Old Broad Street, London EC2N 1AR	Deed of Charge. See the sections entitled "*Terms and Conditions of the Notes*" and "*The Note Trustee and the Security Trustee*" for further information.
Note Trustee	U.S. Bank Trustees Limited	Fifth Floor, 125 Old Broad Street, London EC2N 1AR	Trust Deed. See the sections entitled "*Terms and Conditions of the Notes*" and "*The Note Trustee and the Security Trustee*" for further information.
Principal Paying Agent and **Agent Bank**	Elavon Financial Services DAC, UK Branch	Fifth Floor, 125 Old Broad Street, London EC2N 1AR	Agency Agreement. See the section entitled "*Terms and Conditions of the Notes*" for further information.
Registrar	Elavon Financial Services DAC, UK Branch	Fifth Floor, 125 Old Broad Street, London EC2N 1AR	In respect of the Notes and Certificates, the Agency Agreement. See the section entitled "*Terms and Conditions of the Notes*" for further information.
Corporate Services Provider	Intertrust Management Limited	1 Bartholomew Lane, London, EC2N 2AX	Corporate Services Agreement. See the section entitled "*The Corporate Services Provider, the Replacement Cash Manager Facilitator and the Servicer Facilitator*" for further information.
Share Trustee	Intertrust Corporate Services Limited	1 Bartholomew Lane, London, EC2N 2AX	Share Trust Deed.

Party	Name	Address	Document under which appointed/Further Information
Arranger and **Lead Manager**	Barclays Bank PLC	1 Churchill Place, Canary Wharf, London E14 5HP	Subscription Agreement. See the section entitled "*Subscription, Sale and Selling Restrictions*" for further information.

DESCRIPTION OF THE PORTFOLIO AND SERVICING

DESCRIPTION OF THE PORTFOLIO

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

Portfolio:

The Portfolio comprises Loans, other than the Shortfall Loans, secured over residential properties located in England, Wales, Scotland and Northern Ireland.

The English Loans and their Related Security are governed by English law. The Northern Irish Loans and their Related Security are governed by Northern Irish law. The Scottish Loans and their Related Security are governed by Scots law.

Each Loan and its Related Security comprising the Portfolio was originated by parties other than the Seller. As such, as at the date of this Prospectus the Seller has no direct contractual relationship with any individual or individuals specified as borrowers in respect of such Loan or the individual or individuals from time to time assuming an obligation to repay (under a guarantee or otherwise) such Loan or any part of it (collectively, the **Borrowers** and each a **Borrower**) in respect of any Loan or its Related Security.

Sale of Portfolio:

On 19 June 2020, pursuant to the Vendor Mortgage Sale Agreement, the Seller acquired from the Vendor the Loans and their Related Security comprising the Portfolio.

On 4 August 2020, pursuant to the Avon 1 Mortgage Sale Agreement, the Seller sold the Loans and their Related Security comprising the Portfolio to the Avon 1 SPV.

On the Closing Date, pursuant to the IoW Mortgage Sale Agreement, the Avon 1 SPV will sell the Loans and their Related Security comprising the Portfolio to the Seller, in exchange for IoW MSA Consideration.

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

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

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

On the Legal Title Holder Transfer Date, the legal title to the Loans and their Related Security will be transferred from the Interim Legal Title Holders to the Long-Term Legal Title Holder.

The terms **sale**, **sell** and **sold** when used in this Prospectus in connection with the Loans and their Related Security shall be construed to mean: (i) in relation to the English Loans and Northern Irish Loans, the equitable assignment of the transferor's right, title and interest in and to each relevant loan and its Related Security; or (ii) in relation to the Scottish Loans and their Related Security, a trust declared pursuant to a Scottish Declaration of Trust granted by the relevant Interim Legal Title Holder of the right, title and interest in and to each relevant Scottish Loan and its Related Security.

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

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

Notice of the sale of the Loans and their Related Security comprising the Portfolio will not be given to the relevant Borrowers and the Issuer will not apply to the Land Registry, the Registers of Scotland or the Land Registers of Northern Ireland to register or record its equitable or beneficial interest in the English Mortgages or Northern Irish Mortgages, or take any steps to complete or perfect its title to the Scottish Mortgages, until the occurrence of a Perfection Trigger Event with respect to an Interim Legal Title Holder. Following the occurrence of a Perfection Trigger Event in respect of any Interim Legal Title Holder, the Issuer (with the consent of the Committee and, after the delivery of an Enforcement Notice, with the consent of the Security Trustee) may, or in case of any of the events listed in paragraphs (g) of the definition of Perfection Trigger Event, shall, deliver to the Interim Legal Title Holders (with a copy to the Seller, the Servicer and the Security Trustee) a notice in writing (a **Perfection Notice**) requiring completion by the Interim Legal Title Holders of the transfer by way of assignment or, as applicable, assignation to the Issuer (or a nominee of the Issuer, which will initially be Western Mortgage Services Limited unless a Perfection Trigger Event has occurred in respect of Western Mortgage Services Limited and provided that requirements of Transfer of Legal Title in relation set out in the Interim Legal Title Holders Deed has been complied with) (such entity, the **Legal Title Transferee**) of the legal title to the Loans and their Related Security as soon as reasonably practicable following the delivery of the Perfection Notice.

Prior to the occurrence of a Perfection Trigger Event with respect to any Interim Legal Title Holder or transfer of legal title as described below, the legal title to each Loan and its Related Security comprising the Portfolio will be held by the relevant Interim Legal Title Holders on bare trust for the Issuer (except in relation to any Scottish Loan and its Related Security, which will be held on trust by the relevant Interim Legal Title Holder (with the consent of the Seller) for the Issuer pursuant to the Scottish Declaration of Trust). Please refer to the risks set out in the section entitled "*Risk Factors – Risks Relating to the Underlying Assets – The Interim Legal Title Holders to retain legal title to the Loans and risks relating to* set-off".

Transfer of Legal Title

The Interim Legal Title Holders have notified the Issuer that they intend to transfer legal title to the loans to another provider.

The Issuer (in consultation with the Committee) and Western Mortgage Services Limited will use reasonable endeavours to enter into a Long-Term Servicing and Legal Title Holder Deed as soon as reasonably practicable following the Closing Date.

In the event that the Issuer cannot agree the terms of appointment of Western Mortgage Services Limited as new legal title holder, the Issuer (in consultation with the Committee) will use reasonable endeavours to transfer legal title and servicing to another entity nominated by the Committee or the Interim Legal Title Holders (as applicable).

Please refer to further details in relation to transfer of legal title set out in the in "*Summary of the Key Transaction Documents –Interim Legal Title Holders Deed - Transfer of Legal Title*" below

Features of the Loans:

The following is a summary of certain features of the Loans comprising the Provisional Portfolio as at the Portfolio Reference Date and investors should refer to, and carefully consider, further details in respect of the Loans set out in the sections of this Prospectus entitled "*The Loans*" and "*Characteristics of the Provisional Portfolio*". The Loans comprise loans to Borrowers and (other than Shortfall Loans) are secured by first ranking charges or (in Scotland) first ranking standard securities over freehold, heritable and leasehold properties in England, Wales, Scotland and Northern Ireland.

Number of sub-accounts in the Provisional Portfolio: 6,118

Current Balance	£609,655,578.43
Indexed Current Loan To Value	47.95 per cent. (weighted average)
Seasoning (months)*	197.65 (weighted average)

Remaining Term (months)* 86.02 (weighted average)

*As at the Portfolio Reference Date and excluding the Shortfall Loans.

Consideration: The consideration due to the Seller in respect of the sale of the equitable and beneficial interest in the Loans and their Related Security comprising the Portfolio on the Closing Date comprises: (a) a purchase price (the **Purchase Price**); and (b) deferred consideration consisting of the Class X Certificate Payments and the Class Y Certificate Payments, the right to such payments represented by the issue of the Class X Certificates and the Class Y Certificates, respectively (the **Consideration**). No consideration will be payable by the Issuer to the Seller in respect of the Shortfall Loans.

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

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

(a) the original principal amount advanced to the relevant Borrower and any further amount (including any Further Advance) advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage and which has not been paid, repaid or prepaid by the relevant Borrower;

(b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has not been paid by the relevant Borrower and which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent 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 but which is secured or intended to be secured by the related Mortgage,

on the basis of the start of day position on such date (which for the avoidance of doubt is inclusive of any interest rate accrual amount relating to the previous month or otherwise that has been applied on such date but is exclusive of any other payments or postings on such date) and any reference to the Current Balance of a loan contained in the Provisional Portfolio shall be construed as if it were a Loan contained in the Portfolio.

	For further information please refer to the section entitled "*The Loans*".
Representations and Warranties:	The Seller will make certain Loan Warranties to the Issuer regarding the Loans (other than the Shortfall Loans) and Related Security comprised in the Portfolio on the Closing Date. The Seller will not provide the Loan Warranties in respect of the Shortfall Loans. The Issuer currently has no plans to proactively verify that all of the Loan Warranties are true and accurate on the date they were made on an individual Loan level. See the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*" for further details.
Seller's indemnity obligation in relation to the Loans and Related Security:	Upon a breach of the Loan Warranties in respect of a Loan and/or its Related Security which is not capable of remedy or, if capable of remedy, which is not remedied within the agreed grace period, the Seller shall (subject to certain limitations as described herein) either (i) pay the MSA Warranty Indemnity Amount or (ii) repurchase the relevant Loan and its Related Security (together with any other Loan secured by, or intended to be secured by, such Related Security or any part of it) (as further described below). The Seller shall be liable under the Mortgage Sale Agreement for any MSA Relevant Liabilities, provided that the security granted by the Seller in favour of the Issuer is limited to the Avon 3 Trust Property. For a summary of the recourse the Issuer has against the Seller in respect of Loan Warranty breaches, including time and monetary limits, please refer to the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*" for further details.
Consideration for repurchase:	The consideration payable by the Seller in respect of the repurchase of an affected Loan and its Related Security (together with any other Loan secured or intended to be secured by such Related Security or any part of it) as a result of a breach of a Loan Warranty, which shall be an amount in cash (not less than zero) equal to the Current Balance of such Loan(s) as of the date of completion of such repurchase plus any expenses in connection with the servicing of the Loan(s) payable thereon to such date (the **Repurchase Price**).
Limit on indemnity amount:	The amount payable by the Seller pursuant to an indemnity in respect of MSA Relevant Liabilities shall not exceed an amount equal to the Repurchase Price of the relevant Loan(s) as at the date of such indemnification payment.
Flexible Loan, Further Advances, Payment Holidays, Authorised Underpayments and Porting:	The Mortgage Conditions do not contain any contractual obligations requiring any Legal Title Holder to agree to a Further Advance. The Servicer and the Interim Legal Title Holders will not make offers to Borrowers for or accept applications from Borrowers for Product Switches or Further Advances.

The Interim Legal Title Holders do not permit Unauthorised Payment Holidays or Unauthorised Underpayments. The Mortgage Conditions provide that Porting is allowed in respect of the MAS4 Mortgages and the MAS5 Mortgages subject to certain conditions.

If a request for an Authorised Underpayment or a Payment Holiday is made in respect of any Loan in the Portfolio, the relevant Loan in respect of which the Authorised Underpayment or the Payment Holiday (as applicable) is made will remain in the Portfolio. Any Loan in respect of which a Payment Holiday is granted will continue to accrue interest and other charges during such Payment Deferral and any accrued interest will be capitalised and added to the Current Balance of that Loan or the customer may choose to make the payment of the accrued interest.

No Loan is a Flexible Loan.

Authorised Underpayment means a payment by a Borrower in respect of a Loan on a Monthly Payment Date where:

(a) the amount paid (the **underpayment**) is less than the relevant Contractual Monthly Payment (the difference between the underpayment and such Contractual Monthly Payment being the **underpaid amount**); and

(b) in respect of the Loans:

    (a) the amount of such underpayment has been agreed between the Borrower and the Interim Legal Title Holders; and

    (b) the underpaid amount does not exceed, when **aggregated** with the amount of all previous Authorised Underpayments, the aggregate Overpayments made by the Borrower in respect of such Loan.

Flexible Loan means a Loan where the Borrower has exercisable redraw rights under the Loan.

Payment Holidays or **Payment Deferrals** means, in respect of any Loan, a period of one or more Monthly Payment Dates for a maximum of six months (and limited to six months per annum) or a longer period agreed to by the relevant Interim Legal Title Holder when the Borrower under such Loan is permitted by the relevant Interim Legal Title Holder not to make its regular Contractual Monthly Payment in full or partially.

Porting or **Port** means the transfer of the Mortgage in respect of a Loan from an existing Property to a new Property where the new Property provides replacement security for the repayment by the Borrower of the relevant Loan whether or not resulting in the creation of a new Loan.

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

(a) agreed with a Borrower to control or manage actual or anticipated arrears on a Loan;

(b) in the maturity date of the Loan (unless the maturity date would be extended to a date later than three years before the Final Redemption Date of the Notes in which case such variation will constitute a Product Switch);

(c) imposed by statute or by Applicable Laws and such variation is being applied generally by the Servicer and/or the Interim Legal Title Holders and/or their Affiliates in relation to its mortgage and loan portfolios (or the mortgage and loan portfolios managed by it, as applicable) that have substantially the same characteristics as the Loans (including, without limitation and for the avoidance of doubt, any variation arising as a result of regulatory guidance on "mortgage prisoners" and the COVID-19 pandemic);

(d) as a result of adhering to the Mortgage Charter and such variation is being applied generally by the Servicer and/or the Interim Legal Title Holders and/or their Affiliates in respect of the Mortgage Charter in relation to its mortgage and loan portfolios (or the mortgage and loan portfolios managed by it, as applicable) that have substantially the same characteristics as the Loans;

(e) in the rate of interest payable in respect of a Loan (i) as a result of any variation in the standard variable rate or (ii) where the terms of the Mortgage change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Loan otherwise change the interest rate payable;

(f) in the frequency with which the interest payable in respect of the Loan is charged;

(g) agreed with a Borrower to change the Loan from an Interest-only Loan to Repayment Loan;

(h) that effects a transfer of equity;

(i) that effects the release of a party to a Loan, provided that at least one party to that Loan remains unreleased; or

(j) where the Interim Legal Title Holders agree to a Borrower's request for consent to let.

Unauthorised Payment Holiday means, in respect of any Loan, a period of one or more Monthly Payment Dates when the Borrower under such Loan does not make its regular Contractual Monthly

Payment (a) which can be funded by accrued Overpayments but (b) where the Borrower has not agreed a payment holiday arrangement in advance.

Unauthorised Underpayment means any underpayment made by a Borrower (a) which can be funded by prior Overpayments but (b) where the Borrower has not agreed an underpayment in advance of the Contractual Monthly Payment.

Interim Legal Title Holder:	The Interim Legal Title Holders will agree to hold the legal title and any other right, title, interest and benefit held by it with respect to the Mortgage Portfolio, from time to time, on bare trust (or in the case of the Scottish Loans and their Related Security, PFL will agree to hold the same in terms of the Scottish Declaration of Trust) for and on behalf of the Issuer absolutely in accordance with the terms of an interim legal title holders deed entered into on or about the Closing Date (the **Interim Legal Title Holders Deed)**. The terms of the Interim Legal Title Holders Deed are summarised in "*Summary of the Key Transaction Documents – Interim Legal Title Holders Deed*".
Perfection Trigger Events in respect of the Loans:	Following the occurrence of a Perfection Trigger Event in respect of any Interim Legal Title Holder, the Issuer (with the consent of the Committee and, after the delivery of an Enforcement Notice, with the consent of the Security Trustee) may, or in case of any of the events listed in paragraphs (g) of the definition of Perfection Trigger Event, shall, deliver to the Interim Legal Title Holders (with a copy to the Seller, the Servicer and the Security Trustee) a notice in writing (a **Perfection Notice**) requiring completion by the Interim Legal Title Holders of the transfer by way of assignment or, as applicable, assignation to the Issuer (or a nominee of the Issuer, which will initially be Western Mortgage Services Limited unless a Perfection Trigger Event has occurred in respect of Western Mortgage Services Limited and provided that requirements of Transfer of Legal Title in relation set out in the Interim Legal Title Holders Deed has been complied with) (such entity, the **Legal Title Transferee**) of the legal title to the Loans and their Related Security as soon as reasonably practicable following the delivery of the Perfection Notice. See the section entitled "*Description of the Triggers Tables – Non-Rating Triggers Table – Perfection Trigger Events*".
Servicing of the Portfolio - Servicer Facilitator:	The Servicer Facilitator is required to procure the appointment, on behalf of the Issuer, of a replacement Servicer if the Servicer's appointment is terminated. The Servicer Facilitator will also provide certain directions to the Interim Legal Title Holders in respect of the exercise of discretions reserved to it at law as interim legal title holders of the Loans and their Related Security. The appointment of the Servicer Facilitator may be terminated by the Issuer and/or following delivery of an Enforcement Notice the Security Trustee upon the occurrence of a Servicer Facilitator Termination Event (see further "*Summary of the Key Transaction Documents*").

Servicing of the Portfolio - Servicer:	On or about the Closing Date, the Issuer will appoint the Servicer and enter into the Servicing Agreement. From the Closing Date, the Servicer will service the Portfolio in accordance with the terms of the Servicing Agreement. The Issuer (in consultation with the Committee) and Western Mortgage Services Limited will use reasonable endeavours to enter into a Long-Term Servicing and Legal Title Holder Deed as soon as reasonably practicable following the Closing Date The terms of the Servicing Agreement are summarised in "*Summary of the Key Transaction Documents – Servicing Agreement*". In addition, Noteholders should note the section "*Risk Factors – Counterparty Risks – The Servicer*" above.
Interim Period Collection Account:	During the Interim Period, collections will be credited to the Interim Period Collection Accounts and each Interim Legal Title Holder and the Issuer, among others, will enter into a declaration of trust (the **Interim Period Collection Account Declaration of Trust**) over the Interim Period Collection Accounts held in the name of each such Interim Legal Title Holder in favour of the Issuer. The Issuer's share of the trust will be an amount equal to the collections received in each Interim Period Collection Account in respect of the Loans beneficially owned by it. Amounts credited to the Interim Period Collection Account from (and including) the Closing Date will be identified on a daily basis and the Servicer shall procure that the Interim Period Collection Account Bank shall transfer or procure the transfer of such amounts from the relevant Interim Period Collection Account into the relevant Transaction Account on the next Business Day after such amounts are identified as received in the relevant Interim Period Collection Account (subject to the deduction of any amount required by the Servicer to pay costs and expenses due at such time (the **Servicer Expenses Amount**)). On each Interest Payment Date, amounts standing to the credit of the Transaction Account will be applied by the Cash Manager on behalf of the Issuer in accordance with the relevant Priority of Payments. **Interim Period Collection Accounts** means, during the Interim Period, each collection account in the name of each Interim Legal Title Holders held with the Interim Period Collection Account Bank into which all payments due by Borrowers under the Loans beneficially owned by the Issuer are made.
Servicer Administrator:	Pursuant to the Administration Agreement, Barclays (in its capacity as Servicer Administrator) may, in its sole discretion, elect (but shall not be obliged to) to carry out certain ongoing administration roles in relation to the securitisation, including (without limitation) electing:

(a) to review the Investor Reports, the UK SR Investor Report, the EU SR Investor Report and to flag manifest errors or issues to the Cash Manager;

(b) to review the Servicer Reports, the UK SR Data Tapes and the EU SR Data Tapes and to flag manifest errors to the Servicer; and

(c) to attend meetings of the Committee in accordance with the terms of the Interim Legal Title Holders Deed and the Servicing Agreement.

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

Committee: A committee will be established to be composed of the representatives of: (a) Barclays Bank plc in its capacity as the Servicer Administrator (if it so elects) and; (b) each holder from time to time of the Majority Class Y Certificateholder who elects to be a member of such committee (each a **Committee Member** and, collectively, the **Committee**).

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

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

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

(a) replacement or termination of the Servicer and/or the Interim Legal Title Holders (including any termination for the purposes of legal title migration process contemplated under the Transaction Documents);

(b) making any material modifications to the Services (other than where such modifications are required in order to comply with any Applicable Laws or, in the case of the Interim Legal Title Holders, where such revision, amendment, update or introduction is being applied generally by the Interim Legal Title Holders and/or their affiliates in relation to its mortgage and loan portfolios managed and/or held by the Interim Legal Title Holders that are comparable with the Portfolio);

(c) the Issuer making or agreeing to any changes to the LTH Guarantee, or the Issuer entering into a replacement guarantee in respect of the payment obligations of the Interim Legal Title Holders under the Transaction Documents to which the Interim Legal Title Holders are a party, or the Issuer entering into any other arrangement in respect of the same;

(d) any modification to the Service Specification or the Interim Legal Title Holder's Policies (other than where such modifications are required in order to comply with any Applicable Laws);

(e) the delegation of a material portion of the Servicer's or Interim Legal Title Holder's power and obligations under Servicing Agreement or the Interim Legal Title Holders Deed;

(f) certain matters in respect of the manner in which the Servicer and/or the Interim Legal Title Holders conduct any claim from a Borrower or third party which, if successful, is reasonably likely to result in a significant liability of the Issuer under the Servicing Agreement and/or Interim Legal Title Holders Deed (as applicable) or to have a significant adverse effect on the value of the Portfolio;

(g) any modifications to the rights of the Committee under the Servicing Agreement or the Interim Legal Title Holders Deed (as applicable);

(h) the transfer of legal title to each Loan and its Related Security from the Interim Legal Title Holders to a Long-Term Legal Title Holder and any documents to be entered into in relation to the Transfer of Legal Title (including the form of the Long-Term Servicing and Legal Title Holder Deed, the hello and goodbye letters and any collection account declaration of trust);

(i) any extension of the timeline for the Transfer Target Date and Legal Title Holder Transfer Date; and

(j) any Servicer Expenses Amount in excess of the Expenses Cap,

and the Servicer and/or the Issuer shall not be permitted to undertake such activities without the unanimous consent of the Committee, such consent in the case of paragraph (j) not be unreasonably withheld or delayed.

The Servicer has agreed not to consent to any request for a Further Advance or a Product Switch which is not required to be made under the applicable Mortgage Conditions without first obtaining the consent of the Servicer Administrator and the Committee.

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

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

See "Summary of the Key Transaction Documents – Servicing Agreement".

Purchase of Portfolio by Portfolio Option Holder:

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

(a) on the Interest Payment Date following the date on which the Issuer has given notice to the Portfolio Option Holder of its intention to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Note Trustee within 20 Business Days of receipt of such notice;

(b) on the First Optional Redemption Date or any Interest Payment Date following the First Optional Redemption Date pursuant to Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*);

(c) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) on the Closing Date; and

(d) on the Interest Payment Date following the date on which the Retention Holder or the Seller (or any of their delegates) gives notice of its intention to exercise the Risk Retention Regulatory Change Option.

The Portfolio Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Seller, the Interim Legal Title Holders, the Servicer and each of the Rating Agencies with such purchase to take effect on or before the Optional Redemption Date (the **Portfolio Sale Completion Date**). The Notes shall be redeemed on the Interest Payment Date falling immediately after the Portfolio Sale Completion Date.

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

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

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

Consideration for purchase by Portfolio Option Holder:

The purchase price payable by the Portfolio Option Holder in respect of the Portfolio Purchase Option shall be an amount equal to the higher of:

(a) an amount equal to (without double-counting):

(i) the aggregate Principal Amount Outstanding of the Notes plus accrued and unpaid interest thereon as at the Optional Redemption Date; plus

(ii) any fees, costs, amounts and expenses of the Issuer payable senior to the Class Y Certificates in the Post-Enforcement Priority of Payments as at the Optional Redemption Date; less

(iii) any amounts standing to the credit of the Transaction Account as at the date of the most recent Servicer Report (but disregarding any amounts standing to the credit of the Issuer Profit Ledger). For the avoidance of doubt, Revenue Receipts and Principal Receipts received by the Issuer after the date of the reporting period referred to in the most recent Servicer Report will not be distributed in accordance with the Post-Enforcement Priority of Payments on the Interest Payment Date after the Portfolio Sale Completion Date,

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

(b) the current value of all (but not some only) of the Loans in the Portfolio as determined by the Portfolio Option Holder in accordance with the Portfolio Option Deed Poll (the **Portfolio Purchase Option Current Value Purchase Price**).

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

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

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

The Portfolio Option Holder and the Retention Holder can elect to waive the requirements set out in Portfolio Option Deed Poll and enter in to such other agreement(s) as required to effect the exercise of the Portfolio Purchase Option provided that such other arrangements are notified to the Note Trustee and comply with certain requirements set out in the Portfolio Option Deed Poll.

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

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

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

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

Optional redemption of the Notes for Tax and other reasons:

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

The Seller may, pursuant to the terms of the Mortgage Sale Agreement, purchase the Issuer's interest in the Loans and their Related Security in respect of any optional redemption of the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option. The consideration payable by the Seller shall be an amount equal to the Option Repurchase Price as at the close of business on the immediately preceding Business Day. For these purposes, **Option Repurchase Price** means an amount equal to the Portfolio Purchase Option Purchase Price provided that such Option Repurchase Price may be set off against any amounts owing to the purchaser in respect of the Notes and Certificates held by the purchaser as at the Interest Payment Date on which the Notes are to be redeemed.

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

The price payable by or on behalf of the Seller and/or the Retention Holder to the Issuer to acquire the beneficial interest of the entire Portfolio from the Issuer shall be the Portfolio Purchase Option Purchase Price as calculated three Business Days prior to acquisition.

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

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

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

Risk Retention Regulatory Change Event means any change in or the adoption of any new law, rule, technical standards or regulations or any determination made by a relevant regulator, which:

(a) as a matter of law, has a binding effect on the Retention Holder or the Seller after the Closing Date and which would impose a positive obligation on any of them to subscribe for any additional Notes (other than the Notes issued on the Closing Date) in order to comply with the Risk Retention Undertaking or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Risk Retention Requirement (as determined by them, acting reasonably); or

(b) as a matter of law, in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer for purposes of the Risk Retention Requirements; and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion; or

(c) by virtue of the Retention Holder's obligation to comply with the EU Risk Retention Undertaking or the U.S. Credit Risk Retention Requirements, would, in respect of the Retention Holder, have an analogous effect or result to those specified in paragraphs (a) and (b) above.

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

Please refer to the sections entitled "Terms and Conditions of the Notes" and "Terms and Conditions of the Certificates" for further detail in respect of the terms of the Notes and the Certificates respectively.

FULL CAPITAL STRUCTURE OF THE NOTES AND CERTIFICATES

	Class A Notes	**Class B Notes**	**Class C Notes**	**Class D Notes**	**Class E Notes**	**Class F Notes**	**Class Z Notes**	**Class R Notes**	**Class X Notes**	**Class X1 Certificate**	**Class X2 Certificate**	**Class Y Certificates**
Principal Amount:	£504,292,000	£33,019,000	£19,511,000	£11,106,000	£12,607,000	£9,605,000	£10,205,000	£7,189,000	£9,005,000	N/A	N/A	N/A
Credit enhancement features:	Over collateralisation funded by other Notes, Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Over collateralisation funded by the Notes (other than the Class A Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Over collateralisation funded by the Notes (other than the Class A Notes and the Class B Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Over collateralisation funded by the Notes (other than the Class A Notes, the Class B Notes and the Class C Notes), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Over collateralisation funded by the Notes (other than the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes) Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Over collateralisation funded by the Notes (other than the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes) Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, amounts standing to the credit of the General Reserve Fund and, following service of an Enforcement Notice, amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Over collateralisation funded by the Notes (other than 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), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, prior to the service of an Enforcement Notice and following redemption of 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 all amounts standing to the credit of the	Over collateralisation funded by the Notes (other than 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), Available Revenue Receipts applied to reduce a debit on the Principal Deficiency Ledger, excess amounts released from the Liquidity Reserve Fund, prior to the service of an Enforcement Notice and following redemption of 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, all amounts	Excess Available Revenue Receipts and, following service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	N/A	N/A	N/A

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z Notes	Class R Notes	Class X Notes	Class X1 Certificate	Class X2 Certificate	Class Y Certificates
							General Reserve Fund applied as Available Principal Receipts and, following service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	standing to the credit of the General Reserve Fund applied as Available Principal Receipts and, following service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund				
Liquidity support features:	Subordination in payment of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall and amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Subordination in payment of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition) and the Liquidity Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class D Notes, the Class E Notes, the Class F Notes, the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class E Notes, the Class F Notes, the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class F Notes, the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	Subordination in payment of the Class X Notes and the Class Y Certificates, Available Principal Receipts applied as Principal Addition Amounts to cure any Revenue Shortfall (subject to the relevant PDL Condition being satisfied) and amounts standing to the credit of the General Reserve Fund (subject to satisfaction of the relevant PDL Condition)	N/A	N/A	N/A	Subordination in payment of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class X Notes and the Class Y Certificates, and amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	Subordination in payment of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class X Notes and the Class Y Certificates, and amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund	N/A

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z Notes	Class R Notes	Class X Notes	Class X1 Certificate	Class X2 Certificate	Class Y Certificates
Issue Price:	99.79454 per cent.	98.27646 per cent.	97.64993 per cent.	95.64804 per cent.	93.24269 per cent.	90.71402 per cent.	63.40608 per cent.	63.40608 per cent.	97.33976 per cent.	N/A	N/A	N/A
Reference Rate:	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	N/A (Zero Coupon)	N/A (Zero Coupon)	Compounded Daily SONIA	N/A	N/A	N/A
Coupon:	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	N/A	N/A	Reference Rate + Initial Margin / Step-Up Margin (as applicable)	N/A	N/A	N/A
Initial Margin (payable to but excluding the First Optional Redemption Date) (per annum):	1.10 per cent.	1.75 per cent.	2.50 per cent.	3.00 per cent.	3.50 per cent.	4.00 per cent.	N/A	N/A	4.00 per cent.	Class X1 Certificate Payment	Class X2 Certificate Payment	Class Y Certificate Payment
Step-Up Margin (payable on and from the First Optional Redemption Date) (per annum):	1.65 per cent.	2.65 per cent.	3.50 per cent.	4.00 per cent.	4.50 per cent.	5.00 per cent.	N/A	N/A	4.00 per cent.	Class X1 Certificate Payment	Class X2 Certificate Payment	Class Y Certificate Payment
Interest Accrual Method:	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	Actual/365	N/A	N/A	Actual/365	N/A	N/A	N/A
Interest Payment Dates:	28th day of February, May, August and November in each year	28th day of February, May, August and November in each year	28th day of February, May, August and November in each year	28th day of February, May, August and November in each year	28th day of February, May, August and November in each year	28th day of February, May, August and November in each year	N/A	N/A	28th day of February, May, August and November in each year	28th day of February, May, August and November in each year	28th day of February, May, August and November in each year	28th day of February, May, August and November in each year
First Interest Payment Date:	The Interest Payment Date falling in November 2023	The Interest Payment Date falling in November 2023	The Interest Payment Date falling in November 2023	The Interest Payment Date falling in November 2023	The Interest Payment Date falling in November 2023	The Interest Payment Date falling in November 2023	N/A	N/A	The Interest Payment Date falling in November 2023	N/A	N/A	N/A
Final Redemption Date:	The Interest Payment Date falling in November 2050	The Interest Payment Date falling in November 2050	The Interest Payment Date falling in November 2050	The Interest Payment Date falling in November 2050	The Interest Payment Date falling in November 2050	The Interest Payment Date falling in November 2050	The Interest Payment Date falling in November 2050	The Interest Payment Date falling in November 2050	The Interest Payment Date falling in November 2050	N/A	N/A	N/A
First Optional Redemption Date:	The Interest Payment Date falling in August 2026	The Interest Payment Date falling in August 2026	The Interest Payment Date falling in August 2026	The Interest Payment Date falling in August 2026	The Interest Payment Date falling in August 2026	The Interest Payment Date falling in August 2026	The Interest Payment Date falling in August 2026	The Interest Payment Date falling in August 2026	The Interest Payment Date falling in August 2026	N/A	N/A	N/A
Application for Exchange Listing:	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	N/A	N/A	N/A

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class Z Notes	Class R Notes	Class X Notes	Class X1 Certificate	Class X2 Certificate	Class Y Certificates
Regulation S ISIN:	XS2667745082	XS2667745322	XS2667745751	XS2667745835	XS2667746056	XS2667746304	XS2667746569	XS2667746726	XS2667747021	XS2667750751	XS2667750835	XS2667751056
Regulation S Common Code:	266774508	266774532	266774575	266774583	266774605	266774630	266774656	266774672	266774702	266775075	266775083	266775105
Rule 144A ISIN:	XS2667751130	XS2667751486	XS2667752450	XS2667752617	XS2667752708	XS2667752880	XS2667753003	XS2667753268	XS2667753425	XS2668084531	XS2668084887	XS2668084960
Rule 144A Common Code:	266775113	266775148	266775245	266775261	266775270	266775288	266775300	266775326	266775342	266808453	266808488	266808496
Ratings (S&P and Fitch)	AAA / AAA	AA+ / AA-	AA- / A	A / BBB+	BBB / BB+	BB- / B	Not Rated	Not Rated	B- / CCC	Not Rated	Not Rated	Not Rated
CFI	DBVXFR	DBVXFR	DBVXFR	DBVXFR	DBVXFR	DBVXFR	DBZXFR	DBZXFR	DBVXFR	DMMXXR	DMMXXR	DMMXXR
FISN REG S	AVON FINANCE 3/VAR BD 20501128 REGS	AVON FINANCE 3/VAR BD 20501128 REGS	AVON FINANCE 3/VAR BD 20501128 REGS	AVON FINANCE 3/VAR BD 20501128 REGS	AVON FINANCE 3/VAR BD 20501128 REGS	AVON FINANCE 3/VAR BD 20501128 REGS	AVON FINANCE 3/ZERO CPN BD 20501128	AVON FINANCE 3/ZERO CPN BD 20501128	AVON FINANCE 3/VAR BD 20501128 REGS	AVON FINANCE 3/VAR OTH DBT 20501128	AVON FINANCE 3/VAR OTH DBT 20501128	AVON FINANCE 3/VAR OTH DBT 20501128
FISN REG 144A	AVON FINANCE 3/VAR BD 20501128 144A	AVON FINANCE 3/VAR BD 20501128 144A	AVON FINANCE 3/VAR BD 20501128 144A	AVON FINANCE 3/VAR BD 20501128 144A	AVON FINANCE 3/VAR BD 20501128 144A	AVON FINANCE 3/VAR BD 20501128 144A	AVON FINANCE 3/ZERO CPN BD 20501128	AVON FINANCE 3/ZERO CPN BD 20501128	AVON FINANCE 3/VAR BD 20501128 144A	AVON FINANCE 3/VAR OTH DBT 20501128	AVON FINANCE 3/VAR OTH DBT 20501128	AVON FINANCE 3/VAR OTH DBT 20501128
Minimum Denomination:	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	N/A	N/A	N/A
Governing law of the Notes:	English	English	English	English	English	English	English	English	English	English	English	English

DESCRIPTION OF THE CHARACTERISTICS OF THE NOTES AND CERTIFICATES

Ranking and Form of the Notes:

On the Closing Date, the Issuer will issue the following classes of Notes under the Trust Deed:

- Class A Mortgage Backed Floating Rate Notes due November 2050 (the **Class A Notes**);
- Class B Mortgage Backed Floating Rate Notes due November 2050 (the **Class B Notes**);
- Class C Mortgage Backed Floating Rate Notes due November 2050 (the **Class C Notes**);
- Class D Mortgage Backed Floating Rate Notes due November 2050 (the **Class D Notes**);
- Class E Mortgage Backed Floating Rate Notes due November 2050 (the **Class E Notes**);
- Class F Mortgage Backed Floating Rate Notes due November 2050 (the **Class F Notes**);
- Class Z Mortgage Backed Zero Rate Notes due November 2050 (the **Class Z Notes**);
- Class R Mortgage Backed Zero Rate Notes due November 2050 (the **Class R Notes**); and
- Class X Mortgage Backed Floating Rate Notes due November 2050 (the **Class X Notes**),

and 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 X Notes are together the **Rated Notes**. The Rated Notes together with the Class Z Notes and the Class R Notes are the **Notes** and the holders thereof, the **Noteholders**.

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

Certificates:

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

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

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

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

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

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

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

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

The Class F Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class X Certificate Payments and payments of interest and principal in respect of the Class A Notes, the Class

B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as provided in the Conditions and the Transaction Documents.

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

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

The Class X Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest at all times, but subordinate to (prior to the service of an Enforcement Notice on the Issuer) the Class X Certificate Payments and payments of interest in respect of 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 and (following the service of an Enforcement Notice on the Issuer) the Class X Certificate Payments and all payments due in respect 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, the Class Z Notes and the Class R Notes, as provided in the Conditions and the Transaction Documents.

The Class X Notes rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of principal at all times, but subordinate to (prior to the service of an Enforcement Notice on the Issuer) the Class X Certificate Payments and all payment of interest due in respect 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 X Notes and (following the service of an Enforcement Notice on the Issuer) the Class X Certificate Payments, all payments due in respect 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, the Class Z Notes and the Class R Notes and all payment of interest due in respect of the Class X Notes, as provided in the Conditions and the Transaction Documents.

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

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

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

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

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

(a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit, present and future in, to and under the Transaction Documents (other than the Trust Deed, the Deed of Charge and any Scottish Transaction Documents) and any sums derived therefrom;

(b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit, present and future in, to and under the English Loans and their Related Security and the Northern Irish Loans and their Related Security and other related rights comprised in the Portfolio (other than in respect of the Scottish Loans) and any sums derived therefrom;

(c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit, present and future, to, in and under the Insurance Contracts and any sums derived therefrom;

(d) an assignation in security (pursuant to the Scottish Supplemental Charge) of the Issuer's beneficial interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the trust declared by the relevant Interim Legal Title Holder pursuant to the Scottish Declaration of Trust);

(e) a charge by way of first fixed charge over the Issuer's rights, title, interest and benefit, present and future, in and to monies now or at any time hereafter standing to the credit of the Issuer Accounts and each other account (if any) (including any securities accounts and any securities standing to the credit thereto) maintained with the Issuer Account Bank and all interest accruing from time to time thereon and the debt represented thereby;

(f) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the Issuer's rights, title, interest and benefit, present or future, under or in respect of the Interim Period Collection Account Declaration of Trust;

(g) an assignment by way of first fixed security of (and to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) all of its rights, title, interest and benefit, present and future, under or in respect of each and every trust constituted by the Mortgage Sale Agreement, the Administration Agreement, the Interim Legal Title Holders Deed and the Servicing Agreement (other than the Scottish Trust);

(h) a charge by way of first fixed charge over the Issuer's rights, title, interest and benefit, present and future, to, under or in respect of any Authorised Investments permitted to be made by the Issuer or the Cash Manager on its behalf;

(i) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the Issuer's rights, title, interest and benefit, present or future, in, or under, or in respect of the Accession Undertaking to the Seller Declaration of Trust;

(j) a floating charge over all assets of the Issuer, including any fixed charges which may take effect as floating charges, not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security but excepting from the foregoing exclusion all of its property, assets, rights and revenues situated in Scotland or Northern Ireland or governed by Scots law or Northern Irish Law (all of which are charged by the floating charge created under the Deed of Charge whether or not the subject of fixed charges or otherwise effectively assigned or charged as aforesaid); and

(k) (only upon legal title to the Scottish Loans and their Related Security transferring to the Issuer) a standard security over the Issuer's whole right, title and interest as heritable creditor under the Scottish Loans and their Related Security.

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

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

Deferral: Interest due and payable but unpaid on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes may be deferred (unless the same is the Most Senior Class of Notes) in accordance with Condition 17 (*Subordination by Deferral*). Payments in respect of the Class X Certificates may be deferred in accordance with Certificate Condition 18 (*Subordination by Deferral*).

Payments in respect of the Class Y Certificates are not deferrable as in circumstances where the Issuer has insufficient proceeds available to meet its obligations ranking senior to any Class Y Certificate, the amount due under the Class Y Certificates shall be zero.

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

Redemption of the Notes and Cancellation of Certificates:

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

(a) mandatory redemption in respect of the Notes in whole, and cancellation of the Certificates, on the Interest Payment Date falling in November 2050 (the **Final Redemption Date**), as fully set out in Condition 8.1 (*Redemption at Maturity*);

(b) prior to the service of an Enforcement Notice, mandatory redemption in part on each Interest Payment Date subject to availability of Available Principal Receipts (to the extent not applied to cover any Revenue Shortfall) as fully set out in Condition 8.2 (*Mandatory Redemption*);

(c) optional redemption exercisable by the Issuer in whole for tax or other reasons (including if it becomes unlawful for the Issuer to allow to remain outstanding any of the Notes or Certificates) on any Interest Payment Date following the date on which there is a change in tax law or other law, as fully set out in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*);

(d) mandatory redemption of the Notes in whole, and cancellation of the Certificates, following the exercise by the Portfolio Option Holder of the Portfolio Purchase Option as fully set out in Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*); and

(e) mandatory redemption in respect of the Notes in whole, and cancellation of the Certificates following the exercise by the Retention Holder or the Seller of the Risk Retention Regulatory Change Option as fully set out in Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*).

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

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

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

Expected Average Lives of the Notes:

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

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

- non-payment of interest and/or principal due in respect of the Most Senior Class then outstanding or, to the extent it is not the Most Senior Class then outstanding, the Class B Notes where such non-payment continues for a period of 14 Business Days in the case of interest and seven Business Days in the case of principal;

- default on the Final Redemption Date (or such other date on which the Notes are due to be redeemed in full) in the payment of interest or principal on any Class of Notes or in the payment of any amounts due in respect of the Certificates;

- breach of any contractual obligations by the Issuer under the Transaction Documents which, in the opinion of the Note Trustee, is materially prejudicial to the interests of the holders of the Most Senior Class if such breach is incapable of remedy or, if it is capable of remedy, has not been remedied within the applicable grace period;

- any material representation made by the Issuer is incorrect when given if the matters giving rise to such misrepresentation are in the opinion of the Note Trustee materially prejudicial to the interests of the holders of the Most Senior Class, and the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy or, if capable of remedy, such matters are not remedied within the applicable grace period; and

- the occurrence of certain insolvency-related events in relation to the Issuer.

Following the occurrence of an Event of Default, the Note Trustee may (or if so directed by an Extraordinary Resolution of the Most Senior Class or in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class, shall) serve an Enforcement Notice on the Issuer that all Classes of Notes are immediately due and repayable, provided that, in each case, the Note Trustee is indemnified and/or pre-funded and/or secured to its satisfaction. Following service of an Enforcement Notice to the Issuer, the Security Trustee may enforce the Security.

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

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

Governing Law: The Notes will be governed by English law. Each of the Transaction Documents will also be governed by and construed in accordance with English law (other than any terms of the Transaction Documents which are (i) particular to Scots law, which will be governed by and construed in accordance with Scots law and the Scottish Declaration of Trust, Scottish Supplemental Charge, Scottish Sub-Securities, Scottish Transfers and any Scottish Deed of Assumption and Resignation, which shall be governed by and construed in accordance with Scots law or (ii) particular to Northern Irish law, which will be governed, and construed in accordance with Northern Irish law).

ERISA Considerations: It is expected that the Class A Notes will be ERISA-Eligible Notes (as defined herein). Any Note that is an ERISA-Eligible Note may not be purchased or held by, or with the assets of, (a) an "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security act of 1974, as amended (**ERISA**), which is subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (b) a "plan" as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), that is subject to Section 4975 of the Code, (c) an entity whose underlying assets include "plan assets" by reason of such an employee benefit plan's or plan's investment in such entity within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA) (each of the foregoing, a **Benefit Plan Investor**), or (d) a governmental, church or non-U.S. plan which is subject to any federal, state, local, or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code (**Similar Law**), unless the acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Each purchaser and transferee of such Note (or interest therein) will be deemed to have represented, warranted and agreed that either (i) it is not, and is not acting on behalf of (and for so long as it holds such Note (or interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Note or any interest therein constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan, or (ii) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Each purchaser and transferee that is, or is acting on behalf of, a Benefit Plan Investor will be further deemed to represent, warrant and agree that: (i) none of the Issuer, the Paying Agent, any Transfer Agent, the Registrar or any other party to the transactions referred to in this Prospectus, or other persons that provide marketing services, or any of their respective affiliates, has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor (**Plan Fiduciary**), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes; and (ii) the Plan Fiduciary is exercising its own independent judgement in evaluating the investment in the Notes.

Each purchaser of a Note that is not an ERISA-Eligible Note (each Class of Notes other than the Class A Notes) (or any interest therein) will be deemed to have represented, warranted and agreed that (i) it is not, and is not acting on behalf of (and for so long as it holds such a Note (or interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor, and (ii) if it is a governmental, church or non-U.S. plan, (A) it is not, and for so long as it holds such Note (or interest therein) will not be, subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer (or other persons responsible for the investment and operation of the Issuer's assets) to any Similar Law, or (B) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a violation of any Similar Law. See the section entitled "*ERISA Considerations for Investors*" below.

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

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

Prior to an Event of Default:

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

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

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

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

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

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

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

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

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

Following an Event of Default:

Following the occurrence of an Event of Default which is continuing, Noteholders and/or Certificateholders may, if they hold not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class, or if an Extraordinary Resolution of the holders of the Most Senior Class is passed, direct the Note Trustee to serve an Enforcement Notice on the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest. The Note Trustee shall not be bound to take any such action unless first indemnified and/or pre-funded and/or secured to its satisfaction. In addition, Noteholders and/or Certificateholders holding not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates are entitled to convene a Noteholders' and/or Certificateholders' meeting, as applicable.

Noteholders' and/or Certificateholders' Meeting provisions:

	Initial meeting	*Adjourned meeting*
Notice period:	At least 21 clear days	Not less than 13 clear days or more than 42 clear days
Quorum:	Subject to more detailed provisions of the Trust Deed, one or more persons present and representing in aggregate not less	Subject to more detailed provisions of the Trust Deed: (a) for an Ordinary Resolution, one or more persons

than 25 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable, for transaction of business including the passing of an Ordinary Resolution. The quorum for passing an Extraordinary Resolution (other than a Basic Terms Modification) shall be one or more persons present and representing in the aggregate not less than 50 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable. The quorum for passing a Basic Terms Modification shall be one or more persons eligible to attend and vote at such meeting holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class of Notes and/or Certificates then outstanding or in issue, as applicable.		present and holding or representing not less than 10 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable; or
	(b)	for an Extraordinary Resolution, one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes and/or Certificates of the relevant Class then outstanding or in issue, as applicable; and
	(c)	for a Basic Terms Modification, one or more persons present and holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of

		the affected Class of Notes and/or Certificates then outstanding or in issue, as applicable.

Required majority for Ordinary Resolution:	A clear majority of persons eligible to attend and vote at such meeting and voting upon a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the Notes and/or Certificates held by such eligible person) (an **Ordinary Resolution**).
Required majority for Extraordinary Resolution:	Majority consisting of not less than 75 per cent. of persons eligible to attend and vote at such meeting and voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the Notes and/or Certificates held by such eligible person) (an **Extraordinary Resolution**).
Required majority for a written resolution:	Not less than 75 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable. A written resolution has the same effect as an Extraordinary Resolution.

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

Matters requiring Extraordinary Resolution:

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

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

against any other or others of them or against any of their property whether such rights arise under the Trust Deed, any other Transaction Document or otherwise;

- to approve the substitution of any person for the Issuer as principal debtor under the Notes other than in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) or Condition 13.20 (*Issuer Substitution Condition*);
- to assent to any modification of the Trust Deed or any other Transaction Document which is proposed by the Issuer or any other party to any Transaction Document or any Noteholder or Certificateholder, other than those modifications which are sanctioned by the Note Trustee without the consent or sanction of the Noteholders in accordance with the terms of the Trust Deed;
- to direct the Note Trustee to serve an Enforcement Notice;
- to remove the Note Trustee and/or the Security Trustee;
- to approve the appointment of a new Note Trustee and/or Security Trustee;
- to authorise the Note Trustee, the Security Trustee and/or any Appointee to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- to discharge or exonerate the Note Trustee, Security Trustee and/or any Appointee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- to appoint any persons as a committee to represent the interests of the Noteholders or the Certificateholders and to confer upon such committee any powers which the Noteholders or the Certificateholders could themselves exercise by Extraordinary Resolution;
- to sanction any scheme or proposal for the exchange, sale, conversion or cancellation of the Notes or the Certificates for or partly or wholly in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company or partly or wholly in consideration of cash;
- the amendment of any rating agency trigger levels provided for in any of the Transaction Documents; and
- to give any other authorisation or sanction which under the Trust Deed or any other Transaction Document is required to be given by Extraordinary Resolution.

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

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

Class Y Certificates Entrenched Rights:

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

(a) changes the Class Y Certificateholders' rights under the Interim Legal Title Holders Deed, any Long-Term Servicing and Legal Title Holder Deed and the Servicing Agreement;

(b) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll;

(c) changes the definition of "Class Y Certificates Entrenched Rights"; or

(d) is adverse to the holders of the Class Y Certificates (the **Class Y Certificateholders**) (and whether or not the interests of that Class Y Certificateholder align with the interests of the holders of the relevant Class or Classes of Notes and/or the Certificates),

paragraphs (a) to (d) above being the **Class Y Certificates Entrenched Rights**, unless each of the Class Y Certificateholders have consented in writing to such modification or waiver.

Retained Interest Entrenched Rights:

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

Class X Certificates Entrenched Rights:

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

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

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

Principal Amount Outstanding of the Certificates:

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

Relationship between Classes of Noteholders, Certificateholders and Retention Holder:

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

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

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

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

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

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

Relationship between Noteholders, Certificateholders and other Secured Creditors:

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

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

Relevant Person as Noteholder or Certificateholder:

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

Persons, in which case such Classes of Notes or Certificates (the Relevant Class of Notes or the Relevant Class of Certificates, as applicable) shall be deemed to remain outstanding or in issue (as the case may be). See above "*Risk Factors – Other Risks Related to Changes to the Structure and Documents – Conflict between Classes of Noteholders or Certificateholders*."

Any Notes or Certificates held by the Retention Holder or any Affiliate thereof which do not comprise the Retained Interest shall not be subject to the restrictions on convening and/or voting at meetings of Noteholders or Certificateholders described above.

Provision of Information to the Noteholders and Certificateholders: Please refer to the section entitled "*Certain Regulatory Disclosures – Transparency and reporting*" and the section entitled "*General Information*" for more information.

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

(a) subject to paragraph (d) below, any notice to Noteholders and/or Certificateholders shall be validly given if published in the *Financial Times*, or, if such newspaper shall cease to be published or, if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders and Certificateholders (in each case a **Relevant Screen**), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice;

(b) in respect of Notes and/or Certificates in definitive form, notices to Noteholders or Certificateholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any such notice will be deemed to have been given on the fourth day after the date of posting;

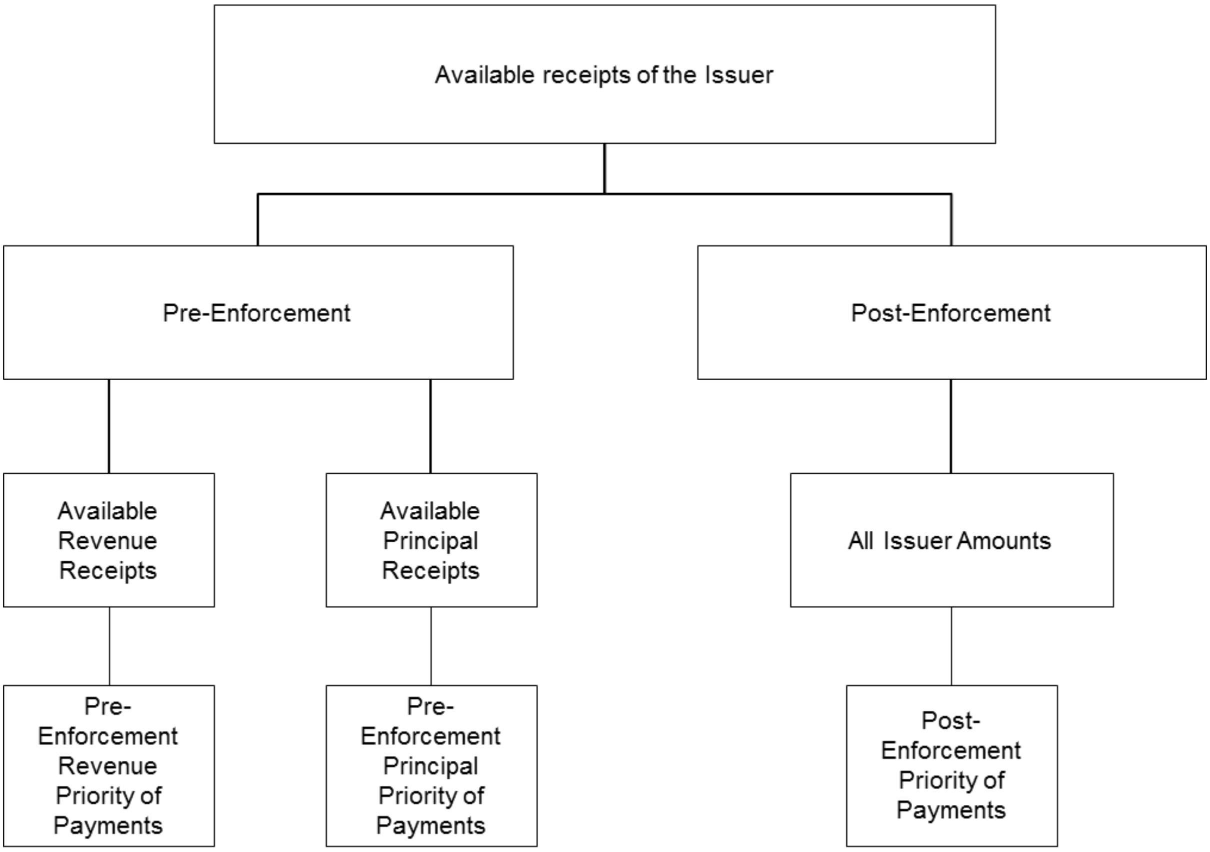
(c) while the Notes and/or Certificates are represented by Global Notes or Global Certificates, as applicable, notices to Noteholders and/or Certificateholders will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg, for communication by them to Noteholders and/or Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid, shall be deemed to have been given on the day such notice is sent to Euroclear and/or Clearstream, Luxembourg; and

(d) in relation to the Notes and Noteholders, so long as the relevant Notes are admitted to trading on, and listed on the official list of, Euronext Dublin all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

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

DESCRIPTION OF THE CREDIT STRUCTURE AND CASHFLOW

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



Available Funds of the Issuer:

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

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

(*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*);

(b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Calculation Period and income from any Authorised Investments to be received on or prior to the Calculation Date;

(c) any amounts standing to the credit of the Transaction Account that do not represent Principal Receipts and excluding all amounts standing to the credit of the Issuer Profit Ledger, the Liquidity Reserve Fund Ledger and the General Reserve Fund Ledger and amounts withheld by the Paying Agent from payments of Certificate Payment Amounts under the Certificates on a previous Interest Payment Date;

(d) other net income of the Issuer received during the immediately preceding Calculation Period, excluding any Principal Receipts;

(e) Principal Addition Amounts to be applied as Available Revenue Receipts in accordance with paragraph (a) of the Pre-Enforcement Principal Priority of Payments to pay a Revenue Shortfall;

(f) on each Interest Payment Date, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8 (*Determinations and Reconciliation*);

(g) any amounts standing to the credit of the General Reserve Fund (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) above of this definition of Available Revenue Receipts and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) below of this definition of Available Revenue Receipts)) to make a General Reserve Fund Payment (having determined whether the relevant PDL Condition has been satisfied, where applicable);

(h) any amounts standing to the credit of the Liquidity Reserve Fund (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) above of this definition of Available Revenue Receipts) and, in respect of the Class B Notes, subject to the relevant PDL Condition being satisfied) to pay Senior Revenue Amounts; and

(i) any Available Principal Receipts to be applied as Available Revenue Receipts pursuant to item (k) of the Pre-Enforcement Principal Priority of Payments;

less

(j) amounts applied from time to time during the immediately preceding Calculation Period in making payment of certain monies in connection with the acquisition, disposal, holding and/or servicing of the Loans which properly belong to third parties (including the Seller) such as (but not limited to):

(i) certain costs and expenses charged by the Servicer in respect of its servicing of the Loans and the Related Security comprising the Portfolio, costs or expenses incurred in relation to any audit in respect of title and security, other than any amounts payable by way of fees under the Servicing Agreement in accordance with the Pre-Enforcement Revenue Priority of Payments and not otherwise covered by the items below (the **Servicer Expenses Amount**);

(ii) payments of certain insurance premia in respect of the Insurance Contracts (to the extent referable to the Loans);

(iii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amounts itself from its customer's account or is required to refund an amount previously debited and such other amounts that have been paid in error or otherwise recalled or that are required by the Interim Period Collection Account Bank to be credited to a reserve which will set aside an amount for such payments in the collection accounts of the Interim Legal Title Holders; and

(iv) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower; and

(v) any Borrower Fees (and other fees) charged to a Borrower by the Servicer (for the avoidance of doubt, excluding Recovery Proceeds), which are permitted to be retained by the Servicer in accordance with the Servicing Agreement,

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

(k) any tax payments paid or payable by the Issuer during the immediately preceding Calculation Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger; and

(l) (taking into account any amount paid by way of Permitted Withdrawals) amounts to remedy any overdraft in relation to the Interim Period Collection Accounts of the Interim Legal

Title Holders, or to pay any amounts due to the Interim Period Collection Account Bank (as applicable) in respect of the Loans.

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

(a) all Principal Receipts received by or on behalf of the Issuer during the immediately preceding Calculation Period;

(b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date by the application of Available Revenue Receipts;

(c) on each Interest Payment Date following a Calculation Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 6.8 (*Determinations and Reconciliation*);

(d) principal from any Authorised Investments to be received on or prior to the Calculation Date;

(e) if all Notes are being redeemed in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) on the relevant Interest Payment Date, then all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund;

(f) all Liquidity Reserve Fund Excess Amounts;

(g) following redemption in full of the Class F Notes, all amounts standing to the credit of the General Reserve Fund; and

(h) following the service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund.

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

Pre-Enforcement Revenue Priority of Payments

(a) Amounts due to the Note Trustee and the Security Trustee (in their personal capacities as such) and any Appointee thereof (in its personal capacity as such) including all charges, fees, costs, liabilities, expenses and all other amounts;

(b) Pro rata and *pari passu*, amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Replacement Cash Manager Facilitator, the Servicer (in respect of the Senior Servicing Fee), the Interim Legal Title Holders (in respect of the Capped Senior Interim LTH Fee), the Corporate Services Provider, the Issuer Account Bank, and the Servicer Facilitator, in each case including all fees, costs, liabilities and expenses;

(c) Third-party expenses;

(d) Issuer Profit Amount;

(e) Pro rata and *pari passu*, (i) any interest due on the Class A Notes, (ii) the Class X1 Certificate Payment due on the Class X1 Certificate and (iii) the Class X2 Certificate Payment due on the Class X2 Certificate;

Pre-Enforcement Principal Priority of Payments

(a) Principal Addition Amounts to be applied to meet any Revenue Shortfall (such amounts to be applied as Available Revenue Receipts), provided that Available Principal Receipts shall only be applied to provide for any such Revenue Shortfall in relation to items (g), (j), (l), (n) and (p) of the Pre-Enforcement Revenue Priority of Payments if the relevant PDL Condition is satisfied;

(b) Pro rata and *pari passu*, to the principal amounts due on the Class A Notes;

(c) Pro rata and *pari passu*, to the principal amounts due on the Class B Notes;

(d) Pro rata and *pari passu*, to the principal amounts due on the Class C Notes;

(e) Pro rata and *pari passu*, to the principal amounts due on the Class D Notes;

(f) Pro rata and *pari passu*, to the principal amounts due on the Class E Notes;

(g) Pro rata and *pari passu*, to the principal amounts due on the Class F Notes;

Post-Enforcement Priority of Payments

(a) Amounts due in respect of the Note Trustee, the Security Trustee, the Receiver and any Appointee (in their personal capacities as such) including all charges, fees, costs, liabilities, expenses and all other amounts;

(b) Pro rata and *pari passu*, amounts due to the Agent Bank, the Registrar, the Paying Agent, the Cash Manager, the Replacement Cash Manager Facilitator, the Servicer (in respect of the Senior Servicing Fee), the Interim Legal Title Holders (in respect of the Capped Senior Interim LTH Fee), the Corporate Services Provider, the Issuer Account Bank and the Servicer Facilitator, in each case including all fees, costs, liabilities and expenses;

(c) Pro rata and *pari passu*, to (i) amounts of interest due on the Class A Notes and any principal due on the Class A Notes, (ii) any Class X1 Certificate Payment due and payable on the Class X1 Certificates, and (iii) any Class X2 Certificate Payment due and payable on the Class X2 Certificates;

Pre-Enforcement Revenue Priority of Payments

(f) Amounts to be credited to the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(g) Pro rata and *pari passu*, any interest due on the Class B Notes;

(h) To credit the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;

(i) Amounts to be credited to the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(j) Pro rata and *pari passu*, any interest due on the Class C Notes;

(k) Amounts to be credited to the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);

(l) Pro rata and *pari passu*, any interest due on the Class D Notes;

Pre-Enforcement Principal Priority of Payments

(h) MSA Warranty Rebate payments due to the Seller;

(i) Pro rata and *pari passu*, to the principal amounts due on the Class Z Notes;

(j) Pro rata and *pari passu*, to the then principal amounts due on the Class R Notes; and

(k) Any excess in or towards application as Available Revenue Receipts.

Post-Enforcement Priority of Payments

(d) Pro rata and *pari passu*, first, to the amounts of interest and, secondly, to the amount of principal due on the Class B Notes;

(e) Pro rata and *pari passu*, first, to the amounts of interest and, secondly, to the amount of principal due on the Class C Notes;

(f) Pro rata and *pari passu*, first, to the amounts of interest and, secondly, to the amount of principal due on the Class D Notes;

(g) Pro rata and *pari passu*, first, to the amounts of interest and, secondly, to the amount of principal due on the Class E Notes;

(h) Pro rata and *pari passu*, first, to the amounts of interest and, secondly, to the amount of principal due on the Class F Notes;

(i) Pro rata and *pari passu*, to the amount of principal due on the Class Z Notes;

(j) Pro rata and *pari passu*, to the amount of principal due on the Class R Notes;

(k) Pro rata and *pari passu*, to the amounts of interest due on the Class X Notes;

Pre-Enforcement Revenue Priority of Payments

(m) Amounts to be credited to the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(n) Pro rata and *pari passu*, any interest due on the Class E Notes;

(o) Amounts to be credited to the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(p) Pro rata and *pari passu*, any interest due on the Class F Notes;

(q) Amounts to be credited to the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(r) Credit the General Reserve Fund up to the General Reserve Fund Required Amount;

(s) Amounts to be credited to the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts

Pre-Enforcement Principal Priority of Payments

Post-Enforcement Priority of Payments

(l) Amounts due to the Interim Legal Title Holders (in respect of the Subordinated Interim LTH Fee);

(m) Pro rata and *pari passu*, to the amount of principal due on the Class X Notes;

(n) Pro rata and *pari passu*, amounts due to Secured Creditors incurred without breach by the Issuer, where payment has not been provided for elsewhere and any amounts required to pay or discharge any corporation tax liability;

(o) MSA Warranty Rebate payments due to the Seller;

(p) to the Issuer Profit Amount; and

(q) Pro rata and *pari passu*, to any Class Y Certificate Payment.

Pre-Enforcement Revenue Priority of Payments	Pre-Enforcement Principal Priority of Payments	Post-Enforcement Priority of Payments
to be applied as Available Principal Receipts);		
(t) Pro rata and *pari passu*, any interest due on the Class X Notes;		
(u) Amounts due to the Interim Legal Title Holders (in respect of the Subordinated Interim LTH Fee);		
(v) Pro rata and *pari passu*, to the principal amounts due on the Class X Notes;		
(w) Costs and expenses of the Issuer (including the Subordinated Servicing Fees but excluding the Subordinated Interim LTH Fee) which remain due and unpaid following the application of Available Revenue Receipts to the above items;		
(x) MSA Warranty Rebate due to the Seller (after application of amounts applied in accordance with item (h) of the Pre-Enforcement Principal Priority of Payments); and		
(y) Pro rata and *pari passu*, to the Class Y Certificate Payment.		

General Credit Structure: The credit structure of the transaction includes the following elements:

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

On and from the first Interest Payment Date, if required, the amounts standing to the credit of the General Reserve Fund will be available to be applied as Available Revenue Receipts (to the extent there is a shortfall) in accordance with the Pre-Enforcement Revenue Priority of Payments to pay a General Reserve Fund Payment (having determined whether the relevant PDL Condition has been satisfied, where applicable) (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) of the definition of Available Revenue Receipts) or in accordance with the Post-Enforcement Priority of Payments (as applicable).

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

General Reserve Fund Payment means payments required to be made pursuant to items (a) to (g) and (i) to (q) of the Pre-Enforcement Revenue Priority of Payments, subject, in respect of items (g), (j), (l), (n) and (p) of the Pre-Enforcement Revenue Priority of Payments, to the relevant PDL Condition being satisfied.

General Reserve Fund Required Amount means an amount equal to:

(a) on the Closing Date and on any Interest Payment Date prior to the date on which the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the

Class E Notes and the Class F Notes are redeemed in full (the **Class F Notes Redemption Date**), an amount equal to 0.75 per cent. of the Current Balance of all Loans (excluding the Shortfall Loans) comprising the Portfolio as at the Closing Date; and

(b) on any Interest Payment Date falling on or after the Class F Notes Redemption Date, zero.

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

On and from the first Interest Payment Date, the Liquidity Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts) and, in respect of Class B Notes, subject to the relevant PDL Condition being satisfied)) or in accordance with the Post-Enforcement Priority of Payments (as applicable).

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

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

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

(a) on the Closing Date, an amount equal to 0.50 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes;

(b) on any Interest Payment Date on which the Liquidity Reserve Fund Trigger Condition is not satisfied, the lower of:

(i) an amount equal to 0.50 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes as at the Closing Date; and

(ii) an amount equal to 1 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes as at such Interest Payment Date (as determined prior to any redemptions of the Class A Notes and the Class B Notes on such Interest Payment Date); and

(c) on any Interest Payment Date on which the Liquidity Reserve Fund Trigger Condition is satisfied, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes as at such Interest Payment Date (as determined prior to any redemptions of the Class A Notes and the Class B Notes on such Interest Payment Date).

Liquidity Reserve Fund Trigger Condition means the condition which is satisfied where, on the relevant Interest Payment Date, the amount standing to the credit of the General Reserve Fund as at such Interest Payment Date (after application of Available Revenue Receipts) would be less than 0.6 per cent. of the Current Balance of all Loans (excluding the Shortfall Loans) comprising the Portfolio as at the Closing Date (and for the purposes of making such determination, the Cash Manager shall determine the amount that would be standing to the credit of the General Reserve Fund after the application of Available Revenue Receipts on the basis of the Liquidity Reserve Fund Trigger Condition not being satisfied).

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

3. On each Calculation Date prior to the service of an Enforcement Notice or the redemption in full of 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 if the Cash Manager determines that there will be a Revenue Shortfall, then pursuant

to item (a) of the Pre-Enforcement Principal Priority of Payments, the Cash Manager on behalf of the Issuer shall apply Available Principal Receipts as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments (amounts so applied, which for the avoidance of doubt, shall not be applied in respect of any Class X Certificate Payments due on the Class X Certificates, being **Principal Addition Amounts**), subject, in respect of items (g), (j), (l), (n) and (p) of the Pre-Enforcement Revenue Priority of Payments, to the relevant PDL Condition being satisfied.

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

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

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

Any Principal Addition Amounts will be recorded on the date such Principal Addition Amounts are determined by the Cash Manager and any Losses (excluding any losses or non-recoveries in respect of Shorfall Loans) on the Portfolio will be recorded on the date on which the Cash Manager is informed of such Losses by the Servicer or the Seller, and will each be recorded as a debit: (a) first, to the Class Z Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class Z Notes; (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 Loan and its Related Security to outstanding fees and interest amounts due and payable on the relevant Loan. The Cash Manager will record as a credit to the Principal Deficiency Ledger Available Revenue Receipts applied pursuant to items (f), (i), (k), (m), (o), (q) and (s) of the Pre-Enforcement Revenue Priority of Payments (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).

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

6. A ledger will be established to record any MSA Warranty Payments made by the Seller to the Issuer in accordance with the Mortgage Sale Agreement (the **Seller MSA Rebate Ledger**). The Cash Manager will make all debits and/or credits to the Seller MSA Rebate Ledger on the basis of, and on reliance on, information provided to it by the Issuer, the Seller and/or the Servicer. Any MSA Warranty Payments will be

recorded as a debit on the Seller MSA Rebate Ledger by the Cash Manager on the date that such amount is deposited in the Transaction Account (with a corresponding credit being made to the MSA Warranty Claims Ledger). The Cash Manager will record as a credit to the Seller MSA Rebate Ledger any MSA Warranty Rebate paid pursuant to item (x) of the Pre-Enforcement Revenue Priority of Payments, item (h) of the Pre-Enforcement Principal Priority of Payments or item (o) of the Post-Enforcement Priority of Payments, as applicable.

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

MSA Warranty Payment means any amounts which the Seller pays to the Issuer in respect of the MSA Warranty Indemnity Amount due pursuant to the Mortgage Sale Agreement (excluding the purchase price paid in respect of any Loan which the Seller elects to repurchase following service of a Loan Remedy Notice).

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

7. Available Revenue Receipts and Available Principal Receipts shall be applied on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively. Other than amounts which the Issuer expects to generate in each accounting period as its profit in respect of the business of the Issuer in accordance with item (d) of the Pre-Enforcement Revenue Priority of Payments, it is not intended that any surplus will be accumulated in the Issuer.

If, on any Interest Payment Date, the Issuer has insufficient Available Revenue Receipts to make payment in full of all amounts of interest (including any accrued interest thereon) due on the Notes (other than the Class A Notes and the Class B Notes or the Most Senior Class of Notes) or the Class X Certificate Payments in respect of the Class X Certificates that would otherwise be payable absent the deferral provisions in respect of the Notes (other than the Class A Notes and the Class B Notes or the Most Senior Class of Notes) after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer will be entitled under Condition 17 (*Subordination by Deferral*) and Certificate Condition 18 (*Subordination by Deferral*), as applicable, to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as the relevant Class of Notes or Certificates becomes due and repayable in full in accordance with the Conditions or Certificate Conditions. Any such deferral in accordance with the deferral provisions contained in the Conditions will not constitute an Event of Default.

Failure to pay interest on the Most Senior Class then outstanding or, to the extent it is not the Most Senior Class then outstanding, the Class B Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Notes being accelerated and the Security Trustee enforcing the Security.

DESCRIPTION OF THE TRIGGERS TABLES

Rating Triggers Table

Transaction Party:	Required Ratings/Triggers:	Possible effects of Trigger being breached include the following:
Issuer Account Bank:	(a) in the case of S&P, a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P, or should the Issuer Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 from S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&P; (b) in the case of Fitch, a short-term issuer default rating of at least ”F1" by Fitch or a long-term issuer default rating (or deposit rating, if assigned) of at least "A" by Fitch; or (c) (in each case) such other credit rating as would not adversely affect the then current rating of the Rated Notes, (the **Account Bank Rating**).	If the Issuer Account Bank fails to maintain any of the Account Bank Ratings, then the Issuer shall use all reasonable endeavours to, within 30 calendar days (but no sooner than 30 calendar days) following the first day on which such downgrade occurred, either: (a) close the relevant Issuer Accounts held with the Issuer Account Bank (including, for the avoidance of doubt, the Transaction Account) and use all reasonable endeavours to open replacement accounts with a financial institution (i) having the Account Bank Ratings and (ii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or (b) use all reasonable endeavours to obtain a guarantee of the obligations of the Issuer Account Bank under the Bank Account Agreement from a financial institution which has the Account Bank Ratings. The Issuer Account Bank shall assist the other parties hereto to effect an orderly transition of the banking arrangements, including without limitation, transferring all amounts standing to the credit of the Issuer Accounts to the accounts with the replacement financial institution notified to it by the Issuer.
Interim Period Collection Account Bank:	(a) a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is	If an Insolvency Event occurs in relation to the Interim Period Collection Account Bank or the Interim Period Collection Account Bank ceases to have the Interim Period Collection Account Bank Rating, the Servicer (on behalf of the Issuer) will (with the reasonable assistance of the

Transaction Party:	Required Ratings/Triggers:	Possible effects of Trigger being breached include the following:
	assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB by S&P, or should the Interim Period Collection Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB+ by S&P; (b) in the case of Fitch, a short-term issuer default rating of at least "F2" by Fitch or a long-term issuer default rating (or deposit rating, if assigned) of at least "BBB+" by Fitch; or (c) such other lower rating which is consistent with the then current rating methodology of the relevant Rating Agency in respect of the then current ratings of the Rated Notes, (the **Collection Account Bank Rating**).	Interim Legal Title Holders) within 60 calendar days of such downgrade: (a) use all reasonable endeavours to appoint a replacement financial institution with the Collection Account Bank Rating to act as replacement Collection Account Bank which is a bank for the purposes of section 878 ITA 2007 and which will pay interest in relation to the Collection Accounts in the ordinary course of its business; (b) use all reasonable endeavours to procure that such financial institution enters into a replacement collection accounts agreement; (c) use all reasonable endeavours to procure that new collection accounts are opened and established at the replacement institution and further procure that all amounts held on trust for the Issuer standing to the credit of the Interim Period Collection Accounts are transferred to the replacement accounts at such replacement institution as soon as practicable; and (d) transfer all Direct Debit Mandates to such replacement collection accounts and the Servicer (on the Issuer's behalf) will instruct Borrowers to make all monthly instalments made by a Borrower under a payment arrangement other than the Direct Debiting Scheme to such replacement collection accounts from the date on which the replacement collection accounts are opened, and the Issuer and the Interim Legal Title Holders shall provide such assistance as

Transaction Party:	Required Ratings/Triggers:	Possible effects of Trigger being breached include the following:
		the Servicer may reasonably require to carry out the foregoing.

Non-Rating Triggers Table

Perfection Trigger Events:	The Issuer (prior to the delivery of an Enforcement Notice, with the consent of the Committee or after the delivery of an Enforcement Notice, with the consent of the Security Trustee (acting on the instructions of the Note Trustee)) may by notice in writing (a **Perfection Notice**) to the Interim Legal Title Holders (with a copy to the Seller and the Security Trustee) require the Interim Legal Title Holders or the Long-Term Legal Title Holder (as applicable) to perfect the assignment or assignation to the Issuer (or to its nominee, which will initially be Western Mortgage Services Limited unless a Perfection Trigger Event has occurred in respect of Western Mortgage Services Limited and provided that requirements of Transfer of Legal Title in relation set out in the Interim Legal Title Holders Deed has been complied with) of the legal title to the Loans and their Related Security as soon as reasonably practicable, following the occurrence of any of the following events (each a **Perfection Trigger Event**): (a) the termination of the Initial Term; (b) an Enforcement Notice has been served by the Note Trustee following the occurrence of an Event of Default which is continuing; (c) any Legal Title Holder is required to perfect the Issuer's legal title to the Loans by an order of a court of competent jurisdiction or by a regulatory authority which has jurisdiction over the relevant Legal Title Holder or by any organisation of which the relevant Legal Title Holder is a member; (d) it becomes necessary by law or regulation to do any or all of the acts referred to in paragraph (c) above; (e) the security created under or pursuant to the Deed of Charge or any material part of that security is, in the opinion of the Security Trustee, in danger of being seized or sold under any form of distress, diligence, attachment, execution or other legal process or otherwise in jeopardy; (f) the occurrence of a Change of Control of a Legal Title Holder (in case of the Interim Legal Title Holders, only if (A) the Issuer has not entered into a guarantee with the entity controlling such Interim Legal Title Holder on or

about the date of such Change of Control or (B) the Issuer has not reached another agreement with The Co-operative Bank plc and/or the new controlling entity of such Interim Legal Title Holder on or about the date of such Change of Control);

(g) the occurrence of a Servicer Termination Event, the Issuer giving notice to the Servicer in accordance with the Servicing Agreement or the Servicer purporting to resign its appointment as Servicer in accordance with the Servicing Agreement, unless a reputable UK Servicer that will service the Loans alongside the relevant Legal Title Holder, on acceptable commercial terms and on terms acceptable to the relevant Legal Title Holder, can be identified within six months from the occurrence of such event;

(h) an Insolvency Event in relation to the Legal Title Holders or any other entity in which legal title to any Loan is vested; or

(i) default is made by a Legal Title Holder in the performance or observance of any of its covenants and obligations under the relevant Legal Title Holder Deed, or any other Transaction Document to which it is a party, which is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders and/or the Certificateholders and such default continues unremedied for a period of 15 Business Days after the earlier of the relevant Legal Title Holder becoming aware of such default and receipt by the relevant Legal Title Holder of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied.

Servicer Facilitator Termination Events:

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

(a) default is made by the Servicer Facilitator in the performance or observance of any of its covenants and obligations under the Transaction Documents to which it is a party, which is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 15 Business Days after the earlier of the Servicer Facilitator becoming aware of such default and receipt by the Servicer Facilitator of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied; or

(b) an Insolvency Event in respect of the Servicer Facilitator, provided that the Servicer Facilitator's appointment shall not be terminated until a successor servicer facilitator has been appointed.

Servicer Termination Events:

The appointment of the Servicer may (or, in the case of any of the events listed in paragraphs (d) and (g) below, shall) be terminated by the Issuer, in each case with the consent of the Committee and (after delivery of an Enforcement Notice) the Security Trustee, if any of the following events (each a **Servicer Termination Event**) occurs and is continuing:

(a) an Enforcement Notice (which has been issued on account of a Servicer Termination Event) has been served by the Note Trustee following the occurrence of an Event of Default which is continuing;

(b) default is made by the Servicer in the payment on the due date of any payment due and payable by it under the Servicing Agreement or any other Transaction Document to which the Servicer is a party and such default continues unremedied for a period of 10 Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or following the delivery of an Enforcement Notice, the Security Trustee requiring the default to be remedied;

(c) 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 the Servicer is a party and in the reasonable opinion of the Issuer (prior to the delivery of an Enforcement Notice) or in the opinion of the Security Trustee (after the delivery of an Enforcement Notice) (acting on the instructions of the Note Trustee) such default is materially prejudicial to the interests of the Noteholders and/or the Certificateholders (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 the Interim Legal Title Holders or, following delivery of an Enforcement Notice, the Security Trustee, as appropriate, requiring the same to be remedied, provided however that where the relevant default and receipt of notice of such default occurs as a result of a default by any person to whom the Servicer has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if, within such period of 15 Business Days, the Servicer terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Issuer may in its reasonable discretion specify to remedy such default or to indemnify and/or secure and/or pre-fund the

Issuer to its satisfaction (as applicable) against the consequences of such default;

(d) the Servicer ceasing to be an authorised person under FSMA or the revocation of an applicable licence, registration or regulatory permission held by it required to perform the Services;

(e) the occurrence of a Change of Control in respect of the Servicer, provided that, if the Servicer has notified the Issuer in writing that any such Change of Control has taken place, the Issuer must deliver a termination notice within 30 days following receipt of such notice or otherwise will be deemed to have consented to the Change of Control;

(f) occurrence of a Force Majeure Event which is materially prejudicial to the interests of the Noteholders and/or Certificateholders and such an event continues and is unremedied for a period of 7 calendar days after the end of the FM Consultation Period; and

(g) an Insolvency Event in respect of the Servicer.

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

The Servicer may resign upon giving not less than 12 months' written notice, provided that the Issuer (with the consent of the Committee) and the Security Trustee have consented, and that, *inter alia*, a replacement Servicer has been appointed and that certain other requirements provided in the Servicing Agreement have been complied with.

Upon occurrence of a Force Majeure Event, the Issuer, the Committee and the Servicer shall consult each other for a period of 21 calendar days (the **FM Consultation Period**) (on and from the earlier of the Servicer becoming aware of such event and receipt by the Servicer of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee requiring the same to be remedied).

Change of Control means:

(a) in respect of the Servicer, that it ceases to be controlled, directly or indirectly, by Capita plc; and

(b) in respect of the Interim Legal Title Holders, it ceases to be controlled, directly or indirectly, by The Co-operative Bank plc.

FEES

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

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing Fee (core services)	The fees payable by the Issuer on each Interest Payment Date, subject to there being sufficient Available Revenue Receipts and/or Available Principal Receipts and payable, in each case, in accordance with the applicable Priority of Payments. <u>Senior fee:</u> For so long as Western Mortgage Services Limited is the Servicer, the following fees (exclusive of VAT) (the **Senior Servicing Fee**): (i) a base servicing fee (the **Core Fee**) in relation to each Calculation Period, calculated on the basis of the number of days elapsed (for which the Servicer was performing the Services) in a 365-day year (or 366-day year in a leap year) at the rate of 0.14 per cent. per annum on the aggregate average Current Balance of all Loans comprising the Portfolio as at the close of business on the last calendar day of each Collection Period, the average balance to be calculated as total Current Balance of all Loans comprising the Portfolio on the first day of the Collection Period plus the total Current Balance of all	Senior Servicing Fee payable ahead of all outstanding Notes and Certificates but after the fees of the Note Trustee and the Security Trustee. Subordinated Servicing Fees payable ahead of outstanding Class Y Certificates.	Quarterly in arrear on each Interest Payment Date.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	Loans comprising the Portfolio on the last day of the Collection Period divided by two; (ii) £73.11 per Arrears Loan, charged for each Collection Period in which the Loan continues to be an Arrears Loan; and (iii) £73.11 per Loan which remains outstanding after its maturity date, charged once per Collection Period, commencing with the Collection Period in which the maturity date falls, provided that amounts owed by the Borrower in respect of that Loan remain outstanding at the end of that Collection Period and provided that the fees shall cease to be charged in the Collection Period during which the Borrower has formally extended the term of a Loan beyond its scheduled redemption date; (iv) £73.11 per Loan in respect of which a Payment Holiday has been granted (each such loan, a **Payment Holiday Loan**) in that Collection Period, charged only once in the Collection Period in such Payment Holiday is granted (and for the avoidance of doubt, such fee is only payable once per Payment		

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	Holiday Loan and will not recur in any Collection Period succeeding the Collection Period in which the Payment Holiday was granted for such Payment Holiday Loan); (v) £73.11 per Loan which has ceased to be a Payment Holiday Loan on account of the expiry of the Payment Holiday granted in relation to such Loan, charged only once in the Collection Period in which the Loan ceases to be a Payment Holiday Loan, with such determination notified in writing by the Servicer to the Issuer, the Security Trustee and the Cash Manager within 7 Business Days of the end of each Calculation Period (and for the avoidance of doubt, such fee is only payable once per Loan which has ceased to be Payment Holiday Day and will not recur in any Collection Period succeeding the Collection Period in which such Loan has ceased to be a Payment Holiday Loan); and (vi) £151.42 per Loan which has been repaid in full during a Calculation Period. Subordinated fee:		

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	For so long as Western Mortgage Services Limited is the Servicer, any remuneration payable to the Servicer in excess of the Senior Servicing Fee Cap and any amounts in respect of VAT thereon (and for the avoidance of doubt, no such subordinated fee shall be due where Western Mortgage Services Limited is not the Servicer) (the **Subordinated Servicing Fee**). Further information in respect of the Servicing Fee (including the annual indexation of the fee on each anniversary of the Servicing Agreement in accordance with the UK Average Weekly Earnings Index and the Senior Servicing Fee Cap) is provided in the section entitled "*Summary of the Key Transaction Documents – Servicing Agreement*".		
Interim Legal Title Holders Fee	The fees payable by the Issuer on each Interest Payment Date, subject to there being sufficient Available Revenue Receipts and/or Available Principal Receipts and payable in each case in accordance with the applicable Priority of Payments. The Interim Legal Title Holders Fee shall be inclusive of VAT and shall be calculated on the basis of the number of days elapsed (for which the Interim Legal Title Holders were holding legal title to the Loans on trust for the benefit of the Issuer) in a 365-day year (or 366-day year in a leap year) at the rate of 0.095 per cent. per annum of the Current Balance of the Loans comprising the Portfolio held by that Interim	Ahead of all outstanding Notes and Certificates.	Quarterly in arrear on each Interest Payment Date.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	Legal Title Holder as at the close of business on the last calendar day of each Calculation Period, the average balance to be calculated as total Current Balance of all Loans comprising the Portfolio on the first day of the Calculation Period plus the total Current Balance of all Loans comprising the Portfolio on the last day of the Calculation Period divided by two. **Senior Interim LTH Fee:** The amount of the Interim Legal Title Holders Fee up to 0.065% per annum of the Current Balance of the Loans comprising the Portfolio held by that Legal Title Holder as at the close of business on the last calendar day of each Calculation Period Capped Senior Interim LTH Fee Senior Interim LTH Fee and and the Interim LTH Increased Senior Fees up to the Interim Legal Title Holders Senior Fee Cap **Subordinated Interim LTH Fee:** The amount of the Interim Legal Title Holders Fee up to 0.03% per annum of the Current Balance of the Loans comprising the Portfolio held by that Legal Title Holder as at the close of business on the last calendar day of each Calculation Period. Further information in respect of the Interim Legal Title Holders Fee (including the annual indexation of the fee on		

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	each anniversary of the Interim Legal Title Holders Deed in accordance with the UK Average Weekly Earnings Index) is provided in the section entitled "*Summary of the Key Transaction Documents – Interim Legal Title Holders Deed*".		
Other fees and expenses of the Issuer	Estimated at £200,000 per annum exclusive of VAT.	Ahead of all outstanding Notes and Certificates but (other than the fees and expenses of the Note Trustee and the Security Trustee) after the fees of the Note Trustee and the Security Trustee.	Quarterly in arrear on each Interest Payment Date.
Expenses related to the admission to trading of the Notes	Estimated at €16,840 (exclusive of VAT).	Ahead of all outstanding Notes and Certificates but after the fees of the Note Trustee and the Security Trustee.	On or about the Closing Date.

The Servicer and Interim Legal Title Holders shall not be entitled to any fees set out above in relation to Shortfall Loans.

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

CERTAIN REGULATORY DISCLOSURES

UK Securitisation Regulation and EU Securitisation Regulation

Barclays Bank PLC will retain, as originator (the **Retention Holder**) for the purposes of the UK Securitisation Regulation and has elected to retain for the purposes of the EU Securitisation Regulation, on an ongoing basis a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation and Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation (not taking into account any relevant national measures)), as if it were applicable to it.

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

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

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

(a) retain the Retained Interest;

(b) not change the manner in which it retains such Retained Interest, except to the extent permitted or required under the UK Securitisation Regulation and the EU Securitisation Regulation;

(c) not subject the Retained Interest to any credit risk mitigation or hedging, or sell, transfer or otherwise surrender all or part of the rights benefits or obligations arising from the Retained Interest, except, in each case, to the extent permitted under the UK Securitisation Regulation and the EU Securitisation Regulation;

(d) confirm its Retained Interest through the disclosure in the UK SR Investor Reports and the EU SR Investor Reports;

(e) promptly notify the Issuer, the Arranger, the Note Trustee, the Security Trustee and the Cash Manager if for any reason it ceases to hold, or changes the manner in which it holds, the Retained Interest in accordance with paragraph (a) above or fails to comply with the covenants set out in paragraphs (a) to (d) above in respect of the Retained Interest; and

(f) noting that it is not the Reporting Entity, comply (or procure compliance) with the disclosure obligations under Article 7 of the UK Securitisation Regulation, including, without limitation, by providing the Issuer with access to any reasonable and relevant additional data as necessary for the Issuer to comply with its obligations as the entity responsible for compliance with the requirements of Article 7 of the UK Securitisation Regulation (subject to all applicable laws) provided that the obligations of the Retention Holder in this paragraph (f) shall be subject to any legal or regulatory requirements applicable to the Retention Holder and provided further that the Retention Holder will not be in breach of the requirements of this paragraph (f) if, due to events, actions or circumstances beyond its control, it is not able to comply with the undertakings contained herein.

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

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

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

Transparency and reporting

Designation of the Reporting Entity

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

Reporting under the UK Securitisation Regulation

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

The Reporting Entity intends that this Prospectus constitutes a transaction summary/overview of the main features of the transaction contemplated herein for the purposes of Article 7(1)(c) of the UK Securitisation Regulation.

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

Reporting under the EU Securitisation Regulation

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

No self-certified Loans

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

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

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

Notes are not part of a re-securitisation

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

Investors to assess compliance

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

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

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

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

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

U.S Credit Risk Retention

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

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

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

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

Rule 15Ga-2

Rule 15Ga-2, which became effective on 15 June 2015, requires any issuer or underwriter of asset-backed securities (including, for this purpose, securitisations of residential and commercial mortgage loans as well as other asset classes) rated by a nationally recognised statistical rating organisation to furnish a form via the SEC's EDGAR database describing the findings and conclusions of any third-party due diligence report obtained by the issuer or underwriter (a **Form ABS-15G Report**), at least five business days prior to the first sale of the asset-backed securities. The filing requirements apply to both publicly registered offerings and unregistered securitisations of assets offered within the United States such as those relying on Rule 144A. A third-party due diligence report is any report containing findings and conclusions relating to due diligence services, which are defined as a review of pool assets for the purposes of issuing findings on: (1) the accuracy of the asset data; (2) determining whether the assets conform to stated underwriting standards; (3) asset value(s); (4) legal compliance by the originator; and (5) any other factor material to the likelihood that the issuer will pay interest and principal as required. These due diligence services are routinely provided by third-party due diligence vendors in asset-backed securities structured transactions and affect their credit ratings.

A Form ABS-15G Report containing diligence findings and conclusions with respect to a third-party due diligence report in respect of a sample of the Loans prepared for the purpose of the transaction contemplated by this Prospectus has been prepared and furnished by the Seller on 24 January 2022, being no later than five business days prior to the pricing date, and is publicly available on EDGAR pursuant to Rule 15Ga-2. This Form ABS-15G Report is not, by this reference or otherwise, incorporated into this Prospectus and should not be relied upon by any prospective investor as a basis for making a decision to invest in the Notes.

Prospective investors should rely exclusively on this Prospectus as a basis for making a decision to invest in the Notes.

Rule 17g-5 Compliance

In order to permit the Rating Agencies to comply with their obligations under Rule 17g-5, all information that is provided to the Rating Agencies for the purposes of determining the initial credit ratings of the Notes or undertaking credit rating surveillance of the Notes will be posted on a password-protected internet website (the **Rule 17g-5 Website**) at the same time such information is provided to the Rating Agencies.

Any notices or requests to, or any other written communications with or written information provided to, the Rating Agencies, or any of their officers, directors or employees pursuant to, in connection with or related directly or indirectly to the Portfolio, the Notes or otherwise in connection with the transaction described in this Prospectus will be, in each case, posted to the Rule 17g-5 Website.

For further information please refer to the Risk Factor entitled "*Macro-Economic and Market Risks – Rule 17g-5, unsolicited ratings and the selection and qualification of rating agencies rating the Notes may impact the value of the Notes*".

ESTIMATED WEIGHTED AVERAGE LIVES OF THE NOTES

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

(a) the Portfolio Option Holder exercises the Portfolio Purchase Option on the First Optional Redemption Date, in the first scenario (as set out in the table headed "*Scenario 1 – Weighted Average Life (Years)*" below), or the Portfolio Option Holder does not exercise the Portfolio Purchase Option on the First Optional Redemption Date, but instead exercises the Portfolio Purchase Option on the Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) on the Closing Date (as set out in the table headed "*Scenario 2 – Weighted Average Life (Years)*" below);

(b) the Loans are subject to a constant annual rate of prepayment (excluding scheduled principal redemptions) of between 0 and 25 per cent. per annum as shown on the table below;

(c) 100 per cent. of the Loans in the Provisional Portfolio are owned by the Issuer on the Closing Date (other those the Loans that have been redeemed between the Provisional Pool Date and the Closing Date);

(d) the assets of the Issuer are not sold except as may be necessary to enable the Issuer to realise sufficient funds to redeem the Notes in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) ;

(e) the characteristics of the Loans in the Mortgage Portfolio will be identical to those of the Loans in the Portfolio as at 30 June 2023 other than those the Loans that have been redeemed between the Provisional Pool Date and the Closing Date;

(f) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;

(g) no Borrowers are offered and accept different mortgage products by the Seller, and, as applicable, the Seller is not required to repurchase, or make an indemnity payment in respect of, any Loan in accordance with the Mortgage Sale Agreement;

(h) the Security is not enforced;

(i) all Loans are and continue to be fully performing;

(j) the payment frequency of the Loans is on a monthly basis;

(k) the ratio of the Principal Amount Outstanding of each note:

    (i) the Class A Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 84.00 per cent.;

(ii) the Class B Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 5.50 per cent.;

(iii) the Class C Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 3.25 per cent.;

(iv) the Class D Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 1.85 per cent.;

(v) the Class E Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 2.10 per cent.;

(vi) the Class F Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 1.60 per cent.;

(vii) the Class Z Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 1.70 per cent.;

(viii) the Class R Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 1.20 per cent.; and

(ix) the Class X Notes balance as at the Closing Date to the Current Balance of the Mortgage Portfolio as at the Cut-Off Date is 1.50 per cent.;

where the Cut-off Date, for the purposes of estimating the weighted average lives of the Notes, is 30 June 2023;

(l) the interest and principal collections of the Mortgage Portfolio are calculated on a Loan by Loan basis, or where the Loan has more than one part, a part-by-part basis;

(m) the amortisation of any repayment Loan is calculated as an annuity loan on a 30/360 basis, and the interest on each Mortgage is calculated on a 30/360 basis;

(n) the Notes are issued on the Closing Date of 25 August 2023;

(o) the first Interest Payment Date occurs on or about 28 November 2023;

(p) the first interest period includes three months of collections;

(q) each Interest Payment Date occurs on and payments on the Notes are made on the 28th day of February, May, August and November throughout the life of the Notes (subject to adjustment in accordance with the modified following business day convention);

(r) all Mortgages in the Mortgage Portfolio which are not Interest-Only Mortgages are assumed to be Repayment Mortgages;

(s) the maturity date for expired Mortgages has been extended by 24 months from 30 June 2023;

(t) there are no Mortgages in the Mortgage Portfolio with future reversion dates so the current interest rate for each of the BBR loans and the synthetic LIBOR loans is assumed to remain constant going forward with synthetic LIBOR loans assumed to equal SONIA plus a credit adjustment spread of 0.1193 per cent.;

(u) there are no Flexible Drawings;

(v) no Further Advance and no variation is made in respect of any Mortgage in the Portfolio;

(w) the weighted average lives of the Notes are calculated on an ACT/365 basis;

(x) there is no debit balance on the Principal Deficiency Ledger on any Interest Payment Date;

(y) no interest or expense shortfalls occur that would result in the use of the Liquidity Reserve Fund or application of any Principal Addition Amounts;

(z) items (b) to (d) and (k) to (l) of Available Revenue Receipts and item (d) of Available Principal Receipts are all assumed to equal 0; and

(aa) fees due payable to the Servicer and the Interim Legal Title holders pursuant to item (b) of Available Revenue Priority of Payments are assumed to be, in aggregate, 0.25 per cent. per annum;

(bb) the rates of interest payable on the Notes and Mortgage Portfolio include certain assumptions regarding the relevant margins, such as:

   (i) SONIA is assumed to be 4.9286 per cent. flat;

   (ii) Synthetic LIBOR is assumed to be equal to same assumption of SONIA (i.e. 4.9286 per cent. flat) plus 0.1193 per cent.;

   (iii) Standard Variable Rate is assumed to be equal to the same assumption of SONIA (i.e. 4.9286 per cent. flat) plus 3.20 per cent.; and

   (iv) BBR is assumed to be equal to the same assumption of SONIA (i.e. 4.9286 per cent. flat) minus 0.15 per cent.

WEIGHTED AVERAGE LIFE TABLES

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

Scenario 1 **Weighted Average Life (Years)**								
	0.0**%** **CPR**	5.0**%** **CPR**	10.0**%** **CPR**	12.5**%** **CPR**	15.0**%** **CPR**	17.5**%** **CPR**	20.0**%** **CPR**	25.0**%** **CPR**
Class A Notes	2.81	2.59	2.38	2.28	2.18	2.08	1.99	1.80
Class B Notes	3.01	3.01	3.01	3.01	3.01	3.01	3.01	3.01
Class C Notes	3.01	3.01	3.01	3.01	3.01	3.01	3.01	3.01
Class D Notes	3.01	3.01	3.01	3.01	3.01	3.01	3.01	3.01
Class E Notes	3.01	3.01	3.01	3.01	3.01	3.01	3.01	3.01
Class F Notes	3.01	3.01	3.01	3.01	3.01	3.01	3.01	3.01
Class Z Notes	3.01	3.01	3.01	3.01	3.01	3.01	3.01	3.01
Class R Notes	3.01	3.01	3.01	3.01	3.01	3.01	3.01	3.01
Class X Notes	1.53	1.67	1.61	1.58	1.54	1.49	1.44	1.30

* Pricing CPR is equal to 12.5 per cent., where **CPR** means Constant Prepayment Rate.

Scenario 2: No exercise of the Portfolio Purchase Option on the First Optional Redemption Date, but the Portfolio Purchase Option is exercised on the Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) on the Closing Date:

Scenario 2 **Weighted Average Life (Years)**								
	0.0% **CPR**	5.0% **CPR**	10.0% **CPR**	12.5% **CPR**	15.0% **CPR**	17.5% **CPR**	20.0% **CPR**	25.0% **CPR**
Class A Notes	5.86	4.62	3.64	3.26	2.94	2.66	2.41	2.03
Class B Notes	9.02	8.76	7.52	7.01	6.52	6.01	5.27	4.52
Class C Notes	9.02	8.76	7.52	7.01	6.52	6.01	5.27	4.52
Class D Notes	9.02	8.76	7.52	7.01	6.52	6.01	5.27	4.52
Class E Notes	9.02	8.76	7.52	7.01	6.52	6.01	5.27	4.52
Class F Notes	9.02	8.76	7.52	7.01	6.52	6.01	5.27	4.52
Class Z Notes	9.02	8.76	7.52	7.01	6.52	6.01	5.27	4.52
Class R Notes	9.02	8.76	7.52	7.01	6.52	6.01	5.27	4.52
Class X Notes	1.53	1.67	1.61	1.57	1.54	1.49	1.44	1.30

* Pricing CPR is equal to 12.5 per cent., where **CPR** means Constant Prepayment Rate.

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

Portfolio Purchase Option

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

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

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

(a) on the Interest Payment Date following the date on which the Issuer has given notice to the Portfolio Option Holder of its intention to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Note Trustee within 20 Business Days of receipt of such notice;

(b) on the First Optional Redemption Date or any Interest Payment Date following the First Optional Redemption Date pursuant to Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*);

(c) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) on the Closing Date; and

(d) in order to redeem the Notes in full on the Interest Payment Date following the date on which the Retention Holder or the Seller (or any of their delegates) gives notice of its intention to exercise the Risk Retention Regulatory Change Option,

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

The Portfolio Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Seller, the Retention Holder, the relevant Legal Title Holder and each of the Rating Agencies with the purchase to take effect on or before the Optional

Redemption Date specified in the exercise notice (such purchase date, the **Portfolio Sale Completion Date**). The Notes shall be redeemed in full on the relevant Optional Redemption Date.

Portfolio Purchase Option Purchase Price

The purchase price for the Portfolio under the Portfolio Purchase Option (the **Portfolio Purchase Option Purchase Price**) shall be an amount equal to the higher of:

(a) the **Base Portfolio Purchase Option Purchase Price** being an amount equal to (without double-counting):

(i) the aggregate Principal Amount Outstanding of the Notes plus accrued and unpaid interest thereon as at the Optional Redemption Date; *plus*

(ii) any fees, costs, amounts and expenses of the Issuer payable senior to the Class Y Certificates in the Post-Enforcement Priority of Payments as at the Optional Redemption Date; *less*

(iii) any amounts standing to the credit of the Transaction Account as at the date of the most recent Servicer Report (but disregarding any amounts standing to the credit of the Issuer Profit Ledger) as at the date of the most recent Servicer Report. For the avoidance of doubt, Revenue Receipts and Principal Receipts received by the Issuer after the date of the reporting period referred to in the most recent Servicer Report will not be distributed in accordance with the Post-Enforcement Priority of Payments on the Interest Payment Date after the Portfolio Sale Completion Date; and

(b) the current value of all (but not some only) of the Loans in the Portfolio as determined by the Portfolio Option Holder in accordance with the Portfolio Option Deed Poll (the **Portfolio Purchase Option Current Value Purchase Price**). The Portfolio Purchase Option Current Value Purchase Price shall be determined by the Portfolio Option Holder calculating such price and giving notice of it to the Retention Holder. If the Portfolio Option Holder and the Retention Holder cannot agree on a Portfolio Purchase Option Current Value Purchase Price they may together appoint an independent third party valuer who shall, following consultation with such parties, propose an alternative Portfolio Purchase Option Current Value Purchase Price, which shall be binding on the parties.

The Portfolio Option Holder or its nominee will be required to provide irrevocable payment instructions for an amount to be transferred equal to the Portfolio Purchase Option Purchase Price to the Transaction Account, provided that such deposit shall be made on or before the Portfolio Sale Completion Date or such later date as agreed with the Note Trustee or (after the service of an Enforcement Notice) take such other action as agreed with the Security Trustee.

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

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

Redemption of Notes and the cancellation of the Certificates

Following exercise of the Portfolio Purchase Option, on the Optional Redemption Date, the Portfolio Purchase Option Purchase Price will be applied in accordance with the Post-Enforcement Priority of Payments in order to redeem the Notes in full. Any funds remaining after the payment in full of all items ranking in priority to the Class Y Certificates will be paid to the Class Y Certificateholders before the Class Y Certificates are cancelled.

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

To the extent that the purchaser of the Loans holds any of the Notes, it may set off from the Portfolio Purchase Option Purchase Price an amount equal to the amounts due to it as Noteholder on the Optional Redemption Date.

Exercise Notice means: (a) in respect of the Portfolio Option Deed Poll, a notice to be delivered by the Portfolio Option Holder in accordance with the Portfolio Option Deed Poll to exercise the Portfolio Purchase Option; and (b) in respect of the Retention Holder Deed Poll, a notice to be delivered by the Risk Retention Regulatory Change Event Option Holder in accordance with the Retention Holder Deed Poll to exercise the Risk Retention Regulatory Change Option.

Portfolio Option Deed Poll means the deed poll dated the Closing Date executed by the Issuer in favour of the Portfolio Option Holder from time to time.

Optional Redemption for Tax and other Reasons

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

The Seller may, pursuant to the terms of the Mortgage Sale Agreement, purchase the Loans in respect of any optional redemption of the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option). The Seller shall notify the Portfolio Option Holder of its intention to serve such a notice on the Issuer as soon as reasonably practicable and by no later than ten Business Days after the occurrence of any event specified in Condition 8.3(a) or (b) (*Optional Redemption for Taxation or Other Reasons*). If the Portfolio Option Holder notifies the Seller within ten Business Days of the Seller having indicated its intention to serve a notice on the Issuer that the Portfolio Option Holder intends to exercise the Portfolio Purchase Option, the Seller shall not serve a notice on the Issuer (unless the Portfolio Option Holder has not subsequently exercised the Portfolio Purchase Option) and any notice served in such circumstances shall be invalid. The consideration payable by the Seller or the Portfolio Option Holder, as applicable, in the circumstances describe above shall be the Portfolio Purchase Option Purchase Price.

Optional Redemption in the event of a Risk Retention Regulatory Change Event

Pursuant to the Retention Holder Deed Poll, (i) the Retention Holder (or any of its delegates) and (ii) provided that the Retention Holder has not exercised the Risk Retention Regulatory Change Option, the Seller (or any of its delegates), shall have the right (but not any obligation) to acquire or re-acquire the entire beneficial interest of the Issuer in the Portfolio upon the occurrence of a Risk Retention Regulatory Change Event in accordance with the terms of Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*), subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option. The price payable by or on behalf of Seller or the Retention Holder to the Issuer to acquire the beneficial interest of the entire Portfolio from the Issuer shall equal the Portfolio Purchase Option Purchase Price, as calculated three Business Days prior to re-acquisition. The Risk Retention Regulatory Change Event Option Holder shall notify the Portfolio Option Holder of its intention to serve an Exercise Notice on the Issuer as soon as reasonably practicable and at least ten Business Days before such notice is served on the Issuer. If the Portfolio Option Holder notifies the Risk Retention Regulatory Change Event Option Holder within ten Business Days of such notification that it intends to exercise the Portfolio Purchase Option, the Risk Retention Regulatory Change Event Option Holder shall not serve such notice on the Issuer (unless the Portfolio Option Holder has not subsequently exercised the Portfolio Purchase Option) and any notice served in such circumstances shall be invalid.

To the extent that the purchaser of the Loans holds any of the Notes, it may set off from the Risk Retention Regulatory Change Purchase Price an amount equal to the amounts due to it as Noteholder on the Interest Payment Date on which the Notes are to be redeemed.

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

EU Risk Retention Requirements means Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation not taking into account any relevant national measures).

EU Risk Retention Undertaking means the Retention Holder's covenant in the Risk Retention Letter to retain on an ongoing basis a material net economic interest of not less than five per cent. in the securitisation, determined in accordance with Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation not taking into account any relevant national measures).

Retention Holder Deed Poll means the deed poll dated the Closing Date executed by the Issuer in favour of the Seller and/or the Retention Holder (or their delegate).

Risk Retention Regulatory Change Event means any change in or the adoption of any new law, rule, technical standards or regulations or any determination made by a relevant regulator, which:

(a) as a matter of law, has a binding effect on the Retention Holder or the Seller after the Closing Date and which would impose a positive obligation on any of them to subscribe for any additional Notes (other than the Notes issued on the Closing Date) in order to comply with the Risk Retention Undertaking or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Risk Retention Requirement (as determined by them, acting reasonably);

(b) as a matter of law, in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer for purposes of the Risk Retention Requirements; and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion; or

(c) by virtue of the Retention Holder's obligation to comply with the EU Risk Retention Undertaking or the U.S. Credit Risk Retention Requirements, would, in respect of the Retention Holder, have an analogous effect or result to those specified in paragraphs (a) and (b) above.

Risk Retention Regulatory Change Event Option Holder means the Retention Holder.

Risk Retention Regulatory Change Option means the option of the Retention Holder (or its nominee) to acquire all but not some of the Portfolio, following a Risk Retention Regulatory Change Event, provided that if the Retention Holder has not exercised the Risk Retention Regulatory Change Option, then the Seller may exercise the option to acquire all but not some of the Portfolio.

Risk Retention Regulatory Change Option Completion Date means the Interest Payment Date on which the purchase of the Loans by the relevant purchaser is expected to occur in connection with the exercise of the Risk Retention Regulatory Change Option.

Risk Retention Regulatory Change Purchase Price means an amount equal to the higher of (i) the Base Portfolio Purchase Option Purchase Price as calculated three days prior to the Risk Retention Regulatory Change Option Completion Date or (ii) the Portfolio Purchase Option Current Value Purchase Price.

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

Risk Retention Requirements means Article 6(1) of the UK Securitisation Regulation, the EU Risk Retention Requirements and the U.S. Credit Risk Retention Requirement.

Risk Retention Undertaking means the undertakings made by the Retention Holder to the Issuer, the Security Trustee, the Lead Manager and the Arranger as set out in the Risk Retention Letter.

U.S. Credit Risk Retention Requirements means Section 15G of the U.S. Securities Exchange Act of 1934, as amended, and the final rules related thereto published on 24 December 2014 in the Federal Register by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the SEC and the Department of Housing and Urban Development.

Each redemption arising pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) is an **Early Redemption** where used in this Prospectus.

USE OF PROCEEDS

The Issuer will (without double-counting the amounts received by the Issuer on the Closing Date) use the net proceeds of the Notes of £605,643,421.64 on the Closing Date to:

(a) pay the Purchase Price payable by the Issuer for the Portfolio to be acquired from the Seller on the Closing Date;

(b) pay certain fees and expenses of the Issuer incurred in connection with (i) the issue of the Notes and Certificates on the Closing Date and (ii) any other day one third-party fees and costs as per the terms of the Transaction Documents; and

(c) establish the General Reserve Fund and the Liquidity Reserve Fund.

RATINGS

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

Class of Rated Notes	S&P and Fitch
A	AAA / AAA
B	AA+ / AA-
C	AA- / A
D	A / BBB+
E	BBB / BB+
F	BB- / B
X	B- / CCC

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

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

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

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

As of the date of this Prospectus, neither of the Rating Agencies are established in the European Union and have not applied for registration under the EU CRA Regulation. The ratings issued by S&P have been endorsed by S&P Global Ratings Europe Limited and the ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited, in each case, in accordance with the EU CRA Regulation.

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 6 June 2023 (registered number 14918971) as a public limited company under the Companies Act 2006. The registered office of the Issuer is 1 Bartholomew Lane London, EC2N 2AX. The telephone number of the Issuer's registered office is +44 20 7389 6300. The issued share capital of the Issuer comprises 50,000 ordinary shares of GBP 1 each, of which 1 share is fully paid up and 49,999 shares are quarter-paid and all shares are held by Holdings (see "*Holdings*" below). The legal entity identifier (**LEI**) of the Issuer is 213800AFVZCS1I277A87 and the securitisation transaction unique identifier (**STUI**) is 213800AFVZCS1I277A87 N202301.

The Issuer has no subsidiaries. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer.

The Issuer was established as a special purpose vehicle solely for the purpose of issuing asset-backed notes. The Issuer is permitted, pursuant to the terms of its articles of association, *inter alia*, to issue the Notes and the Certificates. The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 5 (*Covenants and Undertakings*) and Certificate Condition 5 (*Covenants and Undertakings*).

In accordance with the Corporate Services Agreement, the Corporate Services Provider will provide to the Issuer certain directors, a registered and administrative office, the arrangement of meetings of directors and shareholders and procure the service of a company secretary. No remuneration is paid by the Issuer to or in respect of any director or officer of the Issuer for acting as such.

On the Closing Date, the Issuer will deposit the proceeds of the Notes in the Transaction Account and use such proceeds to, *inter alia*, pay the Purchase Price payable by the Issuer for the Portfolio to be acquired from the Seller on the Closing Date.

The Issuer has not engaged, since its incorporation, in any material activities other than those incidental to its registration as a public company under the Companies Act 2006 (as amended) and to the proposed issues of the Notes and Certificates and the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing. The Issuer, as necessary, has made a notification under the Data Protection (Charges and Information) Regulations 2018. The accounting reference date of the Issuer is 30 September 2024.

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

Directors

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

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

Name	Business Address	Business Occupation
Intertrust Directors 2 Limited	1 Bartholomew Lane London, EC2N 2AX	Director

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

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

HOLDINGS

Introduction

Holdings was incorporated in England and Wales on 6 June 2023 (registered number 14917536) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 1 Bartholomew Lane, London, EC2N 2AX. The issued share capital of Holdings comprises 1 ordinary share of GBP 1. Intertrust Corporate Services Limited (the **Share Trustee**) holds the entire legal and beneficial interest in the issued share under a discretionary trust for discretionary purposes. Holdings holds the legal and the beneficial interest in the issued share capital of the Issuer.

Neither the Seller nor any company connected with the Seller can direct the Share Trustee, and none of such companies has any control, direct or indirect, over Holdings or the Issuer.

Pursuant to the terms of its articles of association, Holdings is permitted, *inter alia*, to hold shares in the Issuer.

Holdings has not engaged since its incorporation in any material activities other than those activities incidental to the authorisation and implementation of the Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing.

Directors

The directors of Holdings and their respective business addresses and occupations are:

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

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

The accounting reference date of Holdings is 30 September 2024.

Holdings has no employees.

THE SELLER

The Seller was incorporated in England and Wales on 5 July 2019 (registered number 12088067) as a private limited company under the Companies Act 2006. The registered office of the Seller is 1 Churchill Place, London, E14 5HP. The telephone number of the Seller's registered office is +44 (0) 207 116 9000.

The issued share capital of the Seller comprises 1 ordinary share of GBP 1, which is fully paid up, and held by the Retention Holder. The Seller is a direct wholly owned subsidiary of the Retention Holder. The Seller has no subsidiaries.

On the Closing Date, the Seller will acquire the beneficial interest in the Loans and their Related Security comprising the Portfolio from the Avon 1 pursuant to the IoW Mortgage Sale Agreement and immediately on-sell such Loans and their Related Security comprising the Portfolio to the Issuer pursuant to the Mortgage Sale Agreement.

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

Business of the Seller

On the Closing Date, the Seller will enter into a loan agreement with the Retention Holder (the **Seller Loan Agreement**), pursuant to which the Retention Holder will agree to advance to the Seller on any date following the Closing Date until the date on which all claims submitted to the Seller by the Issuer prior to the date falling two years following the Closing Date have been paid in full (the **Avon 3 Commitment Period**), an amount equal to any MSA Warranty Indemnity Amount due to be paid on such date by the Seller to the Issuer in accordance with the Transaction Documents, for the purpose of providing the Seller with funds to satisfy such payment obligations, up to a facility limit of £1,450,000 (the **Avon 3 Facility Limit**) (the **Avon 3 Commitment**).

Any amounts drawn by the Seller under the Avon 3 Commitment shall be repaid from time to time out of the proceeds of any MSA Warranty Rebate paid to the Seller by the Issuer in accordance with the Transaction Documents. The Avon 3 Commitment, once repaid, may be reborrowed only during the Avon 3 Commitment Period and subject to the Avon 3 Facility Limit.

Other than its obligation to advance the Avon 3 Commitment to the Seller under the Seller Loan Agreement, the Retention Holder will have no obligation to advance amounts or to provide financial or other support to the Seller and the Retention Holder will not guarantee or act as surety for obligations of the Seller in connection with the Transaction, including in respect of the Seller's obligation to repurchase Loans pursuant to the Mortgage Sale Agreement.

On the Closing Date, the Seller will enter into an accession undertaking to the Seller Declaration of Trust (the **Accession Undertaking to the Seller Declaration of Trust**), pursuant to which the Seller will hold, among other things, (i) the Avon 3 Commitment and (ii) all proceeds of the Avon 3 Commitment (paragraphs (i) and (ii) collectively, the **Avon 3 Trust Property**) on bare trust for the Issuer absolutely.

Pursuant to the terms of a seller declaration of trust dated 22 October 2019 (the **Seller Declaration of Trust**), the Seller declared itself a trustee over, among other things: (i) a loan commitment and all of its rights under or pursuant to a mortgage sale agreement entered into in connection with another securitisation of UK residential mortgages in favour of the issuer in respect of that securitisation; and (ii) any property of the Seller which is not otherwise subject to the trust property in favour of itself. Additional beneficiaries may, from time to time, on and from the Closing Date, accede to the Seller Declaration of Trust without the consent of the parties to the Seller Declaration of Trust (other than the Seller); however, any such accession will not affect the manner in which the Avon 3 Trust Property is calculated. The interests and entitlements of the Issuer, the Seller and other beneficiaries (the **Beneficiaries**) of their respective trust property under the Seller Declaration of Trust will be vested and indefeasible, such that such Beneficiaries will be absolutely entitled to the assets comprised in their respective trust property as they are received and as income arises.

The Seller's obligations pursuant to the Mortgage Sale Agreement are limited recourse obligations pursuant to the terms of the Mortgage Sale Agreement and therefore, in the event that the Seller has insufficient funds available to satisfy in full any obligations under the Mortgage Sale Agreement after the Avon 3 Trust Property has been exhausted, the Issuer (or the Security Trustee following the service of an Enforcement Notice) will have no further claim against the Seller or its directors, shareholders, officers or successors in respect of any amounts owing to it which remain unpaid, and such unpaid amounts shall be deemed to be discharged in full and any relevant rights to payment shall be extinguished.

Other than activities and operations incidental to its entry into the Transaction Documents to which it will be party and the IoW Mortgage Sale Agreement, the performance of its obligations thereunder and other matters which are incidental or ancillary to the foregoing, the Seller has previously acted as an intermediary purchaser in connection with other public and private securitisations, as well as a warranty provider in connection with other public securitisations where it has agreed to make indemnity payments in respect of any breach of warranties in respect of those securitisations.

The accounting reference date of the Seller is 31 December.

Directors

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

Name	**Business Address**	**Business Occupation**
Matthew Weir	1 Churchill Place, London E14 5HP	Banking
Sean White	1 Churchill Place, London E14 5HP	Banking
Arun Sharma	1 Churchill Place, London E14 5HP	Banking

The company secretary of the Seller is Barclays Corporate Secretariat Limited, whose principal office is at 1 Churchill Place, London E14 5HP, United Kingdom.

THE RETENTION HOLDER, THE SPONSOR AND THE SERVICER ADMINISTRATOR

Barclays Bank PLC (the **Bank**, and together with its subsidiary undertakings, the **Barclays Bank Group**) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the **Group** or **Barclays**) is the ultimate holding company of the Group. The Bank's principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank, supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group's operations include consumer banking and payment services in the UK, U.S. and Europe, as well as a global corporate and investment bank. The Group operates as two divisions – the Barclays UK (**Barclays UK**) division and the Barclays International (**Barclays International**) division – which are supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank, Barclays Bank UK PLC (**BBUKPLC**) and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within its non-ring-fenced bank, the Bank and its subsidiaries, and by certain other entities within the Group.

The short-term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long-term obligations of the Bank are rated A+ by S&P Global Ratings UK Limited, A1 by Moody's Investors Service Ltd. and A+ by Fitch Ratings Limited. The Bank's credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the UK CRA Regulation) as having been issued by Moody's Investors Service Limited (Moody's), Fitch Ratings Limited (Fitch) and S&P Global Ratings UK Limited (S&P), each of which is established in the United Kingdom and has been registered under the UK CRA Regulation. The ratings Moody's, Fitch and S&P have given in relation to the Bank are endorsed by Moody's Deutschland GmbH, Fitch Ratings Ireland Limited, and S&P Global Ratings Europe Limited respectively, each of which is established in the European Economic Area (EEA) and registered under Regulation (EU) No 1060/2009 on credit rating agencies (as amended, the EU CRA Regulation).

The Bank was involved in the original purchase of the Loans and their Related Security comprising the Portfolio by the Seller from the Vendor and their subsequent sale by the Seller to the Avon 1 SPV. In addition, the Bank was involved in the purchase of the Loans by the Seller from Avon 1 SPV and their subsequent sale by the Seller to the Issuer and has been involved in the organisation and initiation of the securitisation transaction described in this Prospectus.

The Bank formed the Seller as its direct wholly owned subsidiary in connection with the Transaction. The Bank provides all directors of the Seller. As sole shareholder of the Seller, the Bank caused the Seller to enter into the Vendor Mortgage Sale Agreement and will cause the Seller to enter into the IoW

Mortgage Sale Agreement and the Mortgage Sale Agreement on the Closing Date. On the Closing Date, the Bank will enter into the Seller Loan Agreement with the Seller pursuant to which it will agree to advance to the Seller, during the Avon 3 Commitment Period, the Avon 3 Commitment. Other than its obligation to advance the Avon 3 Commitment to the Seller under the Seller Loan Agreement, the Bank will have no obligation to advance amounts or to provide financial or other support of any nature to the Seller and the Bank will not guarantee or act as surety for any obligations of the Seller.

Prior to their execution, the Bank has reviewed and commented on the Transaction Documents. As sole shareholder of the Seller, the Bank will cause the Seller to enter into the Transaction Documents to which the Seller is party, including the Mortgage Sale Agreement. The Bank's involvement in the transaction prior to the Closing Date has also comprised determination of cashflow and collateral modelling, determination of the capital structure to be implemented and determining the appropriate retention structure for the Transaction.

The Bank is acting as Sponsor and Retention Holder.

As further described herein, the Bank intends to retain certain rights in respect of the servicing of the Loans and will exercise these rights through its role as Servicer Administrator. The Servicer Administrator will be permitted to exercise these rights to perform certain ongoing functions as set out in the Administration Agreement. See further "*Summary of the Key Transaction Documents – Administration Agreement – Servicer Administrator Services*".

THE INTERIM LEGAL TITLE HOLDERS

The Interim Legal Title Holders are:

1. Platform Funding Limited (**PFL**), which was incorporated and registered in England and Wales under the Companies Act 1985 on 28 October 1997 as a private limited company with company registration number 3456337. The registered office of PFL is PO Box 101, 1 Balloon Street, Manchester M60 4EP. PFL was established for the purpose of originating residential mortgage loans (including Buy-to-Let Loans) to borrowers in England, Wales, Scotland and Northern Ireland.

2. Mortgage Agency Services Number Four Limited (**MAS4**), which was incorporated and registered in England and Wales under the Companies Act 1985 with limited liability as a private limited company on 19 April 2002 with company registration number 4420580. The registered office of MAS4 is PO Box 101, 1 Balloon Street, Manchester M60 4EP. Its principal activities relate to the purchase of portfolios of mortgage loans.

3. Mortgage Agency Services Number Five Limited (**MAS5**, together with PFL and MAS4, the **Interim Legal Title Holders**), which was incorporated and registered in England and Wales under the Companies Act 1985 with limited liability as a private limited company on 19 April 2002 with company registration number 4420522. The registered office of MAS5 is PO Box 101, 1 Balloon Street, Manchester M60 4EP. Its principal activities relate to the purchase of portfolios of mortgage loans.

The Interim Legal Title Holders do not have any subsidiaries and are each a wholly owned subsidiary of the Co-operative Bank plc. The Seller does not own, directly or indirectly, any of the share capital of the Interim Legal Title Holders.

THE SERVICER

Western Mortgage Services Limited (**WMS**) was incorporated and registered in England and Wales under the Companies Act 1985 with limited liability as a private limited company on 26 April 1996 with company registration number 3191608. The registered office of WMS is 30 Berners Street, London W1T 3LR.

Following the acquisition of Western Trust and Savings Limited (**WTS**) in July 1995 by Birmingham Midshires Building Society, WMS acquired from WTS its mortgage servicing infrastructure. WMS was acquired by the Britannia Building Society on 27 January 1997 and the shares subsequently transferred to Britannia Treasury Services Limited (the **Merger**). Following the Merger, WMS became a subsidiary of the Co-operative Bank plc (the **Co-op Bank**).

On 1 August 2015, Capita Asset Services (UK Holding) Limited entered into an agreement under which it acquired 100 per cent. of the shares in WMS from Britannia Treasury Services Limited (a subsidiary of the Co-op Bank). On the same date, WMS entered into a master services agreement with the Co-op Bank and certain Co-op Bank subsidiaries, under which WMS will service the Co-op Bank's mortgage processing and administration operations. This agreement was extended in December 2019. On 12 September 2017, Capita Financial Services Holding Limited acquired 100 per cent. of WMS following the sale of Capita Asset Services (UK Holding).

The terms of this agreement comprise the servicing of more than 177,191 mortgage accounts and £20.3bn of lending. WMS employs approximately 660 staff for the servicing the mortgage portfolios (figures at June 2020).

WMS continues to service third-party portfolios previously serviced by WMS through different contractual arrangements.

The WMS mortgage administration services are run and managed predominantly by dedicated WMS IT staff from their own premises in Plymouth. Various local IT upgrades have been undertaken over the last few years in WMS to ensure the systems are maintained in line with the requirements of the business. WMS technology is maintained under vendor support contracts. A disaster recovery arrangement exists with a specialist third party provider and disaster recovery simulation test was last completed in 2019. WMS also carry out an IT test every six months, one of which includes a full business test.

WMS maintains some dependency on certain of the Co-op Bank's IT systems located in Leek, Staffordshire, which remain part of the Co-op Bank's IT estate following the sale.

THE CASH MANAGER

U.S. Bank Global Corporate Trust Limited is a limited liability company incorporated under the laws of England and Wales with its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Global Corporate Trust Limited is a U.S. Bancorp group company that is dedicated to the provision of agency services in Europe as part of U.S. Bank Global Corporate Trust. Together with Elavon Financial Services DAC (the legal entity through which U.S. Bank Global Corporate Trust provides regulated banking services in Europe), U.S. Bank Trustees Limited (the legal entity through which U.S. Bank Global Corporate Trust primarily provides trustee and other fiduciary services in Europe) and U.S. Bank, National Association and U.S. Bank Trust Company, National Association (the legal entities through which the U.S. Bank Global Corporate Trust primarily conducts business in the United States), U.S. Bank Global Corporate Trust is one of the world's largest providers of trustee services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds; providing a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

THE ISSUER ACCOUNT BANK

Barclays Bank PLC (the **Bank**, and together with its subsidiary undertakings, the **Barclays Bank Group**) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered head office at 1 Churchill Place, London E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the **Group** or **Barclays**) is the ultimate holding company of the Group. The Bank's principal activity is to offer products and services designed for larger corporate, wholesale and international banking clients.

Barclays is a British universal bank, supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group's operations include consumer banking and payment services in the UK, U.S. and Europe, as well as a global corporate and investment bank. The Group operates as two divisions – the Barclays UK (**Barclays UK**) division and the Barclays International (**Barclays International**) division – which are supported by Barclays Execution Services Limited, the Group-wide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank, Barclays Bank UK PLC (**BBUKPLC**) and certain other entities within the Group. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses operate within its non-ring-fenced bank, the Bank and its subsidiaries, and by certain other entities within the Group.

The short-term unsecured obligations of the Bank are rated A-1 by S&P Global Ratings UK Limited, P-1 by Moody’s Investors Service Ltd. and F1 by Fitch Ratings Limited and the unsecured unsubordinated long-term obligations of the Bank are rated A+ by S&P Global Ratings UK Limited, A1 by Moody’s Investors Service Ltd. and A+ by Fitch Ratings Limited. The Bank’s credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the UK CRA Regulation) as having been issued by Moody’s Investors Service Limited (Moody’s), Fitch Ratings Limited (Fitch) and S&P Global Ratings UK Limited (S&P), each of which is established in the United Kingdom and has been registered under the UK CRA Regulation. The ratings Moody’s, Fitch and S&P have given in relation to the Bank are endorsed by Moody’s Deutschland GmbH, Fitch Ratings Ireland Limited, and S&P Global Ratings Europe Limited respectively, each of which is established in the European Economic Area (EEA) and registered under Regulation (EU) No 1060/2009 on credit rating agencies (as amended, the EU CRA Regulation).

THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom.

U.S. Bank Trustees Limited is a U.S. Bancorp group company that is dedicated to the provision of trustee and other fiduciary services in Europe as part of U.S. Bank Global Corporate Trust. Together with Elavon Financial Services DAC (the legal entity through which U.S. Bank Global Corporate Trust provides regulated banking services in Europe), U.S. Bank Global Corporate Trust Limited (the legal entity through which U.S. Bank Global Corporate Trust primarily provides agency services in Europe) and U.S. Bank, National Association and U.S. Bank Trust Company, National Association, (the legal entities through which the U.S. Bank Global Corporate Trust primarily conducts business in the United States), U.S. Bank Global Corporate Trust is one of the world's largest providers of trustee services with more than USD4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds; providing a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

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

Intertrust Management Limited (registered number 03853947), having its principal address at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement. Intertrust Management Limited has served and is currently serving as corporate services provider for securitisation transactions.

THE LOANS

The Portfolio

Introduction

The following is a description of some of the characteristics of the Loans comprised in the Portfolio including details of loan types, the underwriting process, lending criteria and selected statistical information.

Unless otherwise indicated, the description that follows relates to types of loans that will be sold to the Issuer as part of the Portfolio as at the Closing Date.

The Portfolio

The Portfolio comprises Loans advanced to the Borrowers upon the security of residential property situated in England, Wales, Northern Ireland and Scotland. On the Closing, Date the Portfolio will consist of the Loans and related Mortgages acquired pursuant to the Mortgage Sale Agreement, other than Loans and related Mortgages which have been repaid.

Characteristics of the Portfolio

The tables set out in the chapter entitled "*Characteristics of the Provisional Portfolio*" set out information representative of the characteristics of the Provisional Portfolio as at the Portfolio Reference Date.

The balance of the Loans in the tables set out in the chapter entitled "*Characteristics of the Provisional Portfolio*" is shown as at the Portfolio Reference Date. The properties over which the Mortgages are secured have not been revalued for the purpose of the issue of the Notes. The valuations of such properties as set out in the following tables relate to the date of the original initial mortgage loan valuation, except to the extent that there have been Further Advances, in which cases, the most recent valuation is utilised. The characteristics of the Portfolio as at the Closing Date may vary from those set out in the tables as a result of, *inter alia*, repayment or purchase of Loans prior to the Closing Date.

Security

All of the Mortgages are secured by first ranking mortgages, or (in Scotland) first ranking standard securities, except for the Shortfall Loans.

Characteristics of the Loans

Repayment terms

Loans may combine one or more of the features listed in this section. Other customer incentives may be offered with the product including free valuations and payment of legal fees.

Loans are typically repayable on one of the following bases:

- *Repayment Loan*: the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid (**Repayment Loans**);

- *Interest-only Loan*: the Borrower makes monthly payments of interest but not of principal; when the Loan matures, the entire principal amount of the Loan is still outstanding and is payable in one lump sum (**Interest-only Loans**); and

- a combination of both these options (**Part and Part Loans**).

In the case of either Repayment Loans or Interest-only Loans, the required monthly payment may alter from month to month for various reasons, including changes in interest rates.

For Interest-only Loans (but not Buy-to-Let Loans), because the principal is repaid in a lump sum at the maturity of the loan, the borrower is recommended to have some repayment mechanism (such as an investment plan) which is intended to provide sufficient funds to repay the principal at the end of the term.

Principal prepayments may be made in whole or in part at any time during the term of a Loan. A prepayment of the entire outstanding balance of a loan discharges the mortgage. Any prepayment in full must be made together with all Accrued Interest, Arrears of Interest, any unpaid expenses and any applicable repayment fee(s).

Various methods are available to Borrowers for making payments on the Loans, including:

- by direct debit instruction from a bank or building society account; and

- by standing order from a bank or building society account.

Capitalising Arrears

In certain infrequent circumstances following the accrual of Arrears on a Loan, the relevant Borrower may "opt in" to capitalise such Arrears. Capitalisation is one of the longer term solutions available to manage Arrears, and it involves "zero-ising" the balance of Arrears and allowing that amount to be cleared over the remaining term of the Loan.

Arrears means as at any date in respect of any Loan, all amounts currently due and payable on that Loan which remain unpaid on that date.

in Arrears means, in respect of a Loan, when on any date any amounts currently due and payable on that Loan remain unpaid on that date.

Title to the Portfolio

The Portfolio will consist of:

(i) mortgages originated by PFL (the **PFL Mortgages**);

(ii) mortgages originated by GMAC-RFC where legal and beneficial title to such mortgage loans was sold to MAS4 under mortgage sale agreements dated 29 April 2005, 30 September 2005 and 27 January 2006 (the **MAS4 Mortgages**); and

(iii) mortgages originated by GMAC-RFC where legal and beneficial title to such mortgage loans was sold to MAS5 under mortgage sale agreements dated 31 March 2006, 30 June 2006, 29 September 2006, 31 January 2007, 8 June 2007, 29 June 2007 and 28 September 2007 (the **MAS5 Mortgages**).

Pursuant to, and under the terms of, the Mortgage Sale Agreement, the Seller will transfer the beneficial title to the Mortgages to the Issuer (which transfer, in respect of the Scottish Mortgages, will be given effect by the grant of a Scottish declaration of trust by the relevant Interim Legal Title Holder with the consent of the Seller in favour of the Issuer).

In the case of the Mortgages over registered land in England, Wales and Scotland which will be transferred to the Issuer on the Closing Date, the Interim Legal Title Holders will remain on the English Land Registry or the Registers of Scotland (as applicable) as the legal mortgagee or as heritable creditor.

Transfer of equitable title or (in respect of the Scottish loans) the beneficial title from the Seller to the Issuer on the Closing Date is to be completed without registration at the English Land Registry or the Registers of Scotland or notice given to the relevant Borrowers until the occurrence of one of the events mentioned below.

The English Mortgages in the Portfolio and their collateral security are accordingly owned in equity only by the Issuer and the Scottish Mortgages in the Portfolio and their collateral security are accordingly held in trust for the Issuer. Legal title in the Loans and their Related Security continues to be vested in an Interim Legal Title Holder on behalf of, or as trustee for, the Issuer.

The Issuer will grant a first fixed charge in favour of the Security Trustee over its interest in the Mortgages (being, in respect of the Scottish Mortgages an assignation in security of its interest in and to the Scottish Declaration of Trust and the trust constituted thereby).

Save as mentioned below, the Security Trustee has undertaken not to effect any registration at the English Land Registry or the Registers of Scotland (as the case may be) to protect the sale of the Mortgages to the Issuer or the granting of security over the Mortgages, by the Issuer in favour of the Security Trustee nor, save as mentioned below, to obtain possession of title deeds to the properties the subject of the Mortgages.

Notices of the equitable assignments or declarations of trust in favour of the Issuer and the security in favour of the Security Trustee will not, save as mentioned below, be given to the Borrowers under the Mortgages.

Under the Mortgage Sale Agreement, the Issuer and the Security Trustee shall not seek to transfer legal title in the Loans to the Issuer unless a Perfection Trigger Event has occurred. If a Perfection Trigger Event has occurred in respect of the Loans held by an Interim Legal Title Holder and the Issuer has delivered a Perfection Notice, the Interim Legal Title Holders shall transfer legal title in respect of the relevant Loans to the Issuer or a nominee of the Issuer to hold on its behalf.

Warranties and Breach of Warranties in relation to the Mortgages

The Mortgage Sale Agreement contains certain warranties given by the Seller in favour of the Issuer in relation to the mortgages and standard securities sold 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 would normally be expected to carry out have been or will be made by the Issuer. The Issuer will rely entirely on the benefit of the warranties given to it under the Mortgage Sale Agreement.

Although the Seller will give certain representations and warranties in respect of the Loans sold by it, the Seller was not the originator of any of the Loans comprised in the Portfolio and has acquired its interest in the Loans and their Related Security under the IoW Mortgage Sale Agreement entered into by the Seller with the Avon 1 SPV in respect of the relevant Loans. Accordingly, since, among other reasons, the Seller does not have direct knowledge as to certain matters relating to the actual origination of the Loans, certain warranties are qualified by reference to the awareness of the Seller. It may be practically difficult for the Seller to detect a breach of warranty in respect of the Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of the Seller where there is no ongoing active involvement of the relevant Originator.

PFL Lending Criteria

The following is a summary of the criteria of PFL (the **PFL Lending Criteria**) in relation to Loans to be secured on properties located in England, Wales, Scotland or Northern Ireland that were applied (subject to such deviation made in accordance with the standard of a Reasonable Prudent Mortgage Lender) in respect of the PFL Mortgages.

Security

(a) Each Loan is secured by a first ranking legal mortgage (an **English Mortgage**) over a freehold or long leasehold residential property (usually at least 50 years longer than the mortgage term) in England or Wales (an **English Property**), or secured by a first ranking standard security (a **Scottish Mortgage**) over a heritable or long leasehold residential property located in Scotland (a **Scottish Property**) or secured by way of a first ranking legal mortgage or a first ranking legal charge (a **Northern Irish Mortgage**) over a freehold or leasehold residential property (usually at least 50 years longer than the mortgage term) located in Northern Ireland (a **Northern Irish Property**) (the English Mortgages, the Scottish Mortgages and the Northern Irish Mortgages are collectively defined as the **Mortgages** and an English Property, a Scottish Property and a Northern Irish Property are each a **Property** and are collectively defined as the **Properties**).

(b) Only property of an acceptable standard of construction and intended for use wholly or partly as a principal place of residence or under an assured shorthold tenancy or short assured tenancy is acceptable.

(c) Properties under ten years old will have the benefit of a NHBC or an architect's certificate or equivalent guarantee from an acceptable body.

(d) The following types of building are deemed unacceptable as security:

  (i) freehold flats/maisonettes are only acceptable where the applicant owns the freehold of a block and the charge will be registered against the freehold;

  (ii) properties listed as defective under the Housing Acts 1984 and 1985 or the Housing (Scotland) Act 1987 (unless rebuilt to NHBC standards with appropriate guarantees);

  (iii) mobile homes or houseboats;

  (iv) prefabricated buildings and unrepaired prefabricated reinforced concrete (**PRC**) properties;

  (v) repaired PRC properties without suitable guarantees from a licensed scheme;

  (vi) properties with an anticipated life span of less than 25 years beyond the end of the Loan;

(vii) property where a flying freehold (not applicable to Scottish Properties) exists affecting more than 15 per cent. of the whole;

(viii) shared ownership properties;

(ix) properties whose construction includes high alumina cement;

(x) buildings with agricultural restrictions, small holdings or farms;

(xi) buildings of 100 per cent. timber construction;

(xii) steel framed properties (except post 1987 construction with BBA or WIMLAS certification);

(xiii) multi occupied property;

(xiv) tenanted property (except where the loan advanced is a Buy-to-Let Loan);

(xv) properties with commercial usage;

(xvi) live/work units;

(xvii) properties with restrictive title covenants, i.e. retirement flats;

(xviii) properties adjacent to restaurants/food outlets/public houses/launderettes;

(xix) flats above/situated near restaurants/food outlets/public houses/launderettes;

(xx) flats above/situated near to any commercial premises when the valuer's comments are in any way derogatory;

(xxi) properties with two kitchens;

(xxii) properties which have shared access where a relative of the applicant resides in the other property;

(xxiii) properties which are being bought from the Borrower's own limited company;

(xxiv) ex public sector flats;

(xxv) specially adapted property;

(xxvi) property with title restrictions i.e. retirement flats;

(xxvii) property where the valuer indicates resaleability/demand is poor;

(xxviii) property being purchased from a relative at undervalue or where the applicant is remortgaging on buy to let basis and existing family members are to remain;

(xxix) properties which have internal door locks and/or separate utility service; or

(xxx) flats in blocks of more than four storeys of accommodation are subject to individual consideration.

(e) Each Property offered as security will have been valued by either a qualified surveyor (ARICS or equivalent qualification) chosen from a panel of valuation firms approved by PFL or by an automated valuation model under which the valuation of the relevant Property was undertaken using Hometrack Data Systems Limited's automated valuation model by PFL.

(f) At the time of completion, the relevant Property must either have been insured under a block buildings policy in the name of PFL, or PFL must have been jointly insured with the Borrower under, or its interest noted on, a buildings policy relating to the relevant Property.

Loan Amount

No Mortgage may exceed a maximum principal amount of £1,100,000 (including Further Advances).

Loan to value

(a) The loan to value ratio (**LTV**) is calculated by expressing the initial principal amount advanced at completion of the Mortgage as a percentage of the lower of the purchase price and valuation of the Property (with the exception of Right to Buy Mortgages and sales at an undervalue where the valuation is used).

(b) The LTV of each Mortgage at the date of completion must be no more than 95 per cent. (excluding fees).

Term

Each Mortgage must have an initial term of between ten and 30 years.

Borrowers

(a) Borrowers must have been at least 18 years of age prior to completion of the Loan.

(b) A maximum number of two Borrowers are allowed to be parties to the Mortgage.

(c) The Borrower's credit and employment history will have been assessed with the aid of one or more of the following:

   (i) a search supplied by a credit reference agency;

   (ii) CAIS information;

   (iii) confirmation of voters' roll entries or proof of residency;

   (iv) references from employers (and, in the case of mortgages originated by PFL, two payslips and a P60 form);

   (v) an accountant's certificate;

   (vi) references from lenders; or

   (vii) references from current landlords and previous landlords.

(d) Explanations may be provided where a County Court Judgment (or its Scottish or Northern Irish equivalent) (**CCJ**) relating to a Borrower has been revealed by the credit reference search or instalment arrears have been revealed by lender's or landlord's references or a Borrower has been subject to a Bankruptcy Order (**BO**) or Individual Voluntary Arrangement (**IVA**) (or their Scottish equivalent) and such explanations have been asked for at the underwriter's discretion.

(e) Borrowers who were the subject of a BO must have provided a certificate of discharge. Borrowers who were subject to an IVA must have provided confirmation of satisfactory conduct of the IVA where appropriate.

Income

(a) Income is determined by reference to the application form and supporting documentation, where appropriate, and may consist of: (i) salary plus additional regular remuneration for an employed Borrower or net profit plus any additional income confirmed by the accountant for a self-employed Borrower (holding at least 25 per cent. of the issued share capital of the company), who is (except where the lender reasonably considers that the remuneration of the Borrower makes it appropriate to consider the Borrower as an employed Borrower), a partner in partnership, or a sole trader; (ii) pensions; (iii) investments; (iv) rental income; and (v) any other monies approved by an authorised official of the lender.

(b) With the exception of certain allowable fees added to the aggregate balance of the Mortgage, the principal amount advanced will depend on the loan to value where the loan to value is:

  (i) greater than 85 per cent., then the principal amount advanced will not exceed ten times the assessed income of the joint Borrowers; and

  (ii) equal to or less than 85 per cent., then the principal amount advanced will not exceed ten times the assessed income of the joint Borrowers.

(c) Customers who wish to self-certify their income are required to make a full declaration of their total personal income on the application form and must still complete in full the employment section of the application form. Reasonability tests are applied to the customer's declared income with reference to their trade and location. Self-certification of income by a customer to PFL was permitted by PFL until November 2009.

(d) Borrowers with super pass credit scores may not have been required to provide evidence of income.

Solicitors

The firm of solicitors acting on behalf of the lender on the making of the Mortgage must be on the PFL Solicitors panel. If the applicant wishes to use a solicitor not on the PFL Solicitors panel, then the lender will instruct one of the solicitors on the PFL Solicitors panel to act for the lender at the applicant's expense.

Right to Buy provisions of the Housing Act 1985, the Housing (Scotland) Act 1987 and the Housing (Northern Ireland) Order 1983 (as amended)

Some Mortgages (**Right to Buy Mortgages**) may be subject to the Right to Buy provisions of the Housing Act 1985, the Housing (Scotland) Act 1987 (as amended) and the Housing (Northern Ireland) Order 1983 (as amended).

Buy-to-Let Loans

Loans to Borrowers who wish to purchase or remortgage residential property for the purpose of letting to third parties (**Buy-to-Let Loans**) are governed by the same, or at times, more strict lending criteria than the Lending Criteria, including:

(a) the maximum LTV of each Loan is 90 per cent. excluding fees;

(b) the rental payment received by the Borrower in respect of the relevant Property is at least 110 per cent. of the Borrower's monthly payment under the Loan; and

(c) a more limited adverse credit history from the Borrower.

House Plus

The House Plus product is a conforming Buy To Let product. Income earned by the borrower replaces rental yield as the means by which the loan is repaid. The borrower self-certifies their income to purchase a Buy To Let property. Income multiples are applied in the standard way for Owner Occupied Residential loans. However, seven per cent. of the residential mortgage balance is deducted from gross income before income multipliers are applied, to reflect existing mortgage commitments. Normal self-certification reasonability and verification measures are also applied.

House Plus lending guidelines also include:

(a) with the exception of certain allowable fees added to the aggregate balance, the maximum House Plus Loan is £1,000,000;

(b) the maximum LTV for a House Plus Loan of £300,000 is 85 per cent.;

(c) the maximum LTV for a House Plus Loan of £1,000,000 is 75 per cent.;

(d) the maximum House Plus Loan in respect of mortgaged Property which has been constructed in the last 12 months is £300,000; and

(e) only one House Plus Loan per Borrower/household is permitted.

GMAC-RFC Lending Criteria

The following is a summary of the criteria of GMAC-RFC (the **GMAC-RFC Lending Criteria**) that were applied (subject to GMAC-RFC taking reasonable steps to ensure it was the case (and that any discretions to deviate from such criteria were exercised in accordance with GMAC-RFC's policies)) in respect of the MAS4 Mortgages and the MAS5 Mortgages.

Security

(a) GMAC-RFC requires a first legal charge over the Property. It must be used by the Borrower(s) for private residential purposes only. Full vacant possession must be obtained at completion and no part let or part possession will be accepted.

(b) Mortgage properties are required to be valued using an automated valuation model or by a suitably qualified valuer on GMAC-RFC's approved panel of valuers, as agreed from time to time and managed and monitored by credit risk. For a Buy To Let Loan, the valuation report must provide an estimate of the rental income that may be obtained and must also provide comparables in line with the valuation.

(c) Property securing a Buy To Let Loan must be let on a six or 12-month assured shorthold tenancy or on a company let not exceeding 36 months. It must be let within three months of completion of the Loan, and remain available for letting throughout the term of the Loan.

(d) Property securing a Buy To Let Loan may not be occupied by the borrower.

(e) The following property types are considered unacceptable security:

(i) for Loans entered into after June 2006, properties of non-standard construction, except concrete no-fines, laing easiform or crosswall constructions;

(ii) for Loans entered into after September 2006, properties with non-standard roof construction;

(iii) for Loans entered into after September 2007, new build properties with an LTV greater than 75 per cent.;

(iv) freehold flats and maisonettes (in England & Wales only);

(v) for Loans entered into after July 2007, freehold coach houses;

(vi) residential flats above commercial premises, with an LTV of more than 85 per cent.;

(vii) investment flats above commercial premises, regardless of LTV in respect of Loan Agreements entered into prior to February 2006 and thereafter with an LTV of more than 75 per cent.;

(viii) studio flats;

(ix) properties with unexpired lease term of less than 30 years at end of the mortgage term;

(x) shared ownership properties;

(xi) tenanted properties (residential only);

(xii) investment properties (residential only);

(xiii) commercial properties;

(xiv) properties subject to agricultural restrictions;

(xv) properties under ten years old without one of the following:

(A) NHBC Certificate;

(B) Zurich Municipal Guarantee;

(C) Architect's Certificate (RJOBA);

(D) Chartered Building Surveyor's Certificate;

(E) Premier Guarantee; and

(F) for Loans entered into after July 2007, Building Life Plan;

(xvi) properties where stage payments are required;

(xvii) unimproved/uninhabitable properties i.e. no kitchen or bathroom;

(xviii) properties with two kitchens and/or multiple services on Buy-to-Let Loans;

(xix) properties with greater than two kitchens and/or multiple services on residential loans;

(xx) prefabricated or large panel concrete construction (LPS);

(xxi) pre-fabricated reinforced concrete construction (PRC);

(xxii) concrete block construction designated Mundic;

(xxiii) properties of high alumina cement;

(xxiv) BISF, metal and steel framed properties;

(xxv) any property designated defective under the Housing Act;

(xxvi) properties of 100 per cent. timber construction;

(xxvii) properties with ongoing structural movement or movement that requires monitoring;

(xxviii) underpinned properties where no guarantees are available;

(xxix) uninsurable properties, or properties subject to an ongoing insurance claim;

(xxx) properties likely to be adversely affected by local planning, e.g. road widening;

(xxxi) properties where an unsatisfactory mining search is received;

(xxxii) Grade 1 listed buildings;

(xxxiii) second homes/holiday homes;

(xxxiv) mobile homes and houseboats;

(xxxv) properties with land in excess of five hectares/12 acres;

(xxxvi) properties subject to local or restrictive covenants; and

(xxxvii) where the valuation report indicates:

(A) the interior/exterior condition of the property is poor and demand is poor; and/or

(B) the saleability of the property is affected by local factors and demand is poor.

Loan size

GMAC-RFC will not originate a Loan that will be £25,000 or less at the time of completion. The maximum loan size is £1,100,000 for verified loans and £750,000 for self-certified Loans and £1,000,000 for Buy-to-Let Loans.

The loan to value ratio (**LTV**) is calculated by dividing the gross principal amount (net of any fees) committed at completion of the Loan by the lower of the valuation of the Property or, in the case of a Loan made for financing the purchase of a Property, the disclosed purchase price (except in exceptional cases, i.e. where the purchase price that has been paid reflects a discount).

GMAC-RFC does not originate Loans with an LTV higher than 95 per cent. (89 per cent. for Buy-to-Let Loans), subject to exceptions in certain circumstances.

Term

Each Loan must have an initial term of between five and 30 years.

Borrowers

(a) Borrowers must be natural persons, and have been at least 18 years of age (or, in the case of Buy-to-Let Loans, the primary applicant must be at least 25 years of age) prior to completion of the Loan and the term of mortgage loans usually must end before the primary applicant reaches his/her 76th birthday (subject to approved exceptions).

(b) A maximum number of four Borrowers are allowed to be parties to a Loan or two Borrowers for Buy-to-Let Loans.

(c) The Borrower's credit and employment history will have been assessed with the aid of one or more of the following:

  (i) a search supplied by credit reference agency;

  (ii) confirmation of voters' roll entries or proof of residency;

  (iii) reduced referencing telephone call to the applicant's employer to verify works there unless selected for an audit, then a reference from current employers;

  (iv) reduced referencing telephone call to the applicant's accountant to confirm acts for the applicant unless selected for an audit, then an accountant's certificate;

  (v) a reference from current lenders; and

  (vi) a reference from current landlords.

  CCJs/defaults for Buy-to-Let Loans are permitted with a total value of £10,000. CCJs/defaults are permitted for all other loans and in these instances there will be no limit on the number or value of CCJs/defaults permitted. For self-certified Loans, where the CCJ/default has been satisfied/settled within the last 12 months, it will not be acceptable regardless of number or value. Where satisfaction of CCJs is a requirement of the Loan, a certificate of satisfaction must have been provided.

(d) Borrowers who were the subject of a BO must have provided a certificate of discharge. Where a Borrower is a discharged bankrupt but has charges remaining against it or the Property, it is acceptable to allow the remortgage to pay off the charge(s). Borrowers who were the subject of an IVA will have provided a confirmation of satisfactory conduct of the IVA where appropriate.

Income

Buy-to-Let Loans are deemed to be self-funding. Applicants will declare on the application form details of income and occupation, but no further information is required. Unemployed applicants will be unacceptable. Gross monthly rental income must be at least 100 per cent. of the monthly mortgage interest payments. Affordability is calculated at the current interest rate of the Loan or the Bank of England repo rate plus a reference margin. The reference margin ranges from 1.00 per cent. to 1.25 per cent.

Solicitors

GMAC-RFC will normally instruct the applicant's solicitor to act on its behalf, provided that the firm meets the following criteria:

(a) it has a minimum of two partners;

(b) it has indemnity insurance in place (minimum £1,000,000); and

(c) all partners have current practising certificates.

Sole practitioners will not be instructed to act on behalf of the company. Licensed conveyancers will not normally be instructed to act on behalf of the company.

Exceptions/Changes to the GMAC-RFC Lending Criteria

GMAC-RFC took reasonable steps at the time of origination of the GMAC-RFC Loans to ensure that the GMAC-RFC Lending Criteria were satisfied (and that any discretions were exercised in accordance with GMAC-RFC's policies).

Capital Costs and Further Advances

Capital Costs will (where applicable in accordance with the terms and conditions of the Loans) be added, funded by debiting amounts standing to the credit of an Interim Period Collection Account.

No Interim Legal Title Holder is obliged to make any Further Advances. The Issuer is not obliged to purchase any Further Advances.

Capital Costs means any costs relating to any works required to protect the security of the Issuer over the property where the relevant Borrower has not been able to remedy the damage caused to such property (for example as a result of the Borrower not being able to claim under its insurance policy) and where such costs can be capitalised in accordance with the terms and conditions of the Loan.

Insurance Policies

Buildings Insurance

Buildings insurance or building and contents insurance is arranged by the relevant Borrower selecting an insurer and arranging cover accordingly (a **Third Party Buildings Policy**).

Properties in Possession Insurance

In respect of certain Mortgages, a properties in possession insurance policy has been issued by Pen Underwriting Limited in favour of the Interim Legal Title Holders (the **PEN Policies**) in respect of any loss arising in respect of damage occurring to Properties that have been subject to repossession by the Interim Legal Title Holders.

Title Insurance Policies

A title insurance policy has been issued by London & European Title Insurance Services Limited in favour of the Interim Legal Title Holders in respect of any loss arising from the existence of any adverse matter which would have been revealed had the Interim Legal Title Holders instructed a solicitor to conduct a search or other procedure against the title to the relevant Property.

Insurance Policies means:

(a) in respect of the Seller, the Title Insurance Policies, the PEN Policies and any other insurance contracts in replacement, addition or substitution thereof from time to time which relates to the Loans, and **Insurance Policy** means any one of them; and

(b) in respect of the Interim Legal Title Holders, the insurance contracts in relation to the Loans, Mortgages or Properties strictly insofar that the benefit in such insurance contracts is in favour of any Interim Legal Title Holders, and **Insurance Policy** means any one of them,

in each case as the context requires.

Title Insurance Policies means a title insurance policy, in the form of London & European All Inclusive Lenders' Title Policy dated 30 January 2007, together with a certificate of title insurance issued by the insurer to the Interim Legal Title Holders and the Underwriting Criteria, together with, any other insurance policies in replacement, addition or substitution thereof or thereto from time to time which relate to the Loans.

Fraud Prevention and Anti-Money Laundering

According to the Lending Policies of PFL and GMAC:

(a) fraud prevention measures used by PFL included external trainings provided by K-People, as well as internal trainings and a dedicated website with information on financial crime, and internal fraud, anti-money laundering or whistle blowing policies were put in place to ensure that financial crime can be identified, assessed and monitored;

(b) PFL and GMAC utilised Electronic Address and Identity Verification (**E-ID**) services provided by Experian or other services to verify the address and identity of an applicant and a confirmation from E-ID was sufficient to satisfy KYC, AML and proof of residency checks, and E-ID services could also be utilised to conduct fraud and sanctions checks or alternatively PFL and GMAC used their own internal identity verification process in line with their policies;

(c) PFL and GMAC had policies with strict requirements as to which forms of identification were acceptable and, in certain circumstances, where standard identification documents were unavailable, alternative procedures were put in place in line with their policies; and

(d) each of PFL and GMAC adhered to money laundering regulations applicable at the time of origination of the relevant Loans, that staff underwent regular anti-money laundering training and each application was assessed individually and that, in the case of PFL, if there were suspicions of money-laundering in respect of an application, a "Suspicious Activity Report" would be submitted for investigation.

Credit Risk Mitigation

The Issuer has entered into certain contracts for the purchase, on-sale and servicing of the Portfolio. The Transaction Documents contain certain provisions, and certain parties to the transaction (including the Servicer) maintain certain criteria, policies and procedures, regarding the selection, administration of the mortgage portfolio and credit risk mitigation, as follows:

(a) the Interim Legal Title Holders have criteria for the granting of credit and processes for approving, amending, renewing and re-financing credits, as to which, please see the information set out earlier in this section entitled "*PFL Lending Criteria*", "*GMAC-RFC Lending Criteria*" and "*Summary of the Key Transaction Documents – Interim Legal Title Holders Deed*";

(b) the Servicer, on behalf of the Issuer and the Interim Legal Title Holders, will have in place systems to administer and monitor the various credit-risk bearing portfolios and exposures (as to which, it should be noted that the Loans will be serviced in line with the servicing procedures of the Servicer – please see further the section entitled "*Summary of the Key Transaction Documents – Servicing Agreement*"); and

(c) the Servicer, acting on behalf of the Issuer, has written policies and procedures in relation to risk mitigation techniques (as to which, please see further the section of this Prospectus headed "*Summary of the Key Transaction Documents – Servicing Agreement*").

Criteria for Credit-Granting and Due Diligence

In respect of the Loans, the Seller and the Retention Holder have each received from the Vendor and other publicly available information all the necessary information to allow it to assess whether the criteria applied by the relevant Originator in the credit-granting for the Loans were as sound and well-defined as the criteria applied to loans advanced by the relevant Originator but not securitised and upon review of this information (which includes the following) has confirmed the same to its satisfaction. In particular, but without limitation, the Seller has received from relevant sources and reviewed the following:

- the reports provided by an independent third party in connection with the transaction by the Vendor;
- an AUP report prepared by an independent third party;
- due diligence materials made available by the Servicer, the Interim Legal Title Holders and the Vendor (including data tapes and lending criteria);
- advice previously given in relation to the Mortgage Portfolio in connection with the issuance of notes by the Vendor which included due diligence reports on standard documentation prepared by certain law firms as to English, Scottish and Northern Irish law;
- responses to questions posed to the Servicer and the Interim Legal Title Holders (including the due diligence questionnaires prior to the Closing Date); and
- certain prospectuses (including the prospectus prepared in connection with the issuance of the notes by the Vendor) and other publicly available information (including reports prepared by rating agencies) relating to previous securitisations of similar assets by the Originators

CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO

The statistical and other information contained in this section has been compiled by reference to the Provisional Portfolio as at the Portfolio Reference Date.

The Mortgage Portfolio consists of Loans included in the Provisional Portfolio after accounting for Loans which redeem prior to the Closing Date. The Provisional Portfolio has a Current Balance of £609,655,578.43 as at the Portfolio Reference Date. The information contained in this section has not been updated to reflect any decrease in size of the Mortgage Portfolio from that of the Provisional Portfolio. For the avoidance of doubt, the statistical and other information contained in this section does not include any data in respect of the Shortfall Loans.

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

The increase of the Bank of England Base Rate from 5.00 per cent. to 5.25 per cent. on 3 August 2023 will take effect with the respect to the Provisional Portfolio on 01 September 2023 (save a few loans in respect of which it took effect on 3 August 2023) (that is, after the Portfolio Reference Date), and therefore the statistical and other information contained in this section reflects the prior Bank of England Base Rate of 5 per cent.

As at the Portfolio Reference Date, the Provisional Portfolio had the following characteristics:

Summary Statistics[1]	
Total Original Balance (£)	741,893,028.76
Total Current Balance (£)	609,655,578.43
Number of Accounts	6,003
Number of Sub Accounts	6,118
Average Current Balance (£, Account level)	101,558.48
Minimum Loan Current Balance (£, Account level)	4.07
Maximum Loan Current Balance (£, Account level)	644,077.55
Average Current Balance (£, Sub Account level)	99,649.49
Minimum Loan Current Balance (£, Sub Account level)	4.07
Maximum Loan Current Balance (£, Sub Account level)	620,856.78
Weighted-average Original LTV (%, Account Level)	78.47%
Weighted-average Current LTV (non-indexed) (%, Account Level)	73.60%
Weighted-average Current LTV (indexed) (%, Account Level)	47.95%
Weighted-average Loan Term (Months) [Years]	283.67 [23.64]
Weighted-average Seasoning (Months) [Years]	197.65 [16.47]
Weighted-average Remaining Term (Months)	86.02 [7.17]
Weighted-average Current Interest rate (%)	7.10%
Interest-only (% of Current Balance) – incl. P&P	84.90%
Buy to let (% of Current Balance)	26.02%
Owner-occupied (% of Current Balance, Account level)	73.98%
(Greater) London (% of Current Balance, Account level)	16.40%

[1] For the avoidance of doubt, the statistical table in this table and on this tab does not include any data in respect of the Shortfall loans

Performing Loans (% of Current Balance - Account level)	86.26%
First time buyer (% of Current Balance)	8.94%
Loans in Arrears >= one month (% of Current Balance)	13.74%
Loans in Arrears >= three months (% of Current Balance)	5.92%

Original Balances of Mortgage Loans (Account level)	**£**	**%**	**#**	**%**
0 <= x < 25,000	5,505.45	0.00%	1	0.02%
25,000 <= x < 50,000	6,515,886.06	1.07%	296	4.93%
50,000 <= x < 100,000	124,438,915.70	20.41%	2,250	37.48%
100,000 <= x < 150,000	193,197,483.14	31.69%	1,897	31.60%
150,000 <= x < 200,000	127,634,412.05	20.94%	867	14.44%
200,000 <= x < 250,000	79,320,321.81	13.01%	409	6.81%
250,000 <= x < 350,000	55,014,167.79	9.02%	220	3.66%
350,000 <= x < 400,000	10,425,973.75	1.71%	33	0.55%
400,000 <= x < 450,000	4,661,818.98	0.76%	12	0.20%
450,000 <= x < 500,000	3,226,191.02	0.53%	7	0.12%
500,000 <= x < 600,000	3,866,582.81	0.63%	8	0.13%
600,000 <= x < 700,000	1,348,319.87	0.22%	3	0.05%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Max	645,175.00
Min	5,835.00
Average	123,587.04

Original Balances of Mortgage Loans (Sub-Account level)	**£**	**%**	**#**	**%**
0 <= x < 25,000	558,939.40	0.09%	73	1.19%
25,000 <= x < 50,000	7,499,848.82	1.23%	332	5.43%
50,000 <= x < 100,000	125,632,284.27	20.61%	2,269	37.09%
100,000 <= x < 150,000	193,468,930.56	31.73%	1,898	31.02%
150,000 <= x < 200,000	127,000,511.58	20.83%	864	14.12%
200,000 <= x < 250,000	78,604,688.74	12.89%	404	6.60%
250,000 <= x < 350,000	54,045,762.66	8.86%	216	3.53%
350,000 <= x < 400,000	10,425,973.75	1.71%	33	0.54%
400,000 <= x < 450,000	5,075,713.82	0.83%	13	0.21%
450,000 <= x < 500,000	2,747,635.89	0.45%	6	0.10%
500,000 <= x < 600,000	3,891,046.62	0.64%	8	0.13%
600,000 <= x < 700,000	704,242.32	0.12%	2	0.03%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Max	645,075.00
Min	100.00
Average	121,263.98

Current Balances of Mortgage Loans (Account level)	**£**	**%**	**#**	**%**
0 <= x < 25,000	9,442,080.92	1.55%	679	11.31%
25,000 <= x < 50,000	36,376,756.81	5.97%	971	16.18%
50,000 <= x < 100,000	129,612,844.34	21.26%	1,728	28.79%
100,000 <= x < 150,000	169,500,994.26	27.80%	1,385	23.07%
150,000 <= x < 200,000	114,662,648.42	18.81%	667	11.11%
200,000 <= x < 250,000	73,192,515.36	12.01%	331	5.51%
250,000 <= x < 350,000	52,327,899.43	8.58%	184	3.07%

	£	%	#	%
350,000 <= x < 400,000	11,116,913.28	1.82%	30	0.50%
400,000 <= x < 450,000	5,891,335.13	0.97%	14	0.23%
450,000 <= x < 500,000	2,386,399.96	0.39%	5	0.08%
500,000 <= x < 600,000	3,880,256.19	0.64%	7	0.12%
600,000 <= x < 700,000	1,264,934.33	0.21%	2	0.03%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Max	644,077.55
Min	4.07
Average	101,558.48

Current Balances of Mortgage Loans (Sub-Account level)	**£**	**%**	**#**	**%**
0 <= x < 25,000	10,310,637.01	1.69%	771	12.60%
25,000 <= x < 50,000	37,077,528.01	6.08%	989	16.17%
50,000 <= x < 100,000	130,241,951.34	21.36%	1,738	28.41%
100,000 <= x < 150,000	170,219,002.71	27.92%	1,391	22.74%
150,000 <= x < 200,000	113,852,345.78	18.67%	663	10.84%
200,000 <= x < 250,000	72,537,837.59	11.90%	328	5.36%
250,000 <= x < 350,000	51,560,711.13	8.46%	181	2.96%
350,000 <= x < 400,000	11,116,913.28	1.82%	30	0.49%
400,000 <= x < 450,000	6,305,229.97	1.03%	15	0.25%
450,000 <= x < 500,000	1,907,844.83	0.31%	4	0.07%
500,000 <= x < 600,000	3,904,720.00	0.64%	7	0.11%
600,000 <= x < 700,000	620,856.78	0.10%	1	0.02%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Max	620,856.78
Min	4.07
Average	99,649.49

Original LTV[2] (Account level)	**£**	**%**	**#**	**%**
0% <= x < 45%	12,068,639.32	1.98%	249	4.15%
45% <= x < 50%	6,114,340.30	1.00%	109	1.82%
50% <= x < 55%	12,052,883.02	1.98%	195	3.25%
55% <= x < 60%	18,422,321.65	3.02%	243	4.05%
60% <= x < 65%	31,444,210.19	5.16%	361	6.01%
65% <= x < 70%	44,165,083.98	7.24%	451	7.51%
70% <= x < 75%	73,268,139.86	12.02%	737	12.28%
75% <= x < 80%	85,882,607.77	14.09%	871	14.51%
80% <= x < 85%	99,215,807.25	16.27%	903	15.04%
85% <= x < 90%	114,472,557.30	18.78%	1,013	16.87%
90% <= x < 95%	78,523,408.35	12.88%	585	9.75%
95% <= x < 100%	32,562,525.13	5.34%	275	4.58%
>= 100%	1,463,054.31	0.24%	11	0.18%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Weighted-Average	78.47%

Original Valuation[3] (Account level)	**£**	**%**	**#**	**%**
0 <= x < 50,000	1,012,625.00	0.17%	58	0.97%

2 Based on Original Valuation or, if available, the valuation conducted as at the time of the latest advance
3 Based on AR136

50,000 <= x < 100,000	49,678,007.57	8.15%	1,130	18.82%
100,000 <= x < 150,000	145,011,470.90	23.79%	1,914	31.88%
150,000 <= x < 200,000	145,311,166.64	23.83%	1,366	22.76%
200,000 <= x < 250,000	104,916,844.19	17.21%	721	12.01%
250,000 <= x < 300,000	68,446,328.70	11.23%	407	6.78%
300,000 <= x < 350,000	32,196,023.99	5.28%	171	2.85%
350,000 <= x < 400,000	21,346,198.36	3.50%	90	1.50%
400,000 <= x < 450,000	13,077,381.30	2.15%	54	0.90%
450,000 <= x < 500,000	9,940,056.70	1.63%	38	0.63%
500,000 <= x < 1,000,000	14,064,545.90	2.31%	45	0.75%
1,000,000 <= x < 2,000,000	4,571,543.64	0.75%	8	0.13%
	83,385.54	0.01%	1	0.02%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Max	1,400,000.00
Min	29,500.00
Weighted-Average	211,716.47

CLTV(Account level)	£	%	#	%
0% <= x < 25%	19,244,594.05	3.16%	842	14.03%
25% <= x < 35%	25,118,913.71	4.12%	567	9.45%
35% <= x < 45%	34,372,614.38	5.64%	567	9.45%
45% <= x < 50%	17,330,056.53	2.84%	242	4.03%
50% <= x < 55%	17,479,039.98	2.87%	194	3.23%
55% <= x < 60%	20,196,390.48	3.31%	196	3.27%
60% <= x < 65%	29,747,963.68	4.88%	245	4.08%
65% <= x < 70%	39,361,014.61	6.46%	318	5.30%
70% <= x < 75%	54,412,020.46	8.93%	414	6.90%
75% <= x < 80%	69,668,343.54	11.43%	543	9.05%
80% <= x < 85%	63,507,500.55	10.42%	433	7.21%
85% <= x < 90%	87,865,349.87	14.41%	596	9.93%
90% <= x < 95%	69,114,207.28	11.34%	443	7.38%
95% <= x < 100%	36,520,425.71	5.99%	242	4.03%
x >= 100%	25,717,143.60	4.22%	161	2.68%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Weighted-Average 73.60%

Current Valuation (Account level)	£	%	#	%
0 <= x < 50,000	947,196.09	0.16%	57	0.95%
50,000 <= x < 100,000	49,758,920.09	8.16%	1,129	18.81%
100,000 <= x < 150,000	145,276,992.44	23.83%	1,920	31.98%
150,000 <= x < 200,000	144,275,477.55	23.67%	1,355	22.57%
200,000 <= x < 250,000	104,191,211.85	17.09%	719	11.98%
250,000 <= x < 300,000	68,218,710.71	11.19%	405	6.75%
300,000 <= x < 350,000	32,324,421.09	5.30%	174	2.90%
350,000 <= x < 400,000	22,050,465.76	3.62%	93	1.55%
400,000 <= x < 450,000	13,245,526.72	2.17%	55	0.92%
450,000 <= x < 500,000	9,678,223.17	1.59%	37	0.62%
500,000 <= x < 1,000,000	14,580,582.08	2.39%	48	0.80%
750,000 <= x < 1,000,000	4,763,784.60	0.78%	9	0.15%
1,000,000 <= x < 1,500,000	344,066.28	0.06%	2	0.03%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Max	1,500,000.00
Min	29,500.00
Weighted-Average	213,241.18

Indexed LTV[4] (Account level)	£	%	#	%
0% <= x < 25%	52,616,232.72	8.63%	1,498	24.95%
25% <= x < 35%	66,228,937.25	10.86%	822	13.69%
35% <= x < 45%	119,716,955.48	19.64%	991	16.51%
45% <= x < 50%	80,396,274.42	13.19%	586	9.76%
50% <= x < 55%	84,333,525.20	13.83%	591	9.85%
55% <= x < 60%	82,308,123.04	13.50%	563	9.38%
60% <= x < 65%	50,112,990.69	8.22%	374	6.23%
65% <= x < 70%	35,420,082.65	5.81%	272	4.53%
70% <= x < 75%	20,297,351.26	3.33%	165	2.75%
75% <= x < 80%	9,939,826.11	1.63%	82	1.37%
80% <= x < 85%	3,954,743.36	0.65%	30	0.50%

[4] Indexed using Nationwide Regional, Quarterly, Seasonally-adjusted House Price Index as at Q2 2023

85% <= x < 90%	2,069,719.97	0.34%	15	0.25%
90% <= x < 95%	714,068.89	0.12%	5	0.08%
95% <= x < 100%	533,299.14	0.09%	2	0.03%
x >= 100%	1,013,448.25	0.17%	7	0.12%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Weighted-Average	47.95%

Indexed Valuation[5] (Account level)	£	%	#	%
0 <= x < 100,000	11,613,385.28	1.90%	351	5.85%
100,000 <= x < 150,000	56,797,557.42	9.32%	1,090	18.16%
150,000 <= x < 200,000	89,112,058.83	14.62%	1,224	20.39%
200,000 <= x < 250,000	85,677,843.04	14.05%	915	15.24%
250,000 <= x < 300,000	77,491,383.62	12.71%	717	11.94%
300,000 <= x < 350,000	61,558,890.67	10.10%	465	7.75%
350,000 <= x < 400,000	55,980,006.64	9.18%	375	6.25%
400,000 <= x < 450,000	44,636,863.64	7.32%	274	4.56%
450,000 <= x < 500,000	31,105,285.21	5.10%	182	3.03%
500,000 <= x < 1,000,000	84,222,982.23	13.81%	379	6.31%
1,000,000 <= x < 1,500,000	9,303,499.97	1.53%	26	0.43%
1,500,000 <= x < 2,000,000	2,155,821.88	0.35%	5	0.08%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Max	1,815,029.45
Min	42,071.21
Weighted-Average	339,594.85

Property type (Account level)	£	%	#	%
Residential (House, detached or semi-detached)	258,323,022.73	42.37%	2,294	38.21%
Residential (Flat/Apartment)	101,400,250.20	16.63%	935	15.58%
Residential (Bungalow)	22,973,239.95	3.77%	197	3.28%
Residential (Terraced House)	226,959,065.55	37.23%	2,577	42.93%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

5 Indexed using Nationwide Regional, Quarterly, Seasonally-adjusted House Price Index as at Q2 2023

Geographic Region (Account level)	£	%	#	%
North East	25,176,074.63	4.13%	384	6.40%
North West	68,446,726.23	11.23%	852	14.19%
Yorkshire & Humberside	44,301,145.33	7.27%	600	10.00%
East Midlands	36,088,977.64	5.92%	428	7.13%
West Midlands	61,118,173.72	10.03%	707	11.78%
East of England	15,553,651.07	2.55%	166	2.77%
London	99,954,426.68	16.40%	595	9.91%
South East	161,072,935.32	26.42%	1,207	20.11%
South West	43,493,848.88	7.13%	364	6.06%
Wales	37,368,661.41	6.13%	438	7.30%
Scotland	12,147,737.13	1.99%	203	3.38%
Northern Ireland	4,933,220.39	0.81%	59	0.98%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

First Time Buyer (Account level)	£	%	#	%
Y	54,513,274.62	8.94%	604	10.06%
N	554,868,741.72	91.01%	5,396	89.89%
ND	273,562.09	0.04%	3	0.05%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Occupancy Type (Account level)	£	%	#	%
Owner-occupied	451,043,453.60	73.98%	4,433	73.85%
Non-owner-occupied/buy-to-let	158,612,124.83	26.02%	1,570	26.15%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Restructuring Arrangement (Account level)	£	%	#	%
Y	313,457,025.30	51.42%	2,941	48.99%
N	296,198,553.13	48.58%	3,062	51.01%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**

Loan term (months, Sub-Account level)	£	%	#	%
60 <= x < 120	1,089,991.64	0.18%	15	0.25%
120 <= x < 180	3,392,540.16	0.56%	35	0.57%
180 <= x < 240	42,854,576.56	7.03%	514	8.40%
240 <= x < 300	188,704,417.73	30.95%	1,892	30.93%
300 <= x < 360	323,561,507.45	53.07%	3,121	51.01%
360 <= x < 420	49,318,909.58	8.09%	533	8.71%
420 <= x < 542	733,635.31	0.12%	8	0.13%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Max	482.33
Min	65.00
Weighted-Average	283.67

Seasoning[6] (Sub-Account level)	£	%	#	%
0 < x < 24	1,661,219.36	0.27%	15	0.25%
24 <= x < 132	2,042,663.54	0.34%	33	0.54%
132 <= x < 168	3,475,388.00	0.57%	56	0.92%
168 <= x < 204	452,598,641.17	74.24%	4,360	71.27%
204 <= x < 240	144,788,261.14	23.75%	1,581	25.84%
240 <= x < 300	5,089,405.22	0.83%	73	1.19%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Max	260.28
Min	0.95
Weighted-Average	197.65

6 * Loans with low seasoning represent cases where a transfer of equity or porting has occurred

Remaining Term (Sub-Account level)	£	%	#	%
< 0	10,853,891.72	1.78%	106	1.73%
0 <= x < 12	7,655,391.53	1.26%	118	1.93%
12 <= x < 24	21,401,255.78	3.51%	259	4.23%
24 <= x < 48	61,381,743.19	10.07%	609	9.95%
48 <= x < 60	65,841,777.13	10.80%	625	10.22%
60 <= x < 120	375,686,658.40	61.62%	3,666	59.92%
120 <= x < 144	19,963,231.31	3.27%	215	3.51%
144 <= x < 168	23,534,648.95	3.86%	265	4.33%
148 <= x < 168	21,738,293.56	3.57%	237	3.87%
192 <= x	1,598,686.86	0.26%	18	0.29%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Max	291.68
Min	-86.96
Weighted-Average	86.02

Origination Year (Sub-Account Level)	£	%	#	%
2001	582,854.46	0.10%	4	0.07%
2002	1,110,928.25	0.18%	23	0.38%
2003	15,721,612.94	2.58%	190	3.11%
2004	48,247,217.11	7.91%	545	8.91%
2005	62,289,990.82	10.22%	706	11.54%
2006	54,679,239.85	8.97%	485	7.93%
2007	366,772,580.84	60.16%	3,469	56.70%
2008	52,097,115.34	8.55%	569	9.30%
2009	1,698,141.04	0.28%	37	0.60%
2010	1,392,259.93	0.23%	19	0.31%
2011	1,307,013.55	0.21%	20	0.33%
2012 <= x	3,756,624.30	0.62%	51	0.83%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Maturity Year (Sub-Account Level)	£	%	#	%
2021	3,199,768.61	0.52%	24	0.39%
2022	5,111,067.54	0.84%	47	0.77%
2023	6,487,087.52	1.06%	97	1.59%
2024	12,452,871.85	2.04%	174	2.84%
2025	22,488,885.83	3.69%	257	4.20%
2026 - 2030	254,792,334.49	41.79%	2,641	43.17%
2031 - 2035	262,299,590.11	43.02%	2,402	39.26%
2036 - 2040	41,679,871.54	6.84%	463	7.57%
2041 - 2045	884,483.04	0.15%	10	0.16%
2046 - 2052	259,617.90	0.04%	3	0.05%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Originator (Account level)	£	%	#	%
PFL	238,784,296.44	39.17%	2,675	44.56%
GMAC	370,871,281.99	60.83%	3,328	55.44%
	609,655,578.43	**100.00%**	**6,003**	**100.00 %**

Loan purpose (Sub-Account level)	£	%	#	%
Purchase	161,529,832.51	26.50%	1,433	23.42%
Re-mortgage	202,052,083.28	33.14%	1,892	30.93%
Equity Release	1,679,053.38	0.28%	94	1.54%
Re-mortgage with Equity Release	72,694,676.71	11.92%	845	13.81%
Investment Mortgage	158,297,568.34	25.97%	1,570	25.66%
Right to Buy	13,402,364.21	2.20%	284	4.64%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Repayment Method (Sub-Account level)	£	%	#	%
Interest Only	513,462,058.42	84.22%	3,872	63.29%
Repayment	92,051,463.12	15.10%	2,197	35.91%
Part & Part	4,142,056.89	0.68%	49	0.80%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Payment Method (Sub-Account level)	£	%	#	%
Linear	92,051,463.12	15.10%	2,197	35.91%
Bullet	513,462,058.42	84.22%	3,872	63.29%
Other	4,142,056.89	0.68%	49	0.80%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Interest Rate Type (Sub-Account level)	£	%	#	%
PHL Term SONIA	76,037,205.13	12.47%	1,021	16.69%
PHL BBR	161,249,535.39	26.45%	1,668	27.26%
PHL SVR	108,244.45	0.02%	1	0.02%
PHL Synth LIBOR	1,389,311.47	0.23%	19	0.31%
MAS SVR	108,321,620.18	17.77%	962	15.72%
GMAC BBR	153,229,015.01	25.13%	1,471	24.04%
GMAC Term SONIA	51,331,263.15	8.42%	469	7.67%
GMAC Synth LIBOR	57,989,383.65	9.51%	507	8.29%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Current Interest Rate Index (Sub-Account level)	£	%	#	%
BoE Base Rate	314,656,994.80	51.61%	3,140	51.32%
Standard Variable Rate	108,251,420.23	17.76%	962	15.72%
Other	186,747,163.40	30.63%	2,016	32.95%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**

Current Interest Rate (Sub-Account level)	£	%	#	%
4.5% < x < 5%	41,218,749.64	6.76%	411	6.72%
5% <= x < 5.5%	16,879,133.87	2.77%	178	2.91%
5.5% <= x < 6%	18,395,110.61	3.02%	201	3.29%
6% <= x < 6.5%	104,800,574.09	17.19%	1,039	16.98%
6.5% <= x < 7%	111,743,645.26	18.33%	1,070	17.49%
7% <= x < 7.5%	86,836,317.81	14.24%	858	14.02%
7.5% <= x < 8%	51,210,596.72	8.40%	534	8.73%
8% <= x < 8.5%	140,302,196.36	23.01%	1,351	22.08%
8.5% <= x < 9%	22,457,323.56	3.68%	288	4.71%
9% <= x < 10.5%	15,811,930.51	2.59%	188	3.07%
	609,655,578.43	**100.00%**	**6,118**	**100.00%**
Max	11.17%			
Min	4.69%			
Weighted-Average	7.10%			

Number Months in Arrears (Account level)	£	%	#	%
0	492,112,801.53	80.72%	5,025	83.71%
0 < x < 1	33,773,400.31	5.54%	302	5.03%
1 <= x < 2	32,897,247.79	5.40%	276	4.60%
2 <= x < 3	14,773,208.41	2.42%	129	2.15%
3 <= x < 6	19,257,009.96	3.16%	154	2.57%
6 <= x < 9	7,503,799.72	1.23%	53	0.88%
9 <= x < 12	3,363,762.33	0.55%	28	0.47%
>=12	5,974,348.38	0.98%	36	0.60%
	609,655,578.43	**100.00%**	**6,003**	**100.00%**
Max	63.18			
Min	0.00			
Weighted-Average	0.65			

Shortfall Loans

As of the Portfolio Reference Date, 0.60 percent of Provision Portfolio is Shortfall Loans which have a total aggregate Current Balance of £3,644,492.13.

HISTORICAL PERFORMANCE

The following table shows various historical performance characteristics relevant to the Loans.

1. *Pre-payment rates*

The following table shows the historical annualised constant prepayment rate (**CPR**) on a monthly basis and covers all Loans within the Provisional Portfolio, as well as Loans that have redeemed since September 2015. CPR is calculated as any excess payment (unscheduled principal collections) over the opening principal balance of all the loans net of scheduled principal collections

Month	Annualised CPR (%)
30/09/2015	7.63%
31/10/2015	9.04%
30/11/2015	9.26%
31/12/2015	9.11%
31/01/2016	8.00%
29/02/2016	8.46%
31/03/2016	10.87%
30/04/2016	9.88%
31/05/2016	7.32%
30/06/2016	7.23%
31/07/2016	9.08%
31/08/2016	11.42%
30/09/2016	8.07%
31/10/2016	8.29%
30/11/2016	7.07%
31/12/2016	8.52%
31/01/2017	7.31%
28/02/2017	7.87%
31/03/2017	9.69%
30/04/2017	8.04%
31/05/2017	9.67%
30/06/2017	8.40%
31/07/2017	10.03%
31/08/2017	13.08%
30/09/2017	9.71%
31/10/2017	8.81%
30/11/2017	9.98%
31/12/2017	9.74%
31/01/2018	7.67%
28/02/2018	9.50%
31/03/2018	9.91%
30/04/2018	9.59%
31/05/2018	9.61%
30/06/2018	8.61%
31/07/2018	9.69%
31/08/2018	10.90%
30/09/2018	10.22%
31/10/2018	11.69%
30/11/2018	10.01%
31/12/2018	10.10%
31/01/2019	11.16%

Month	Annualised CPR (%)
28/02/2019	10.19%
31/03/2019	8.77%
30/04/2019	10.02%
31/05/2019	9.19%
30/06/2019	8.55%
31/07/2019	10.79%
31/08/2019	12.22%
30/09/2019	14.90%
31/10/2019	12.15%
30/11/2019	10.54%
31/12/2019	10.46%
31/01/2020	9.09%
29/02/2020	6.67%
31/03/2020	11.28%
30/04/2020	6.44%
31/05/2020	7.64%
30/06/2020	8.14%
31/07/2020	8.72%
31/08/2020	9.16%
30/09/2020	10.18%
31/10/2020	8.40%
30/11/2020	11.37%
31/12/2020	8.56%
31/01/2021	7.24%
28/02/2021	8.41%
31/03/2021	12.74%
30/04/2021	9.36%
31/05/2021	10.05%
30/06/2021	15.82%
31/07/2021	7.45%
31/08/2021	11.90%
30/09/2021	12.78%
31/10/2021	12.54%
30/11/2021	11.00%
31/12/2021	13.11%
31/01/2022	12.02%
28/02/2022	14.49%
31/03/2022	13.97%
30/04/2022	12.17%
31/05/2022	15.06%
30/06/2022	13.28%
31/07/2022	15.51%
31/08/2022	18.01%
30/09/2022	16.10%
31/10/2022	20.36%
30/11/2022	19.31%
31/12/2022	16.13%
31/01/2023	12.47%
28/02/2023	13.60%
31/03/2023	12.47%
30/04/2023	10.37%
31/05/2023	13.11%

2. *Delinquencies*

The historical arrears experience is shown on a monthly basis and covers all loans within the Provisional Portfolio, as well as loans that have redeemed since September 2015. The measurement for delinquencies is Months in Arrears (**MIA**) on an account level basis and has been extracted from the Avon Finance No. 1 PLC investor reports:

Month	**<=1 MIA**	**1 < MIA <= 2**	**2 < MIA <= 3**	**3 < MIA <= 4**	**4 < MIA <= 5**	**5 < MIA <= 6**	**>6 MIA**
30/09/2015	86.45%	4.22%	2.63%	1.73%	1.18%	0.69%	3.10%
31/10/2015	86.32%	4.36%	2.62%	1.72%	1.12%	0.74%	3.13%
30/11/2015	86.28%	4.01%	2.89%	1.87%	1.01%	0.84%	3.11%
31/12/2015	85.98%	4.22%	2.71%	1.89%	1.19%	0.76%	3.25%
31/01/2016	85.64%	4.20%	2.77%	2.05%	1.08%	0.91%	3.34%
29/02/2016	85.90%	3.85%	2.70%	2.03%	1.19%	0.83%	3.50%
31/03/2016	85.86%	4.14%	2.56%	1.80%	1.22%	0.97%	3.46%
30/04/2016	85.73%	4.01%	2.67%	1.81%	1.17%	0.99%	3.62%
31/05/2016	85.83%	3.93%	2.80%	1.64%	1.09%	0.82%	3.88%
30/06/2016	86.20%	3.88%	2.63%	1.51%	0.92%	0.94%	3.93%
31/07/2016	86.11%	3.91%	2.62%	1.57%	1.07%	0.79%	3.93%
31/08/2016	86.45%	3.78%	2.52%	1.52%	1.13%	0.71%	3.90%
30/09/2016	86.36%	3.80%	2.58%	1.50%	1.00%	0.77%	4.00%
31/10/2016	85.86%	3.77%	2.71%	1.81%	0.92%	0.83%	4.11%
30/11/2016	86.23%	3.72%	2.42%	1.79%	1.03%	0.73%	4.08%
31/12/2016	86.07%	3.85%	2.48%	1.65%	1.19%	0.74%	4.02%
31/01/2017	86.48%	3.79%	2.38%	1.52%	1.03%	0.88%	3.93%
28/02/2017	86.43%	3.77%	2.25%	1.65%	1.22%	0.68%	3.99%
31/03/2017	86.72%	3.75%	2.32%	1.60%	1.18%	0.76%	3.67%
30/04/2017	86.53%	3.69%	2.47%	1.56%	1.12%	0.96%	3.67%
31/05/2017	87.02%	3.87%	2.21%	1.62%	0.79%	0.85%	3.64%
30/06/2017	87.31%	3.59%	2.30%	1.61%	1.01%	0.76%	3.43%
31/07/2017	87.36%	3.73%	2.29%	1.49%	1.18%	0.65%	3.30%
31/08/2017	87.43%	3.56%	2.48%	1.59%	0.99%	0.87%	3.09%
30/09/2017	87.39%	3.60%	2.65%	1.56%	0.88%	0.70%	3.23%
31/10/2017	87.67%	3.80%	2.54%	1.40%	0.91%	0.62%	3.06%
30/11/2017	88.04%	3.83%	2.56%	1.07%	0.89%	0.63%	2.99%
31/12/2017	88.20%	4.00%	2.38%	1.21%	0.75%	0.58%	2.87%
31/01/2018	88.73%	4.13%	2.12%	1.19%	0.72%	0.56%	2.54%
28/02/2018	88.77%	4.11%	2.14%	1.27%	0.68%	0.52%	2.51%
31/03/2018	88.98%	3.95%	2.25%	1.15%	0.78%	0.62%	2.27%
30/04/2018	89.36%	3.77%	2.21%	1.14%	0.65%	0.61%	2.27%
31/05/2018	89.53%	3.78%	2.12%	1.08%	0.64%	0.62%	2.22%
30/06/2018	89.86%	3.69%	1.94%	1.16%	0.65%	0.56%	2.14%
31/07/2018	90.38%	3.64%	1.96%	0.92%	0.58%	0.38%	2.14%
31/08/2018	90.34%	4.05%	1.62%	1.01%	0.54%	0.42%	2.01%
30/09/2018	90.28%	3.97%	1.92%	1.03%	0.46%	0.39%	1.95%
31/10/2018	91.20%	3.57%	1.63%	0.90%	0.46%	0.42%	1.82%
30/11/2018	91.31%	3.46%	1.58%	0.88%	0.55%	0.44%	1.78%
31/12/2018	90.66%	3.85%	1.73%	0.84%	0.57%	0.50%	1.85%
31/01/2019	91.27%	3.36%	1.79%	0.90%	0.46%	0.46%	1.76%
28/02/2019	91.05%	3.66%	1.71%	0.92%	0.53%	0.34%	1.79%

Month	<=1 MIA	1 < MIA <= 2	2 < MIA <= 3	3 < MIA <= 4	4 < MIA <= 5	5 < MIA <= 6	>6 MIA
31/03/2019	91.22%	3.61%	1.77%	0.79%	0.57%	0.35%	1.69%
30/04/2019	91.34%	3.41%	1.80%	0.91%	0.50%	0.38%	1.66%
31/05/2019	91.36%	3.79%	1.50%	0.90%	0.53%	0.34%	1.58%
30/06/2019	91.31%	3.69%	1.53%	0.94%	0.56%	0.38%	1.59%
31/07/2019	91.96%	3.40%	1.55%	0.62%	0.58%	0.36%	1.52%
31/08/2019	91.74%	3.81%	1.38%	0.65%	0.55%	0.37%	1.51%
30/09/2019	91.58%	3.80%	1.56%	0.81%	0.43%	0.31%	1.50%
31/10/2019	92.05%	3.34%	1.60%	0.79%	0.46%	0.36%	1.40%
30/11/2019	91.87%	3.29%	1.72%	0.78%	0.56%	0.34%	1.44%
31/12/2019	91.94%	3.18%	1.77%	0.78%	0.61%	0.37%	1.35%
31/01/2020	92.11%	3.02%	1.65%	0.85%	0.53%	0.47%	1.37%
29/02/2020	91.78%	3.34%	1.67%	0.84%	0.45%	0.50%	1.42%
31/03/2020	91.99%	2.94%	1.74%	0.93%	0.66%	0.28%	1.46%
30/04/2020	90.21%	3.54%	2.38%	1.05%	0.80%	0.43%	1.58%
31/05/2020	89.28%	4.10%	1.99%	1.45%	0.87%	0.60%	1.73%
30/06/2020	90.31%	3.24%	1.81%	1.13%	0.98%	0.64%	1.89%
31/07/2020	90.08%	3.06%	2.10%	0.89%	0.84%	0.86%	2.18%
31/08/2020	90.45%	2.79%	1.83%	1.21%	0.72%	0.64%	2.37%
30/09/2020	91.00%	2.61%	1.56%	1.15%	0.77%	0.57%	2.34%
31/10/2020	91.37%	2.32%	1.44%	1.07%	0.86%	0.61%	2.32%
30/11/2020	90.83%	2.75%	1.30%	1.18%	0.80%	0.73%	2.41%
31/12/2020	90.82%	2.37%	1.50%	1.20%	0.82%	0.70%	2.59%
31/01/2021	90.71%	2.22%	1.49%	1.23%	1.13%	0.54%	2.68%
28/02/2021	91.24%	2.00%	1.13%	1.25%	1.25%	0.56%	2.58%
31/03/2021	91.21%	2.23%	0.96%	1.10%	1.10%	0.85%	2.56%
30/04/2021	91.40%	1.89%	1.19%	1.07%	1.05%	0.69%	2.72%
31/05/2021	91.36%	2.08%	1.25%	1.00%	0.79%	0.66%	2.87%
30/06/2021	91.69%	1.89%	1.33%	1.10%	0.64%	0.70%	2.65%
31/07/2021	91.63%	1.89%	1.48%	0.95%	0.77%	0.62%	2.66%
31/08/2021	91.59%	2.21%	1.50%	0.87%	0.65%	0.61%	2.57%
30/09/2021	91.89%	2.07%	1.62%	0.71%	0.68%	0.63%	2.40%
31/10/2021	92.16%	2.01%	1.47%	0.56%	0.62%	0.72%	2.46%
30/11/2021	92.20%	2.43%	1.25%	0.72%	0.47%	0.53%	2.41%
31/12/2021	92.31%	2.37%	1.26%	0.76%	0.46%	0.56%	2.28%
31/01/2022	92.05%	2.55%	1.24%	0.90%	0.54%	0.44%	2.28%
28/02/2022	92.14%	2.24%	1.33%	0.92%	0.63%	0.49%	2.24%
31/03/2022	92.61%	2.13%	1.03%	0.96%	0.58%	0.43%	2.27%
30/04/2022	92.80%	2.09%	1.26%	0.61%	0.72%	0.41%	2.10%
31/05/2022	92.57%	2.45%	1.22%	0.79%	0.46%	0.57%	1.93%
30/06/2022	92.38%	2.65%	1.37%	0.72%	0.46%	0.37%	2.04%
31/07/2022	91.67%	2.79%	1.82%	0.85%	0.55%	0.36%	1.96%
31/08/2022	92.15%	2.18%	1.70%	1.10%	0.59%	0.37%	1.91%
30/09/2022	91.88%	2.39%	1.64%	0.88%	0.81%	0.42%	1.97%
31/10/2022	92.14%	2.31%	1.54%	0.97%	0.62%	0.50%	1.92%
30/11/2022	91.85%	2.59%	1.70%	1.00%	0.39%	0.47%	2.00%
31/12/2022	91.47%	2.74%	1.55%	1.34%	0.55%	0.45%	1.90%
31/01/2023	91.09%	3.35%	1.58%	1.10%	0.52%	0.45%	1.91%
28/02/2023	89.99%	3.82%	2.01%	0.97%	0.83%	0.45%	1.93%
31/03/2023	89.72%	3.57%	2.27%	0.94%	0.64%	0.70%	2.15%
30/04/2023	88.78%	3.75%	2.29%	1.42%	0.73%	0.56%	2.47%

Month	<=1 MIA	1 < MIA <= 2	2 < MIA <= 3	3 < MIA <= 4	4 < MIA <= 5	5 < MIA <= 6	>6 MIA
31/05/2023	88.33%	3.92%	2.33%	1.15%	1.15%	0.47%	2.65%

3. *Loss-severity*

The following table shows historical loss severity, which was first calculated on an account level basis by comparing the Loss on Sale with Balance as at the Time of Possession/Shortfall. By grouping the data by Month of Possession/Shortfall since January 2016, Loss Severity was then weighted by the Total Balance as at the time of Possession/Shortfall attributable to that month. Since January 2016, Weighted Average (WA) Loss Severity across all possessions/shortfalls equalled 16.47%.

Month of Possession / Shortfall	No. of Possessions (Shortfalls)	Total Losses on Sales	Balance as at the time of Possession/Shortfall	WA Loss Severity
Jan-16	1	48,589.04	216,579.03	22.43%
Mar-16	1	0.00	119,655.73	0.00%
Apr-16	1	40,429.83	172,934.66	23.38%
May-16	2	115,947.48	391,699.05	29.60%
Jun-16	1	52,149.09	116,095.70	44.92%
Jul-16	3	60,940.88	293,545.44	20.76%
Aug-16	3	38,955.40	148,131.51	26.30%
Sep-16	2	32,544.41	205,323.91	15.85%
Oct-16	1	82,168.75	123,918.21	66.31%
Nov-16	3	37,137.99	608,630.93	6.10%
Dec-16	7	183,346.24	557,370.32	32.89%
Jan-17	12	130,966.82	1,278,979.84	10.24%
Feb-17	7	144,795.85	788,776.22	18.36%
Mar-17	11	229,199.31	1,102,873.30	20.78%
Apr-17	12	256,829.95	1,771,248.25	14.50%
May-17	5	92,205.50	500,501.13	18.42%
Jun-17	4	39,353.71	527,827.21	7.46%
Jul-17	5	65,758.09	388,597.65	16.92%
Aug-17	2	47,441.17	237,211.86	20.00%
Sep-17	3	150,118.67	528,698.73	28.39%
Oct-17	3	82,954.01	308,710.85	26.87%
Nov-17	3	128,403.00	533,792.39	24.05%
Dec-17	8	293,397.59	1,091,595.90	26.88%
Jan-18	7	116,665.71	550,380.31	21.20%
Feb-18	1	18,334.77	77,915.89	23.53%
Mar-18	3	33,507.13	171,553.21	19.53%
Apr-18	3	55,268.15	262,478.18	21.06%
May-18	4	86,181.19	563,609.06	15.29%
Jun-18	7	113,781.49	1,279,595.84	8.89%
Jul-18	2	40,637.94	229,141.78	17.73%
Aug-18	1	10,102.80	120,601.10	8.38%
Sep-18	2	22,163.52	249,429.61	8.89%
Oct-18	3	68,725.95	364,048.40	18.88%
Nov-18	6	86,245.90	1,319,150.06	6.54%
Dec-18	2	53,213.08	119,342.71	44.59%

Month of Possession / Shortfall	No. of Possessions (Shortfalls)	Total Losses on Sales	Balance as at the time of Possession/Shortfall	WA Loss Severity
Jan-19	3	72,115.06	284,322.95	25.36%
Feb-19	5	109,671.30	567,688.98	19.32%
Mar-19	4	37,931.89	384,916.30	9.85%
Apr-19	1	0.00	123,721.68	0.00%
May-19	5	63,472.05	630,237.75	10.07%
Jun-19	3	19,914.80	343,380.18	5.80%
Jul-19	3	52,188.85	288,591.50	18.08%
Aug-19	2	0.00	175,758.90	0.00%
Sep-19	5	203,876.35	556,584.59	36.63%
Oct-19	5	100,674.05	401,981.74	25.04%
Nov-19	3	0.00	387,802.61	0.00%
Dec-19	1	24,052.24	128,424.70	18.73%
Jan-20	5	130,370.41	585,216.68	22.28%
Feb-20	2	64,646.14	190,024.27	34.02%
Mar-20	5	100,765.68	571,419.12	17.63%
Jul-20	1	27434.2	168,428.91	16.29%
Aug-20	1	58,314.43	244,229.18	23.88%
Nov-20	1	13349.79	87,101.20	15.33%
Dec-20	3	103,960.43	274,528.21	37.87%
Feb-21	1	723.33	159,599.20	0.45%
Mar-21	1	12,080.08	142,368.16	8.49%
Jun-21	3	143,896.59	252,564.80	56.97%
Jul-21	4	28,786.98	625,943.86	4.60%
Aug-21	1	0.00	132,307.52	0.00%
Oct-21	1	0.00	95,990.07	0.00%
Nov-21	4	0.00	328,956.27	0.00%
Jan-22	3	33,418.15	253,282.01	13.19%
Mar-22	2	5,319.03	193,682.38	2.75%
Apr-22	1	0.00	71,502.47	0.00%
May-22	1	0.00	133,445.74	0.00%
Jun-22	4	36,035.74	500,508.48	7.20%
Jul-22	1	16,995.96	119,689.63	14.20%
Aug-22	3	0.00	360,244.64	0.00%
Oct-22	2	28,280.65	212,235.63	13.33%
Nov-22	2	2,926.86	321,879.78	0.91%

CHARACTERISTICS OF THE UNITED KINGDOM RESIDENTIAL MORTGAGE MARKET

The United Kingdom housing market is primarily one of owner-occupied housing, with the remainder in some form of public, private landlord or social ownership. The mortgage market, whereby loans are provided for the purchase of a property and secured on that property, is the primary source of household borrowings in the United Kingdom.

Set out in the following tables are certain characteristics of the United Kingdom mortgage market (including owner-occupied mortgages and buy-to-let mortgages).

Arrears and Repossession Rates for UK owner-occupied mortgages

The table below sets out the repossession and arrears rates of residential owner-occupied properties in the United Kingdom since 2008.

Year	**Number of OO Mortgages Outstanding (at end of period)**	**>3 months arrears rate (excluding ROR) at end of period**	**Repossession rate**
2008	10,498,200	1.83%	0.35%
2009	10,257,100	2.44%	0.43%
2010	10,168,600	2.22%	0.33%
2011	9,996,200	2.07%	0.31%
2012	9,835,000	2.03%	0.27%
2013	9,657,800	1.80%	0.24%
2014	9,491,100	1.40%	0.17%
2015	9,329,700	1.22%	0.08%
2016	9,214,100	1.12%	0.06%
2017	9,110,200	1.01%	0.05%
2018	9,020,900	0.95%	0.05%
2019	9,023,000	0.86%	0.06%
2020	8,981,100	0.98%	0.02%
2021	8,956,400	0.92%	0.01%
2022	8,885,400	0.78%	0.03%
2023 Q1	8,844,700	0.78%	0.01%

Source: UK Finance.

Arrears and Repossession Rates for UK buy-to-let mortgages

The table below sets out the repossession and arrears rates of residential buy-to-let properties in the United Kingdom since 2008.

Year	**Number of BTL Mortgages Outstanding (at end of period)**	**>3 months arrears rate (excluding ROR) at end of period**	**Repossession rate**
2008	1,168,800	2.31%	0.26%
2009	1,246,900	2.01%	0.38%
2010	1,309,400	1.67%	0.35%
2011	1,387,800	1.37%	0.44%
2012	1,449,000	1.14%	0.48%
2013	1,528,200	0.92%	0.37%
2014	1,653,600	0.69%	0.29%
2015	1,782,700	0.58%	0.17%
2016	1,849,600	0.54%	0.13%
2017	1,879,400	0.47%	0.14%
2018	1,909,800	0.42%	0.12%

2019	1,936,500	0.42%	0.14%
2020	1,981,700	0.58%	0.06%
2021	2,025,900	0.46%	0.05%
2022	2,047,900	0.39%	0.07%
2023 Q1	2,039,200	0.43%	0.02%

Source: UK Finance.

Quarterly House Price Index

	UK Retail Price Index		**Nationwide House Price Index (SA)***	
Date	**Index**	**% annual change**	**Index**	**% annual change**
1996 Q1	150.9	2.79%	103.5	0.55%
1996 Q2	152.8	2.21%	105.2	2.71%
1996 Q3	153.1	2.13%	107.1	5.21%
1996 Q4	154.0	2.60%	110.4	8.32%
1997 Q1	154.9	2.65%	112.4	8.65%
1997 Q2	156.9	2.68%	115.9	10.13%
1997 Q3	158.4	3.46%	120.4	12.49%
1997 Q4	159.7	3.70%	123.8	12.07%
1998 Q1	160.2	3.42%	126.6	12.71%
1998 Q2	163.2	4.02%	129.4	11.68%
1998 Q3	163.7	3.35%	131.5	9.24%
1998 Q4	164.4	2.94%	132.9	7.25%
1999 Q1	163.7	2.18%	135.7	7.27%
1999 Q2	165.5	1.41%	138.9	7.34%
1999 Q3	165.6	1.16%	143.2	9.03%
1999 Q4	166.8	1.46%	149.7	12.55%
2000 Q1	167.5	2.32%	156.3	15.15%
2000 Q2	170.6	3.08%	161.1	15.99%
2000 Q3	170.9	3.20%	160.1	11.85%
2000 Q4	172.0	3.12%	163.7	9.37%
2001 Q1	171.8	2.57%	169.0	8.08%
2001 Q2	173.9	1.93%	173.8	7.93%
2001 Q3	174.0	1.81%	180.1	12.50%
2001 Q4	173.8	1.05%	185.6	13.36%
2002 Q1	173.9	1.22%	192.1	13.55%
2002 Q2	176.0	1.21%	205.1	18.10%
2002 Q3	176.6	1.49%	219.1	21.73%
2002 Q4	178.2	2.53%	232.5	25.30%
2003 Q1	179.2	3.05%	241.9	25.78%
2003 Q2	181.3	3.01%	248.4	21.14%
2003 Q3	181.8	2.94%	256.6	17.08%
2003 Q4	182.9	2.64%	268.5	15.49%
2004 Q1	183.8	2.57%	280.4	15.92%
2004 Q2	186.3	2.76%	293.9	18.41%
2004 Q3	187.4	3.08%	303.8	18.28%
2004 Q4	189.2	3.44%	305.5	13.86%
2005 Q1	189.7	3.21%	308.0	9.90%
2005 Q2	191.9	3.01%	311.8	6.08%
2005 Q3	192.6	2.77%	312.4	2.70%
2005 Q4	193.7	2.38%	315.2	3.23%

	UK Retail Price Index		Nationwide House Price Index (SA)*	
Date	**Index**	**% annual change**	**Index**	**% annual change**
2006 Q1	194.2	2.37%	323.0	4.93%
2006 Q2	197.6	2.97%	326.8	4.79%
2006 Q3	199.3	3.48%	334.0	6.87%
2006 Q4	201.4	3.98%	344.3	9.33%
2007 Q1	203.0	4.53%	353.9	9.50%
2007 Q2	206.3	4.40%	360.1	10.16%
2007 Q3	207.1	3.91%	365.1	9.30%
2007 Q4	209.8	4.17%	367.8	6.91%
2008 Q1	211.1	3.99%	361.9	2.17%
2008 Q2	215.3	4.36%	345.7	-4.01%
2008 Q3	217.4	4.97%	327.5	-10.29%
2008 Q4	215.5	2.72%	313.4	-14.75%
2009 Q1	210.9	-0.09%	302.4	-16.53%
2009 Q2	212.6	-1.25%	305.0	-11.72%
2009 Q3	214.4	-1.38%	317.3	-3.04%
2009 Q4	216.9	0.65%	324.0	3.37%
2010 Q1	219.3	3.98%	329.3	8.80%
2010 Q2	223.5	5.13%	333.8	9.51%
2010 Q3	224.5	4.71%	331.5	4.49%
2010 Q4	227.0	4.66%	325.9	0.53%
2011 Q1	230.9	5.29%	328.2	-0.31%
2011 Q2	234.9	5.10%	329.7	-1.16%
2011 Q3	236.2	5.21%	330.1	-0.45%
2011 Q4	238.6	5.11%	329.7	1.11%
2012 Q1	239.6	3.77%	328.8	0.21%
2012 Q2	242.2	3.11%	326.0	-1.08%
2012 Q3	243.1	2.92%	325.0	-1.61%
2012 Q4	246.0	3.10%	326.1	-1.13%
2013 Q1	247.4	3.26%	329.1	0.21%
2013 Q2	249.7	3.10%	330.7	1.42%
2013 Q3	250.9	3.21%	339.1	4.28%
2013 Q4	252.5	2.64%	349.1	7.07%
2014 Q1	253.9	2.63%	359.2	9.24%
2014 Q2	256.0	2.52%	369.0	11.51%
2014 Q3	256.9	2.39%	374.7	10.47%
2014 Q4	257.4	1.94%	378.2	8.34%
2015 Q1	256.4	0.98%	379.9	5.86%
2015 Q2	258.5	0.98%	384.7	4.14%
2015 Q3	259.3	0.93%	388.4	3.67%
2015 Q4	260.0	1.01%	394.2	4.26%
2016 Q1	260.0	1.40%	399.7	5.30%
2016 Q2	262.2	1.43%	404.9	5.14%
2016 Q3	264.2	1.89%	409.4	5.42%
2016 Q4	265.8	2.23%	412.0	4.51%
2017 Q1	267.7	2.96%	415.6	4.08%
2017 Q2	271.5	3.55%	416.8	2.81%
2017 Q3	274.2	3.79%	419.9	2.58%
2017 Q4	276.4	3.99%	422.9	2.67%
2018 Q1	277.5	3.66%	425.8	2.48%
2018 Q2	280.6	3.35%	426.2	2.19%
2018 Q3	283.3	3.32%	428.7	2.09%
2018 Q4	284.9	3.08%	428.3	1.30%

	UK Retail Price Index		Nationwide House Price Index (SA)*	
Date	**Index**	**% annual change**	**Index**	**% annual change**
2019 Q1	284.4	2.49%	427.6	0.43%
2019 Q2	289.0	2.99%	428.9	0.62%
2019 Q3	290.7	2.61%	429.9	0.33%
2019 Q4	291.1	2.18%	431.7	0.82%
2020 Q1	291.7	2.57%	438.5	2.45%
2020 Q2	292.5	1.21%	437.0	1.96%
2020 Q3	293.9	1.10%	444.7	3.47%
2020 Q4	294.4	1.13%	459.6	6.43%
2021 Q1	295.8	1.41%	466.5	6.30%
2021 Q2	302.3	3.35%	481.7	10.26%
2021 Q3	307.2	4.53%	490.3	10.34%
2021 Q4	314.7	6.90%	506.2	10.14%
2022 Q1	320.5	8.35%	525.7	12.57%
2022 Q2	337.2	11.54%	536.4	11.43%
2022 Q3	345.3	12.40%	540.7	10.34%
2022 Q4	358.3	13.85%	530.6	4.77%
2023 Q1	364.0	13.57%	520.6	-1.02%
2023 Q2	374.8	11.15%	519.5	-3.13%

Source: ONS, Nationwide Building Society.

The percentage change in the table above is calculated in accordance with the following formula:

(X-Y)/Y where X is equal to the reference quarter's index value and Y is equal to the index value of the previous year's corresponding quarter.

All information contained in this Prospectus in respect of the Nationwide House Price Index has been reproduced from information published by Nationwide Building Society. The Issuer confirms that all information in this Prospectus in respect of the Nationwide House Price Index has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Nationwide Building Society, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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SUMMARY OF THE KEY TRANSACTION DOCUMENTS

Mortgage Sale Agreement

On the Closing Date, the Seller, the Issuer, the Retention Holder, the Servicer, the Interim Legal Title Holders and the Security Trustee will enter into a mortgage sale agreement in respect of the sale by the Seller to the Issuer of the Loans and their Related Security comprising the Portfolio (the **Mortgage Sale Agreement**).

Portfolio

Under the terms of the Mortgage Sale Agreement, on the Closing Date, the Seller (in consideration for payment of the Consideration) will sell, assign or otherwise transfer the Loans comprising the Portfolio to the Issuer.

On 19 June 2020, pursuant to the Vendor Mortgage Sale Agreement, the Seller acquired from the Vendor the Loans and their Related Security comprising the Portfolio. On 4 August 2020, pursuant to the Avon 1 Mortgage Sale Agreement, the Seller sold the Loans and their Related Security comprising the Portfolio to the Avon 1 SPV. On the Closing Date, pursuant to IoW Mortgage Sale Agreement, the Avon 1 SPV sold the Loans and their Related Security comprising the Portfolio to the Seller, in exchange for the purchase price set out in the IoW Mortgage Sale Agreement (the **IoW MSA Consideration**).

The Loans and Related Security comprising the portfolio in respect of the Transaction and all monies derived from the portfolio from time to time are referred to herein as the **Portfolio**.

The consideration paid to the Seller in respect of the sale of the equitable and beneficial interest in the Loans and their Related Security comprising the Portfolio on the Closing Date comprises: (a) a purchase price amount (the **Purchase Price**); and (b) deferred consideration consisting of Class X Certificate Payments and Class Y Certificate Payments, the right to such payments being represented by the issue of the Class X Certificates and the Class Y Certificates respectively (the **Consideration**). No consideration will be paid by the Issuer to the Seller in respect of the Shortfall Loans.

Product Switches, Further Advances, Authorised Underpayments and Payment Holidays

Product Switches, Authorised Underpayments, Payment Holidays and Porting

The sale of the Loans and their Related Security comprised in the Mortgage Portfolio do not impose or include any obligation on the Issuer: (i) to agree to a Product Switch; (ii) to agree to any Payment Holiday that is an Unauthorised Payment Holiday; (iii) to agree to any Underpayment that is an Unauthorised Underpayment; or (iv) to agree to a Porting request and the obligations referred to in paragraphs (i) to (iv) above (if any) remain an obligation of the Interim Legal Title Holders, notwithstanding the sale of such Loans and their Related Security to the Issuer.

Principal Receipts shall not be applied by the Issuer in purchasing Ports.

Any Loans subject to an Authorised Underpayment or a Payment Holiday will continue to be owned by the Issuer. The Issuer is not obliged to make Further Advances.

Legal Title

On the Closing Date, legal title to the Loans and their Related Security will be held by the Interim Legal Title Holders.

Representations and Warranties

On the Closing Date, the Loan Warranties will be given by the Seller to the Issuer in respect of the Loans (excluding, for the avoidance of doubt, the Shortfall Loans) and their Related Security.

The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the **Loan Warranties**) include, *inter alia*, similar statements to the effect set out below (defined terms having the meaning given to them in the Mortgage Sale Agreement), and see also "*The Loans*" above. For the purposes of the Loan Warranties, references to the "knowledge", "belief" or "awareness" of the Seller (or similar phrases) shall be limited to the actual knowledge as at the Closing Date of the individuals who are part of the Securitised Products team within Barclays Bank PLC and have been directly involved in the preparation and negotiation of the Transaction Documents and management of the transaction.

1.	**Accuracy of information provided**	As of the Cut-Off Date, the information relating to each Loan in respect of the Outstanding Principal Balance of that Loan set out in the Mortgage Sale Agreement is true and accurate in all respects. As of the Cut-Off Date, the information relating to the Loans in respect of originator, origination date, loan maturity date, current interest rate type (including current interest rate and reference rate), monthly contractual payment due, arrears balance, outward postcode of the Mortgaged Property and main account number set out in the Mortgage Sale Agreement is true and accurate in all material respects.
2.	**Enforceability**	Each Loan and the related Mortgage in each case that was documented on the basis of the Standard Documentation constitute(s) a legal, valid and binding obligation of the relevant Borrower enforceable in accordance with its terms (except that, but without prejudice to the effect of the warranty at paragraph 7 below, (1) enforceability may be limited by (i) the bankruptcy or insolvency of, or the commencement of voluntary or involuntary insolvency procedures by or in the name of the Borrower, (ii) laws of general applicability affecting the enforcement of creditors' rights generally, (iii) the court's discretion in relation to equitable or discretionary remedies, (iv) (without prejudice to the statement at paragraph 14 below) the application of the Unfair Terms in Consumer Contracts Regulations 1994 and the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the UTCCR), the Unfair Contract Terms Act 1977, the Consumer Protection from Unfair Trading Regulations 2008 or the Consumer Rights Act 2015 and (v) the Consumer Credit Act 1974 (the CCA) and (2) no warranty is given in relation to any obligation of the Borrower to pay prepayment charges, mortgage administration fees, exit fees or charges payable in the event of Borrower default) and each related Mortgage that was documented on the basis of the Standard Documentation secured the repayment of all advances, interest, costs and expenses payable by the relevant Borrower (other than, in relation to any prepayment charges).
3.	**Holding title deeds and customer files**	In respect of the PFL Mortgages, save for title deeds held at the English Land Registry, the Registers of Scotland or the Registers of Northern Ireland (as applicable) all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Related Security are held by PFL or its agents and the title deeds held at the English Land Registry, the Registers of Scotland or the Registers of Northern Ireland (as applicable) are held on the

basis that any such title deeds shall be returned to PFL or its solicitors or agents.

In respect of the MAS4 Mortgages, save for Title Deeds held at the English Land Registry or the Registers of Northern Ireland or in relation to a Certificate of Insurance Loan to the Title Deeds held or being dealt with by Approved Solicitors acting on behalf of GMAC-RFC, all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Related Security are held by (i) MAS4 or its agents or (ii) GMAC-RFC's agents or solicitors to the order of MAS4 and the Title Deeds held at the English Land Registry or the Registers of Northern Ireland are held on the basis that any such Title Deeds shall be returned to MAS4 or its solicitors or agents.

In respect of the MAS5 Mortgages, save for Title Deeds held at the English Land Registry or the Registers of Northern Ireland or in relation to a Certificate of Insurance Loan to the Title Deeds held or being dealt with by Approved Solicitors acting on behalf of GMAC-RFC, all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Related Security are held by (i) MAS5 or its agents or (ii) GMAC-RFC's agents or solicitors to the order of MAS5 and the Title Deeds held at the English Land Registry or the Registers of Northern Ireland are held on the basis that any such Title Deeds shall be returned to MAS5 or its solicitors or agents.

4. **Currency denomination**

No Loan is currently repayable in a currency other than Sterling.

5. **Loan on pro forma terms**

Save as Disclosed, as far as the Seller is aware, each Loan and its Related Security was made on the terms of the Standard Documentation of PFL or GMAC-RFC, as applicable without any material variation thereto, or on terms of documentation similar to the Standard Documentation of PFL or GMAC-RFC, as applicable that would be acceptable to a Reasonable Prudent Mortgage Lender, and nothing has been done subsequently to add to, lessen, modify or otherwise vary the express provisions of any of the same in any material respect (other than in cases where PFL's or GMAC-RFC's prior consent was obtained).

6. **Property valuation**

1.1 (i) Subject to paragraph (ii) below, in respect of the PFL Mortgages, in the case of each Loan, PFL caused to be made on its behalf a valuation of the relevant Property either by a valuer approved by PFL (being a fellow or associate of the Royal Institution of Chartered Surveyors or the Incorporated Society of Valuers and Auctioneers for the valuation of a Property) or by an automated valuation model by Hometrack Data Systems Limited in all material respects in accordance with the Lending Criteria.

(ii) In respect of the Buy to Let Loans, PFL caused to be made on its behalf a valuation of the relevant Property together with the relevant rental income estimate (except for a House Plus Loan which is assessed on a Borrower's self-certified income) of the relevant Property by a valuer in all material respects in accordance with the Lending Criteria or by an automated valuation model.

1.2. (i) Subject to paragraph (ii) below, in respect of the MAS4 Mortgages and the MAS5 Mortgages, not more than six months prior to making an advance, either a valuation of the relevant Property was undertaken on behalf of GMAC-RFC by a valuer and a valuation report addressed to GMAC-RFC was obtained or a valuation using an automated valuation model (an **AVM Valuation)** was carried out and, other than the contents of the valuation report (or AVM Valuation) were such as to be acceptable to an underwriter of GMAC-RFC acting prudently and reasonably;

(ii) In respect of the Buy to Let Loans, GMAC-RFC caused to be made on its behalf a valuation of the relevant Property together with the relevant rental income estimate (except in the case of a House Plus Loan which is assessed on a Borrowers' self-certified income) of the relevant Property by a valuer in all material respects in accordance with the Lending Criteria; if the relevant Property is secured by a Mortgage.

7. **First ranking mortgage**

Each Loan is at least secured by a valid and subsisting first ranking legal mortgage (or, in Scotland, first ranking standard security) which is over the Property to which it relates (subject to completion of any registration or recording requirements at the English Land Registry, the Registers of Scotland or the Registers of Northern Ireland (as applicable) and (in those cases) there is nothing to prevent that registration or recording being effected, and in the case of a Right to Buy Loan, subject to any charge or security which may arise in favour of the relevant Local Authority).

8. **Legal and beneficial title/no encumbrance**

Immediately prior to the transfer of the Loans under the Mortgage Sale Agreement, the Seller was the absolute beneficial owner of all of such Loans and the related Mortgages and the other Related Security to be sold to the Issuer thereunder at the Closing Date and, in the case of the Scottish Loans and their Related Security, in terms of the Scottish Declaration of Trust and the Seller has not assigned (whether by way of absolute assignment or assignation or by way of security only), transferred, charged, released, disposed of or dealt with the benefit of any of the Loans, their related Mortgages, or their other Related Security or any of the property, rights, title, interest or benefit to be sold or assigned pursuant to the Mortgage Sale Agreement in any way whatsoever other than pursuant to the Mortgage Sale Agreement.

The Interim Legal Title Holders are the legal title holders of all Loans, their related Mortgages and their other Related Security, subject to (i) the relevant Borrower's right of redemption and/or discharge, (ii) completion of any registration or recording requirements at the English Land Registry, the Registers of Scotland or the Registers of Northern Ireland (as applicable) and (iii) on the Closing Date, the rights of the Seller as beneficiary under the Scottish Declaration of Trust.

9. **Litigation**

The Seller or, so far as the Seller is aware, in respect of the PFL Mortgages, PFL has not received written notice and is not aware of any litigation or claim which may have a material adverse effect on PFL's title to any Loan or its Related Security.

The Seller or, so far as the Seller is aware, in respect of the MAS4 Mortgages, MAS4 has not and, so far as MAS4 is aware, GMAC-RFC has not received written notice and is not aware of any litigation or claim which may have a material adverse effect on MAS4's title to any Loan or its Related Security.

The Seller, or so far as the Seller is aware, in respect of the MAS5 Mortgages, MAS5 has not and, so far as MAS5 is aware, GMAC-RFC has not received written notice and is not aware of any litigation or claim which may have a material adverse effect on MAS5's title to any Loan or its Related Security.

10.	**Satisfaction of Applicable Laws**	So far as the Seller is aware, in respect of the PFL Mortgages, PFL has complied with all applicable requirements of law or of any person who has regulatory authority which has the force of law in respect of the Loan and Related Security, in particular the provisions of the FCA Mortgages and Home Finance: Conduct of Business sourcebook as amended from time to time.
11.	**Location of property**	Each Property is located in England, Wales, Scotland and Northern Ireland.
12.	**No set-off/lien**	So far as the Seller is aware having made due and careful enquiries of the Servicer, no lien or right of set off or counterclaim has been created or arisen between a Borrower and a Legal Title Holder or the Seller which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Loan.
13.	**Non-waiver of rights**	So far as the Seller is aware, having made due and careful enquiries of the Servicer, other than where required to comply with any applicable law, regulation or requirement of any governmental, tax or regulatory body, none of the Seller or, so far as the Seller is aware, having made due and careful enquiries, the Interim Legal Title Holders, the Servicer or the Servicer's delegate has, in writing, waived or acquiesced in any breach of any of its rights in respect of a Loan or its related Mortgage which would materially reduce the value of that Loan, other than in relation to any payment default in respect of those Loans, or waivers and acquiescence such as a Reasonable Prudent Mortgage Lender might make on a case by case basis.
14.	**No UTCCR related actions taken against Seller or the Interim Legal Title Holders**	So far as the Seller is aware, having made due and careful enquiries of the Servicer, to the extent that any Loan and related Mortgage is subject to the UTCCR, no action whether formal or informal has been taken by the CMA, the FCA or a "**qualifying body**" as defined in the UTCCR, against the Seller or (as far as the Seller is aware having made due and careful enquiries) the Interim Legal Title Holders pursuant to the UTCCR or otherwise which might restrict or prevent the use in any Loan and related Mortgage of any material term or the enforcement of such terms.
15.	**Transferability without further approvals or restrictions**	In respect of the PFL Mortgages, all formal approvals, consents and other steps necessary to permit the assignment and assignation of, or a declaration of trust in relation to, the Loans and their related Mortgages and their other Related Security to be sold under the Mortgage Sale Agreement have been obtained or taken. In respect of the MAS4 Mortgages, each Loan and its Related Security have been sold to MAS4 on arm's length terms, all consideration payable under that agreement has been paid in full and an application for the transfer or

		assignation of the relevant Mortgage to MAS4 has been delivered to the English Land Registry or the Registers of Northern Ireland (as applicable). In respect of the MAS5 Mortgages, each Loan and its Related Security have been sold to MAS5 on arm's length terms, all consideration payable under that agreement has been paid in full and an application for the transfer or assignation of the relevant Mortgage to MAS5 has been delivered to the English Land Registry or the Registers of Northern Ireland (as applicable).
16.	**Further advances**	There are no outstanding obligations on the Originators to make any Further Advances to any Borrower.
17.	**Record-keeping**	So far as the Seller is aware, having made due and careful enquiries of the Servicer, the Servicer (or its delegate) keeps full and proper accounts, books, and records, showing all material transactions relating to each Loan and the same are up to date and accurate in all material respects, and in the possession of the Servicer to be held to the order of the Issuer and/or the Security Trustee.
18.	**No Seller employee/directors**	No Borrower is or has been within the 12 months preceding the date of the Mortgage Sale Agreement an employee or director of the Seller.
19.	**Lending Criteria**	So far as the Seller is aware, having made due and careful enquiries of the Servicer, in respect of the PFL Mortgages, each Loan arose from the ordinary course of PFL's residential secured lending activities in England, Wales, Scotland or Northern Ireland and, in each case, at the time of origination, the Lending Criteria were satisfied. So far as the Seller is aware, having made due and careful enquiries of the Servicer, in respect of the MAS4 Mortgages and MAS5 Mortgages, each Loan arose from the ordinary course of GMAC-RFC's residential secured lending activities in England, Wales, Scotland or Northern Ireland and, in each case, at the time of origination, the Lending Criteria were satisfied.
20.	**Flexible Loan**	No Loan is a Flexible Loan.
21.	**CCA Loan**	So far as the Seller is aware, no Loan is wholly or partly regulated by the CCA or treated as such.
22.	**Self-Certified Mortgage Loans**	None of the Mortgage Loans (including as a result of any Product Switch, as a result of any Port or otherwise as a result of a material variation to the original Loan) have been made after the entry into force of Directive 2014/17/EU.

Definitions:

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

Reasonable Prudent Mortgage Lender means a reasonable, prudent, FCA-authorised, buy-to-let and owner-occupied residential mortgage lender operating in the market at the time that the relevant determination was made and lending to borrowers in England, Wales, Scotland and Northern Ireland where the Loan is secured over residential property.

Shortfall Amount means any amount by which the proceeds received on the discharge of a Loan are insufficient to satisfy the entire Current Balance of that Loan as at the date of such discharge.

Shortfall Loans means Loans in relation to which the relevant Mortgage has been discharged and as to which a Shortfall Amount exists. As of the Portfolio Reference Date, 0.60 percent of Provision Portfolio is Shortfall Loans which have a total aggregate Current Balance of £3,644,492.13.

None of the Security Trustee, the Arranger or the Lead Manager have undertaken any additional due diligence in respect of the application of the Lending Criteria and have relied entirely upon the representations and warranties referred to above which will be made by the Seller to the Issuer and the Security Trustee pursuant to the Mortgage Sale Agreement.

On the Closing Date, the Seller will also provide certain corporate warranties to the Issuer, including that there are no governmental authorisations, approvals, licences or consents required for the Seller to enter into or to perform its obligations under the Mortgage Sale Agreement or to render the Transaction Documents to which it is party admissible in evidence in a court in England and Wales.

Obligation of Seller to make an indemnity payment and option to repurchase

If any of the Loan Warranties in respect of a Loan and/or its Related Security proves to have been untrue on the Closing Date and such breach is not capable of remedy within the agreed grace period or, if capable of remedy, is not remedied within the agreed grace period, the Seller shall (subject to certain limitations below) be required to (i) pay the MSA Warranty Indemnity Amount or, at its option or (ii) repurchase the relevant Loan and its Related Security (together with any other Loan secured by, or intended to be secured by, such Related Security or any part of it) (as further described below).

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

The Seller will have no liability to the Issuer for breach of warranty in respect of the Loans (i) unless the Issuer has notified the Seller in writing of such breach within the period of two years from and including the Closing Date and (ii) to the extent that payment of any related MSA Warranty Indemnity Amount would result in the debit balance at such time of the Seller MSA Rebate Ledger exceeding £1,450,000.

The MSA Warranty Indemnity Amount to be paid by the Seller for any such indemnification shall be an amount sufficient to indemnify (on an after-Tax basis) and keep indemnified (on an after-Tax basis) the Issuer against all Liabilities suffered by the Issuer in connection with or as a result of the breach of Loan Warranty up to a maximum amount equal to the Repurchase Price if the Seller does not repurchase such affected Loan and its Related Security in accordance with terms of the Mortgage Sale Agreement. As described and subject to the above, however, if the Seller so chooses, instead of indemnifying the Issuer (on an after Tax basis) against all Liabilities relating to the breach of Loan Warranty (as the case may be), the Seller may repurchase the relevant Loan and its Related Security at the Repurchase Price (together with any other Loan secured or intended to be secured by such Related Security or any part of it).

Neither the Security Trustee nor the Issuer has made or has caused to be made on its behalf any enquiries, searches or investigations, but each is relying entirely on the representations and warranties made by the Seller contained in the Mortgage Sale Agreement.

On the Closing Date the Seller will also provide certain corporate warranties to the Issuer, including that there are no governmental authorisations, approvals, licences or consents required for the Seller to enter into or to perform its obligations under the Mortgage Sale Agreement or to render the Transaction Documents to which it is party admissible in evidence in a court in England and Wales.

Governing Law

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

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

Business Day means a day (other than a Saturday or Sunday or a public holiday) on which banks are open for general business in London.

Calculation Date means the third Business Day preceding each Interest Payment Date.

Certificate of Title means a solicitor's or licensed conveyancer's report or certificate of title obtained in respect of each Property substantially in the form of the pro forma set out in the Standard Documentation.

Collection Period means each period from (and including) the first day in a calendar month to (and including) the last day of that same calendar month and provided that the first Collection Period shall commence on and include 1 August 2023.

Cut-Off Date means 31 July 2023.

English Mortgage means a first ranking legal charge secured over a Property located in England or Wales.

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

Guarantee means each guarantee in support of the obligations of a Borrower under a Loan, and **Guarantees** means any or all of the guarantees.

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

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

Loan Agreement means, in relation to a Loan, the loan agreement entered into between the relevant Borrower and the Interim Legal Title Holders or Originator as amended and/or restated from time to time.

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

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

Mortgage means:

(a) each English Mortgage, in respect of any English Loan;

(b) each Scottish Mortgage, in respect of any Scottish Loan; and

(c) each Northern Irish Mortgage, in respect of any Northern Irish Loan,

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

(i) the Mortgage Sale Agreement, in respect of any English Loan and any Northern Irish Loan; or

(ii) the creation of the Issuer's interest as beneficiary under the Scottish Declaration of Trust, in respect of any Scottish Loan,

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

Mortgage Conditions means, in respect of a Loan, all the terms and conditions of the Loan, all the conditions documented in the relevant offer letters and the relevant general conditions of each Originator, each as varied from time to time by the relevant Loan Agreement, the relevant Mortgage Deed and the Offer Conditions.

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

Mortgaged Property or **Property** means (in England, Wales or Northern Ireland), the freehold, leasehold or commonhold property or (in Scotland) the heritable property or property held under a long lease and all rights and security attached or appurtenant or related thereto and all buildings and fixtures thereon which are subject to the Mortgage securing repayment of the relevant Loan.

Northern Irish Mortgage means:

(a) in respect of Northern Irish Properties which are registered at the Land Registry of Northern Ireland, a first ranking legal charge secured over such Property located in Northern Ireland; or

(b) in respect of Northern Irish Properties which are not registered at the Land Registry of Northern Ireland a first ranking mortgage deed, creating security over such Property located in Northern Ireland.

Northern Irish Property means a Property located in Northern Ireland.

Offer Conditions means, in respect of a Loan, the terms and conditions applicable to such Loan as set out in the offer letter to the relevant Borrower.

Prudent Mortgage Servicer means a reasonable, prudent mortgage administrator operating in the UK residential mortgage administration outsourcing industry and who follows generally accepted good practice within that industry.

Receiver means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Charged Assets by the Security Trustee pursuant to the Deed of Charge.

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

(a) the benefit of all affidavits, declarations, consents, renunciations, guarantees, indemnities, waivers and postponements (including, without limitation, any deeds of consent and MH/CP Documentation relating to the relevant Mortgaged Property) from occupiers and other persons having an interest in or rights in connection with the relevant Mortgaged Property;

(b) each right of action of the Interim Legal Title Holders against any person (including, without limitation, any solicitor, licensed conveyancer, qualified conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each certificate of title and valuation report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Interim Legal Title Holders to make or offer to make all or part of the Loan; and

(c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (including, without limitation, the relevant Insurance Contracts and charges) deposited, charged, obtained or held in connection with the relevant Loan, Mortgage and/or Mortgaged Property and relevant Loan Files.

Repurchase Price means the consideration payable by the Seller in respect of the repurchase of an affected Loan and its Related Security (together with any other Loan secured or intended to be secured by such Related Security or any part of it) as a result of a breach of a Loan Warranty, which shall be an amount in cash (not less than zero) equal to the Current Balance of such Loan(s) as of the date of completion of such repurchase plus any expenses in connection with the servicing of the Loan(s) payable thereon to such date.

Scottish Declaration of Trust means the Scots law declaration of trust granted by the relevant Interim Legal Title Holder in favour of the Issuer with consent of the Seller, in relation to the Scottish Loans and their Related Security.

Scottish Deed of Assumption and Resignation means a Scots law deed of assumption and resignation entered into between, *inter alios*, the Issuer, the Security Trustee and the relevant Interim Legal Title Holder, pursuant to the Interim Legal Title Holders Deed.

Scottish Mortgage means a first ranking standard security over a Scottish Property.

Scottish Property means a Property situated in Scotland and **Scottish Properties** shall be construed accordingly.

Scottish Sub-Security means any Scottish standard security executed pursuant to the Deed of Charge.

Scottish Supplemental Charge means an assignation in security of the Issuer's interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the Scottish Trust following the appointment of the Issuer as beneficiary under the Scottish Trust) entered into pursuant to the Deed of Charge.

Scottish Transfer means in relation to Properties situated in Scotland, an assignation of the relevant Scottish Loans and their related Scottish Mortgages in favour of the Issuer or its nominee delivered pursuant to the Interim Legal Title Holders Deed.

Scottish Trust means the trust created by the Scottish Declaration of Trust.

Standard Documentation means the standard documentation of the Originators being the documents which were used by the relevant Originator at the relevant time in connection with its activities as a residential mortgage lender, a list or CD of which is set out in or appended to Exhibit 1 to the Mortgage Sale Agreement, or any update or replacement therefor as permitted by the terms of the Mortgage Sale Agreement.

Taxes means any present or future tax and any levy, impost, duty, charge, fee, deduction or withholding in the nature of tax (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any jurisdiction or any sub-division of it or by any authority in it having power to tax, and taxes, taxation, taxable and comparable expressions shall be construed accordingly.

Title Deeds means, in relation to a Loan and its Related Security and the Property relating thereto, all conveyancing deeds, certificates and all other documents which relate to the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage.

Transaction means the transaction contemplated by the Transaction Documents.

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

Valuation Report means the valuation report or reports for mortgage purposes, in the form of the pro forma contained in the Standard Documentation, obtained by the relevant Originator from a valuer in respect of each Mortgaged Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable Prudent Mortgage Lender and which has been approved by the relevant officers of an Interim Legal Title Holder.

Administration Agreement

The Issuer, the Security Trustee, the Seller, the Servicer Administrator and the Servicer Facilitator will enter into an administration agreement on the Closing Date in connection with the issuance of the Notes (the **Administration Agreement**). The services to be provided by the Servicer Administrator (the **Servicer Administrator Services**) and the services to be provided by the Servicer Facilitator (the **Servicer Facilitator Services**) are each set out in the Administration Agreement.

Servicer Administrator Services

Pursuant to the terms of the Administration Agreement, the Servicer Administrator may (in its sole discretion) elect to (but shall not be obliged to) provide certain ongoing administration roles in relation to the securitisation, including (without limitation) electing:

(a) following distribution of the Investor Reports, the UK SR Investor Reports and the EU SR Investor Reports, to review those reports and to flag manifest errors or issues to the Cash Manager;

(b) to review the Servicer Reports, UK SR Data Tapes and EU SR Data Tapes and to flag manifest errors or issues to the Servicer; and

(c) to attend meetings of the Committee in accordance with the terms of the Interim Legal Title Holders Deed and the Servicing Agreement.

In respect of its rights under the Administration Agreement, the Servicer Administrator will owe no duty or have any liability to any other party. For the avoidance of doubt, the Servicer Administrator shall have no liability for exercising or failing to exercise its rights under the Administration Agreement and shall not be liable to monitor the Servicer or the provision of the Services or effect any remediation relating to the Services to be provided by the Servicer.

The Issuer will indemnify the Servicer Administrator on demand against any loss, cost, expense or other liability which are incurred by the Servicer Administrator in connection with the performance of its role or the exercise of its rights as Servicer Administrator under the Transaction Documents, save in the case where such loss, cost, expense or other liability is as a result of the Servicer Administrator's fraud, gross negligence or wilful default.

Pursuant to the terms of the Administration Agreement, the Servicer Administrator has undertaken not to resign from its appointment as Servicer Administrator for so long as any of the Notes are outstanding.

The Administration Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Servicer Facilitator Services

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

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

(a) default is made by the Servicer Facilitator in the performance or observance of any of its covenants and obligations under the Transaction Documents to which it is a party which is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 15 Business Days after the earlier of the Servicer Facilitator becoming aware of such default and receipt by the Servicer Facilitator of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied; or

(b) an Insolvency Event in respect of the Servicer Facilitator,

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

Interim Legal Title Holders Deed

The Issuer, the Interim Legal Title Holders, the Security Trustee and the Servicer will enter into on or about the Closing Date, an interim legal title holders deed (the **Interim Legal Title Holders Deed**), pursuant to which the Interim Legal Title Holders will hold legal title to the relevant Loans in the Portfolio.

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

The Interim Legal Title Holders Fee shall be payable quarterly in arrear on each Interest Payment Date or, in respect of the Post-Enforcement Priority of Payments on any day on which amounts are so applied, as follows:

(a) the amount of the Interim Legal Title Holders Fee up to 0.065% per annum of the Current Balance of the Loans comprising the Portfolio held by that Legal Title Holder as at the close of business on the last calendar day of each Calculation Period (the **Senior Interim LTH Fee**) and the Interim LTH Increased Senior Fees up to the Interim Legal Title Holders Senior Fee Cap (the **Capped Senior Interim LTH Fee**) shall be paid at item (b)(v) of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, at item (b)(v)of the Post-Enforcement Priority of Payments; and

(b) the amount of the Interim Legal Title Holders Fee up to 0.03% per annum of the Current Balance of the Loans comprising the Portfolio held by that Legal Title Holder as at the close of business on the last calendar day of each Calculation Period (the **Subordinated Interim LTH Fee**) shall be paid at item (u) of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, at item (l) of the Post-Enforcement Priority of Payments.

The Senior Interim LTH Fee will be adjusted annually (**Interim LTH Increased Senior Fees**) on each anniversary of the date of the Interim Legal Title Holders Deed in accordance with the UK Average Weekly Earnings Index (as published by the Office for National Statistics based on the average of the monthly calculations during the period of calculation) (**AWE**) subject to a year on year cap of 4.00 per cent. The calculation will be based on the figures available for the period running from 1st July in the previous contract year to the 30th June in the current contract year and will be subject to an aggregate cap of 0.10 per cent. per annum of the aggregate Current Balance of all Loans comprising the Portfolio on the last day of the Calculation Period (the **Interim Legal Title Holders Senior Fee Cap**).

The annual liability of an Interim Legal Title Holder to the Issuer under the Transaction Documents (whether in contract, tort (including negligence), for breach of statutory duty or otherwise, arising out of or in connection with the Transaction Documents) shall not exceed an amount equal to 200 per cent. of the Interim Legal Title Holders Fee paid or payable to the Interim Legal Title Holders in the first Contract Year of the Interim Legal Title Holders Deed (or, in the case of a period of less than 12 months, which would otherwise be payable to the Interim Legal Title Holders for the full first Contract Year of the Interim Legal Title Holders Deed). The aggregate liability of an Interim Legal Title Holder (a) over the Initial Term shall not exceed 250 per cent. of the Interim Legal Title Holders Fee payable to the Interim Legal Title Holders in the first Contract Year of the Interim Legal Title Holders Deed and (b) in respect of each subsequent three years period, shall not exceed 250 per cent. of the Interim Legal Title Holders Fee payable to the Interim Legal Title Holders in the first 12 months of that three years period (or, in the case of a subsequent period of less than three years, 200 per cent. of the Interim Legal Title Holders Fee paid or payable for the full first 12 months of such subsequent period).

Nothing in the Interim Legal Title Holders Deed shall limit an Interim Legal Title Holders' liability in respect of:

(a) death or personal injury caused by its negligence or that of its employees or agents or sub-contractors;

(b) any liability arising due to acts or omissions of the Originators or the Interim Legal Title Holders or their agents prior to the Closing Date;

(c) fraud (including fraudulent misrepresentation) or wilful misconduct;

(d) any liability which cannot be excluded or limited by Applicable Laws;

(e) the Interim Legal Title Holders' fraud, gross negligence, or wilful default in the performance of its obligations under the Interim Legal Title Holders Deed or the Transaction Documents; or

(f) any sum which the Interim Legal Title Holders and their respective subcontractors or delegates holds or should hold on trust for the Issuer and for which the Interim Legal Title Holders fail to account to the Issuer.

If Borrowers have successfully established claims in respect of any acts or omissions of the Originators or the Interim Legal Title Holders, their servicers or other agents which have occurred prior to the Closing Date, the finally adjudicated or agreed amounts due and payable to Borrowers or third parties in respect of such claims (including, without limitation, litigation costs and costs of remediation) shall be for the account of the Interim Legal Title Holders, and the Interim Legal Title Holders shall pay such amounts (or shall procure that such payments are made) to the relevant Borrowers or third parties as applicable, and such amounts shall not be payable by the Issuer or out of monies of the Issuer and, subject to the below, no balance adjustments or other adjustments to the amounts payable under the Loans shall be made in respect of such payments.

If the Interim Legal Title Holders are directed by a regulator or required by Applicable Laws to make balance adjustments or interest rate adjustments to the amounts payable in respect of the Loans in respect of any acts or omissions of the Originators or the Interim Legal Title Holders or their servicers or other agents prior to the Closing Date, the Interim Legal Title Holders shall indemnify the Issuer on an after Tax basis on demand for the amounts by which the balance of the Loans has been adjusted and for any costs and expenses incurred by the Issuer in relation to the same or for losses, costs and expenses incurred by the Issuer as a result of other adjustments to the Loans.

Initial Term means the period starting on the Closing Date and ending on the First Optional Redemption Date.

Transfer of Legal Title

The Issuer (acting reasonably and in consultation with the Committee) and Western Mortgage Services Limited will use reasonable endeavours to enter into a Long-Term Servicing and Legal Title Holder Deed as soon as reasonably practicable following the Closing Date. If the Issuer and Western Mortgage Services Limited have agreed the terms of a Long-Term Servicing and Legal Title Holder Deed and (i) the Committee have consented to the Issuer entering into such Long-Term Servicing and Legal Title Holder Deed and (ii) entering into such Long-Term Servicing and Legal Title Holder Deed will not cause the ratings of the Notes to be withdrawn, qualified or downgraded, then Western Mortgage Services Limited and the Interim Legal Title Holders will use reasonable endeavours to effect the transfer of legal title of the Loans and Related Security (**Transfer of Legal Title**) from the Interim Legal Title Holders to Western Mortgage Services Limited (as Long-Term Legal Title Holder) as soon as reasonably practicable and by no later than 25 August 2024 (or such later date as may be agreed between the Issuer (acting on instructions of the Committee), Western Mortgage Services Limited and the Interim Legal Title Holders) (the **Transfer Target Date**). If the Issuer (in consultation with the Committee) determines that a Long-Term Servicing and Legal Title Holder Deed will not be entered into with Western Mortgage Services Limited that complies with the terms of the Interim Legal Title Holders Deed or that there is a reason that Transfer of Legal Title will not occur, then the Issuer (in consultation with the Committee) will use reasonable endeavours to enter into a Long-Term Servicing and Legal Title Holder Deed as soon as reasonably practicable thereafter with an entity nominated by the Committee.

If Transfer of Legal Title to Western Mortgage Services Limited (or another entity nominated by the Committee, having acted reasonably and in light of other similar servicing and legal titleholder arrangements with other third party service providers in the market) has not occurred by the Transfer Target Date, the Issuer (in consultation with the Committee, having acted reasonably and in light of other similar servicing and legal titleholder arrangements with other third party service providers in the market) will use reasonable endeavours to enter into a Long-Term Servicing and Legal Title Holder Deed as soon as reasonably practicable thereafter with an entity nominated by the Interim Legal Title Holders which satisfies the conditions set out in the Servicing Agreement. If the Issuer and such nominee have agreed the terms of a Long-Term Servicing and Legal Title Holder Deed that is on market terms and entering into such Long-Term Servicing and Legal Title Holder Deed will not cause the ratings of the Notes to be withdrawn, qualified or downgraded, then the Issuer and such nominee shall enter into the such Long-Term Servicing and Legal Title Holder Deed and Western Mortgage Services Limited and the Interim Legal Title Holders will use reasonable endeavours to effect the Transfer of Legal Title from the Interim Legal Title Holders to such nominee (as Long-Term Legal Title Holder and the Servicer) as soon as reasonably practicable.

The Issuer, the Servicer, the Interim Legal Title Holders, the Note Trustee and the Security Trustee shall enter into such documents and provide such reasonable co-operation as may be required for the purposes of giving effect to the Transfer of Legal Title purported under the Interim Legal Title Holders Deed and for the avoidance of doubt, to the extent the Committee has provided its consent to the Transfer of Legal Title and the terms of the Long-Term Servicing and Legal Title Holder Deed, no further consent of the Noteholders and/or the Note Trustee shall be required by the Security Trustee for the purposes of executing the Long-Term Servicing and Legal Title Holder Deed or any documents in relation to such Transfer of Legal Title.

In the event that the Transfer of Legal Title does not take effect on or before the Target Transfer Date or the Long-Term Servicing and Legal Title Holder Deed or the documentation for Transfer of Legal Title has not been entered into with Western Mortgage Services Limited on or before the Target Transfer Date on account of: (i) any act or omission within the control of Western Mortgage Services Limited; (ii) Western Mortgage Services Limited having acted unreasonably in any negotiations in relation to the Long-Term Servicing and Legal Title Holder Deed (by not consenting to terms that reflect market terms for other similar servicing and legal title holder arrangements with third party service providers or terms which have been previously agreed between the Interim Legal Title Holders and Western Mortgage Services Limited on the securitisation transaction of Avon Finance No. 1 plc (subject to taking into consideration the fact that Western Mortgage Services Limited will be a new provider of the legal title services)); or (iii) Western Mortgage Services Limited being unable to hold the legal title to the Loans and Related Security on account of any act or omission within its control, then:

(a) Western Mortgage Services Limited shall reimburse the Issuer for the Subordinated Interim LTH Fee payable or paid by the Issuer to the Interim Legal Title Holders on and after the Target Transfer Date (and, for the avoidance of doubt, it is clarified that Western Mortgage Services Limited shall not be liable to reimburse the Issuer for the Subordinated Interim LTH Fee in the event the Transfer of Legal Title does not take effect on account of any act or omission of Interim Legal Title Holders that is within the control of the Interim Legal Title Holders); and

(b) the Issuer (acting on instructions of the Committee) shall have a right to terminate the appointment of the Servicer in accordance with the terms of the Servicing Agreement and the Issuer shall not be liable for any costs and expenses arising out of or in relation to such termination (including, without limitation any Transfer Costs, exit fees and payment of any costs in relation to Transfer Regulations)).

If the Issuer determines that the Transfer of Legal Title to Western Mortgage Services Limited shall not take place as a result of events other than the events set out above, then the reasonable and properly incurred Transfer Costs of Western Mortgage Services Limited incurred in transferring servicing to a new entity in accordance with terms of the Servicing Agreement, will be paid by the Issuer in accordance with the terms of the Servicing Agreement.

The Interim Legal Title Holders shall bear their own Transfer Costs and expenses (including any legal fees incurred in respect of the same) directly related to the Transfer of Legal Title.

If Western Mortgage Services Limited and the Issuer (acting in consultation with the Committee) are unable to reach agreement as to whether the events set out above have occurred or not, then the remediation mechanism set out in the Interim Legal Title Holder Deed will be followed.

Notwithstanding anything contained in the Interim Legal Title Holders Deed and the other Transaction Documents, the Interim Legal Title Holders shall not transfer legal title under these provisions and shall continue to act in accordance with the terms of the Interim Legal Title Holders Deed:

(i) until the Long-Term Legal Title Holder has been appointed and the Transfer of Legal Title has been completed and effected and (if applicable) Successor Servicer has been appointed;

(ii) until the Committee (acting reasonably) has provided its consent to such Transfer of Legal Title;

(iii) until the Committee (acting reasonably and in light of other similar servicing and legal titleholder arrangements with other third party service providers in the market) has provided its consent to the form of the documentation to be entered into in relation to the Transfer of Legal Title (including but not limited to the form of the Long-Term Servicing and Legal Title Holder Deed, the hello and goodbye letters); and

(iv) if such Transfer of Legal Title would cause the ratings of the Notes to be withdrawn, qualified or downgraded.

Governing Law

The Interim Legal Title Holders Deed and any non-contractual obligations arising out of or in relation to the Interim Legal Title Holders Deed shall be governed by, and construed in accordance with, the laws of England (provided that any terms of the Interim Legal Title Holders Deed, which are particular to the law of Scotland, shall be construed in accordance with, Scots law and any terms of the Interim Legal Title Holders Deed, which are particular to the law of Northern Ireland, shall be governed by, and construed in accordance with, Northern Irish law).

The LTH Guarantee

The Issuer, the Security Trustee and the Co-op Bank will enter into, on or about the Closing Date, a guarantee (the **LTH Guarantee**) pursuant to which the Co-op Bank will guarantee the payment obligations of each Interim Legal Title Holder under or in connection with the Transaction Documents to which the Interim Legal Title Holders are a party. The amount payable by the Co-op Bank under the Interim Legal Title Holders Guarantee will not exceed the amount that the Co-op Bank would have had to pay under the LTH Guarantee if the amount claimed had been recoverable on the basis of a guarantee.

The LTH Guarantee and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Servicing Agreement

Appointments

On or about the Closing Date, the Servicer will be appointed by the Issuer and the Interim Legal Title Holders.

Servicer

The Servicer's action in servicing the Loans and their Related Security in accordance with the terms of the Servicing Agreement (including the procedures of the Servicer) are binding on the Issuer. The Servicer is appointed as the lawful agent of the Issuer to service the Loans and their Related Security, to provide certain other services which the Issuer reasonably considers necessary or convenient in connection with, or incidental to, the servicing of such Loans and their Related Security and to exercise the Issuer's rights, powers and discretions under and in relation to such Loans and their Related Security as set out in the Servicing Agreement.

The Services

The services to be provided by the Servicer (as agent for the Issuer and the Interim Legal Title Holders) are set out in the Servicing Agreement (the **Services**).

The Services include, but are not limited to:

(a) operating the Direct Debiting Scheme as lawful agent for the Interim Legal Title Holders in accordance with the provisions of the Servicing Agreement;

(b) assisting the Interim Legal Title Holders to liaise with Borrowers to change the direct debit mandates;

(c) collecting payments on the Loans and discharging Loans and Related Security upon redemption;

(d) processing transfers of title, notices of death or forfeitures or irritancy of leases, sale and exchange of land, account conversions, term amendments, deed amendments, compensation and enforcement notices;

(e) dealing with all customer correspondence on other aspects of Loans including changes in customer details and changes on the customer mortgage;

(f) maintaining records in relation to the Loans and their Related Security comprised in the Portfolio;

(g) notifying relevant Borrowers of any change in their Contractual Monthly Payment;

(h) notifying relevant Borrowers of any other matter or thing which the applicable Mortgage Conditions require them to be notified of, in the manner and at the time required by the relevant Mortgage Conditions;

(i) subject to the provisions of the Servicing Agreement, taking all reasonable steps to recover all sums due to the Issuer, including, without limitation, the institution of proceedings and/or the enforcement of any Loan in the Portfolio or its Related Security;

(j) taking, or procuring the taking of (as applicable), all other action and doing all other things which it would be reasonable to expect a Prudent Mortgage Servicer to do in administering its loans and their Related Security; and

(k) consulting and/or obtaining consent from (as applicable) the Committee.

The Servicing Standard

The Servicer shall provide the services set out in the Servicing Agreement in accordance with and subject to (i) the standards of a Prudent Mortgage Servicer, (ii) the Interim Legal Title Holders' Policy, (iii) the policies and procedures scheduled to the Servicing Agreement to the extent that such policies and procedures relate to the Loans (as the same may be amended, replaced or supplemented from time to time in accordance with the terms of the Servicing Agreement, the **Service Specification**), (iv) the terms of the Servicing Agreement and (v) Applicable Laws.

Undertakings by the Servicer

The Servicer has undertaken, among other things, to:

(a) administer the relevant Loans and their Related Security in accordance with all Applicable Laws and the standards of a Prudent Mortgage Servicer as they apply to the Loans from time to time;

(b) procure the enforcement of the relevant Loans and their Related Security in accordance with all Applicable Laws and the standards of a Prudent Mortgage Servicer;

(c) assess and service any capitalisation in accordance with the Service Specification as it applies to the relevant Loans from time to time;

(d) provide the Services in such manner and with the same level of skill, care and diligence as would a Prudent Mortgage Servicer;

(e) comply with any proper directions, orders and instructions which the Issuer or (following the service of an Enforcement Notice) the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement and, in the event of any conflict, those of the Security Trustee shall prevail;

(f) maintain all approvals, authorisations, permissions, consents and licences considered, from time to time, as required for itself in connection with the performance of the Services, and prepare and submit on a timely basis all necessary applications and requests for any further approvals, authorisations, permissions, consents and licences considered, from time to time, as required for itself in connection with the performance of the Services (including, without limitation, any necessary notification under Data Protection Laws and any authorisation and permissions under the FSMA to the extent applicable);

(g) perform its obligations under the Transaction Documents in accordance with the terms of such approvals, authorisations, permissions, consents, licences and registrations and in a manner so as not to prejudice the continuation of such approvals, authorisations, permissions, consents, licences and registrations;

(h) not knowingly do or omit to do any act or thing which might prejudice the respective interests of the Issuer, the Seller, the Interim Legal Title Holders and/or the Security Trustee in the Portfolio;

(i) not knowingly fail to comply with any legal or regulatory requirements in the performance of the Services, including, without limitation, any rules of the FCA in MCOB or otherwise;

(j) 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 Applicable Laws;

(k) not take any action which would cause the Issuer to breach any Applicable Law binding upon it or the terms of any Transaction Documents to which the Issuer is a party;

(l) at all times perform its obligations in the UK; and

(m) not without the prior written consent of the Security Trustee amend or terminate any of the Transaction Documents to which the Servicer is a party in any material respect except in accordance with their terms.

Setting of Interest Rates on the Loans

The Issuer has granted the Servicer full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to apply in relation to the Loans, the Standard Variable Rates applicable to such Loans as informed by the relevant Interim Legal Title Holders to the Servicer in accordance with the terms of the Servicing Agreement.

Each Interim Legal Title Holder shall give notice to the Servicer of any changes to that Interim Legal Title Holder's Standard Variable Rate and any other discretionary rates or margins applicable to the Loans and the notice will include the date on which such changes are proposed to be implemented in accordance with the relevant Interim Legal Title Holder's Policy (the **Proposed Implementation Date**).

The Servicer will use reasonable endeavours to achieve the required changes by the Proposed Implementation Date and it will give notice to the relevant Interim Legal Title Holders if it believes it requires additional time to implement the required changes. The Servicer and the Interim Legal Title

Holders shall discuss in good faith and agree the date on which such changes will be implemented in accordance with the relevant Interim Legal Title Holder's Policy (the **Implementation Date**).

Prior to the occurrence of a Perfection Trigger Event, the Servicer shall set the Standard Variable Rate applicable to any Loans at the same level as the Standard Variable Rate of the Interim Legal Title Holders in relation to similar loans of the Interim Legal Title Holders outside the Portfolio, as notified by the Interim Legal Title Holders to the Servicer. The Servicer shall not change the relevant Standard Variable Rate save for the reasons that the Interim Legal Title Holders were entitled to under the Mortgage Conditions.

Following the occurrence of a Perfection Trigger Event, the Servicer shall set the Standard Variable Rate (including publishing any notice which is required in accordance with the Mortgage Conditions to effect such change in the Standard Variable Rate) as directed by the Issuer (or its nominee), subject always to Applicable Laws.

The Issuer shall be bound by the Standard Variable Rates as determined by the Interim Legal Title Holders in relation to any Loan set in accordance with the Servicing Agreement.

The Servicer shall take the steps rendered necessary by the relevant Mortgage Conditions and Applicable Laws to bring each change in such rate or rates of interest to the attention of the relevant Borrowers.

Standard Variable Rate means (i) in respect of the Servicer and the Loans, the standard variable rate applicable to certain Loans in the Portfolio as set, other than in limited circumstances, by the Servicer, in accordance with the Servicing Agreement and (ii) in respect of an Interim Legal Title Holder, the relevant standard variable rate set by the Interim Legal Title Holders in relation to mortgage loans owned by the Interim Legal Title Holders in their residential mortgage book.

Repurchase of Loans by the Seller

In the case of a breach of Loan Warranties, the Servicer will assist the Issuer with effecting any required repurchase of the affected Loans and their Related Security (and any other Loans secured or intended to be secured by such Related Security or any part of it) to rectify such breach in accordance with the terms of the Mortgage Sale Agreement.

If, pursuant to the Mortgage Sale Agreement, the Issuer is required to deliver a Loan Remedy Notice, the Servicer shall, upon the request of the Issuer, provide all reasonable assistance to the Issuer with delivering such Loan Remedy Notice. The Servicer shall, upon the request of the Issuer, following the delivery of a Loan Remedy Notice to the Seller, and provided, where applicable, that an Election Notice has been delivered by the Seller, take on behalf of the Issuer all action and enter into such documents as may be required under the terms of the Mortgage Sale Agreement to be taken by the Issuer and/or the Servicer in connection with any repurchase by the Seller.

Operation of Interim Period Collection Accounts

Amounts credited to each Interim Period Collection Account will be identified on a daily basis and the Servicer shall procure that the Interim Period Collection Account Bank shall transfer such amounts or procure that such amounts are transferred from the relevant Interim Period Collection Account into the Transaction Account on the next Business Day after such amounts are identified as received in the Interim Period Collection Account (subject to the deduction of any amount required by the Servicer to pay costs and expenses due at such time (the **Servicer Expenses Amounts**), subject to the Expenses Cap).

In the event that the Servicer Expenses Amount exceeds the Expenses Cap in any Interest Period, the Servicer shall consult with the Committee and the Committee shall be required to consent to any Servicer Expenses Amount in excess of the Expenses Cap, such consent not to be unreasonably withheld.

Each of the Issuer and the Interim Legal Title Holders appoint the Servicer as their agent to act on their behalf to manage the Interim Period Collection Accounts.

Replacement of Interim Period Collection Account Bank

Following (i) the occurrence of an Insolvency Event in relation to the Interim Period Collection Account Bank or (ii) the Interim Period Collection Account Bank ceasing to have the Interim Period Collection Account Bank Rating, the Servicer will (with the reasonable assistance of each Interim Legal Title Holder) within 60 calendar days of such downgrade (provided that the Servicer shall not be required to take or direct to be taken any action unless the estimated costs of the Servicer in connection with replacement of the Interim Period Collection Account Bank have been pre-approved by the Issuer and the Committee and the Servicer undertakes to provide an estimate of such costs to the Issuer and the Committee promptly after the occurrence of an event set out in paragraph (i) or (ii) above):

(a) use all reasonable endeavours to appoint a replacement financial institution with the Interim Period Collection Account Bank Rating to act as replacement Interim Period Collection Account Bank which is a bank for the purposes of Section 878 Income Tax Act 2007 and which will pay interest in relation to the Interim Period Collection Accounts in the ordinary course of its business;

(b) use all reasonable endeavours to procure that such financial institution enters into a replacement collection account agreement with each Interim Legal Title Holder;

(c) use all reasonable endeavours to procure that new collection account is opened and established at the replacement institution and further procure that all amounts held on trust for the Issuer and the Seller standing to the credit of each Interim Period Collection Account are transferred to the replacement accounts at such replacement institution as soon as practicable or, where the Interim Period Collection Account Bank ceases to have the Collection Account Bank Rating, within 60 calendar days of such downgrade; and

(d) transfer all Direct Debit mandates to such replacement collection accounts and the Servicer (on the Issuer's behalf) will instruct Borrowers to make all monthly instalments made by a Borrower under a payment arrangement other than the Direct Debiting Scheme to such replacement collection accounts from the date on which the replacement collection accounts are opened.

Each Interim Legal Title Holder shall enter into a deed on terms substantially similar to those set out in the Interim Period Collection Accounts Declaration of Trust with respect to the replacement collection accounts.

Each Interim Legal Title Holder undertakes that it shall not terminate the Interim Period Collection Accounts Declaration of Trust without the prior written consent of the Security Trustee and the Seller.

No replacement or termination of the appointment of the Interim Period Collection Account Bank may be made without the prior written consent of the Issuer, the Security Trustee and the Seller, save when failure to terminate the appointment of the Interim Period Collection Account Bank and appoint a replacement Collection Account Bank would cause, or could reasonably be expected to cause, some, or all of, the ratings of the Notes to be downgraded.

Porting

If, at any time, a Borrower requests a Port, the Servicer shall determine whether the relevant Mortgage Conditions and the relevant Interim Legal Title Holder's Policy permit such porting. If they do, the Servicer shall then request the Interim Legal Title Holders to confirm in writing whether such Loan will be fully redeemed (and each Interim Legal Title Holder has agreed to provide such confirmation, positive or negative, as soon as reasonably practicable upon receipt of such a request). If the Interim Legal Title Holders confirm that such Loan will be fully redeemed, the Servicer shall approve the Borrower's application, release the Related Security for the Loan, and accept any redemption into the Transaction Account such as to enable the Cash Manager to apply any such proceeds as Available Principal Receipts. For the avoidance of doubt, an application from a Borrower to port to another property shall be accepted only if the Interim Legal Title Holders confirm that the relevant Loan is going to be redeemed in full.

Payment Deferral

If the Servicer receives an application from a Borrower requesting a Payment Deferral it will deal with such request in accordance with the Mortgage Conditions of the Loan and the Interim Legal Title Holders' Policy. Any Loan in respect of which a Payment Deferral is granted will continue to accrue interest and other charges during such Payment Deferral and any accrued interest will be capitalised and added to the Current Balance of that Loan or the customer may choose to make the payment of the accrued interest.

The Committee

A committee will be established to be comprised of the Authorised Representatives (as defined below) of: (a) Barclays Bank PLC (Barclays) in its capacity as Servicer Administrator (if it so elects); and (b) each holder from time to time of more than 50.1 per cent. (or the representative of holders of the Class Y Certificates acting in concert who together hold more than 50.1 per cent.) of the issued Class Y Certificates (the **Majority Class Y Certificateholder**) who elects to be a member of the Committee (each a **Committee Member** and collectively **the Committee**).

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

(a) reviewing the outcome of any reports (including, but not limited to, any Investor Reports, UK SR Investor Report, Servicer Reports, UK SR Data Tape, EU SR Investor Report, EU SR Data Tape) (including in relation to any manifest errors or issues flagged to the Servicer and any costs, expenses and charges the Servicer was required to pay in a Calculation Period in excess of £100,000);

(b) consideration of the outcome of any annual third-party audit of the Servicer (which will include sampling and data integrity) and the right to discuss the outcome of such audit in an annual meeting with the Servicer and, if a Servicer default has occurred as identified in that audit report, the right to notify the Issuer and the Security Trustee thereof;

(c) consideration of a material change to the Servicer's Selection Criteria;

(d) any material issues or claims raised by claims management companies, any proposed remediation programmes or actions by a regulator, the courts, FOS or Borrowers that could trigger remediation programmes or could have a material impact on the Portfolio (subject to any Applicable Laws and obligations of confidentiality owed to any third parties);

(e) consideration of a material change to the Servicer's and/or Interim Legal Title Holder's selection criteria for third party service providers or policies, subject to the terms of the Servicing Agreement and the Interim Legal Title Holders Deed;

(f) making any material modifications to the Service Specification or the Interim Legal Title Holders' Policies where such material modifications are required in order to comply with Applicable Laws or regulation;

(g) making any material modifications to the Services required in order to comply with Applicable Laws or where such modification is being applied generally by the Interim Legal Title Holders and/or their affiliates in relation to its mortgage and loan portfolios managed and/or held by the Interim Legal Title Holder that are comparable with the Portfolio; and

(h) any other required change which is material or would have a material impact on costs or the Services being provided

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

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

(a) replacement or termination of the Servicer and/or the Interim Legal Title Holders (including any termination for the purposes a legal title migration process contemplated under the Transaction Documents);

(b) making any material modifications to the Services (other than where such modifications are required in order to comply with any Applicable Laws or, in case of the Interim Legal Title Holders, where such revision, amendment, update or introduction is being applied generally by the Interim Legal Title Holders and/or their affiliates in relation to its mortgage and loan portfolios managed and/or held by the Interim Legal Title Holders that are comparable with the Portfolio);

(c) the Issuer making or agreeing to any changes to the LTH Guarantee, or the Issuer entering into a replacement guarantee in respect of the payment obligations of the Interim Legal Title Holders under the Transaction Documents to which the Interim Legal Title Holders are a party, or the Issuer entering into any other arrangement in respect of the same;

(d) any modification to the Service Specification or Interim Legal Title Holder's Policies (other than where such modifications are required in order to comply with any Applicable Laws);

(e) the delegation of a material portion of the Servicer's or Interim Legal Title Holder’s power and obligations under the Servicing Agreement or the Interim Legal Title Holders Deed;

(f) certain matters in respect of the manner in which the Servicer and/or the Interim Legal Title Holders conduct any claim from a Borrower or third party which, if successful, is reasonably likely to result in a significant liability of the Issuer under the Servicing Agreement and/or Interim Legal Title Holders Deed (as applicable) or to have a significant adverse effect on the value of the Portfolio;

(g) any modifications to the rights of the Committee under the Servicing Agreement or the Interim Legal Title Holders Deed;

(h) the transfer of legal title to each Loan and its Related Security from the Interim Legal Title Holders to a Long-Term Legal Title Holder and any documents to be entered into in relation to the Transfer of Legal Title (including the form of the Long-Term Servicing and Legal Title Holder Deed, the hello and goodbye letters and any collection account declaration of trust);

(i) any extension of the timeline for the Transfer Target Date and Legal Title Holder Transfer Date; and

(j) any Servicer Expenses Amount in excess of the Expenses Cap,

and the Servicer and/or the Issuer shall not be permitted to undertake such activities without the unanimous consent of the Committee (the **Consent Matter),** such consent in the case of paragraph (j) not be unreasonably withheld or delayed.

The Servicer has agreed not to consent to any request for a Further Advance or a Product Switch which is not required to be made under the applicable Mortgage Conditions without first obtaining the consent of the Servicer Administrator and the Committee.

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

The Committee Members may act solely in their own interests and have no implied duties or obligations of any kind to other Noteholders or other parties for acting as a Committee Member.

Compensation of the Servicer

The Issuer will pay to the Servicer a quarterly fee (the **Servicing Fee**) commencing on the Closing Date for its services under the Servicing Agreement which shall, for so long as Western Mortgage Services Limited is the Servicer, be on terms to be agreed between the Issuer and the Servicer.

The Servicing Fee is payable by the Issuer to the Servicer's account in arrear on each Interest Payment Date or, in respect of the Post-Enforcement Priority of Payments on any day on which amounts are so applied, in accordance with the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

All fees payable to the Servicer are exclusive of VAT.

Remuneration of Servicer

Each Servicing Fee will be adjusted annually (**Servicing Increased Fees**) on each anniversary of the date of the Servicing Agreement in accordance with the UK Average Weekly Earnings Index (as published by the Office for National Statistics based on the average of the monthly calculations during the period of calculation) subject to a year on year cap of six per cent. The calculation will be based on the figures available for the period running from 1st July in the previous Contract Year to the 30th June in the current Contract Year.

The Servicing Fee and the Servicing Increased Fees will be paid as follows:

(a) the amount of Servicing Fee and the Servicing Increased Fees up to the Senior Servicing Fee Cap (the **Senior Servicing Fee**) shall be paid at item (b)(iv) of the Pre-Enforcement Revenue

Priority of Payments or, as the case may be, at item (b)(iv) of the Post-Enforcement Priority of Payments; and

(b) any amounts of the Servicing Fee and the Servicing Increased Fees in excess of the Senior Servicing Fee Cap (the **Subordinated Servicing Fee**) shall be paid at item (w) of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, at item (n) of the Post-Enforcement Priority of Payments.

If on any Interest Payment Date the Issuer has insufficient funds to make payment in full of the Senior Servicing Fee or Subordinated Servicing Fee after having paid or provided for items of higher priority in the relevant Priority of Payments, then such unpaid amounts shall accrue interest at a rate of five per cent. per annum and shall become payable on the next Interest Payment Date.

Senior Servicing Fee Cap equals (i) 0.15 per cent. per annum of the aggregate Current Balance of all Loans comprising the Portfolio on the last day of the applicable Calculation Period plus (ii) an amount equal to the greater of (a) zero and (b) the difference between the Interim Legal Title Holders Fee Cap for that Calculation Period and the Servicing Fee payable in respect of the applicable Calculation Period.

Removal or Resignation of the Servicer

A Servicer Termination Event shall occur if any of the following events (each, a **Servicer Termination Event**) occurs:

(a) an Enforcement Notice (which has been issued on account of a Servicer Termination Event) has been served by the Note Trustee following the occurrence of an Event of Default which is continuing;

(b) default is made by the Servicer in the payment on the due date of any payment due and payable by it under the Servicing Agreement or any other Transaction Document to which the Servicer is a party and such default continues unremedied for a period of 10 Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or following the delivery of an Enforcement Notice, the Security Trustee requiring the default to be remedied;

(c) 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 the Servicer is a party and in the reasonable opinion of the Issuer (prior to the delivery of an Enforcement Notice) or in the opinion of the Security Trustee (after the delivery of an Enforcement Notice) (acting on the instructions of the Note Trustee) such default is materially prejudicial to the interests of the Noteholders and/or the Certificateholders (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 the Interim Legal Title Holders or, following delivery of an Enforcement Notice, the Security Trustee, as appropriate, requiring the same to be remedied, provided however that where the relevant default and receipt of notice of such default occurs as a result of a default by any person to whom the Servicer has sub-contracted or delegated part of its obligations hereunder, such default shall not constitute a Servicer Termination Event if, within such period of 15 Business Days, the Servicer terminates the relevant sub-contracting or delegation arrangements and takes such steps as the Issuer may in its reasonable discretion specify to remedy such default or to indemnify and/or secure and/or pre-fund the Issuer to its satisfaction (as applicable) against the consequences of such default;

(d) the Servicer ceasing to be an authorised person under FSMA or the revocation of an applicable licence, registration or regulatory permission held by it required to perform the Services;

(e) the occurrence of a Change of Control in respect of the Servicer, provided that, if the Servicer has notified the Issuer in writing that any such Change of Control has taken place, the Issuer must deliver a termination notice within 30 days following receipt of such notice or otherwise will be deemed to have consented to the Change of Control;

(f) occurrence of a Force Majeure Event which is materially prejudicial to the interests of the Noteholders and/or Certificateholders and such an event continues and is unremedied for a period of 7 calendar days after the end of the FM Consultation Period; and

(g) an Insolvency Event in respect of the Servicer.

Following the occurrence of a Servicer Termination Event, the Issuer with the consent of the Committee and (after delivery of an Enforcement Notice) the Security Trustee may (or in case of any of the events listed in paragraphs (d) and (g) above, shall) deliver written notice to the Servicer (with a copy to the Committee and Security Trustee) on becoming aware of the Servicer Termination Event to terminate the Servicer's appointment with effect from the date of receipt of such notice, 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 the appointment of the Servicer as servicer under the Servicing Agreement, each of the Issuer and the Servicer Facilitator, if requested to do so by the Issuer, shall use its reasonable endeavours to appoint a Successor Servicer on substantially the same terms as those set out in the Servicing Agreement within 30 days following the delivery of the written notice to terminate the Servicer's appointment.

The Issuer or (following the delivery of an Enforcement Notice) the Security Trustee, on becoming aware of the occurrence of a Servicer Termination Event or the giving of notice by the Servicer or the Issuer for the termination of the Servicing Agreement, in accordance with the terms of the Servicing Agreement, shall give notice in writing to the Servicer Facilitator and the Committee of the occurrence of a Servicer Termination Event and request it to identify and select a Successor Servicer. Upon being so notified, the Servicer Facilitator (in consultation with the Committee and shall use reasonable endeavours to identify and select a Successor Servicer which the Committee has consented to and which satisfies the conditions set out in the Servicing Agreement following consultation with the Servicer Facilitator within 30 calendar days of the occurrence of the applicable Servicer Termination Event or the giving of notice by the Servicer or the Issuer for the termination of the Servicing Agreement, in accordance with the terms of the Servicing Agreement, and provide details of its selection (the **Proposed Successor**) to the Issuer, the Committee and the Security Trustee. Provided that, if the Committee has nominated a servicer, that entity shall be the Proposed Successor. Promptly upon being notified of the identity of the Proposed Successor, the Issuer shall appoint the Proposed Successor as Successor Servicer on substantially the same terms as the Servicing Agreement (or, on such terms that have been approved by the Committee and would not cause the ratings of the Notes to be withdrawn, qualified or downgraded), provided however that any such appointment shall be subject to the prior written consent of the Committee and the Security Trustee (such consent to be given by the Security Trustee on receipt by the Security Trustee of a certificate signed by two authorised signatories of the Issuer (upon which the Security Trustee shall rely absolutely without liability or enquiry) that the Proposed Successor satisfies the conditions set out in the Servicing Agreement) and shall not cause the ratings of the Notes to be withdrawn, qualified or downgraded. The Issuer shall notify the Rating Agencies in writing of the identity of the Successor Servicer.

The Issuer may terminate the Servicing Agreement:

(a) without cause on three months' written notice to the Servicer;

(b) when an Enforcement Notice (which has been issued on account of any event other than a Servicer Termination Event) has been served by the Note Trustee following the occurrence of an Event of Default which is continuing,

provided that if such notice period expires before the end of the Initial Term, the Issuer shall pay the Servicer the Estimated Remaining Fees and any unpaid Asset Expenses due from the date of termination until the date the Initial Term expires. The Servicer's appointment shall not be terminated until a Successor Servicer has been appointed and the Servicer will continue to act in accordance with the terms of the Servicing Agreement until the relevant termination date of the Servicing Agreement.

Estimated Remaining Fees means an amount estimated by the Servicer and agreed with the Committee and the Issuer based on the Core Fees for the Servicer.

The Issuer may terminate the Servicing Agreement without cause by giving notice in writing to the Servicer following the occurrence of a Perfection Trigger Event or upon transfer of legal title of Loans from Interim Legal Title Holders to a Long-Term Legal Title Holder (which is not Western Mortgage Services Limited) in accordance with terms of the Interim Legal Title Holders Deed. The Servicer's appointment shall not be terminated until a Successor Servicer has been appointed and the Servicer will continue to act in accordance with the terms of the Servicing Agreement until the relevant termination date of the Servicing Agreement.

Voluntary Resignation of the Servicer

The appointment of the Servicer under the Servicing Agreement may be terminated by the Servicer upon the expiry of not less than 12 months' written notice of termination given by the Servicer to the Issuer, the Servicer Facilitator, each Interim Legal Title Holder, the Security Trustee and the Committee (or by such shorter period of notice as may be agreed between the Servicer, the Issuer, the Committee and the Security Trustee), provided that:

(a) no such notice of termination can be given by the Servicer unless such termination will be effective on or after the expiry of the Initial Term (for the avoidance of doubt, this limitation shall not apply for any resignation which is effective on or after the Initial Term);

(b) the Issuer, the Committee and the Security Trustee consent in writing to such termination, such consent in the case of the Security Trustee to be given on receipt by the Security Trustee of a certificate signed by two authorised signatories of the Issuer confirming satisfaction of the conditions in the Servicing Agreement;

(c) a Successor Servicer shall be appointed in accordance with the terms of the Servicing Agreement, such appointment to be effective not later than the date of such termination;

(d) such Successor Servicer holds all licences, approvals, authorisations and consents required in connection with the provision of the Services and holding of legal title, including, without limitation, any necessary notifications under Data Protection Laws and authorisations and permissions under the FSMA;

(e) such Successor Servicer has experience of servicing and holding legal title to mortgages of residential property in England and Wales, Scotland and Northern Ireland and is approved by the Issuer (acting reasonably);

(f) such Successor Servicer enters into an agreement substantially on the same terms as the relevant provisions of the Servicing Agreement (excluding costs) and the Servicer shall not be released from its obligations under the relevant provisions of the Servicing Agreement until such substitute servicer has entered into such new agreement, **provided that** (I) where the Issuer determines that it is not practicable, taking into account the then prevailing market conditions, to agree terms substantially similar to those set out in the Servicing Agreement, the Issuer shall have certified in writing to the Security Trustee that, to the extent the terms are not substantially similar to those set out in the Servicing Agreement as aforementioned, such terms are fair and commercial terms taking into account the then prevailing current market conditions, which certificate shall be conclusive and binding on all parties (and upon which certificate the Security Trustee shall rely without further enquiry or liability) and (II) the Security Trustee shall not be obliged to enter into any such arrangements if to do so would, in the sole opinion of the Security Trustee, have the effect of increasing the obligations or duties, or decreasing the rights, powers, authorisations, indemnification or protections of the Security Trustee under the Transaction Documents; and

(g) the then current ratings of the Rated Notes issued by the Issuer are not withdrawn, qualified or downgraded as a result of such termination, unless the termination is otherwise agreed by an Extraordinary Resolution of the holders of the Notes.

The appointment of the Servicer may be terminated upon the expiry of not less than 30 days' notice of termination given by the Servicer to the Issuer if:

(a) any variation is made to any Transaction Document without the consent of the Servicer which variation would, in the opinion of the Servicer (acting reasonably), materially adversely affect the ability of the Servicer to perform the Services or materially increase the cost to the Servicer of performing the Services and, in these circumstances: (i) no Servicer Termination Event will occur to the extent that the Servicer is unable to perform the Services as a result of any variation made to any Transaction Document without the consent of the Servicer; and (ii) any increase to the costs of performing the Services will be payable by the Issuer in accordance with the Priority of Payments; or

(b) any payments due to the Servicer are not paid within 30 days of the due date for payment, **provided that** if such sums are paid in full prior to the expiry of such period of notice and no previous similar incident has occurred, the Servicing Agreement shall not terminate and shall continue in full force and effect.

Delivery of documents and records

If the appointment of the Servicer is terminated or the Servicer resigns, the Servicer must as soon as reasonably practicable deliver (and in the meantime hold on trust for, and to the order of, the Issuer) to the Issuer, or as it shall direct, *inter alia*, the Title Deeds and the Loan Files relating to the Loans and their Related Security in its possession or under its control relating to the affairs of or belonging to the Issuer and the Loans sold by the Seller to the Issuer and comprised in the Mortgage Portfolio and any other Related Security and (if practicable, on the date of receipt by the Servicer) any monies then held by the Servicer on behalf of the Issuer and any other assets of the Issuer.

Neither the Note Trustee nor the Security Trustee is obliged to act as servicer in any circumstances.

Enforcement Procedures

The Servicer will, in relation to any default by a Borrower under or in connection with a Loan or its Related Security, comply with the Enforcement Procedures or, to the extent that the Enforcement Procedures are not applicable having regard to the nature of the default in question, take such action as complies with the usual procedures undertaken by a Prudent Mortgage Servicer in connection with defaults of a similar nature, provided that:

(a) it shall only become obliged to comply with the Enforcement Procedures (to the extent applicable) or to take action as aforesaid after it has become aware of the default; and

(b) it is acknowledged by the Issuer that mortgage lenders generally exercise discretion in pursuing their respective Enforcement Procedures and that the Servicer may exercise such discretion as would a Prudent Mortgage Servicer in applying the relevant Enforcement Procedures to any particular defaulting Borrower or in taking action as aforesaid, provided that in exercising such discretion the interests of the Issuer in the Portfolio are not materially prejudiced.

Limit to Servicer's Liability

The Servicer shall have no obligation in respect of any Liabilities suffered or incurred by the Issuer and/or the Security Trustee, the Seller, any Interim Legal Title Holder and/or any other person as a result of the performance by the Servicer of the Services save to the extent that such Liabilities are suffered or incurred as a result of any Breach of Duty on the part of the Servicer, its agents, subcontractors or delegates under the Servicing Agreement.

The Servicer shall indemnify each of the Interim Legal Title Holders, Issuer and the Security Trustee against any Liabilities suffered or incurred by those parties arising as a result of the Servicer's Breach of Duty (or that of its employees, agents, subcontractors or delegates in the performance of the Servicer's obligations under the Servicing Agreement).

The annual liability of Western Mortgage Services Limited under the Servicing Agreement and/or the other Transaction Documents (whether in contract, tort (including negligence), for breach of statutory duty or otherwise, arising out of or in connection with the Servicing Agreement or other Transaction Documents) shall not exceed an amount equal to 150 per cent of the Servicing Fee paid or payable in the first Contract Year of the Servicing Agreement (or, in the case of a period of less than 12 months, which would otherwise be payable to the Servicer for the full first Contract Year of this Agreement) and provided that the aggregate liability of the Servicer shall not exceed 200 per cent. of the Servicing Fee payable in the first Contract Year of the Servicing Agreement.

Nothing in the Servicing Agreement shall limit or exclude the Servicer's liability in respect of:

(c) death or personal injury caused by its negligence or that of its employees, agents or sub-contractors;

(d) fraud (including fraudulent misrepresentation) or wilful misconduct;

(e) any liability which cannot be excluded or limited by Applicable Laws;

(f) the Servicer's fraud, gross negligence, or wilful default in the performance of its obligations under the Servicing Agreement or other Transaction Documents; or

(g) any sum which the Servicer and its respective subcontractors or delegates holds or should hold on trust for the Issuer and for which the Servicer fails to account to the Issuer.

Portfolio information and reporting – general

The Servicer has covenanted to deliver a servicer report (which shall include a monthly data tape and principal and interest report) shall be prepared to a rated securitisation standard and shall be substantially in the form attached to the Servicing Agreement (or in such other form as may be agreed between the Issuer, the Seller and the Servicer from time to time) (the **Servicer Report**) in respect of each Collection Period to the Issuer, the Cash Manager, the Servicer Administrator and the Security

Trustee no later than 12 Business Days after the end of the each Collection Period (such date being the **Servicer Reporting Date**).

Portfolio information and reporting – regulatory reporting

The Servicer shall prepare and make available to each of the Issuer, the Interim Legal Title Holders, the Retention Holder, the Corporate Services Provider, the Cash Manager and the Security Trustee:

(a) certain loan-by-loan information in relation to the Loans in respect of each Calculation Period as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Data Tape**); and

(b) certain loan-by-loan information in relation to the Loans in respect of each Calculation Period in accordance with Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Data Tape**),

To the extent that there are any changes in the information required in accordance with Article 7(1)(a) of the UK Securitisation Regulation and/or the EU Securitisation Regulation, the Servicer shall provide such additional information only to the extent it holds such information and is capable of providing such information without additional costs or material administrative burden or otherwise at the Issuer's reasonable cost.

The Servicer shall provide reasonable assistance to the Reporting Entity (and the Cash Manager and Corporate Services Provider) in making available such information related to the Portfolio that the Reporting Entity is required to provide for the purposes of the above requirements and Article 7(1)(a) and Article 7(1)(e) of the UK Securitisation Regulation and Article 7(1)(a) and Article 7(1)(e) of the EU Securitisation Regulation and shall provide the Cash Manager, Corporate Services Provider, the Retention Holder and the Issuer with the Servicer Report and the EU SR Data Tape and UK SR Data Tape no later than the 12th Business Day after the relevant Calculation Period, as applicable provided that the Servicer holds such information and is capable of providing such information without additional costs or material administrative burden or otherwise at the Issuer's reasonable cost. To the extent any such assistance requires any update to the form of the Servicer Report or the provision by the Servicer of any additional report or information for the Reporting Entity to comply with the EU Securitisation Regulation and UK Securitisation Regulation, any such update or other amendment will be made in accordance with the provisions in the Transaction Documents

Governing Law

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

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

Affiliate means, in relation to any person, (i) a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company or (ii) any other person that controls, is controlled by, or is under common control with, such person including any branch.

Applicable Laws means:

(a) for the purpose of the Mortgage Sale Agreement, the Servicing Agreement and the Interim Legal Title Holders Deed: (i) all applicable laws, rules, regulations, guidance, ordinances, directives, statutes, authorisations, permits, licences, notices, instructions and decrees of any relevant regulatory authority or any judgment or judicial practice of any court, and any other legally binding requirements of any regulatory authority or government authority having jurisdiction with respect to the Loans, including, without limitation, MCOB and the FCA Consumer Credit sourcebook; (ii) any publications of any relevant regulatory authority or regulator (including the FCA's guidance, policies and publications relating to the "treating customers fairly" initiative and good practice and guidance published by the FOS) and any prevailing guidance of UK Finance, in each case only to the extent it is legally binding or is good practice to follow and which does not conflict with any of the matters referred to in paragraph (i) above and the Mortgage Sale Agreement, the Servicing Agreement and the Interim Legal Title Holders Deed; (iii) any domestic or foreign statute or regulation; (iv) any rule or practice of any Authority with which any party is bound or accustomed to comply; and (v) any agreement entered into by any party and any Authority or between any two or more Authorities; and

(b) for all other purposes, any law or regulation including, but not limited to: (i) any domestic or foreign statute or regulation; (ii) any rule or practice of any Authority with which any party is bound or accustomed to comply; and (iii) any agreement entered into by any party and any Authority or between any two or more Authorities.

Arrears Loans means all Loans with a MIA Measure of one or more (and for the avoidance of doubt, any Loan in respect of which a Payment Holiday has been granted will not be treated as an Arrears Loan, including where the Loan was an Arrears Loan when the Payment Holiday was granted).

Authority means any competent regulatory, prosecuting, tax or governmental authority in any jurisdiction, domestic or foreign.

Breach of Duty means:

(a) in relation to any person (other than the persons set out in paragraphs (b) and (c) below), a wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person;

(b) in relation to the Note Trustee, the Security Trustee, the Issuer Account Bank, the Agent Bank, the Cash Manager, the Principal Paying Agent and the Registrar a wilful default, fraud or gross negligence by the Note Trustee, the Security Trustee, the Issuer Account Bank, the Agent Bank, the Cash Manager, the Principal Paying Agent or the Registrar (as the case may be); and

(c) in relation to Western Mortgage Services Limited as Servicer, a wilful default, fraud, illegal dealing, negligence or material breach of any agreement or breach of trust by such person.

CMS means at any time the monthly mortgage instalment then due under a Loan, without regard for any discounted or additional payment arrangements agreed with the Borrower.

Contractual Monthly Payment means, in relation to any Loan, the amount in the ordinary course of administration of that Loan due to be paid by the relevant Borrower on each Monthly Payment Date under the Mortgage Conditions, comprising interest and, where applicable, contractual repayments of principal and other sums (as determined in accordance with the terms and conditions of that Loan).

Data Protection Laws means any law, enactment, regulation or order concerning the processing of data relating to living persons including:

(a) the EU GDPR;

(b) the UK GDPR;

(c) the UK Data Protection Act 2018;

(d) the Privacy and Electronic Communications (EC Directive) Regulations 2003; and

(e) other EU Data Protection Laws,

each to the extent applicable to the activities or obligations under or pursuant to the Transaction Documents.

Direct Debit means a written instruction of a Borrower authorising its bank to honour a request of the Interim Legal Title Holders to debit a sum of money on specified dates from the account of the Borrower for deposit into an account of the relevant Interim Legal Title Holder.

Direct Debiting Scheme means the scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of certain members of the Association for Payment Clearing Services.

Enforcement Procedures means procedures for the enforcement of Mortgages undertaken by the Servicer from time to time in accordance with the relevant Interim Legal Title Holders' Policy.

Further Advance means, in relation to a Loan, any advance of further money to the relevant Borrower following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage.

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

Initial Advance means all amounts advanced by an Interim Legal Title Holder (or, as applicable, an Originator) to a Borrower under a Loan other than a Further Advance.

Insolvency Event means an event in which a relevant entity:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, trust, arrangement scheme or compromise with, or for the benefit of, its creditors;

(d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examinership or liquidation by it or such regulator, supervisor or similar official;

(e) has instituted against it a proceeding seeking a judgment of insolvency, examinership or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examinership or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

(i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

(ii) is not dismissed, discharged, stayed, sisted or restrained in each case within 30 days of the institution or presentation thereof;

(f) has exercised in respect of it one or more of the stabilisation powers pursuant to Part 1 of the Banking Act 2009 and/or has instituted against it a bank insolvency proceeding pursuant to Part 2 of the Banking Act 2009 or a bank administration proceeding pursuant to Part 3 of the Banking Act 2009;

(g) has a resolution passed for its winding-up, official management, examinership or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(h) seeks or becomes subject to the appointment of an administrator, provisional liquidator, examiner, conservator, receiver, trustee, custodian, monitor or other similar official for it or for all or substantially all its assets;

(i) has a moratorium declared in respect of any indebtedness of that entity;

(j) has a secured party take possession of all or substantially all its assets or has a distress, execution, diligence, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed, sisted or restrained, in each case within 30 days thereafter;

(k) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (j) above; or

(l) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Interim Period means the period of time from and including the Closing Date to but excluding the Legal Title Holder Transfer Date.

Interim Legal Title Holders' Policy means each of the policy documents as supplied by the Interim Legal Title Holders to the Servicer, as may be amended, supplemented or replaced from time to time, in accordance with the Servicing Agreement, including the following:

(a) AML, CTF & Sanctions Risk Policy;

(b) Corporate and Commercial Credit Risk Arrears Management and Recoveries Control Standard;

(c) Interest Only Mortgage Criteria;

(d) Mortgage Product Criteria;

(e) Product Risk Control Standard;

(f) Retail Credit Risk Arrears Management and Recoveries Control Standard;

(g) Retail Credit Risk Lending Control Standard;

(h) Risk Policy – Conduct Risk;

(i) Secured Lending Criteria; and

(j) Risk Policy Retail Credit Risk.

Legal Title Holder means:

(a) during the Interim Period and prior to the Legal Title Holder Transfer Date, the Interim Legal Title Holders; and

(b) following the Interim Period and on and from the Legal Title Holder Transfer Date, the Long-Term Legal Title Holder.

Legal Title Holder Deed means:

(a) during the Interim Period and prior to the Legal Title Holder Transfer Date, the Interim Legal Title Holders Deed; and

(b) following the Interim Period and on and from the Legal Title Holder Transfer Date, the Long-Term Servicing and Legal Title Holder Deed.

Long-Term Legal Title Holder means Western Mortgages Services Limited or any other entity appointed as the long-term legal title holder in accordance with the provisions of the Interim Legal Title Holders Deed.

Long-Term Servicing and Legal Title Holder Deed means any servicing and legal title holder deed entered between, *inter alia*, the Issuer and the Long-Term Legal Title Holder pursuant to the Interim Legal Title Holders Deed

Legal Title Holder Transfer Date means the date on which the Interim Legal Title Holders will (subject to prior written consent of the Committee) perfect the transfer of the legal title to each Loan and its Related Security to the Long-Term Legal Title Holder (in its capacity as legal title holder).

Liability means, in respect of any person, any fee, loss, damage, cost, charge, award, claim, demand, expense, judgment, decree, action, proceeding or other liability whatsoever including properly incurred legal fees and any Tax (other than VAT or amounts in respect of VAT which, in each case, is recoverable and any Tax incurred on actual net income, profits or gains), together with (but without double counting) any irrecoverable VAT charged or chargeable in respect of any of the sums referred to in this definition.

MIA Measure means as of the last day of a calendar month the aggregate amount of outstanding sums due under a Loan (excluding: (a) fees, costs and charges; and (b) any amounts outstanding resulting solely from technical errors in the operation of the Direct Debit system or a failure of the Servicer to timely submit a Direct Debit draw, in each case where a valid Direct Debit authorisation exists authorising payment from an adequately funded bank account of the applicable Borrower), divided by the CMS for that month for such Loan.

Security means the security granted by the Issuer to the Security Trustee under or pursuant to the Deed of Charge in favour of the Secured Creditors.

Security Interest means:

(a) a sub-mortgage, mortgage, standard security, assignation in security, sub-charge, charge, sub-security, pledge, lien or other security interest or encumbrance securing any obligation of any person;

(b) any arrangement under which money or claims to money, or the benefit of, a bank or other account may be applied, set off or made subject to a combination of accounts so as to effect discharge of any sum owed or payable to any person; or

(c) any other type of agreement or arrangement (including any title transfer and retention arrangement) having a similar effect.

Servicer Power of Attorney means the power of attorney from the Issuer provided to the Servicer pursuant to the Servicing Agreement.

Share Trust Deed means the declaration of trust dated 3 July 2023, pursuant to which the Share Trustee holds the beneficial interest in the share of Holdings on trust for discretionary purposes.

Subsidiary means any person (referred to as the **first person**) in respect of which another person (referred to as the **second person**):

(a) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or

(b) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or

(c) has the right to exercise (directly or indirectly) a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with, whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or

(d) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or

(e) has the power to exercise, or actually exercises (in either case, directly or indirectly) dominant influence or control over the first person; or

(f) together with the first person are managed on a unified basis,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any subsidiary undertaking the shares of which (if any) are subject to a Security Interest and where the legal title to the shares so secured are registered in the name of the secured party or its nominee pursuant to such security.

Deed of Charge

On the Closing Date, the Issuer will enter into the Deed of Charge with, *inter alios*, the Security Trustee.

Security

Under the terms of the Deed of Charge, the Issuer will provide the Security Trustee with the benefit of, *inter alia*, the following security (the **Security**) as trustee for itself and for the benefit of the other Secured Creditors (including the Noteholders and the Certificateholders):

(a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit, present and future in, to and under the Transaction Documents (other than the Trust Deed, the Deed of Charge, and any Scottish Transaction Documents) and any sums derived therefrom;

(b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit, present and future in, to and under the English Loans and their Related Security and the Northern Irish Loans and their Related Security and other related rights comprised in the Portfolio (other than in respect of the Scottish Loans) and any sums derived therefrom;

(c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit, present and future, to, in and under the Insurance Contracts and any sums derived therefrom;

(d) an assignation in security (pursuant to the Scottish Supplemental Charge) of the Issuer's beneficial interest in the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the trust declared by the relevant Interim Legal Title Holder pursuant to the Scottish Declaration of Trust);

(e) a charge by way of first fixed charge over the Issuer's rights, title, interest and benefit, present and future, in and to monies now or at any time hereafter standing to the credit of the Issuer Accounts and each other account (if any) (including any securities accounts and any securities standing to the credit thereto) maintained with the Issuer Account Bank and all interest accruing from time to time thereon and the debt represented thereby;

(f) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the Issuer's rights, title, interest and benefit, present or future, under or in respect of the Interim Period Collection Account Declaration of Trust;

(g) an assignment by way of first fixed security of (and to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) all of its rights, title, interest and benefit, present and future, under or in respect of each and every trust constituted by the Mortgage Sale Agreement, the Administration Agreement, the Interim Legal Title Holders Deed and the Servicing Agreement (other than the Scottish Trust);

(h) a charge by way of first fixed charge over the Issuer's rights, title, interest and benefit, present and future, to, under or in respect of any Authorised Investments permitted to be made by the Issuer or the Cash Manager on its behalf;

(i) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the Issuer's rights, title, interest and benefit, present or future, in, or under, or in respect of the Accession Undertaking to the Seller Declaration of Trust;

(j) a floating charge over all assets of the Issuer, including any fixed charges which may take effect as floating charges, not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security but excepting from the foregoing exclusion all of its property, assets, rights and revenues situated in Scotland or Northern Ireland or governed by Scots law or Northern Irish Law (all of which are charged by the floating charge created under the Deed of Charge whether or not the subject of fixed charges or otherwise effectively assigned or charged as aforesaid); and

(k) (only upon legal title to the Scottish Loans and their Related Security transferring to the Issuer) a standard security over the Issuer's whole right, title and interest as heritable creditor under the Scottish Loans and their Related Security.

The floating charge created by the Deed of Charge may "crystallise" and become a first specific fixed charge or first ranking fixed security over the relevant class of assets owned by the Issuer at the time of crystallisation. Crystallisation will occur automatically (although subject to applicable law) following the occurrence of specific events set out in the Deed of Charge, including, among other events, service of an Enforcement Notice. A crystallised floating charge will rank ahead of the claims of unsecured creditors which are in excess of the prescribed part but will rank behind the expenses of any administration or liquidator, the claims of preferential creditors and the Beneficiaries of the prescribed part on enforcement of the Security.

Pre-Enforcement Revenue Priority of Payments and Pre-Enforcement Principal Priority of Payments

Prior to the Note Trustee serving an Enforcement Notice on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes, declaring the Notes to be immediately due and payable, the Cash Manager (on behalf of the Issuer) shall apply monies standing to the credit of the Transaction Account as described in "*Cashflows*" *below*.

Post-Enforcement Priority of Payments

After the Note Trustee has served an Enforcement Notice on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes, declaring the Notes to be immediately due and payable, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by it shall apply the monies standing to the credit of the Transaction Account in accordance with the Post-Enforcement Priority of Payments defined in "*Cashflows*" *below*.

The Security will become enforceable after an Enforcement Notice has been served on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes, provided that, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of the assets comprising the Security or any part thereof unless either a sufficient amount would be realised to allow discharge in full on a pro rata and *pari passu* basis of all amounts owing to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders as set out in the Post-Enforcement Priority of Payments) or the Security Trustee is of the opinion that the cashflow expected to be received by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and the Certificateholders (and all such prior ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments which opinion shall be binding on the Secured Creditors and reached after considering at any time and from time to time the advice of any financial adviser (or such other professional adviser selected by the Security Trustee for the purpose of giving such advice).

The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer in accordance with the applicable Priority of Payments. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to above without enquiry and shall incur no liability to any person for so doing.

Governing Law

The Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law, save for any matters which are particular to the laws of Northern Ireland, which shall be governed by and construed in accordance with the laws of Northern Ireland, and any matters which are particular to the laws of Scotland which shall be construed in accordance with Scots law.

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

Authorised Investments means:

(a) Sterling gilt-edged securities; and

(b) Sterling demand or time deposits, certificates of deposit and short-term debt obligations (including commercial paper),

provided that in all cases such investments do not constitute securitisation positions and will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and either:

(i) such investments (A) have a maturity date of 60 days or less and mature before the next following Interest Payment Date or within 60 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 60 days, whichever is sooner and (C) are rated at least A-1 by S&P and AA- or F1+ by Fitch (and AA- by Fitch if the investments have a long-term rating); or

(ii) such investments (A) have a maturity date of 90 days or less and mature before the next following Interest Payment Date or within 90 days, whichever is sooner (and in each case for at least the price paid for the relevant investment), (B) may be broken or demanded by the Issuer (at no cost to the Issuer and for at least the price paid for the relevant investment) before the next following Interest Payment Date or within 90 days, whichever is sooner and (C) are rated at least A-1+ by S&P (and AA- (long term) by S&P if the investments have a long-term rating) and AA- or F1+ by Fitch (and AA- by Fitch if the investments have a long-term rating).

For the avoidance of doubt, investments consisting in whole or in part, actually or potentially of tranches or other asset backed securities, credit-linked rates, swaps or other derivatives instruments, synthetic securities or similar claims and/or where investments would be in a money market fund or would result in the recharacterisation of the Notes or any transaction as a "resecuritisation" or a "synthetic securitisation" as defined in Articles 4(63) and 242(11), respectively, of Regulation (EU) No 575/2013 as it forms part of UK domestic law by virtue of the EUWA or Article 2 of the UK Securitisation Regulation, such investments shall not qualify as "Authorised Investments".

Interim Legal Title Holder Power of Attorney means the power of attorney granted by each Interim Legal Title Holder in favour of the Issuer and the Security Trustee on the Closing Date, substantially in the form set out in the Interim Legal Title Holders Deed.

Issuer Power of Attorney means the power of attorney granted by the Issuer in favour of the Security Trustee under the Deed of Charge on the Closing Date substantially in the form set out to the Deed of Charge.

Scottish Transaction Documents means the Scottish Declaration of Trust, any Scottish Deed of Assumption and Resignation, each Scottish Transfer, each Scottish Sub-Security and the Scottish Supplemental Charge;

Secured Creditors means the Security Trustee, any Appointee of the Note Trustee or the Security Trustee, any Receiver appointed by the Security Trustee pursuant to the Deed of Charge, the Note Trustee, the Noteholders, the Certificateholders, the Seller, the Servicer, the Interim Legal Title Holder, the Servicer Facilitator, the Servicer Administrator, the Cash Manager, the Replacement Cash Manager Facilitator, the Issuer Account Bank, the Corporate Services Provider, the Paying Agents, the Registrar, the Agent Bank, the Lead Manager and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor.

Seller Power of Attorney means the power of attorney delivered by the Seller pursuant to the Mortgage Sale Agreement.

Seller Security Power of Attorney means the power of attorney granted by the Seller under the Accession Undertaking to the Seller Declaration of Trust on the Closing Date.

Servicer Power of Attorney means the power of attorney granted by the Issuer in favour of the Servicer on the Closing Date pursuant to the Servicing Agreement.

Transaction Documents means the Accession Undertaking to the Seller Declaration of Trust, the Administration Agreement, the Agency Agreement, the Bank Account Agreement, the Cash Management Agreement, the Corporate Services Agreement, the Deed of Charge, the Portfolio Option Deed Poll, the Interim Period Collection Account Declaration of Trust, the Issuer Power of Attorney, the Interim Legal Title Holder Power of Attorney, the Interim Legal Title Holders Deed, the LTH Guarantee, the Servicing Agreement, a master definitions and construction schedule made between among others, the Issuer, the Seller and the Security Trustee (the **Master Definitions and Construction Schedule**), the Mortgage Sale Agreement, the Scottish Declaration of Trust, the Scottish Supplemental Charge, each Scottish Transfer, each Scottish Sub-Security, any Scottish Deed of Assumption and Resignation, the Seller Power of Attorney, the Seller Security Power of Attorney, the Servicer Power of Attorney, the Retention Holder Deed Poll, the Risk Retention Letter, the Share Trust Deed, the Trust Deed, and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and/or the Certificates.

Trust Deed

On the Closing Date, the Issuer and the Note Trustee will enter into a trust deed (the **Trust Deed**) pursuant to which the Issuer and the Note Trustee will agree that the Notes and the Certificates are subject to the provisions in the Trust Deed. The Conditions and the Certificate Conditions and the forms of each Class of Notes and each Class of Certificates will each be constituted by, and set out in, the Trust Deed.

The Note Trustee will agree to hold the benefit of the Issuer's covenant to pay amounts due in respect of the Notes and the Certificates on trust for the Noteholders and the Certificateholders.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Note Trustee (exclusive of VAT) together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under or in connection with the Trust Deed and the other Transaction Documents.

Retirement of Note Trustee

The Note Trustee may retire at any time upon giving not less than 60 days' notice in writing to the Issuer without giving any reason therefor and without being responsible for any liabilities occasioned by such retirement. The holders of the Most Senior Class may, by Extraordinary Resolution, remove all trustees (but not some only) for the time being who are acting pursuant to the Trust Deed and the Deed of Charge. The retirement of the Note Trustee shall not become effective unless there remains a trust corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee (a trust corporation) in office after such retirement or removal by Extraordinary Resolution. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, the Issuer shall use its best endeavours to procure a new trustee to be appointed as soon as practicable thereafter and if, after 60 days from the date that the Note Trustee gives its notice of retirement or the applicable Extraordinary Resolution of the holders of the Most Senior Class, the Issuer is not able to find such replacement, the Note Trustee will be entitled to procure that a new trustee be appointed but no such appointment shall take effect unless previously approved by Extraordinary Resolution of the holders of the Most Senior Class.

Governing Law

The Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

Agency Agreement

Pursuant to an agency agreement dated on or around the Closing Date in connection with the issuance of the Notes (the **Agency Agreement**) and made between the Issuer, the Note Trustee and the Security Trustee, the Principal Paying Agent, the Registrar and the Agent Bank, provision is made for, *inter alia,* the payment of principal and interest in respect of the Notes, and the payment of the Class X Certificate Payments in respect of the Class X Certificates and the payment of the Class Y Certificate Payment in respect of the Class Y Certificates.

Governing Law

The Agency Agreement and any non-contractual obligations arising out of or in connection with shall be governed by, and construed in accordance with, English law.

Cash Management Agreement

On the Closing Date, the Cash Manager, the Replacement Cash Manager Facilitator, the Issuer, the Seller and the Security Trustee will enter into a cash management agreement (the **Cash Management Agreement**) in connection with the issuance of the Notes.

Cash Management Services to be provided to the Issuer

Pursuant to the Cash Management Agreement, the Cash Manager will agree to provide certain cash management and other services to the Issuer or, upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer, the Security Trustee. The Cash Manager's principal function will be effecting payments to and from the Transaction Account. In addition, the Cash Manager will, among other things (subject to receipt of the relevant data and information, including, without limitation, the Servicer Report):

(a) on each Interest Payment Date prior to the delivery of an Enforcement Notice, apply, or cause to be applied, Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments;

(b) on each Calculation Date, determine the General Reserve Fund Required Amount and any General Reserve Fund Payments required to be made (having determined whether the relevant PDL Condition has been satisfied, where applicable);

(c) on each Calculation Date, determine the Liquidity Reserve Fund Required Amount (having determined whether the Liquidity Reserve Fund Trigger Condition has been satisfied), any amounts to be applied from the Liquidity Reserve Fund to pay Senior Revenue Amounts (save that in case of the Class B Notes, having determined whether the relevant PDL Condition has been satisfied) and any Liquidity Reserve Fund Excess Amounts;

(d) on each Calculation Date determine if there would be a Revenue Shortfall following the application of Available Revenue Receipts (disregarding for such purposes any Principal Addition Amounts) for the relevant Interest Payment Date and any Principal Addition Amount (having determined whether the relevant PDL Condition has been satisfied, where applicable);

(e) on each Calculation Date, determine whether the immediately following Interest Payment Date is the Class F Notes Redemption Date or the Final Redemption Date;

(f) on each Calculation Date, determine if there are sufficient Available Principal Receipts available to redeem the Notes in full on the immediately following Interest Payment Date;

(g) record credits to, and debits from, the Ledgers, as and when required; and

(h) if required (i) during the Determination Period, calculate the Interest Determination Ratio, the Calculated Revenue Receipts and the Calculated Principal Receipts and (ii) following any Determination Period, upon receipt by the Cash Manager of the Servicer Reports in respect of such Determination Period, reconcile the calculations to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amounts in accordance with Condition 6.8 (*Determinations and Reconciliation*), Certificate Condition 6.6 (*Determination and Reconciliation*) and the Cash Management Agreement.

In addition, the Cash Manager will also (to the extent that it has been provided with the relevant data and information, including, without limitation, the Servicer Report (where applicable)):

(a) maintain the following ledgers (the **Ledgers**) on behalf of the Issuer:

  (i) the **Principal Ledger**, which will record as a credit all Principal Receipts received by the Issuer and as a debit the distribution of the Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments or the Post–Enforcement Priority of Payments (as applicable);

  (ii) the **Revenue Ledger**, which will record as a credit all Revenue Receipts and as a debit the distribution of the Available Revenue Receipts and the distribution of any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre–Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Permitted Withdrawals;

  (iii) the **General Reserve Fund Ledger**, which will record amounts credited to, and debited from, the general reserve fund (the **General Reserve Fund**). On each Interest Payment

Date (prior to service of an Enforcement Notice), the Cash Manager will record, as a debit, amounts standing to the credit of the General Reserve Fund applied (i) on or prior to the date on which the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are each redeemed in full (the **Class F Notes Redemption Date**), as Available Revenue Receipts (but only to the extent necessary (after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) of the definition of Available Revenue Receipts) to do so)) in accordance with the Pre-Enforcement Revenue Priority of Payments or (ii) on or following the Class F Notes Redemption Date, as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments and, as a credit, amounts credited to the General Reserve Fund from Available Revenue Receipts in accordance with item (r) of the Pre-Enforcement Revenue Priority of Payments and on the Closing Date the proceeds of the Notes which have been designated to credit the General Reserve Fund (see "*Credit Structure – General Reserve Fund*" below);

(iv) the **Liquidity Reserve Fund Ledger**, which will record amounts credited to, and debited from, the liquidity reserve fund (the **Liquidity Reserve Fund**). On each Interest Payment Date (prior to service of an Enforcement Notice), the Cash Manager will record, as a debit, amounts standing to the credit of the Liquidity Reserve Fund applied as Available Revenue Receipts (but only to the extent necessary (after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts (and, in respect of the Class B Notes, subject to the relevant PDL Conditions being satisfied)))) in accordance with the Pre-Enforcement Revenue Priority of Payments and, as a credit, amounts credited to the Liquidity Reserve Fund in accordance with item (h) of the Pre-Enforcement Revenue Priority of Payments and on the Closing Date the proceeds of the Notes which have been designated to credit the Liquidity Reserve Fund (see "*Credit Structure – Liquidity Reserve Fund*" below);

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

For the avoidance of doubt, any repurchases of Loans shall not be reflected in the Seller MSA Rebate Ledger or the MSA Warranty Claims Ledger (but shall reduce the MSA Relevant Liabilities from time to time);

(vi) the **Seller MSA Rebate Ledger** will be established to record any MSA Warranty Payments made by the Seller to the Issuer in accordance with the Mortgage Sale

Agreement. The Cash Manager will make all debits and/or credits to the Seller MSA Rebate Ledger on the basis of and in reliance on information provided to it by the Seller, the Issuer or the Servicer, as applicable. Any MSA Warranty Payments will be recorded as a debit on the Seller MSA Rebate Ledger by the Cash Manager on the date that such amount is deposited in the Transaction Account (with a corresponding credit being made to the MSA Warranty Claims Ledger). The Cash Manager will record as a credit to the Seller MSA Rebate Ledger any MSA Warranty Rebate paid pursuant to item (x) of the Pre-Enforcement Revenue Priority of Payments, item (h) of the Pre-Enforcement Principal Priority of Payments or item (o) of the Post-Enforcement Priority of Payments, as applicable;

(vii) the **Principal Deficiency Ledger**, which will record on the appropriate sub-ledger as a debit deficiencies arising from Losses (excluding any losses or non-recoveries in respect of Shortfall Loans) on the Portfolio (on the date the Cash Manager is informed of such Losses by the Servicer or the Seller) and any Available Principal Receipts applied as Principal Addition Amounts (on the Calculation Date on which such Principal Addition Amounts are determined by the Cash Manager), and record as a credit Available Revenue Receipts applied as Available Principal Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date (see "*Credit Structure – Principal Deficiency Ledger*" below); and

(viii) the **Issuer Profit Ledger**, which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer; and

(b) calculate on each Calculation Date (prior to service of an Enforcement Notice) the amount of Available Revenue Receipts (including any Principal Addition Amounts) and Available Principal Receipts to be applied on the immediately following Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Principal Priority of Payments (as applicable).

At the direction of the Seller, the Cash Manager, on behalf of and in the name of the Issuer, may direct the Issuer Account Bank to invest monies standing from time to time to the credit of the Transaction Account in Authorised Investments as determined by the Seller, subject to the following provisions:

(a) any investment in any Authorised Investments shall be made in the name of the Issuer;

(b) any costs properly incurred in making, changing or otherwise disposing of any investment in any Authorised Investments will be reimbursed to the Cash Manager by the Issuer;

(c) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Transaction Account prior to the relevant Calculation Date;

(d) such Authorised Investments shall mature at least one Business Day before the next Calculation Date; and

(e) the Seller shall obtain and hold all applicable regulatory consents and approvals required in respect of directing investment in Authorised Investments.

The Cash Manager shall not be responsible (save where any loss results from the Cash Manager's own fraud, wilful default or gross negligence) for any loss occasioned by reason of any such investment in any Authorised Investments or any purported investment in any Authorised Investments whether by depreciation in value or otherwise, provided that any such investment in any Authorised Investments was made in accordance with the terms of the Cash Management Agreement.

Reporting

The Cash Manager shall (with the assistance of the Servicer provided under and pursuant to the terms of the Servicing Agreement):

(a) assuming delivery by the Servicer of the Servicer Report by no later than the Servicer Reporting Date, prepare a monthly collateral report (for each month other than a month in which an Interest Payment Date falls) (the **Collateral Report**) and a quarterly investor report (the **Quarterly Report**, and together with the Collateral Report, the **Investor Reports** and each an **Investor Report**) in the forms set out in the Cash Management Agreement and shall: provide the Investor Reports to EuroABS and to the Issuer, the Servicer, the Servicer Administrator, the Security Trustee, the Noteholders, the Certificateholders, the Rating Agencies, Bloomberg and Intex by no later than two Business Days prior to the 28th day of each month. Each such Investor Report shall be published by the Cash Manager on the Cash Manager Website which, for the avoidance of doubt, shall constitute delivery of such Investor Report without any further action on the part of the Cash Manager;

(b) assuming delivery by the Servicer of the Servicer Report and the UK SR Data Tape and the EU SR Data Tape by no later than the Servicer Reporting Date:

    (i) prepare a quarterly investor report in respect of the relevant period as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Investor Report**); and

    (ii) prepare a quarterly investor report in respect of the relevant period in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Investor Report**),

    and shall provide the UK SR Investor Report and the EU SR Investor Report to EuroABS and to the Issuer on the relevant Interest Payment Date; and

(c) provide reasonable assistance to the Issuer and the Corporate Services Provider by making available any such further information related to the Portfolio that the Reporting Entity or the Corporate Services Provider reasonably requests in connection with the information to be disclosed under Article 7(1) of the UK Securitisation Regulation or Article 7(1) of the EU Securitisation Regulation and shall provide the same to the Issuer and/or the Corporate Services Provider to the extent that the Cash Manager is capable of providing such information without additional cost or material administrative burden, or otherwise at the Issuer's cost.

Cash Manager Website means the website of https://pivot.usbank.com (or such other website as may be available for such purpose and notified by the Cash Manager to the Transaction Parties and the Rating Agencies from time to time).

Cash Manager and Directions from the Security Trustee

The Cash Manager will act upon the direction of the Security Trustee (given in accordance with the terms and provisions of the Deed of Charge) upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer.

Remuneration of Cash Manager

The Cash Manager will be paid a cash management fee for its cash management services under the Cash Management Agreement. Such fees will be determined under a separate fee letter between the Issuer and the Cash Manager. Any sum (or other consideration) payable (or provided) by the Issuer to the Cash Manager in respect of that fee shall be deemed to be inclusive of VAT, if any, chargeable on any supply for which the cash management fee is the consideration (in whole or in part) for VAT purposes. The cash management fee is payable in the manner contemplated by and in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

Termination of Appointment and Replacement of Cash Manager

If any of the following events (**Cash Manager Termination Events**) occur:

(a) default is made by the Cash Manager in the giving of a payment instruction, on the due date, in respect of any payment due and payable by it under the Cash Management Agreement (provided that in each case there are funds available for such payment standing to the credit of the relevant Issuer Accounts) and such default continues unremedied for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or

(b) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which, in the opinion of the Note Trustee as notified to the Security Trustee, is materially prejudicial to the interests of the Noteholders, and such default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee in its absolute discretion, as the case may be, requiring the same to be remedied; or

(c) an Insolvency Event occurs in respect of the Cash Manager; or

(d) it becomes unlawful for the Cash Manager to perform its obligations under the Cash Management Agreement or under any other Transaction Document,

then prior to the delivery of an Enforcement Notice, the Issuer (with the written consent of the Security Trustee), or following the delivery of an Enforcement Notice, the Security Trustee, may, with the assistance of the Replacement Cash Manager Facilitator, at once or at any time thereafter while such default continues, by notice in writing to the Cash Manager (with a copy to the Security Trustee if such notice is delivered by the Issuer), terminate its appointment as Cash Manager under the Cash Management Agreement with effect from a date (not earlier than the date of the notice) specified in such notice. In determining whether to give or withhold consent to the termination of the Cash Manager by the Issuer, the Security Trustee will have regard to factors including, *inter alia*, the availability of a substitute cash manager. Upon termination of the appointment of the Cash Manager, the Issuer shall use reasonable endeavours to appoint a substitute cash manager that satisfies the conditions set out below.

Any substitute cash manager:

(a) must agree to enter into an agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement;

(b) must be a party that the Rating Agencies have previously confirmed by whatever means such Rating Agencies consider appropriate (provided that the Issuer is permitted to and does confirm in writing (including by email) to the Security Trustee that such confirmation has been obtained), the appointment of which will not cause the then current ratings of the Rated Notes to be adversely affected; and

(c) will be subject to the prior written approval of the Security Trustee.

Resignation of the Cash Manager

The Cash Manager may resign on giving not less than 60 days' written notice (or such shorter time as may be agreed between the Cash Manager, the Issuer and the Security Trustee) of its resignation to the Issuer and the Security Trustee, without providing any reason therefor and without being responsible for any Liability incurred by reason thereof unless such Liability arises as a result of its own gross negligence, wilful default or fraud or that of its officers, directors or employees, provided that:

(a) a substitute cash manager shall be appointed by the Issuer (with the assistance of the Replacement Cash Manager Facilitator), such appointment to be effective not later than the date of such termination;

(b) such substitute cash manager has the requisite cash management experience to perform the functions to be given to it under the Cash Management Agreement and is approved by the Issuer and the Security Trustee; and

(c) such substitute cash manager enters into a cash management agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement.

To the extent that the Issuer does not appoint a substitute Cash Manager in accordance with the terms of the Cash Management Agreement prior to the termination date specified in the notice delivered by the Cash Manager in accordance with the Cash Management Agreement, the Cash Manager may appoint a substitute Cash Manager, provided that such appointment satisfies the provisions of the Cash Management Agreement.

Replacement Cash Manager Facilitator

The Replacement Cash Manager Facilitator shall, within 60 days of the date on which a Cash Manager Termination Event occurs, use best efforts to identify, on behalf of the Issuer, a suitably experienced replacement Cash Manager which meets the requirements for a substitute Cash Manager provided for by the Cash Management Agreement and outlined above.

Governing Law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

The Bank Account Agreement

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date in connection with the issuance of the Notes and between the Issuer, the Issuer Account Bank, the Cash Manager and the Security Trustee (the **Bank Account Agreement**), the Issuer will maintain the transaction account (the **Transaction Account** and, together with any other account opened pursuant to the Bank Account Agreement, the **Issuer Accounts**) with the Issuer Account Bank which will be operated in accordance with the Bank Account Agreement, the Cash Management Agreement and the Deed of Charge, as applicable. The Issuer Account Bank is required to have the Account Bank Rating.

Governing Law

The Bank Account Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by, and construed in accordance with, English law.

The Corporate Services Agreement

Pursuant to the terms of a corporate services agreement entered into on or about the Closing Date in connection with the issuance of the Notes and between the Issuer, the Corporate Services Provider, the Share Trustee, Holdings and the Security Trustee (the **Corporate Services Agreement**), the Corporate Services Provider will provide the Issuer and Holdings with certain corporate and administrative functions against the payment of a fee. Such services include, *inter alia*, the performance of all general book-keeping, secretarial, registrar and company administration services for the Issuer and Holdings (including the provision of directors), providing the directors with information in connection with the Issuer and Holdings, and the arrangement for the convening of shareholders' and directors' meetings.

The Corporate Services Provider has agreed that, upon receipt from the Issuer, the Servicer, the Cash Manager or the Servicer Administrator of any information required to be reported by the Issuer pursuant to and in accordance with:

(a) Article 7(1)(f) or Article 7(1)(g) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (such information **UK SR Significant Event Information**); or

(b) Article 7(1)(f) or Article 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (such information **EU SR Significant Event Information**, and together with any UK SR Significant Event Information, **SR Significant Event Information**),

it will prepare in the requisite format and upload such SR Significant Event Information to the Reporting Website without delay.

The Corporate Services Provider has agreed that, upon receipt from the Issuer, the Servicer, the Cash Manager or the Servicer Administrator of any SR Significant Event Information, with support from the relevant agents, it will arrange for its preparation in the requisite format and arrange to upload such SR Significant Event Information to the Reporting Website without delay.

The fees due to the Corporate Services Provider in relation to the fees of the Corporate Services Provider will be as agreed between the Issuer and the Corporate Services Provider. Fees due and payable to the Corporate Services Provider will be paid ahead of all outstanding Notes and Certificates.

Governing Law

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

Regulatory Reporting Letter

The Issuer will enter into an engagement letter with EuroABS Limited (**EuroABS**) on or about the Closing Date in respect of certain regulatory reporting services to be provided by EuroABS (the **Regulatory Reporting Letter**).

Pursuant to the Regulatory Reporting Letter, EuroABS will covenant with the Issuer to:

(a) provide the Issuer with a secure website for the hosting of information to be made available in accordance with the Transaction Documents (the **Reporting Website**) and enable the Corporate Services Provider to upload documents (including, but not limited to, any SR Significant Event Information) directly to the Reporting Website;

(b) subject to receipt of the relevant loan level data from the Servicer:

    (i) prepare the UK SR Data Tape and the EU SR Data Tape in respect of each Calculation Period and publish the same on the Reporting Website on the immediately following Interest Payment Date; and

    (ii) prepare the BoE Data Tape in respect of each Collection Period and publish the same on the Reporting Website on the 28th day of each calendar month (or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not));

(c) subject to receipt of the UK SR Investor Report and the EU SR Investor Report from the Cash Manager, publish the same on the Reporting Website on the relevant Interest Payment Date; and

(d) subject to receipt of the Investor Reports from the Cash Manager, publish the same on the Reporting Website on the date of receipt from the Cash Manager.

EuroABS shall ensure that the Reporting Website is accessible to, *inter alia*, the Issuer, the Cash Manager, the Servicer, the Servicer Administrator, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes or the Certificates.

As at the date of this Prospectus, the Reporting Website address is https://www.euroabs.com/IH.aspx?d=21060.

Governing Law

The Regulatory Reporting Letter and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with English law.

The Seller Loan Agreement

On the Closing Date, the Seller will enter into a loan agreement with the Retention Holder (the **Seller Loan Agreement**) pursuant to which the Retention Holder will agree to advance to the Seller on any date following the Closing Date until the date on which all claims submitted to the Seller by the Issuer prior to the date falling two years following the Closing Date have been paid in full (the **Avon 3 Commitment Period**), an amount equal to any MSA Warranty Indemnity Amount due to be paid on such date by the Seller to the Issuer in accordance with the Transaction Documents, for the purpose of providing the Seller with funds to satisfy such payment obligations, up to a facility limit of £1,450,000 (the **Avon 3 Facility Limit**) (the **Avon 3 Commitment**).

Any amounts drawn by the Seller under the Avon 3 Commitment shall be repaid from time to time out of the proceeds of any MSA Warranty Rebate paid to the Seller by the Issuer in accordance with the Transaction Documents. The Avon 3 Commitment, once repaid, may be reborrowed only during the Avon 3 Commitment Period and subject to the Avon 3 Facility Limit.

Governing Law

The Seller Loan Agreement (and any non-contractual obligations arising out of or in connection with it) shall be governed by and construed in accordance with English law.

CREDIT STRUCTURE

The Notes are obligations of the Issuer only. The Notes are not obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, the Notes are not obligations of, or the responsibility of, or guaranteed by, any of the Relevant Parties. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes shall be accepted by any of the Relevant Parties or by any other person other than the Issuer.

The structure of the credit support arrangements may be summarised as follows:

1. Liquidity Support for the Notes and Certificates provided by Available Revenue Receipts

During the life of the Notes, the interest payable by Borrowers on the Loans may, even assuming that all of the Loans are fully performing, result in Available Revenue Receipts not being sufficient to pay the amounts payable under items (a) to (x) (inclusive) of the Pre-Enforcement Revenue Priority of Payments; see "*Risk Factors – Risks Related to the Availability of Funds to Pay the Notes – The Issuer has a limited source of funds which may be insufficient to allow for repayment in full of the Notes and Certificates*" for further information. The actual amount of any excess payable to the Class Y Certificateholders without regard to the Pre-Enforcement Revenue Priority of Payments will vary during the life of the Notes. Two of the key factors determining such variation are the interest rates applicable to the Loans in the Portfolio relative to the payments due on the Notes and the Certificates, and the performance of the Portfolio.

Available Revenue Receipts will be applied (after making payments ranking higher in the Pre-Enforcement Revenue Priority of Payments) on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments towards reducing any Principal Deficiency Ledger entries which may arise from Losses on the Portfolio and (prior to the redemption of 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 in full) from the application of Available Principal Receipts as Available Revenue Receipts to cure any Revenue Shortfall in accordance with item (a) of the Pre-Enforcement Principal Priority of Payments.

2. General Reserve Fund

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

On and from the first Interest Payment Date, if required, the amounts standing to the credit of the General Reserve Fund will be available to be applied as Available Revenue Receipts (to the extent there is a shortfall) in accordance with the Pre-Enforcement Revenue Priority of Payments to pay a General Reserve Fund Payment (having determined whether the relevant PDL Condition has been satisfied, where applicable) (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) of the definition of Available Revenue Receipts)) or in accordance with the Post-Enforcement Priority of Payments (as applicable).

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

General Reserve Fund Payment means payments required to be made pursuant to items (a) to (g) and (i) to (q) of the Pre-Enforcement Revenue Priority of Payments, subject in respect of items (g), (j), (l), (n) and (p) of the Pre-Enforcement Revenue Priority of Payments to the relevant PDL Condition being satisfied.

General Reserve Fund Required Amount means an amount equal to:

(a) on the Closing Date and on any Interest Payment Date prior to the date on which the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and Class F Notes are redeemed in full (the **Class F Notes Redemption Date**), an amount equal to 0.75 per cent. of the Current Balance of all Loans (excluding the Shortfall Loans) comprising the Portfolio as at the Closing Date; and

(b) on any Interest Payment Date falling on or after the Class F Notes Redemption Date, zero.

3. Liquidity Reserve Fund

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

On and from the first Interest Payment Date, the Liquidity Reserve Fund will be available to be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments to pay Senior Revenue Amounts (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) of the definition of Available Revenue Receipts) and, in respect of the Class B Notes, subject to the relevant PDL Condition being satisfied) or in accordance with the Post-Enforcement Priority of Payments (as applicable).

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

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

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

(a) on the Closing Date, an amount equal to 0.50 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes;

(b) on any Interest Payment Date on which the Liquidity Reserve Fund Trigger Condition is not satisfied, the lower of:

(i) an amount equal to 0.50 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and Class B Notes as at the Closing Date; and

(ii) an amount equal to 1.00 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and Class B Notes as at such Interest Payment Date (as determined prior to any redemptions of the Class A Notes and Class B Notes on such Interest Payment Date); and

(c) on any Interest Payment Date on which the Liquidity Reserve Fund Trigger Condition is satisfied, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and Class B Notes as at such Interest Payment Date (as determined prior to any redemptions of the Class A Notes and Class B Notes on such Interest Payment Date).

Liquidity Reserve Fund Trigger Condition means the condition which is satisfied where, on the relevant Interest Payment Date, the amount standing to the credit of the General Reserve Fund as at such Interest Payment Date (after application of Available Revenue Receipts) would be less than 0.6 per cent. of the Current Balance of all Loans (excluding the Shortfall Loans) comprising the Portfolio as at the Closing Date (and for the purposes of making such determination, the Cash Manager shall determine the amount that would be standing to the credit of the General Reserve Fund after the application of Available Revenue Receipts on the basis of the Liquidity Reserve Fund Trigger Condition not being satisfied).

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

4. Use of Available Principal Receipts to pay a Revenue Shortfall

On each Calculation Date prior to the service of an Enforcement Notice or the redemption in full of 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, and with reference to the immediately following Interest Payment Date, the Cash Manager will calculate whether there will be a Revenue Shortfall on such Interest Payment Date. If the Cash Manager determines that there will be a Revenue Shortfall, then pursuant to item (a) of the Pre-Enforcement Principal Priority of Payments, the Cash Manager on behalf of the Issuer shall apply Available Principal Receipts as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments (which for the avoidance of doubt shall not be applied in respect of any Class X Certificate Payments due on the Class X Certificates) (the **Principal Addition Amounts**), subject, in respect of items (g), (j), (l), (n) and (p) of the Pre-Enforcement Revenue Priority of Payments, to the relevant PDL Condition being satisfied.

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

PDL Condition means the condition that is satisfied on the relevant Interest Payment Date (in each case calculated following the application of Available Revenue Receipts (except paragraphs (e), (g) and (h) of that definition) and prior to the application of Available Principal Receipts):

(a) in respect of the Class B Notes, where either (i) the debit entry on the Class B Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class B Notes or (ii) the Class B Notes are the Most Senior Class of Notes;

(b) in respect of the Class C Notes, where either (i) the debit entry on the Class C Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class C Notes or (ii) the Class C Notes are the Most Senior Class of Notes;

(c) in respect of the Class D Notes, where either (i) the debit entry on the Class D Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class D Notes or (ii) the Class D Notes are the Most Senior Class of Notes;

(d) in respect of the Class E Notes, where either (i) the debit entry on the Class E Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class E Notes or (ii) the Class E Notes are the Most Senior Class of Notes; and

(e) in respect of the Class F Notes, where either (i) the debit entry on the Class F Principal Deficiency Sub-Ledger does not exceed 10 per cent. of the Principal Amount Outstanding of the Class F Notes or (ii) the Class F Notes are the Most Senior Class of Notes,

and **relevant PDL Condition** means the condition related to the relevant Class.

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

5. Principal Deficiency Ledger

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

Any Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger on the date such Principal Addition Amounts are determined by the Cash Manager and any

Losses on the Portfolio (excluding any losses or non-recoveries in respect of Shortfall Loans) will be recorded as a debit on the Principal Deficiency Ledger on the date on which the Cash Manager is informed of such Losses by the Servicer or the Seller, and will each be recorded as a debit: (a) first, to the Class Z Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class Z Notes; (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 Loan and its Related Security to outstanding fees and interest amounts due and payable on the relevant Loan. The Cash Manager will record as a credit to the Principal Deficiency Ledger all Available Revenue Receipts applied pursuant to items (f), (i), (k), (m), (o), (q) and (s) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts).

6. MSA Warranty Indemnity Amounts and MSA Warranty Rebates

A ledger will be established to record any MSA Warranty Indemnity Amounts due by the Seller in accordance with the Mortgage Sale Agreement (the **MSA Warranty Claims Ledger**). The Cash Manager will make all debits and or credits to the MSA Warranty Claims Ledger on the basis of and on reliance on information provided to it by the Issuer, the Seller and/or the Servicer. Any MSA Warranty Indemnity Amounts will be recorded as a debit on the MSA Warranty Claims Ledger by the Cash Manager on the date that the Cash Manager is informed by the Seller or the Issuer that such payments are due.

The Cash Manager will record as a credit to the MSA Warranty Claims Ledger (i) any MSA Warranty Payments made by the Seller (with a corresponding debit being made to the Seller MSA Rebate Ledger) and (ii) any Available Revenue Receipts applied pursuant to items (f), (i), (k), (m), (o), (q) and (s) of the Pre-Enforcement Revenue Priority of Payments to the extent of any Loss recorded on the Principal Deficiency Ledger that related to an outstanding MSA Relevant Liability of the Seller, and in each case this will result in a reduction of the MSA Relevant Liabilities.

A ledger will be established to record any MSA Warranty Payments made by the Seller to the Issuer in accordance with the Mortgage Sale Agreement (the **Seller MSA Rebate Ledger**). The Cash Manager will make all debits and/or credits to the Seller MSA Rebate Ledger on the basis of, and on reliance on, information provided to it by the Issuer, the Seller and/or the Servicer. Any MSA Warranty Payments will be recorded as a debit on the Seller MSA Rebate Ledger by the Cash Manager on the date that such amount is deposited in the Transaction Account (with a corresponding credit being made to the MSA Warranty Claims Ledger). The Cash Manager will record as a credit to the Seller MSA Rebate Ledger any MSA Warranty Rebate paid pursuant to item (x) of the Pre-Enforcement Revenue Priority of Payments, item (h) of the Pre-Enforcement Principal Priority of Payments or item (o) of the Post-Enforcement Priority of Payments, as applicable.

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

MSA Warranty Payment means any amounts which the Seller pays to the Issuer in respect of the MSA Warranty Indemnity Amount due pursuant to the Mortgage Sale Agreement (excluding (i) amounts which the Seller receives from the Vendor in respect of any representations, warranties, undertakings, covenants and indemnities provided to the Seller by the Vendor in respect of the relevant Loan and Related Security pursuant to the Vendor Mortgage Sale Agreement and (ii) the purchase price paid in respect of any Loan which the Seller elects to repurchase following service of a Loan Remedy Notice).

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

7. Available Revenue Receipts and Available Principal Receipts

Available Revenue Receipts and Available Principal Receipts shall be applied on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, respectively. Other than amounts which the Issuer expects to generate in each accounting period as its profit in respect of the business of the Issuer in accordance with item (d) of the Pre-Enforcement Revenue Priority of Payments, it is not intended that any surplus will be accumulated in the Issuer.

If on any Interest Payment Date the Issuer has insufficient Available Revenue Receipts to pay the interest due in respect of the Notes (other than the Class A Notes and the Class B Notes or the Most Senior Class of Notes) or the payment due on the Class X Certificates that would otherwise be payable (absent the deferral provisions in respect of the Notes and the Class X Certificates), then, other than in respect of the Class A Notes and the Class B Notes or the Most Senior Class of Notes, the Issuer will be entitled under Condition 17 (*Subordination by Deferral*) and Certificate Condition 18 (*Subordination by Deferral*), as applicable, to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. Any such deferral in accordance with the deferral provisions contained in the Conditions will not constitute an Event of Default. Failure to pay interest on the Most Senior Class then outstanding or, to the extent it is not the Most Senior Class then outstanding, the Class B Notes within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Notes being accelerated and the Security Trustee enforcing the Security.

CASHFLOWS

Definition of Revenue Receipts

Revenue Receipts means: (a) payments of interest and fees due from time to time under the Loans (including any Arrears of Interest arising after the Cut-Off Date) but excluding any Capitalised Arrears and any Capitalised Expenses; (b) recoveries of interest and other amounts that do not represent Principal Receipts from defaulting Borrowers under Loans being enforced; (c) recoveries of all amounts relating to interest (but excluding any Capitalised Arrears and any Arrears of Interest arising prior to the Cut-Off Date) from defaulting Borrowers under Loans following enforcement and sale of the relevant property; (d) proceeds received by the Issuer from any insurance claim, in each case to the extent that such proceeds constitute or are attributable to interest or represent action in respect of interest not covered by (f) below; (e) the proceeds of any Loan Repurchase attributable to interest; (f) the proceeds of any payment by the Seller to the Issuer under the Mortgage Sale Agreement (other than in relation to a Loan Repurchase); and (g) any other amounts received by the Issuer in respect of the Loans and their Related Security that do not represent Principal Receipts.

Definition of Available Revenue Receipts

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

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

(b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Calculation Period and income from any Authorised Investments to be received on or prior to the Calculation Date;

(c) any amounts standing to the credit of the Transaction Account that do not represent Principal Receipts and excluding all amounts standing to the credit of the Issuer Profit Ledger, the Liquidity Reserve Fund Ledger and the General Reserve Fund Ledger and amounts withheld by the Paying Agent from payments of Certificate Payment Amounts under the Certificates on a previous Interest Payment Date;

(d) other net income of the Issuer received during the immediately preceding Calculation Period, excluding any Principal Receipts;

(e) Principal Addition Amounts to be applied as Available Revenue Receipts in accordance with paragraph (a) of the Pre-Enforcement Principal Priority of Payments to pay a Revenue Shortfall;

(f) on each Interest Payment Date, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8 (*Determinations and Reconciliation*);

(g) any amounts standing to the credit of the General Reserve Fund (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) above of this definition of Available Revenue Receipts and amounts standing to the credit of the Liquidity Reserve Fund under paragraph (h) above of this definition of Available Revenue Receipts)) to make a General Reserve Fund Payment (having determined whether the relevant PDL Condition has been satisfied, where applicable);

(h) any amounts standing to the credit of the Liquidity Reserve Fund (but only to the extent necessary after applying all other Available Revenue Receipts (other than Principal Addition Amounts under paragraph (e) above of this definition of Available Revenue Receipts) and, in respect of the Class B Notes, subject to the relevant PDL Condition being satisfied) to pay Senior Revenue Amounts; and

(i) any Available Principal Receipts to be applied as Available Revenue Receipts pursuant to item (k) of the Pre-Enforcement Principal Priority of Payments;

less

(j) amounts applied from time to time during the immediately preceding Calculation Period in making payment of certain monies in connection with the acquisition, disposal, holding and/or servicing of the Loans which properly belong to third parties (including the Seller) such as (but not limited to):

  (i) certain costs and expenses charged by the Servicer in respect of its servicing of the Loans and the Related Security comprising the Portfolio, costs or expenses incurred in relation to any audit in respect of title and security, other than any amounts payable by way of fees under the Servicing Agreement in accordance with the Pre-Enforcement Revenue Priority of Payments and not otherwise covered by the items below (the **Servicer Expenses Amount**);

  (ii) payments of certain insurance premia in respect of the Insurance Contracts (to the extent referable to the Loans);

  (iii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amounts itself from its customer's account or is required to refund an amount previously debited and such other amounts that have been paid in error or otherwise recalled or that are required by the Interim Period Collection Account Bank to be credited to a reserve which will set aside an amount for such payments in the collection account of the Interim Legal Title Holders;

  (iv) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower; and

  (v) any Borrower Fees (and other fees) charged to a Borrower by the Servicer (for the avoidance of doubt, excluding Recovery Proceeds), which are permitted to be retained by the Servicer in accordance with the Servicing Agreement,

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

(k) any tax payments paid or payable by the Issuer during the immediately preceding Calculation Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger; and

(l) (taking into account any amount paid by way of Permitted Withdrawals) amounts to remedy any overdraft in relation to the Interim Period Collection Accounts of (during the Interim Period) the Interim Legal Title Holders, or to pay any amounts due to the Interim Period Collection Account Bank in respect of the Loans.

Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer

On each relevant Interest Payment Date prior to the service of an Enforcement Notice by the Note Trustee on the Issuer, the Cash Manager, on behalf of the Issuer, shall apply or provide for the application of the Available Revenue Receipts in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Pre-Enforcement Revenue Priority of Payments**):

(a) *first*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Note Trustee and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee (in its personal capacity as such) and any Appointee (in its personal capacity as such) under the provisions of the Trust Deed and the other Transaction Documents together with VAT (if payable) thereon as provided therein; and

(ii) any remuneration then due and payable to the Security Trustee and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee (in its personal capacity as such) and any Appointee (in its personal capacity as such) under the provisions of the Deed of Charge and the other Transaction Documents together with VAT (if payable) thereon as provided therein;

(b) *second*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof, in each case then due or which are projected to become due during the next Interest Period (in each case without double counting) of:

(i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agent and any fees, costs, charges, liabilities and expenses then due to them under the provisions of the Agency Agreement, together with VAT (if payable) thereon as provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any fees, costs, charges, liabilities and expenses then due to the Cash Manager under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;

(iii) any amounts then due and payable to the Replacement Cash Manager Facilitator and any fees, costs, charges, liabilities and expenses then due to the Replacement Cash Manager Facilitator under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;

(iv) (a) for so long as Western Mortgage Services Limited is the Servicer, the Senior Servicing Fee, together with any VAT (if payable) thereon as provided for in the Servicing Agreement or (b) where Western Mortgage Services Limited is not the Servicer, any remuneration then due and payable to the replacement Servicer together with any fees, costs, charges, liabilities and expenses then due to such replacement

Servicer under the provisions of the replacement Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(v) (1) for so long as the Interim Legal Title Holders are the legal title holders, the Capped Senior Interim LTH Fee, together with any VAT (if payable) thereon as provided for in the Interim Legal Title Holders Deed or (2) where the Long-Term Legal Title Holder is the legal title holder, any remuneration then due and payable to the Long-Term Legal Title Holder together with any fees, costs, charges, liabilities and expenses then due to Long-Term Legal Title Holder under the provisions of the Long-Term Servicing and Legal Title Holder Deed, together with VAT (if payable) thereon as provided therein;

(vi) any remuneration then due and payable to the Corporate Services Provider and any fees, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider to it under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;

(vii) any remuneration then due and payable to the Issuer Account Bank and any fees, costs, charges, liabilities and expenses then due and payable to the Issuer Account Bank to it under the provisions of the Bank Account Agreement, together with (if applicable) VAT thereon as provided therein; and

(viii) any remuneration then due and payable to the Servicer Facilitator and any fees, costs, charges, liabilities and expenses then due and payable to the Servicer Facilitator to it under the provisions of the Administration Agreement, together with (if applicable) VAT thereon as provided therein;

(c) *third*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts thereof of any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts required to pay or discharge any liability of the Issuer for corporation tax of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (d) below);

(d) *fourth*, to pay the Issuer an amount equal to £1,000, to be retained by the Issuer as profit in respect of the business of the Issuer (the **Issuer Profit Amount**) (which may be used by the Issuer to pay or discharge any liability of the Issuer for corporation tax thereon);

(e) *fifth*, in or towards satisfaction pro rata and *pari passu* according to the respective amounts due and payable on the relevant Interest Payment Date in respect of:

(i) any interest due on the Class A Notes;

(ii) the Class X1 Certificate Payment due on the Class X1 Certificates; and

(iii) the Class X2 Certificate Payments due on the Class X2 Certificates,

provided that if Available Principal Receipts are used to pay a Revenue Shortfall in respect of this item (e) such amounts shall only be used to pay amounts in respect of any interest due on the Class A Notes and shall not be used in respect of the Class X Certificate Payments due on the Class X Certificates and any shortfall in the Class X Certificate Payments shall be deferred in accordance with Certificate Condition 18 (*Subordination by Deferral*);

(f) *sixth*, (so long as the Class A Notes remain outstanding), to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(g) *seventh*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class B Notes;

(h) *eighth*, to credit the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;

(i) *ninth*, (so long as the Class B Notes remain outstanding), to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(j) *tenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class C Notes;

(k) *eleventh*, (so long as the Class C Notes remain outstanding), to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(l) *twelfth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class D Notes;

(m) *thirteenth*, (so long as the Class D Notes remain outstanding), to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(n) *fourteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class E Notes;

(o) *fifteenth*, (so long as the Class E Notes remain outstanding), to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(p) *sixteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class F Notes;

(q) *seventeenth*, (so long as the Class F Notes remain outstanding), to credit the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(r) *eighteenth*, to credit the General Reserve Fund up to the General Reserve Fund Required Amount;

(s) *nineteenth*, (so long as the Class Z Notes remain outstanding), to credit the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied as Available Principal Receipts);

(t) *twentieth*, to provide for amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, any interest due and payable, and all arrears of interest remaining unpaid on the Class X Notes;

(u) *twenty-first*, in or towards payment of the Subordinated Interim LTH Fee, together with any VAT (if payable) thereon as provided for in the Interim Legal Title Holders Deed;

(v) *twenty-second*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;

(w) *twenty-third*, to pay any costs and expenses of the Issuer (including the Subordinated Servicing Fees but excluding the Subordinated Interim LTH Fee) (together with (if applicable) VAT thereon) which remain due and unpaid following the application of Available Revenue Receipts pursuant to paragraph (c) above;

(x) *twenty-fourth*, to provide for any MSA Warranty Rebate due and remaining unpaid to the Seller (after application of amounts applied in accordance with item (h) of the Pre-Enforcement Principal Priority of Payments) until amounts outstanding on the Seller MSA Rebate Ledger have been reduced to zero; and

(y) *twenty-fifth*, to provide for any amounts due on the relevant Interest Payment Date, to pay, pro rata and *pari passu*, the Class Y Certificate Payment on the Class Y Certificates (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (a) to (x)).

Definition of Principal Receipts

Principal Receipts means payments received by the Issuer representing (without double counting):

(a) any payment in respect of principal received in respect of any Loan (including Capitalised Arrears and Capitalised Expenses but excluding Accrued Interest and Arrears of Interest other than that arising on or prior to the Cut-Off Date), including, for the avoidance of doubt, all prepayments and repayments, including repayments at maturity or extended maturity;

(b) proceeds received by the Issuer from any insurance claim in respect of a Property, in each case to the extent that such are attributable to or constitute principal or the payment of any claim in respect of principal;

(c) any net amounts of Recovery Proceeds and all recoveries of principal and interest from defaulting Borrowers received in respect of any Loan in respect of which a Mortgage Enforcement Action has been commenced, including recoveries of principal and interest under that Loan in respect of which enforcement procedures have been completed;

(d) any other net proceeds of any disposal in respect of any Loan;

(e) the proceeds of any Loan Repurchase attributable to principal; and

(f) any other payment received by the Issuer in the nature of principal.

Definition of Available Principal Receipts

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

(a) all Principal Receipts received by or on behalf of the Issuer during the immediately preceding Calculation Period;

(b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date by the application of Available Revenue Receipts;

(c) on each Interest Payment Date following a Calculation Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 6.8 (*Determinations and Reconciliation*);

(d) principal from any Authorised Investments to be received on or prior to the Calculation Date;

(e) if all Notes are being redeemed in accordance with Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), Condition 8.4 (*Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option*) or Condition 8.5 (*Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option*) on the relevant Interest Payment Date, then all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund;

(f) all Liquidity Reserve Fund Excess Amounts;

(g) following redemption in full of the Class F Notes, all amounts standing to the credit of the General Reserve Fund; and

(h) following the service of an Enforcement Notice, all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund.

Application of Available Principal Receipts prior to the service of an Enforcement Notice on the Issuer

Prior to the service of an Enforcement Notice on the Issuer, the Cash Manager on behalf of the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Principal Receipts on each Interest Payment Date in the following order of priority (the **Pre-Enforcement Principal Priority of Payments**) (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

(a) *first*, any Principal Addition Amounts to be applied to meet any Revenue Shortfall (such amounts to be applied as Available Revenue Receipts), provided that Available Principal Receipts shall only be applied to provide for any such Revenue Shortfall in relation to items (g), (j), (l), (n) and (p) of the Pre-Enforcement Revenue Priority of Payments if the relevant PDL Condition is satisfied;

(b) *second*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;

(c) *third*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;

(d) *fourth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;

(e) *fifth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;

(f) *sixth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;

(g) *seventh*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero;

(h) *eighth*, to provide for any MSA Warranty Rebate due and remaining unpaid to the Seller until amounts outstanding on the Seller MSA Rebate Ledger have been reduced to zero;

(i) *ninth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero;

(j) *tenth*, in or towards repayment, pro rata and *pari passu*, of principal amounts outstanding on the Class R Notes until the Principal Amount Outstanding on the Class R Notes has been reduced to zero; and

(k) *eleventh*, any excess in or towards application as Available Revenue Receipts.

Distributions following the service of an Enforcement Notice on the Issuer

After an Enforcement Notice has been served on the Issuer and on any Optional Redemption Date or Risk Retention Regulatory Change Option Completion Date, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by the Security Trustee in connection with the enforcement of the Security will apply all amounts received or recovered other than any amount standing to the credit of the Issuer Profit Ledger (which shall be applied by the Issuer in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer) in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Post-Enforcement Priority of Payments** and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, the **Priority of Payments**):

(a) *first*, in or towards satisfaction, pro rata and *pari passu*, according to the respective amounts thereof of:

    (i) remuneration then due and payable to the Note Trustee and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee (in its personal capacity as such), Receiver and any Appointee (in their personal capacity as such) under the provisions of the Trust Deed and the other Transaction Documents, together with VAT (if payable) thereon as provided therein; and

    (ii) remuneration then due and payable to the Security Trustee and any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee (in its personal capacity as such), Receiver and any Appointee (in their personal capacity as such) under the provisions of the Deed of Charge and the other Transaction Documents, together with VAT (if payable) thereon as provided therein;

(b) *second*, in or towards satisfaction, pro rata and *pari passu*, according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agent and any fees, costs, charges, liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with VAT (if payable) thereon as provided therein;

(ii) any remuneration then due and payable to the Cash Manager and any fees, costs, charges, liabilities and expenses then due to the Cash Manager under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;

(iii) any amounts then due and payable to the Replacement Cash Manager Facilitator and any fees, costs, charges, liabilities and expenses then due to the Replacement Cash Manager Facilitator under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;

(iv) (1) for so long as Western Mortgage Services Limited is the Servicer, the Senior Servicing Fee together with any VAT (if payable) thereon as provided for in the Servicing Agreement or (2) where Western Mortgage Services Limited is not the Servicer, any remuneration then due and payable to the replacement Servicer together with any fees, costs, charges, liabilities and expenses then due to such replacement Servicer under the provisions of the replacement Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(v) (a) for so long as the Interim Legal Title Holders are the legal title holders, the Capped Senior Interim LTH Fee, together with any VAT (if payable) thereon as provided for in the Interim Legal Title Holders Deed or (b) where the Long-Term Legal Title Holder is the legal title holder, any remuneration then due and payable to the Long-Term Legal Title Holder together with any fees, costs, charges, liabilities and expenses then due to Long-Term Legal Title Holder under the provisions of the Long-Term Servicing and Legal Title Holder Deed, together with VAT (if payable) thereon as provided therein;

(vi) any remuneration then due and payable to the Corporate Services Provider and any fees, costs, charges, liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement together with VAT (if payable) thereon as provided therein;

(vii) any remuneration then due and payable to the Issuer Account Bank and any fees, costs, charges, liabilities and expenses then due and payable to the Issuer Account Bank under the provisions of the Bank Account Agreement, together with VAT (if payable) thereon as provided therein; and

(viii) any remuneration then due and payable to the Servicer Facilitator and any fees, costs, charges, liabilities and expenses then due to the Servicer Facilitator under the provisions of the Administration Agreement, together with (if applicable) VAT thereon as provided therein;

(c) *third*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, the amounts of interest on the Class A Notes, any principal due and payable on the Class A

Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero and any other amounts due in respect of the Class A Notes and any Class X1 Certificate Payments and Class X2 Certificate Payments which have accrued but are unpaid on the date of the Enforcement Notice;

(d) *fourth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class B Notes;

(e) *fifth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class C Notes;

(f) *sixth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class D Notes;

(g) *seventh*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class E Notes;

(h) *eighth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amounts of interest and, secondly, the amount of any principal due and payable on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero and, thirdly, any other amounts due in respect of the Class F Notes;

(i) *ninth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amount of any principal due and payable on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero and, secondly, any other amounts due in respect of the Class Z Notes;

(j) *tenth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amount of any principal due and payable on the Class R Notes until the Principal Amount Outstanding on the Class R Notes has been reduced to zero and, secondly, any other amounts due in respect of the Class R Notes;

(k) *eleventh*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, the amounts of interest due and payable on the Class X Notes;

(l) *twelfth*, in or towards payment of the Subordinated Interim LTH Fee, together with any VAT (if payable) thereon as provided for in the Interim Legal Title Holders Deed

(m) *thirteenth*, to pay, pro rata and *pari passu*, according to the respective outstanding amounts thereof, firstly, the amount of any principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero and, secondly, any other amounts due in respect of the Class X Notes;

(n) *fourteenth*, in or towards satisfaction, pro rata and *pari passu*, according to the respective amounts thereof, of any amounts (together with (if applicable) VAT thereon) due and payable by the Issuer to third parties (including the Subordinated Servicing Fees and any costs and expenses arising from the Original Transaction which remain outstanding) and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts required to pay or discharge any liability of the Issuer for corporation tax (but only to the extent not capable of being satisfied out of amounts standing to the credit of the Issuer Profit Ledger or amounts retained by the Issuer under item (p) below);

(o) *fifteenth*, to provide for any MSA Warranty Rebate due and remaining unpaid to the Seller until amounts outstanding on the Seller MSA Rebate Ledger have been reduced to zero;

(p) *sixteenth*, to pay the Issuer the Issuer Profit Amount (which may be used by the Issuer to pay or discharge any liability of the Issuer for corporation tax thereon); and

(q) *seventeenth*, to pay, pro rata and *pari passu*, any Class Y Certificate Payment on the Class Y Certificates (which shall be zero in circumstances where the Issuer has insufficient proceeds available to meet its obligations under items (a) to (p) above).

As used in this Prospectus:

Accrued Interest means as at any date in relation to any Loan the aggregate amount of interest accrued or charged on such Loan but not yet paid from (and including) the immediately preceding Monthly Payment Date to (but excluding) that given date, but excluding any Conversion Interest.

Appointee means any attorney, manager, agent, delegate, nominee, custodian, financial adviser or other professional adviser or other person properly appointed by the Note Trustee under the Trust Deed or the Security Trustee under the Deed of Charge (as applicable) to discharge any of its functions.

Arrears of Interest means as at any date and in relation to any Loan, the aggregate of all interest (other than Capitalised Arrears or Accrued Interest) on such Loan which is currently due, payable and unpaid on that date other than an Authorised Underpayment.

Authorised Underpayment means a payment by a Borrower in respect of a Loan on a Monthly Payment Date where:

(a) the amount paid (the **underpayment**) is less than the relevant Contractual Monthly Payment (the difference between the underpayment and such Contractual Monthly Payment being the **underpaid amount**); and

(b) in respect of the Loans:

    (i) the amount of such underpayment has been agreed between the Borrower and the Interim Legal Title Holders; and

    (ii) the underpaid amount does not exceed, when aggregated with the amount of all previous Authorised Underpayments, the aggregate Overpayments made by the Borrower in respect of such Loan.

Borrower Fees means any mortgage account redemption fees, arrears management fees, post-term date passed fees, loan restructuring fees, fees relating to proactive customer programmes, contract variation fees or asset management fees that the Servicer will invoice to the Issuer on a quarterly basis in accordance with the Servicing Agreement and Early Repayment Charges.

Calculation Period means, as at any date of determination, the immediately preceding three Collection Periods.

Capital Balance means, in relation to any Loan at any date, the principal balance of that Loan to which the relevant interest rate at which interest on each Loan applies.

Capitalised Arrears means, in relation to a Loan, on any date, amounts (excluding Arrears of Interest or amounts comprising Capitalised Expenses) which, as at that date, have been added to the Capital Balance of such Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower.

Capitalised Expenses means, for any Loan at any date, expenses which as at that date have been added to the Capital Balance of that Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower.

Early Repayment Charge means any charge (other than a Redemption Fee) which a Borrower is required to pay in the event that he or she repays all or any part of the relevant Loan before a specified date in the Mortgage Conditions.

Interest Period means the period from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date.

Monthly Payment Date means, in respect of a Loan, the date in each month on which the relevant Borrower is required to make a payment of interest and, if applicable, principal, in respect of such Loan, as required by the applicable Mortgage Conditions to which such Loan is subject.

Mortgage Enforcement Action means any action which may be taken against a Borrower, the Property or any other Related Security by way of enforcement by a lender of its rights in respect of the Loan.

Overpayment means, in respect of any Loan, any additional amounts of principal receipts received in a month above the regular, scheduled Contractual Monthly Payment, paid by the relevant Borrower which:

(a) is permitted by the terms of such Loan or by agreement with the Borrower; and

(b) reduces the Current Balance of such Loan.

Recovery Proceeds means the proceeds of discounted pay-offs, enforcement or foreclosure in respect of any Loan, including any Shortfall Proceeds.

Redemption Fee means the standard redemption fee charged to the Borrower by the Servicer where the Borrower makes a repayment of the full outstanding principal of a Loan on the maturity date of such Loan.

Shortfall Proceeds means, in respect of a Loan which has been subject to enforcement proceedings, and following completion of such enforcement proceedings, there were insufficient proceeds received to repay all amounts owed by the Borrower under the relevant Mortgage Loan in full (such amount being the **Shortfall**), any proceeds subsequently received in respect of that Shortfall whether in respect of principal, interest or other amounts.

DESCRIPTION OF THE GLOBAL NOTES

General

As at the Closing Date, each Class of Notes will be represented by either a Rule 144A Global Note and/or a Regulation S Global Note, as applicable, in fully registered form without interest coupons or principal receipts. Beneficial interests in a Rule 144A Global Note may only be held through Euroclear or Clearstream, Luxembourg, or their participants. Beneficial interests in a Regulation S Global Note may only be held through Euroclear or Clearstream, Luxembourg, or their participants. All capitalised terms not defined in this section shall be as defined in the Conditions of the Notes.

The Rule 144A Global Notes will have an ISIN and a Common Code. The Regulation S Global Notes will have an ISIN and a Common Code.

The Global Notes will be deposited on or about the Closing Date with the Common Safekeeper and registered on or about the Closing Date in the name of the nominee for the Common Safekeeper for both Euroclear and Clearstream, Luxembourg. The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the owner of the Global Note. Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record book-entry interests (**Book-Entry Interests**) in the related Global Notes.

Book-Entry Interests in respect of each Global Note will be recorded in denominations of £100,000 and higher integral multiples of £1,000 (an **Authorised Denomination**). Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg (**Participants**) or persons that hold interests in the Book-Entry Interests or the Certificate Book-Entry Interests through Participants or through other indirect participants (**Indirect Participants**), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Lead Manager. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

Beneficial interests in a Rule 144A Global Note may only be held by persons who are QIBs holding their interests for their own account or for the account of one or more other QIBs. By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Note (see "*Transfers and Transfer Restrictions*" below).

So long as a nominee for the Common Safekeeper is the registered holder of the Global Note underlying the Book-Entry Interests, the nominee for the Common Safekeeper will be considered the sole Noteholder of the Global Note for all purposes under the Trust Deed. Except as set out under "*Issuance of Registered Definitive Notes*" below, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed.

Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. See "*Action in respect of the Global Notes and the Book-Entry Interests*" below.

Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Note, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg, as applicable, unless and until Registered Definitive Notes are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg, under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In the case of a Global Note, unless and until Book-Entry Interests are exchanged for Registered Definitive Notes, the Global Note held by the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper.

Purchasers of Book-Entry Interests in a Global Note will hold Book-Entry Interests in the Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out under "*Transfers and Transfer Restrictions*" below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg, will hold Book-Entry Interests in the Global Note on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

Although Euroclear and Clearstream, Luxembourg, have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, a Paying Agent, the Cash Manager, the Registrar or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg, or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

Payments on the Global Notes

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of Elavon Financial Services DAC, UK Branch (the **Principal Paying Agent**), on behalf of the Issuer to the order of the Common Safekeeper or its nominee as the registered holder thereof with respect to the Global Notes. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Safekeeper or their nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg, as applicable. On each Record Date, Euroclear and Clearstream, Luxembourg, will determine the identity of the Noteholders for the purposes of making payments to the Noteholders. The **Record Date** in respect of the Notes means: (i) where the Notes are in global registered form and held by Euroclear or Clearstream, Luxembourg, the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg, are open for business) prior to the relevant Interest Payment Date; and (ii) where the Notes are in definitive registered form, the date falling 15 days prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer (including the Cash Manager or a Paying Agent), the Arranger, the Lead Manager, the Note Trustee or the Security Trustee will have any responsibility or liability for any aspect of the records relating to or for payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

Information regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg, have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg, each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from a lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg, each provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities, and securities lending and borrowing. Euroclear and Clearstream, Luxembourg, each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg, have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg, are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg, is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg, are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg, and any applicable laws. Both Euroclear and Clearstream, Luxembourg, act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or to take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption

In the event that a Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the clearing systems and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a pro rata basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions to be cancelled following its redemption will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note on the relevant schedule thereto and the corresponding entry on the Register.

Transfers and Transfer Restrictions

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*General*" above.

Each Rule 144A Global Note will bear a legend substantially identical to that appearing under "*Transfer Restrictions and Investor Representations*", and the holder of any Rule 144A Global Note or any Book-Entry Interest in such Rule 144A Global Note will undertake that it will not transfer such Notes except in compliance with the transfer restrictions set forth in such legend. A Book-Entry Interest in a Rule 144A Global Note of one Class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Regulation S Global Note of the same Class whether before or after the expiration of the period of 40 days to be calculated after the later of the commencement of the offering of the Regulation S Notes and the Closing Date (the **Distribution Compliance Period**), only upon receipt by the Issuer of a written certification from the transferor to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144A under the Securities Act (if available).

Each Regulation S Global Note will bear a legend substantially identical to that appearing under "*Transfer Restrictions and Investor Representations*". Prior to the expiration of the Distribution Compliance Period, a Book-Entry Interest in a Regulation S Global Note of a particular Class may be transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same Class only upon receipt by the Issuer of written certification from the transferor to the effect that such transfer is being made to a person who the transferor reasonably believes is purchasing for its own account or for an account or accounts as to which it exercises sole investment discretion and that such person and such account or accounts is a QIB within the meaning of Rule 144A, in each case, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state or any other jurisdiction of the United States.

Any Book-Entry Interest in a Regulation S Global Note of one Class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Rule 144A Global Note of the same Class will, upon transfer, cease to be represented by a Book-Entry Interest in such Regulation S Global Note and will become represented by a Book-Entry Interest in such Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Rule 144A Global Note for as long as it remains such a Book-Entry Interest. Any Book-Entry Interest in a Rule 144A Global Note of one Class that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the Regulation S Global Note of the same Class will, upon transfer, cease to be represented by a Book-Entry Interest in such Rule 144A Global Note and will become represented by a Book-Entry Interest in such Regulation S Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Book-Entry Interests in a Regulation S Global Note as long as it remains such a Book-Entry Interest.

Issuance of Registered Definitive Notes

Holders of Book-Entry Interests in a Rule 144A Global Note or a Regulation S Global Note will be entitled to receive Notes in definitive registered form (such exchanged Global Notes in definitive registered form, **Registered Definitive Notes**) in exchange for their respective holdings of Book-Entry Interests if (a) in the case of Global Notes cleared by Euroclear and Clearstream, Luxembourg, both Euroclear and Clearstream, Luxembourg, are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and in fact do either of those things and no alternative clearing system satisfactory to the Note Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive registered form.

In order to receive a Registered Definitive Note a person having an interest in a Global Note must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Registered Definitive Note.

Any Registered Definitive Note issued in exchange for Book-Entry Interests in the Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg, as applicable, from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Registered Definitive Notes issued in exchange for Book-Entry Interests in the Global Note will not be entitled to exchange such Registered Definitive Notes for Book-Entry Interests in such Global Note. Any Notes issued in definitive registered form will be issued in registered form only and will be subject to the provisions set out under "*Transfers and Transfer Restrictions*" above and provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Registered Definitive Notes will be issued in a denomination that is an integral multiple of the minimum Authorised Denomination. See "*Risk Factors – Risks Relating to the Characteristics of the Notes – Registered Definitive Notes and denominations in integral multiples*".

Action in respect of the Global Notes and the Book-Entry Interests

Not later than ten days after receipt by the Issuer of any notices in respect of a Global Note or any notice of solicitation of consents or requests for a waiver or other action by the holder of such Global Note, the Issuer will deliver to Euroclear and Clearstream, Luxembourg, a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date, Euroclear and Clearstream, Luxembourg, will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Note and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Note in accordance with any instructions set out in such request. Euroclear or Clearstream, Luxembourg, are expected to follow the procedures described under "*General*" above with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

Notices

While any Class of Notes is represented by Global Notes, the Issuer may, at its option, send to Euroclear and Clearstream, Luxembourg, a copy of any notices addressed to the applicable Noteholders for communication by Euroclear and Clearstream, Luxembourg, to such Noteholders. Alternatively, such notices regarding the Notes may instead be published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom; provided that if, at any time, the Issuer procures that the information contained in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for such electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders, publication in such newspaper shall not be required with respect to such information so long as the rules of Euronext Dublin allow. The Issuer may elect not to publish any notice in a newspaper for so long as the Notes are held in global form and notice is given to Euroclear and Clearstream, Luxembourg. The Note Trustee may, in accordance with Condition 16.2 (*Note Trustee's Discretion to Select Alternative Method*), sanction other methods of giving notice to all or some of the Noteholders if such method is reasonable having regard to, among other things, the market practice then prevailing and the requirements of the relevant stock exchange. See also Condition 16 (*Notice to Noteholders*) of the Notes.

New Safekeeping Structure

The Notes will be deposited with one of Euroclear and/or Clearstream, Luxembourg (each an **ICSD** and together, the **ICSDs**) as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (the **New Safekeeping Structure**).

Issuer ICSD Agreement

Prior to the issuance of the Notes and the Certificates, the Issuer will enter into an Issuer ICSD agreement with the ICSDs in respect of the Notes and the Certificates (the **Issuer ICSD Agreement**). The ICSDs will, in respect of the Notes and the Certificates (while being held in the new safekeeping structure), maintain their respective portion of the outstanding of the issue amount through their records. The Issuer ICSD Agreement will be governed by English law.

DESCRIPTION OF THE GLOBAL CERTIFICATES

General

Each Class of Certificates, as at the Closing Date, is represented by a Global Certificate. The Global Certificates are registered in the name of the nominee for the Common Safekeeper for both Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *S.A.* (**Clearstream, Luxembourg**). The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the holder of the Global Certificate.

Euroclear or Clearstream, Luxembourg, as the case may be, have recorded the beneficial interests in the Global Certificate (**Certificate Book-Entry Interests**) representing beneficial interests in the Certificates attributable thereto.

Ownership of Certificate Book-Entry Interests will be limited to Participants or Indirect Participants, including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants will also include persons that hold beneficial interests through such Indirect Participants. Certificate Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Certificate Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Lead Manager. Ownership of Certificate Book-Entry Interests will be shown on, and transfers of Certificate Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Certificate Book-Entry Interests.

So long as the nominee for the Common Safekeeper is the registered holder of the Global Certificate underlying the Certificate Book-Entry Interests, it will be considered the sole Certificateholder of the Certificate represented by that Global Certificate for all purposes under the Trust Deed. Except as set out under the section entitled "*Description of the Global Notes – Issuance of Registered Definitive Notes*", Participants or Indirect Participants will not receive or be entitled to receive physical delivery of Certificates in definitive form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Certificate Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Certificate Book-Entry Interests, to exercise any rights and obligations of a holder of Certificates under the Trust Deed. See the section entitled "*Action in respect of the Global Certificates and the Certificate Book-Entry Interests*" below.

Unlike legal owners or holders of the Certificates, holders of the Certificate Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Certificateholders. Instead, a holder of Certificate Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Certificate Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default, holders of Certificate Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg, unless and until Definitive Certificates are issued in accordance with the Certificate Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg, under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Certificate Book-Entry Interests are exchanged for Definitive Certificates, the Certificates held by the nominee for the Common Safekeeper may not be transferred except as a whole by that nominee for the Common Safekeeper to a successor nominee for that Common Safekeeper or a nominee of a successor of the Common Safekeeper.

Purchasers of Certificate Book-Entry Interests in a Certificate will hold Certificate Book-Entry Interests in the Certificates relating thereto. Investors may hold their Certificate Book-Entry Interests in respect of a Certificate directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out in the section entitled "*Transfer and Transfer Restrictions*" below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg, will hold Certificate Book-Entry Interests in each Certificate on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

Although Euroclear and Clearstream, Luxembourg, have agreed to certain procedures to facilitate transfers of Certificate Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, the Lead Manager, the Note Trustee, the Security Trustee, a Paying Agent, the Cash Manager, the Registrar or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg, or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

Transfer and Transfer Restrictions

All transfers of Certificate Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "*General*" above.

Issuance of Registered Definitive Certificates

Holders of Book-Entry Interests in the Global Certificate will be entitled to receive Certificates in definitive registered form (such exchanged Global Certificates in definitive registered form, **Registered Definitive Certificates**) in exchange for their respective holdings of Certificate Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg, are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or to cease to make book-entry systems available for the settlement of beneficial interests in such Global Certificates and in fact do either of those things and no alternative clearing system satisfactory to the Note Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Certificates which would not be required were the Notes in definitive registered form. Any Registered Definitive Certificates issued in exchange for Certificate Book-Entry Interests in the Global Certificate will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg, from their Participants with respect to ownership of the relevant Certificate Book-Entry Interests. Holders of Registered Definitive Certificates issued in exchange for Certificate Book-Entry Interests in the Global Certificate will not be entitled to exchange such Registered Definitive Certificates for Certificate Book-Entry Interests in such Global Certificate. Any Certificates issued in definitive form will be issued in registered form only and will be subject to the provisions set out under "*Transfer and Transfer Restrictions*" above, and provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Certificate.

Payments on Global Certificate

Payment of amounts due in respect of the Global Certificate will be made in Sterling by or to the order of the Principal Paying Agent on behalf of the Issuer to the order of the Common Safekeeper or its nominee as the registered holder thereof with respect to the Global Certificate.

Each holder of Certificate Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Safekeeper or its nominee in respect of those Certificate Book-Entry Interests. All such payments will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then none of the Issuer, the Principal Paying Agent or any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Certificate Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each Record Date, Euroclear and Clearstream, Luxembourg, will determine the identity of the Participants for the purposes of making payments under the Certificates. The **Record Date** in respect of the Certificates shall be as at the close of business on the Business Day prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Certificate Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Lead Manager, the Note Trustee or the Security Trustee, a Paying Agent, the Cash Manager or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, a Participant's ownership of Certificate Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Certificate Book-Entry Interests.

Information regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg, have advised the Issuer as follows:

- Euroclear and Clearstream, Luxembourg, each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of Certificates and any risk from the lack of simultaneous transfers of securities.

- Euroclear and Clearstream, Luxembourg, provide various services, including the safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing.

- Euroclear and Clearstream, Luxembourg, each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg, have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

- Account holders in both Euroclear and Clearstream, Luxembourg, are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg, is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.
- An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg, are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg, and any applicable laws. Both Euroclear and Clearstream, Luxembourg, act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that, under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of owners of Certificate Book-Entry Interests or if an owner of a Certificate Book-Entry Interest desires to give instructions or to take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the Participants owning the relevant Certificate Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Action in respect of the Global Certificates and the Certificate Book-Entry Interests

Not later than ten days after receipt by the Issuer of any notice in respect of a Global Certificate or any notice of solicitation of consents or requests for a waiver or other action by the Certificateholder of such Global Certificate, the Issuer will deliver to Euroclear and Clearstream, Luxembourg, a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date, Euroclear and Clearstream, Luxembourg, will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Certificate Book-Entry Interests or the Global Certificates and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Certificate Book-Entry Interests or the Global Certificates in accordance with any instructions set out in such request. Euroclear and Clearstream, Luxembourg, are expected to follow the procedures described under the section entitled "*General*" above, with respect to soliciting instructions from their respective Participants.

Notices

The Issuer will send to Euroclear and Clearstream, Luxembourg, a copy of any notices addressed to Certificateholders for communication by Euroclear and Clearstream, Luxembourg, to the Certificateholders and shall procure that the information contained in such notice shall appear on a Relevant Screen (see also Certificate Condition 15 (*Notice to Certificateholders*)). The Note Trustee may, in accordance with Certificate Condition 15.2 (*Note Trustee's Discretion to Select Alternative Method*), sanction other methods of giving notice to all or some of the Certificateholders, if such method is reasonable having regard to the then prevailing market practice.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).

1. GENERAL

The £504,292,000 Class A mortgage backed floating rate notes due November 2050 (the **Class A Notes**), the £33,019,000 Class B mortgage backed floating rate notes due November 2050 (the **Class B Notes**), the £19,511,000 Class C mortgage backed floating rate notes due November 2050 (the **Class C Notes**), the £11,106,000 Class D mortgage backed floating rate notes due November 2050 (the **Class D Notes**), the £12,607,000 Class E mortgage backed floating rate notes due November 2050 (the **Class E Notes**), the £9,605,000 Class F mortgage backed floating rate notes due November 2050 (the **Class F Notes**), the £10,205,000 Class Z mortgage backed zero rate notes due November 2050 (the **Class Z Notes**), the £7,189,000 Class R mortgage backed zero rate notes due November 2050 (the **Class R Notes**) and the £9,005,000 Class X mortgage backed floating rate notes due November 2050 (the **Class X Notes** and, together with 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, the **Rated Notes** and the **Floating Rate Notes**, and the Floating Rate Notes together with the Class Z Notes and the Class R Notes, the **Notes**), in each case of Avon Finance No. 3 PLC (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) entered into on 25 August 2023 (the **Closing Date**) and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Noteholders (in such capacity, the **Note Trustee**).

Any reference in these terms and conditions (the **Conditions**) to a Class of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes, the Class R Notes and the Class X Notes, as the case may be, or to the respective holders thereof. Any reference in these Conditions to a Class of Certificate or of Certificateholders shall be a reference to the Class X Certificates or the Class Y Certificates or to the respective holders thereof. Any reference in these Conditions to the Noteholders means the registered holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes. The security for the Notes is constituted by a deed of charge and assignment (the **Deed of Charge**) entered into on the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Secured Creditors (in such capacity, the **Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) entered into on the Closing Date in connection with the issuance of the Notes and made between, among others, the Issuer, the Note Trustee and Elavon Financial Services DAC, UK Branch as principal paying agent (in such capacity, the **Principal Paying Agent** and, together with any further or other paying agent appointed under the Agency Agreement, the **Paying Agent**), Elavon Financial Services DAC, UK Branch as registrar (in such capacity, the **Registrar**) and Elavon Financial Services DAC, UK Branch as agent bank (in such capacity, the **Agent Bank**), provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the **Master Definitions and Construction Schedule**) entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date in connection with the issuance of the Notes and the other Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of the Paying Agent. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

2. INTERPRETATION

2.1 Definitions

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

2.2 Interpretation

These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

3. FORM, DENOMINATION AND TITLE

3.1 Form and Denomination

Each Class of Notes will initially be represented by a global note certificate in registered form (a **Global Note**).

For so long as any of the Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Note and entitlement to payments thereunder will be effected subject to, and in accordance with, the rules and procedures from time to time of, with respect to the Rule 144A Global Notes, and with respect to the Regulation S Global Notes, Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), as appropriate.

The aggregate nominal amount of each Class of Notes initially offered and sold outside the United States to non-U.S. persons pursuant to Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **Securities Act**), is represented by one or more global registered notes in fully registered form (the **Regulation S Global Notes**) without coupons attached. The aggregate nominal amount of the Rule 144A Notes initially offered and sold within the United States to persons who are "qualified institutional buyers" as defined in, and in reliance on, Rule 144A under the Securities Act (**Rule 144A**), in transactions made in accordance with Rule 144A, is represented by one or more global registered notes in fully registered form without coupons attached (the **Rule 144A Global Notes**, and together with the Regulation S Global Notes, the **Global Notes**).

For so long as the Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg, so permit, the Notes shall be tradable only in the minimum denominations (a) in respect of the Rule 144A Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof and (b) in respect of the Regulation S Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof.

A Global Note will be exchanged for the relevant Note in definitive registered form (such exchanged Global Notes in definitive registered form, the **Registered Definitive Notes**) only if any of the following applies:

(a) in the case of the Global Notes, both Euroclear and Clearstream, Luxembourg:

   (i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or

   (ii) announce an intention to permanently cease business or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes or in fact do either of those things,

   and in either case no alternative clearing system satisfactory to the Note Trustee is available; or

(b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form.

If Registered Definitive Notes are issued in respect of Notes originally represented by a Global Note, the beneficial interests represented by such Global Note shall be exchanged by the Issuer for the relevant Notes in registered definitive form. The aggregate principal amount of the Registered Definitive Notes shall be equal to the Principal Amount Outstanding of the Notes at the date on which notice of exchange is given of the Global Note, subject to, and in accordance with, the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the relevant Global Note.

Registered Definitive Notes (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in registered form only.

The minimum denomination of the Notes in definitive form (if issued and printed) will be issued in the minimum denominations (a) in respect of the Rule 144A Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof and (b) in respect of the Regulation S Global Notes, of £100,000 and integral multiples of £1,000 in excess thereof (or the equivalent thereto).

References to **Notes** in these Conditions shall include the Global Notes and the Registered Definitive Notes.

3.2 Title

Title to the Global Notes shall pass by and upon registration in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Note may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Note regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Title to a Registered Definitive Note shall only pass by and upon registration of the transfer in the Register.

Registered Definitive Notes may be transferred upon the surrender of the relevant Registered Definitive Note, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. Such transfers shall be subject to the minimum denominations specified in Condition 3.1 (*Form and Denomination*). All transfers of Registered Definitive Notes are subject to any restrictions on transfer set out on the Registered Definitive Notes and the detailed regulations concerning transfers in the Agency Agreement.

Each new Registered Definitive Note to be issued upon transfer of such Registered Definitive Note will, within five Business Days of receipt and surrender of such Registered Definitive Note (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Registered Definitive Note to such address as may be specified in the relevant form of transfer.

Registration of a Registered Definitive Note on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

4. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

4.1 Status and relationship between the Notes and Certificates

(a) The Class A Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*)) 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 and *pari passu* without preference or priority among themselves in relation to payment of interest. The Class A Notes and the Class X Certificates rank pro rata and *pari passu* without preference or priority among themselves in relation to payment of interest (in respect of the Class A Notes), the Class X1 Certificate Payments (in respect of the Class X1 Certificates) and the Class X2 Certificate Payments (in respect of the Class X2 Certificates), as provided in these Conditions and the Transaction Documents.

Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class A Notes (the **Class A Noteholders**), in respect of the Class X1 Certificates, the interests of the person who for the time being is registered in the Register as holder of the Class X1 Certificates (the **Class X1 Certificateholder**) and in respect of the Class X2 Certificates, the interests of the person who for the time being is registered in the Register as holder of the Class X2 Certificates (the **Class X2 Certificateholder**, the Class X1 Certificateholder and the Class X2 Certificateholder together are the **Class X Certificateholders**) will subordinate the interests of the holders of all other Classes of Notes and Certificates.

(b) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*)) unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal, subordinate to the Class A Notes and the Class X Certificate Payments, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class B Notes (the **Class B Noteholders**) will be subordinated to the interests of the Class A Noteholders and the Class X Certificateholders (so long as any Class A Notes or Class X Certificates remain outstanding).

(c) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, subordinate to the Class A Notes, the Class X Certificate Payments and the Class B Notes, and as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class C Notes (the **Class C Noteholders**) will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders and the Class B Noteholders (so long as any Class A Notes and/or any Class X Certificates and/or any Class B Notes remain outstanding).

(d) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, subordinate to the Class A Notes, the Class X Certificate Payments, the Class B Notes and the Class C Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class D Notes (the **Class D Noteholders**) will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders, the Class B Noteholders and the Class C Noteholders (so long as any Class A Notes and/or any Class X Certificateholders and/or any Class B Notes and/or any Class C Notes remain outstanding).

(e) The Class E Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among themselves in relation to the payment of interest and principal at all times, subordinate to the Class A Notes, the Class X Certificate Payments, the Class B Notes, the Class C Notes and the Class D Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class E Notes (the **Class E Noteholders**) will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (so long as any Class A Notes and/or any Class X Certificates and/or any Class B Note and/or any Class C Notes and/or any Class D Notes remain outstanding).

(f) The Class F Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class F Notes rank *pari passu* without preference or priority among themselves in relation to the payment of interest and principal at all times, subordinate to the Class A Notes, the Class X Certificate Payments, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class F Notes (the **Class F Noteholders**) will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as any Class A Notes and/or any Class X Certificates and/or any Class B Note and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes remain outstanding).

(g) The Class Z Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*)) unconditional obligations of the Issuer. The Class Z Notes rank *pari passu* without preference or priority among themselves in relation to the payment of principal at all times, subordinate to the Class A Notes, the Class X Certificate Payments, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class Z Notes (the **Class Z Noteholders**) will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders, 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 and/or any Class X Certificates and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes remain outstanding).

(h) The Class R Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*)) unconditional obligations of the Issuer. The Class R Notes rank *pari passu* without preference or priority among themselves in relation to the payment of principal at all times, subordinate to the Class A Notes, the Class X Certificate Payments, 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, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class R Notes (the **Class R Noteholders**) will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders (so long as any Class A Notes and/or any Class X Certificates and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class Z Notes remain outstanding).

(i) The Class X Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 12.4 (*Limited Recourse*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class X Notes rank *pari passu* without preference or priority among themselves in relation to the payment of interest at all times, subordinate to (prior to the service of an Enforcement Notice on the Issuer) all payment of interest due in respect of the Class A Notes, the Class X Certificate Payments and all payment of interest due in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and (following the service of an Enforcement Notice on the Issuer) all payments due in respect of the Class A Notes, the payment of the Class X Certificate Payments and all payments due in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class R Notes, as provided in these Conditions and the Transaction Documents. The Class X Notes rank *pari passu* without preference or priority among themselves in relation to payment of principal at all times, subordinate to (prior to the service of an Enforcement Notice on the Issuer) all payment of interest due in respect of the Class A Notes, the payment of the Class X Certificate Payments and all payment of interest due in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes and (following the service of an Enforcement Notice on the Issuer) all payments due in respect of the Class A Notes, the payment of the Class X Certificate Payments, all payments due in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes and the Class R Notes and all payment of interest due in respect of the Class X Notes, as provided in these Conditions and the Transaction Documents. The interests of the persons who for the time being are registered in the Register as holders of the Class X Notes (the **Class X Noteholders**) will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class R Noteholders and the Class Z Noteholders (so long as any Class A Notes and/or any Class X Certificates and/or any Class B Note and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class R Notes and/or any Class Z Notes remain outstanding).

(j) The Class Y Certificates constitute direct, secured and (subject to the limited recourse provisions in Certificate Condition 11.4 (*Limited Recourse*)) unconditional obligations of the Issuer. The Class Y Certificates rank *pari passu* without preference or priority among themselves in relation to the payment of the Class Y Certificate Payment, subordinate to the Class A Notes, the Class X Certificate Payments, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes, the Class R Notes and the Class X Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the Class Y Certificateholders will be subordinated to the interests of each of the Class A Noteholders, the Class X Certificateholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders, the Class Z Noteholders, the Class R Noteholders and the Class X Noteholders (so long as any Class A Notes and/or any Class X Certificates and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes and/or any Class Z Notes and/or any Class R Notes and/or Class X Notes remain outstanding).

(k) The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of holders of each Class of the Notes and each Class of Certificates equally (and at all times have regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Notes and/or the Certificates in any such case to have regard (except as expressly provided otherwise and at all times have regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) to the interests of the holders of the Class of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class X Certificates, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Class X Certificates Entrenched Rights).

(l) The Trust Deed and the Deed of Charge also contain provisions limiting the powers of any Class of Noteholders or Class of Certificateholders to pass an effective Extraordinary Resolution (and at all times to have regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) according to the effect thereof on the interests of the holders of the Class or Classes of Notes and/or Certificates ranking in priority thereto. Except in certain circumstances described in Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*), the Trust Deed and the Deed of Charge contain no such limitation on the powers of the holders of the Most Senior Class, the exercise of which will be binding (save in respect of a Basic Terms Modification, the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) on the holders of all other Classes of Notes and all other Classes of Certificates, in each case irrespective of the effect thereof on their respective interests.

(m) Subject to the Retained Interest Entrenched Rights, the Retention Holder will not be entitled to convene, count in the quorum or pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) in respect of any Notes or Certificates comprising the Retained Interest. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Retention Holder (other than any resolutions in respect of a Retained Interest Entrenched Right unless the Retention Holder has consented) if passed in accordance with the Conditions.

(n) The Class X Certificateholders shall only be entitled to convene meetings of the Class X Certificateholders and/or pass resolutions in respect of the Class X Certificates in relation to matters affecting a Class X Certificates Entrenched Right. Any Ordinary Resolution or Extraordinary Resolution affecting a Class X Certificates Entrenched Right will not be binding unless the Class X Certificateholders have consented in writing.

(o) Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class Y Certificateholders (save in respect of a Basic Terms Modification and any resolution which affects a Class Y Certificates Entrenched Right) if passed in accordance with the Conditions.

As long as any Notes or Certificates are outstanding but subject to Condition 13.4, the Note Trustee and the Security Trustee shall not have regard to the interests of the other Secured Creditors.

4.2 Security

(a) The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Noteholders, the Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.

(b) The Noteholders, the Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

5. COVENANTS AND UNDERTAKINGS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under these Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

(a) **Negative pledge**: create or permit to subsist any encumbrance (unless arising by operation of law) or other Security Interest whatsoever over any of its assets or undertakings;

(b) **Restrictions on activities**: (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;

(c) **Corporation tax**: prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations;

(d) **Disposal of assets**: assign, transfer, sell, lend, lease, part with or otherwise dispose of, declare any trust over or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;

(e) **Equitable and beneficial interest**: permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(f) **Dividends or distributions by the Issuer**: pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;

(g) **Indebtedness**: incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;

(h) **Merger**: consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(i) **No modification or waiver**: permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the Security Interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed or waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

(j) **Bank accounts**: have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

(k) **Purchase Notes or Certificates**: purchase or otherwise acquire any Notes or Certificates;

(l) **U.S. activities**: engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles; or

(m) **VAT**: apply to become part of any group with any other company or group of companies for the purposes of Sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931), or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

6. INTEREST

6.1 Accrual of Interest

Each Note (other than the Class R Notes and the Class Z Notes) bears interest on its Principal Amount Outstanding from (and including) the Closing Date. Each Note (other than the Class R Notes and the Class Z Notes) (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the due date for redemption unless, upon due surrender in accordance with Condition 7 (*Payments*), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event, interest shall continue to accrue as provided in the Trust Deed.

No interest will be payable in respect of the Class R Notes or the Class Z Notes.

6.2 Interest Payment Dates

(a) Interest will be payable in arrear on each Interest Payment Date, for all Classes of Notes (other than the Class R Notes and the Class Z Notes). The first Interest Payment Date will be the Interest Payment Date falling in November 2023.

(b) In these Conditions, **Interest Payment Date** means the 28th day of February, May, August and November in each year or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

(c) Interest shall accrue from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date (each such period above, an **Interest Period**).

6.3 Rate of Interest

(a) The rate of interest payable on the Notes (other than the Class R Notes and the Class Z Notes) from time to time (the **Rate of Interest**) will be determined on the basis of the Floating Rate of Interest as determined in accordance with paragraph (b) below.

(b) The floating rate of interest payable from time to time in respect of the Floating Rate Notes (each a **Floating Rate of Interest**) and any Interest Period will be determined on the basis of the following provisions:

(i) Subject to paragraph (ii) below, the Agent Bank will determine the Compounded Daily SONIA as at the Interest Calculation Date in question. The Floating Rate of Interest for the relevant Interest Period shall be the aggregate Compounded Daily SONIA plus the relevant Margin.

(ii) Notwithstanding the provisions of these Conditions, in the event that the Bank of England publishes guidance as to (A) how the SONIA Reference Rate is to be determined or (B) any rate that is to replace the SONIA Reference Rate, the Agent Bank shall, subject to receiving written instructions from the Issuer (upon which the Agent Bank shall be entitled to rely conclusively and without enquiry or liability) and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

(iii) In the event that the Floating Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank, the Floating Rate of Interest shall be (A) that determined as at the last preceding Interest Calculation Date (though substituting, where a different relevant Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the relevant Margin relating to the relevant Interest Period in place of the relevant Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Calculation Date, the initial Floating Rate of Interest which would have been applicable to the relevant Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) that first Interest Payment Date (but applying the relevant Margin applicable to the first Interest Period).

The minimum Floating Rate of Interest will be zero.

(c) The Margin on the Floating Rate Notes changes from the Initial Margin to the Step-Up Margin from (and including) the Interest Payment Date falling on the First Optional Redemption Date.

(d) In these Conditions (except where otherwise defined), the expression:

(i) **Affiliate** means, in relation to any person: (A) a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company; or (B) any other person that controls, is controlled by, or is under common control with, such person including any Branch;

(ii) **Business Day** means a day (other than a Saturday or Sunday or a public holiday) on which banks are generally open for business in London;

(iii) **First Optional Redemption Date** means the Interest Payment Date falling in August 2026;

(iv) **Holding Company** means, in relation to a person, any other person in respect of which it is a Subsidiary;

(v) **Interest Calculation Date** means the fifth London Banking Day before the Interest Payment Date on which the relevant Rate of Interest will apply;

(vi) **Interest Determination Ratio** means, on any Interest Payment Date, (A) the aggregate Revenue Receipts calculated in the three preceding Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) divided by (B) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Servicer Reports;

(vii) **Margin** means:

(A) in respect of the Class A Notes, (1) prior to the First Optional Redemption Date, 1.10 per cent. per annum (the **Class A Initial Margin**) and (2) on and after the First Optional Redemption Date, 1.65 per cent. per annum (the **Class A Step-Up Margin**);

(B) in respect of the Class B Notes, (1) prior to the First Optional Redemption Date, 1.75 per cent. per annum (the **Class B Initial Margin**) and (2) on and after the First Optional Redemption Date, 2.65 per cent. per annum (the **Class B Step-Up Margin**);

(C) in respect of the Class C Notes, (1) prior to the First Optional Redemption Date, 2.50 per cent. per annum (the **Class C Initial Margin**) and (2) on and after the First Optional Redemption Date, 3.50 per cent. per annum (the **Class C Step-Up Margin**);

(D) in respect of the Class D Notes, (1) prior to the First Optional Redemption Date, 3.00 per cent. per annum (the **Class D Initial Margin**) and (2) on and after the First Optional Redemption Date, 4.00 per cent. per annum (the **Class D Step-Up Margin**);

(E) in respect of the Class E Notes, (1) prior to the First Optional Redemption Date, 3.50 per cent. per annum (the **Class E Initial Margin**) and (2) on and after the

First Optional Redemption Date, 4.50 per cent. per annum (the **Class E Step-Up Margin**);

(F) in respect of the Class F Notes, (1) prior to the First Optional Redemption Date, 4.00 per cent. per annum (the **Class F Initial Margin**) and (2) on and after the First Optional Redemption Date, 5.00 per cent. per annum (the **Class F Step-Up Margin**);

(G) in respect of the Class X Notes, (1) prior to the First Optional Redemption Date, 4.00 per cent. per annum (the **Class X Initial Margin** and together with the Class A Initial Margin, the Class B Initial Margin, the Class C Initial Margin, the Class D Initial Margin, the Class E Initial Margin and the Class F Initial Margin, each an **Initial Margin**) and (2) on and after the First Optional Redemption Date, 4.00 per cent. per annum (the **Class X Step-Up Margin** and together with the Class A Step-Up Margin, the Class B Step-Up Margin, the Class C Step-Up Margin, the Class D Step-Up Margin, the Class E Step-Up Margin and the Class F Step-Up Margin each a **Step-Up Margin**); and

(H) in respect of the Class R Notes and the Class Z Notes, no Margin applies;

(viii) **Observation Period** means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Closing Date) and ending on, but excluding, the date falling five London Banking Days prior to the Interest Payment Date for such Interest Period (or, if applicable, the date falling five London Banking Days prior to any such earlier date, if any, on which the Notes become due and payable);

(ix) **outstanding** means, in relation to the Notes, all the Notes issued from time to time other than:

(A) those Notes which have been redeemed in full and cancelled pursuant to the Conditions;

(B) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Note Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and where appropriate notice to that effect has been given to the relevant Noteholders in accordance with the Conditions) and remain available for payment in accordance with the Conditions;

(C) those Notes which have been cancelled in accordance with Condition 8.9 (*Cancellation on redemption in full*) of the Notes;

(D) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 10 (*Prescription*) of the Notes;

(E) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*) with respect to the Notes;

(F) (for the purpose only of ascertaining the Principal Amount Outstanding of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Note) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 15 (*Replacement of Notes*) with respect to the Notes; and

(G) any Global Note to the extent that it shall have been exchanged for another Global Note in respect of the Notes of the relevant Class or for the Notes of the relevant Class in definitive form pursuant to its provisions,

provided that, for each of the following purposes, namely:

I. the right to attend and vote at any meeting of the Noteholders of any Class or Classes or to participate in any Ordinary Resolution in writing, any Extraordinary Resolution in writing or an electronic consent as envisaged by paragraph 1 of Schedule 6 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed and any direction or request by the holders of Notes of any Class or Classes;

II. the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 14.1 (*Actions, Proceedings and Indemnification*) and Schedule 1 (*Form of the Regulation S Global Note*) and Schedule 2 (*Form of the Rule 144A Global Notes*) to the Trust Deed and Condition 11 (*Events of Default*), Condition 12 (*Enforcement*) and Condition 13 (*Meetings of Noteholders and Certificateholders, Modification, Waiver and Substitution*);

III. any discretion, power or authority (whether contained in the trust presents or vested by operation of law) which the Security Trustee and/or the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders or any Class or Classes thereof; and

IV. the determination by the Note Trustee, whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class or Classes thereof,

those Notes or Certificates (1) comprising the Retained Interest which are for the time being held by or on behalf or for the benefit of the Retention Holder or any Affiliate thereof (each such entity a **Relevant Person**) and (2) any other Notes or Certificates for the time being held by or on behalf or for the benefit of a Relevant Person (unless such Relevant Person is separated by information barriers from the Retention Holder, Arranger or Lead Manager teams), shall, in each case (unless and until ceasing to be so held), be deemed not to remain outstanding, provided that where all of the Notes of any Class or all of the Certificates or any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case, such Classes of Notes or Certificates (the **Relevant Class of Notes** or the **Relevant Class of Certificates**, as applicable) shall be deemed to remain outstanding or in issue (as the case may be). The Retention Holder does not have voting or consent rights in respect of Notes and Certificates comprising the Retained Interest other than in respect of the Retained Interest Entrenched Rights;

(x) **Reconciliation Amount** means, in respect of any Collection Period, (A) the actual Principal Receipts as determined in accordance with the available Servicer Reports, less (B) the Calculated Principal Receipts in respect of such Collection Period, plus (C) any Reconciliation Amount not applied in previous Collection Periods;

(xi) **Reuters Screen SONIA Page** means Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA Page on that service for the purpose of displaying such information or, if that service ceases to display such information, such page as displays such information on such service as may replace such screen;

(xii) **Servicer Report** means a report to be provided by the Servicer no later than the 12th Business Day after the end of the relevant Collection Period in accordance with the terms of the Servicing Agreement;

(xiii) **Compounded Daily SONIA** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank as at the Interest Calculation Date in question, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SONIA}_{\text{i-5LBD}}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

Where:

d is the number of calendar days in the relevant Interest Period;

d_o is the number of London Banking Days in the relevant Interest Period;

i is a series of whole numbers from one to d_o, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period to, but excluding, the last London Banking Day in such Interest Period;

LBD means a London Banking Day;

London Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

n_i, for any day "i" means the number of calendar days from and including such day "i" up to but excluding the following London Banking Day; and

$\text{SONIA}_{\text{i-5LBD}}$ means, in respect of any London Banking Day falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling five Business Days prior to that Business Day "i";

(xiv) **SONIA Reference Rate** means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the administrator of SONIA to, and published by, authorised distributors of the rate as of 9.00 a.m. London time on the Reuters Screen SONIA Page or, if the Reuters Screen SONIA Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such Business Day).

If, in respect of any London Banking Day in the relevant Observation Period, the Agent Bank determines that the SONIA Reference Rate is not available on the Reuters Screen

SONIA Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (A) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; and

(xv) **Subsidiary** means any person (referred to as the first person) in respect of which another person (referred to as the second person):

(A) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or

(B) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or

(C) has the right to exercise (directly or indirectly) a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with, whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or

(D) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or

(E) has the power to exercise, or actually exercises (in either case, directly or indirectly) dominant influence or control over the first person; or

(F) together with the first person are managed on a unified basis,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries is a member of that other person or if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any subsidiary undertaking the shares of which (if any) are subject to a Security Interest and where the legal title to the shares so secured are registered in the name of the secured party or its nominee pursuant to such security.

6.4 Determination of Floating Rates of Interest and Floating Interest Amounts

(a) In relation to the Notes, the Agent Bank shall, as soon as practicable after 11.00 a.m. (London time) on the Interest Calculation Date falling in such Interest Period, but in no event later than the third Business Day thereafter, determine the Sterling amounts (the **Floating Interest Amount**) that would be payable in respect of interest on the Principal Amount Outstanding of each Class of the Notes for the relevant Interest Period if the Floating Rate of Interest applies to such Notes.

(b) The Floating Interest Amounts shall, in respect of a Class of Floating Rate Notes, be determined by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of such Class of Floating Rate Notes and multiplying the sum by the actual number of days in the Interest Period concerned divided by 365 and rounding the figure downwards to the nearest penny.

6.5 Publication of Floating Rates of Interest and Floating Interest Amounts

The Agent Bank shall cause the Floating Rate of Interest and the Floating Interest Amounts for each Class of Notes in respect of each Interest Period and each Interest Payment Date to be notified to the Issuer, the Cash Manager, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to any stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Condition 16 (*Notice to Noteholders*) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date. The Floating Interest Amounts and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

6.6 Notifications to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 by the Agent Bank will (in the absence of manifest error) be binding on the Issuer, the Note Trustee, the Agent Bank, the Registrar, the Paying Agents and all Noteholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Noteholders shall attach to the Cash Manager or the Agent Bank in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 6.

6.7 Agent Bank

The Issuer shall procure that, so long as any of the Notes remain outstanding, there is at all times an agent bank for the purposes of the Notes. The Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank and shall, in the event of the appointed office of any bank being unable or unwilling to continue to act as the agent bank or failing duly to determine the Floating Rate of Interest or the Floating Interest Amounts in respect of any Class of Notes for any Interest Period, subject to the prior written approval of the Note Trustee, appoint another major bank engaged in the relevant interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed on terms commercially acceptable in the market.

6.8 Determinations and Reconciliation

(a) In the event that the Cash Manager does not receive all three Servicer Reports to be delivered by the Servicer with respect to the three most recent Collection Periods (each such period, a **Determination Period**), then the Cash Manager may use the Servicer Reports in respect of the three most recent Collection Periods for which all relevant Servicer Reports are available (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in paragraph (b) below. When the Cash Manager receives the Servicer Reports relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in paragraph (b)(i) below. Any: (i) calculations properly made on the basis of such estimates in accordance with paragraph (b) and/or paragraph (b)(i) below; (ii) payments made under any of the Notes, Certificates and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such reconciliation calculations, each in accordance with paragraph (b) and/or paragraph (b)(i) below, shall be deemed to be made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.

(b) In respect of any Determination Period, the Cash Manager shall, on the Calculation Date immediately preceding the Determination Period:

(i) determine the Interest Determination Ratio (as defined above) by reference to the three most recent Collection Periods in respect of which all relevant Servicer Reports are available (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports);

(ii) calculate the Revenue Receipts for such Determination Period as the product of (A) the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the **Calculated Revenue Receipts**); and

(iii) calculate the Principal Receipts for such Determination Period as the product of (A) one minus the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the **Calculated Principal Receipts**).

(c) Following the end of any Determination Period, upon receipt by the Cash Manager of the Servicer Report in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with paragraph (b) above to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount as follows:

(i) if the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (A) the positive value of the Reconciliation Amount and (B) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger); and

(ii) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (A) the positive value of the Reconciliation Amount and (B) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Collection Period in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Note Trustee of such Reconciliation Amount.

7. PAYMENTS

7.1 Payment of Interest and Principal

Subject to Condition 3.1 (*Form and Denomination*), payments of any amount in respect of a Note, including principal and interest, shall be made by:

(a) (other than in the case of final redemption) Sterling cheque; or

(b) (other than in the case of final redemption) upon application by the relevant Noteholder to the specified office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London; and

(c) (in the case of final redemption) Sterling cheque upon surrender (or, in the case of part payment only, endorsement) of the relevant Global Note or Registered Definitive Notes (as the case may be) at the specified office of any Paying Agent.

7.2 Laws and Regulations

Payments of any amount in respect of a Note including principal and interest in respect of the Notes are subject, in all cases, to (a) any fiscal or other laws and regulations applicable thereto and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto (**FATCA**). Noteholders will not be charged commissions or expenses on payments.

7.3 Payment of Interest following a Failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 6.1 (*Accrual of Interest*) and Condition 6.3 (*Rate of Interest*) will be paid in accordance with this Condition 7.

7.4 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents, provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London and the Registrar with a specified office in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) and will notify the Rating Agencies of such change or addition.

7.5 No Payment on non-Business Day

If the date for payment of any amount in respect of a Note is not a Presentation Date, Noteholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to further interest or other payment in respect of such delay. In this Condition 7.5, the expression **Presentation Date** means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

7.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Note, the Registrar will, in respect of the relevant Note, annotate the Register indicating the amount and date of such payment.

7.7 Payment of Interest

If interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Presentation Date (as defined in Condition 7.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the Noteholder with Condition 7.1 (*Payment of Interest and Principal*)), then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given by the Issuer in accordance with Condition 16 (*Notice to Noteholders*).

8. REDEMPTION

8.1 Redemption at Maturity

Unless previously redeemed in full and cancelled as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding (together with accrued but unpaid interest (including any interest deferred in accordance with Condition 17 (*Subordination by Deferral*)) up to but excluding the date of redemption) on the Interest Payment Date falling in November 2050 (the **Final Redemption Date**).

8.2 Mandatory Redemption

(a) Prior to the service of an Enforcement Notice, each Class of Notes (other than the Class X Notes) shall be redeemed on each Interest Payment Date in an amount equal to the Available Principal Receipts available for such purpose in accordance with the Pre-Enforcement Principal Priority of Payments which shall be applied, following the payment of any Principal Addition Amount, in the following order of priority:

(i) to repay the Class A Notes until they are each redeemed in full; and thereafter to be applied

(ii) to repay the Class B Notes until they are each redeemed in full; and thereafter to be applied

(iii) to repay the Class C Notes until they are each redeemed in full; and thereafter to be applied

(iv) to repay the Class D Notes until they are each redeemed in full; and thereafter to be applied

(v) to repay the Class E Notes until they are each redeemed in full; and thereafter to be applied

(vi) to repay the Class F Notes until they are each redeemed in full; and thereafter to be applied

(vii) to repay the Class Z Notes until they are each redeemed in full; and thereafter to be applied

(viii) to repay the Class R Notes until they are each redeemed in full,

in each case, together with accrued but unpaid interest (including any interest deferred in accordance with Condition 17 (*Subordination by Deferral*)) up to but excluding the date of redemption.

(b) Prior to the service of an Enforcement Notice, the Class X Notes shall be redeemed on each Interest Payment Date in an amount equal to the Available Revenue Receipts available for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments, together with accrued but unpaid interest (including any interest deferred in accordance with Condition 17 (*Subordination by Deferral*)) up to but excluding the date of redemption.

(c) The principal amount to be redeemed in respect of a Class of Notes (the **Note Principal Payment**) in accordance with paragraphs (a) and (b) above on any Interest Payment Date prior to the service of an Enforcement Notice shall be the Available Principal Receipts (or, in the case of the Class X Notes, the Available Revenue Receipts) on such Interest Payment Date in accordance with the relevant Priority of Payments, as calculated on the Calculation Date immediately preceding such Interest Payment Date, divided by the amount of Notes in the relevant Class then outstanding. With respect to each Note on (or as soon as practicable after) each Calculation Date, the Issuer shall determine (or cause the Cash Manager to determine) (i) the amount of any Note Principal Payment due on the Interest Payment Date next following such Calculation Date, (ii) the Principal Amount Outstanding of each such Note and (iii) the fraction expressed as a decimal to the sixth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in paragraph (ii) above) and the denominator, in the case of the Notes, is the aggregate Principal Amount Outstanding on the Notes of the same class. Each determination by or on behalf of the Issuer of any principal repayment, the Principal Amount Outstanding of a Note and the Pool Factor shall, in each case (in the absence of manifest error), be final and binding on all persons.

(d) The Issuer will cause each determination of a principal repayment, Principal Amount Outstanding and Pool Factor to be notified by not less than two Business Days prior to the relevant Interest Payment Date to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on its Regulated Market) Euronext Dublin, and will immediately cause notice of each such determination to be given in accordance with Condition 16 (*Notice to Noteholders*) not later than two Business Days prior to the relevant Interest Payment Date. If no principal repayment is due to be made on the Notes on any Interest Payment Date a notice to this effect will be given to the holders of the Notes.

8.3 Optional Redemption for Taxation or Other Reasons

If:

(a) by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date, the Issuer or the Paying Agents would be required to deduct or withhold from any payment on any Notes or of a Certificate Payment Amount on any Certificates (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Notes or Certificates) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax; or

(b) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes or Certificates, then the Issuer shall, if the same would avoid the effect of such relevant event described in paragraph (a) or (b) above appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and the Trust Deed, provided that:

(i) the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the holders of the Notes of any Class (and in making such determination, the Note Trustee may rely absolutely, without investigation or inquiry, on (A) any confirmation made in writing from each of the Rating Agencies that the then current ratings of the Rated Notes would not be adversely affected by such substitution or (B) if no such confirmation from the Rating Agencies is forthcoming, the Servicer Facilitator on behalf of the Issuer has certified in writing to the Cash Manager, the Note Trustee and the Security Trustee that such proposed action (I) (while any Rated Notes remain outstanding) has been notified to the Rating Agencies, (II) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Notes, (III) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security and (IV) (while any of the Rated Notes remain outstanding) would not have an adverse effect on the rating of the Rated Notes (upon which confirmation or certificate the Note Trustee shall be entitled to rely absolutely without enquiry or liability to any person for so doing)); and

(ii) such substitution would not require registration of any new security under U.S. securities laws or materially increase the disclosure requirements under U.S. law.

(c) If the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described in paragraph (a) or (b) above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution, then the Issuer may, on any Interest Payment Date and having given not more than 60 nor less than five days' notice (or, in the case of an event described in paragraph (b) above, such shorter period expiring on or before the latest date permitted by relevant law) to the Note Trustee and holders of the Notes in accordance with Condition 16 (*Notice to Noteholders*), redeem all (but not some only) of the Notes at their respective Principal Amount Outstanding together with any interest accrued (and unpaid) thereon up to (but excluding) the date of redemption, provided that, prior to giving any such notice, the Issuer shall have provided to the Note Trustee:

(i) a certificate signed by two directors of the Issuer stating that (A) one or more of the circumstances referred to in paragraph (a) or (b) above prevail(s), (B) setting out details of such circumstances and (C) confirming that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution; and

(ii) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer or the Paying Agents has or will become obliged to deduct or withhold amounts as a result of such change.

The Note Trustee shall be entitled to accept and rely absolutely upon such certificate and opinion without any enquiry or liability as sufficient evidence of the satisfaction of the circumstances set out in paragraph (ii) immediately above, in which event they shall be conclusive and binding on each Class of the Notes.

Where the Issuer intends to redeem the Notes in accordance with this Condition 8.3, it shall give notice of such intention to the Portfolio Option Holder as soon as reasonably practicable and the Portfolio Option Holder shall be entitled to exercise the Portfolio Purchase Option in accordance with the terms thereof.

The Issuer may only redeem the Notes as described above if the Issuer has certified to the Note Trustee that it will have the necessary funds, not subject to the interest of any other person, required to redeem the Notes and cancel the Certificates as aforesaid and any amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Class Y Certificates then in issue in accordance with the Conditions, such certification to be provided by way of a certificate signed by two directors of the Issuer on which the Note Trustee shall be entitled to rely without any enquiry or liability. Such certification shall be conclusive and binding on the holders of Notes.

8.4 Mandatory Redemption in full pursuant to the exercise of the Portfolio Purchase Option

(a) On giving not more than 30 nor less than five days' notice to the holders of the Notes in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee, the Issuer shall, following the exercise of the Portfolio Purchase Option, redeem on the relevant Optional Redemption Date, all (but not some only) of the Notes on such Optional Redemption Date, provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Optional Redemption Date and to discharge all other amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Class Y Certificates then in issue (including an amount sufficient to reduce any debit balance of the MSA Warranty Claims Ledger to zero when applied in accordance with the Post-Enforcement Priority of Payments) (such certification to be provided by way of certificate signed by two directors of the Issuer), on which the Note Trustee shall be entitled to rely without any enquiry or liability.

(b) Any Note redeemed pursuant to paragraph (a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

Optional Redemption Date means the date of early redemption of the Notes following the exercise by the Portfolio Option Holder of the Portfolio Purchase Option:

(i) where the Issuer has given notice to the Portfolio Option Holder of its intention to redeem the Notes pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Note Trustee within 20 Business Days of receipt of such notice;

(ii) on the First Optional Redemption Date or any Interest Payment Date following the First Optional Redemption Date;

(iii) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) as of the immediately preceding Calculation Date is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Class R Notes and the Class X Notes) on the Closing Date; or

(iv) on any Interest Payment Date following the date on which the Retention Holder or the Seller (or any of their delegates) give notice of its intention to exercise the Risk Retention Regulatory Change Option.

8.5 Mandatory Redemption of the Notes following the exercise of a Risk Retention Regulatory Change Option

(a) On any Business Day, if a Risk Retention Regulatory Change Event occurs and the Retention Holder or the Seller (or any of their delegates) exercises the Risk Retention Regulatory Change Option, the Issuer will give not more than 40 nor less than five Business Days' notice to (i) the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) (subject to the Portfolio Option Holder's right to exercise the Portfolio Purchase Option in accordance with the terms thereof), (ii) the Note Trustee and (iii) the Notes will be redeemed on the Interest Payment Date immediately following the exercise of such option by the Retention Holder or the Seller (or any of their delegates), provided that the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Interest Payment Date and to discharge all other amounts required under the Post-Enforcement Priority of Payments to be paid in priority to the Class Y Certificates then in issue (including, for the avoidance of doubt, an amount sufficient to reduce any debit balance of the MSA Warranty Claims Ledger to zero when applied in accordance with the applicable Priority of Payments), such certification to be provided by way of certificate signed by two directors of the Issuer on which the Note Trustee shall be entitled to rely without any enquiry or liability.

(b) Any Note redeemed pursuant to paragraph (a) above will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to, but excluding, the relevant Interest Payment Date.

Risk Retention Regulatory Change Event means any change in or the adoption of any new law, rule, technical standards or regulations or any determination made by a relevant regulator, which:

(i) as a matter of law, has a binding effect on the Retention Holder or the Seller after the Closing Date and which would impose a positive obligation on any of them to subscribe for any additional Notes (other than the Notes issued on the Closing Date) in order to comply with the Risk Retention Undertaking or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Risk Retention Requirement (as determined by them, acting reasonably);

(ii) as a matter of law, in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer for purposes of the Risk Retention Requirements; and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Risk Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion; or

(iii) by virtue of the Retention Holder's obligation to comply with the EU Risk Retention Undertaking or the U.S. Credit Risk Retention Requirements, would, in respect of the

Retention Holder, have an analogous effect or result to those specified in paragraphs (i) and (ii) above.

EU Risk Retention Requirements means Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation not taking into account any relevant national measures).

Risk Retention Regulatory Change Option means the option of the Retention Holder to acquire all but not some of the Portfolio, following a Risk Retention Regulatory Change Event; provided that if the Retention Holder has not exercised the Risk Retention Regulatory Change Option, then the Seller may exercise the option to acquire all but not some of the Portfolio.

Risk Retention Requirements means Article 6(1) of the UK Securitisation Regulation, the EU Risk Retention Requirements and the U.S. Credit Risk Retention Requirement.

U.S. Credit Risk Retention Requirements means Section 15G of the U.S. Securities Exchange Act of 1934, as amended, and the final rules related which came into effect on 24 December 2016.

8.6 Principal Amount Outstanding

The **Principal Amount Outstanding** of each Class of Notes on any date shall be, in each case, their original principal amount, in respect of the Class A Notes of £504,292,000, in respect of the Class B Notes of £33,019,000, in respect of the Class C Notes of £19,511,000, in respect of the Class D Notes of £11,106,000, in respect of the Class E Notes of £12,607,000, in respect of the Class F Notes of £9,605,000, in respect of the Class Z Notes of £10,205,000, in respect of the Class R Notes of £7,189,000 and in respect of the Class X Notes of £9,005,000, in each case less the aggregate amount of all principal payments in respect of such Class of Notes which have been made since the Closing Date.

8.7 Notice of Redemption

Any such notice as is referred to in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above. Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) may be relied on by the Note Trustee absolutely and without enquiry or liability and, if so relied on, shall be conclusive and binding on the Noteholders.

8.8 No Purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

8.9 Cancellation on redemption in full

All Notes redeemed in full will be cancelled upon redemption. Notes cancelled upon redemption in full may not be resold or reissued.

9. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imposts, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, subject to Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*), the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

10. PRESCRIPTION

Claims in respect of principal and interest on the Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this Condition 10, the **Relevant Date**, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

11. EVENTS OF DEFAULT

11.1 Notes

The Note Trustee at its absolute discretion may, and if so directed in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class shall (subject to being indemnified and/or pre-funded and/or secured to its satisfaction as more particularly described in the Trust Deed) serve a notice (an **Enforcement Notice**) on the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued (but unpaid) interest as provided in the Trust Deed (with a copy of such Enforcement Notice being sent simultaneously to the Security Trustee, the Servicer Facilitator, Servicer Administrator, the Issuer Account Bank, the Servicer and the Cash Manager), if any of the following events (each, an **Event of Default**) occur:

(a) if default is made in the payment of any principal or interest due in respect of the Most Senior Class then outstanding or, to the extent it is not the Most Senior Class then outstanding, the Class B Notes and the default continues for a period of (i) seven Business Days in the case of principal or (ii) 14 Business Days in the case of interest; or

(b) if default is made in the payment of interest or principal on any Class of Notes or in the payment of any amounts due in respect of the Certificates on the Final Redemption Date (or any other date on which the Notes are due to be redeemed in full); or

(c) if the Issuer fails to perform or observe any of its other obligations under these Conditions, the Certificate Conditions or any Transaction Document to which it is a party which, in the opinion of the Note Trustee, is materially prejudicial to the interests of the holders of the Most Senior Class and the failure continues for a period of 30 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(d) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which, in the opinion of the Note Trustee, is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(e) if any order is made by any competent court or any resolution is passed for the winding-up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Most Senior Class of Notes; or

(f) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Most Senior Class of Notes, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or (iii) is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or

(g) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with the court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the Issuer, is not discharged within 30 days; or

(h) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

11.2 General

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Condition 11.1 (*Notes*), all the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued interest as provided in the Trust Deed.

12. ENFORCEMENT

12.1 General

The Note Trustee may, at any time, at its discretion and without notice, take (or direct the Security Trustee to take) such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Certificates or the Trust Deed (including these Conditions or the Certificate Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

(a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding or directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Notes and/or Certificates of the Most Senior Class; and

(b) in all cases, it shall have been indemnified and/or pre-funded and/or secured to its satisfaction.

12.2 Preservation of Assets

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a pro rata and *pari passu* basis of all amounts owing to the holders of the Notes and the Certificates (and all persons ranking in priority to the holders of the Notes and the Certificates) or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee at the expense of the Issuer for the purpose of giving such advice), that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and the Certificateholders (and all persons ranking in priority to the Noteholders and the Certificateholders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and the Certificateholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to in this Condition 12.2 without enquiry and shall incur no liability to any person for so doing.

12.3 Limitations on Enforcement

No Noteholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the Conditions or any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless (i) the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a 60-day period and such failure shall be continuing or (ii) the Note Trustee or, as the case may be, the Security Trustee is unable to do so and such inability is continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer. Any proceeds received by a Noteholder pursuant to any such proceedings shall be paid to the Note Trustee promptly following receipt thereof for application pursuant to the applicable Priority of Payment.

12.4 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders are limited in recourse to the property, assets and undertakings of the Issuer which are the subject of any security created under and pursuant to the Deed of Charge (the **Charged Assets**). If:

(a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;

(b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and

(c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes,

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain due or to be paid in respect of the Notes (including, for the avoidance of doubt, payments of principal, premium (if any) or interest in respect of the Notes) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Notes and any further payment rights shall be extinguished.

13. MEETINGS OF NOTEHOLDERS AND CERTIFICATEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

13.1 General

(a) The Trust Deed contains provisions for convening meetings of the Noteholders and/or Certificateholders of each Class and, in certain cases, more than one Class to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions or the provisions of any of the Transaction Documents.

(b) The Trust Deed also provides that, notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made):

(i) which in the opinion of the Note Trustee constitutes a Basic Terms Modification in respect of the Class Y Certificates or which:

(A) changes the Class Y Certificateholders' rights under the Interim Legal Title Holders Deed, any Long-Term Servicing and Legal Title Holder Deed and the Servicing Agreement;

(B) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll;

(C) changes the definition of "Class Y Certificates Entrenched Rights"; or

(D) is adverse to the holders of the Class Y Certificates (the **Class Y Certificateholders**) (and whether or not the interests of that Class Y Certificateholder align with the interests of the holders of the relevant Class or Classes of Notes and/or Certificates),

(paragraphs (A) to (D) above being the **Class Y Certificates Entrenched Rights**), unless each of the Class Y Certificateholders have consented in writing to such modification or waiver;

(ii) which in the opinion of the Note Trustee affects a Class X Certificates Entrenched Right, being a modification or waiver which changes:

(A) the date of payment of amounts due in respect of the Class X Certificates;

(B) the method of calculating the amounts payable in respect of the Class X Certificates;

(C) the priority of payments of amounts in respect of the Class X Certificates; or

(D) the definition of "Class X Certificates Entrenched Rights",

(paragraphs (A) to (D) above being the **Class X Certificates Entrenched Rights**, unless the Class X Certificateholders have consented in writing to such modification or waiver); or

(iii) which is adverse to the holder of the Retained Interest where a corresponding modification or waiver is not made which affects all Noteholders of the relevant Class (the **Retained Interest Entrenched Rights**), unless the Retention Holder has consented in writing to such modification or waiver.

(c) For the purposes of these Conditions, **Most Senior Class** means:

(i) the Class A Notes or, if there are no Class A Notes then outstanding;

(ii) the Class B Notes or, if there are no Class A Notes or Class B Notes then outstanding;

(iii) the Class C Notes or, if there are no Class A Notes, Class B Notes or Class C Notes then outstanding;

(iv) the Class D Notes or, if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding;

(v) 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;

(vi) 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;

(vii) 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 or Class Z Notes then outstanding;

(viii) the Class R 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 Z Notes or Class R Notes then outstanding;

(ix) the Class X 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 Z Notes, Class R Notes or Class X Notes then outstanding; and

(x) the Class Y Certificates, (the Class X Certificates shall not at any time constitute the Most Senior Class).

13.2 Most Senior Class, Limitations on other Noteholders

(a) Other than in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of the holders of each affected Class of Notes and/or Certificates (other than the Class X Certificates unless the matter is also a Class X Certificates Entrenched Right) then outstanding or in issue, as applicable (unless the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the relevant affected Class or Classes of Notes and/or Certificates, as applicable) and other than where an Extraordinary Resolution is required under Condition 13.6 or the consent of the Retention Holder, the Class Y Certificateholders or the Class X Certificateholders is required (as described below):

(i) an Extraordinary Resolution of the holders of the Most Senior Class shall be binding on such Noteholders and/or Certificateholders and all other Classes of Noteholders and Certificateholders irrespective of the effect it has upon them;

(ii) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on such Class of Noteholders or Certificateholders ranking junior to such Class of Noteholders or Certificateholders in the Post-Enforcement Priority of Payments, irrespective of the effect it has upon them;

(iii) no Extraordinary Resolution of any Class of Noteholders or Certificateholders shall take effect for any purpose unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class;

(iv) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Class Y Certificateholders other than any resolution in respect of Class Y Certificates Entrenched Rights which shall only be binding on the Class Y Certificateholders if the relevant Class Y Certificateholders have consented to such modification or waiver;

(v) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Class X Certificateholders other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholders if the Class X Certificateholders have consented to such modification or waiver; and

(vi) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented to such modification or waiver.

(b) No Extraordinary Resolution of the holders of a Class of Notes and/or a Class of Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Class of Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of each affected Class of Certificates then in issue which are affected by such Basic Terms Modification (other than the Class X Certificateholders unless the matter is also a Class X Certificates Entrenched Right), or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of those affected Class or Classes of Notes then outstanding and/or the holders of the affected Class or Classes of Certificates (if applicable).

(c) No Ordinary Resolution that is passed by the holders of the Notes shall take effect for any purpose while any of the Notes remain outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

(d) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Class Y Certificateholders other than any resolution in respect of Class Y Certificates Entrenched Rights which shall only be binding on the Class Y Certificateholders if the relevant Class Y Certificateholders have consented to such modification or waiver.

(e) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Class X Certificateholders other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholders if the Class X Certificateholders have consented to such modification or waiver.

(f) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented to such modification or waiver.

13.3 Quorum

(a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes or Certificateholders of any Class or Classes of Certificates for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable.

(b) Subject as provided below, the quorum at any meeting of Noteholders and/or Certificateholders of any Class of any Notes or Certificates for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes and/or Certificates then outstanding or in issue, as applicable.

(c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class of Notes or holders of any Class of Certificates for passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of any Class of the Notes or Certificates, (ii) sanction a modification of the date of payment of principal or interest or amounts due in respect of any Class of the Notes or Certificates, (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of any Class of the Notes or, where applicable, of the method of calculating the amount of any principal or interest payable in respect of any Class of the Notes, or of the method of calculating the amounts payable in respect of any Class of the Certificates, (iv) alter the currency in which payments under any Class of the Notes or Class of the Certificates are to be made, (v) alter the quorum or majority required in relation to a resolution or a meeting of holders of any Class of the Notes or Class of the Certificates, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of the Notes or Class of the Certificates, (vii) alter the priority of payment of interest or principal in respect of any Class of the Notes or amounts in respect of any Class of Certificates and (viii) change the definition of a Basic Terms Modification, **provided that** any amendment made in accordance with Condition 13.6 or Certificate Condition 12.6 shall not constitute a Basic Terms Modification (each a **Basic Terms Modification**), shall be one or more persons holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable. For the avoidance of doubt, a proposal to sanction a reduction in the principal amounts due on a Class of Notes and/or any Class X Certificate Payments and/or the Class Y Certificate Payment shall require the sanction of the holders of the relevant Class of Notes or Class of Certificates to be so reduced, and shall not require the consent of other Classes of Notes or Class of Certificates.

(d) The quorum at any adjourned meeting will be:

(i) for an Ordinary Resolution, one or more persons present and holding or representing not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable;

(ii) subject as provided below, for an Extraordinary Resolution, one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable; and

(iii) for a Basic Terms Modification, one or more persons present and holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable.

13.4 The Note Trustee may or, in the case of paragraphs (a) and (c)below shall, at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree (and direct the Security Trustee to agree) with the Issuer and any other parties in making or sanctioning any modification (other than in respect of a Basic Terms Modification, Class Y Certificates Entrenched Right, Class X Certificates Entrenched Right or Retained Interest Entrenched Right):

(a) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document, which, in the opinion of the Note Trustee, will not be materially prejudicial to the interests of the Noteholders of any Class or the interests of the Certificateholders of any Class, or the Note Trustee or the Security Trustee; or

(b) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if, in the opinion of the Note Trustee, such modification is of a formal, minor or technical nature or to correct a manifest error; or

(c) that would result in the Issuer entering into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank or Interim Period Collection Account Bank are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents)) in order to maintain the ratings of the Notes at their then current ratings; or

(d) that is required to effect the appointment of a Successor Servicer (including, but not limited to, the Issuer entering into any new and/or amended servicing agreement and/or collection account declaration of trust), provided that the conditions to the appointment of that Successor Servicer set out in the Servicing Agreement are satisfied,

and provided that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment (including, for the avoidance of doubt, any new appointment made thereunder) which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (i) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

13.5 The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach or Event of Default, from time to time and at any time, but only if and in so far as in the sole opinion of the Note Trustee (acting in accordance with the Trust Deed) the interests of the Noteholders of any Class or the Certificateholders of any Class will not be materially prejudiced thereby, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any of the Transaction Documents by any party thereto or determine that any Event of Default shall not be treated as such, provided that the Note Trustee shall not exercise any powers conferred on it by this Condition 13.5 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Condition 11 (*Events of Default*) but so that no such direction shall affect any waiver, authorisation or determination previously given or made.

13.6 The Note Trustee with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) shall, without the consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Creditors, concur (and direct the Security Trustee to concur) with the Issuer in making any modifications (other than in respect of a Basic Terms Modification or a Class Y Certificates Entrenched Right, a Class X Certificates Entrenched Right or a Retained Interest Entrenched Right) to the Transaction Documents and/or the Conditions of the Notes and/or Certificate Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer (or, where applicable, any other transaction parties) to:

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

(b) (i) comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the

UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date (including the appointment of a third party assist with the Issuer's reporting obligations in relation thereto); or (ii) comply with any changes in the requirements of the U.S. Credit Risk Retention Requirements, including as a result of any other U.S. risk retention legislation, regulations or official guidance in relation thereto, in each case applying in respect of the Transaction;

(c) enable the Notes to be (or to remain) listed and admitted to trading on Euronext Dublin;

(d) enable the Issuer or any of the other transaction parties to comply with FATCA, the CRS and/or any equivalent tax reporting and/or withholding tax regime;

(e) comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto;

(f) comply with the provisions of Rule 17g-5 of the Exchange Act; and

(g) to change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner), (any such rate, which may include an alternative screen rate, an **Alternative Base Rate**) and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer (or the Seller on its behalf) to facilitate such change (a **Base Rate Modification**), provided that the Issuer (or the Seller on its behalf) provides a certificate to the Paying Agents, the Registrar, the Agent Bank, the Note Trustee and the Security Trustee certifying (such certificate, a **Base Rate Modification Certificate**) that:

(i) such Base Rate Modification is being undertaken due to:

I. an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;

II. a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;

III. the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);

IV. a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);

V. a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

VI. a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or

VII. the reasonable expectation of the Issuer that any of the events specified in paragraphs (I) to (VI) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

(ii) such Alternative Base Rate is:

I. a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

II. a base rate utilised in a material number of publicly listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification; or

III. such other base rate as the Issuer reasonably determines (to preserve, so far as reasonably and commercially practicable, what would have been the expected Floating Rate of Interest applicable to the Class A Notes) or which is proposed by any holder of the Most Senior Class of Notes then outstanding or the Class Y Certificates then in issue.

The Paying Agents, the Registrar, the Agent Bank, the Note Trustee and the Security Trustee shall be entitled to rely on a Base Rate Modification Certificate absolutely without liability and enquiry.

For the avoidance of doubt, the Issuer (or the Seller on its behalf) may propose an Alternative Base Rate on more than one occasion, provided that the conditions set out in this paragraph (g) are satisfied,

(each a **Proposed Amendment)** and subject to:

(A) receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely absolutely without liability or enquiry) issued by the Issuer signed by two directors of the Issuer (or the Seller on its behalf, signed by two directors of the Seller) certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect, and in the case of a Proposed Amendment under paragraph (a) above shall include a memorandum addressed to the Note Trustee and the Security Trustee for the benefit of Noteholders, by a reputable law firm confirming that the Proposed Amendment seeks to address the non-compliance set out in paragraph (a) above and each of the Note Trustee and the Security Trustee shall be entitled to rely on such certificate and memorandum without enquiry or liability; and

(B) the Issuer (or the Seller on its behalf) certifying in writing to the Note Trustee and the Security Trustee (upon which certificate the Note Trustee and the Security Trustee may rely absolutely and without liability or enquiry) that:

I. the Issuer has provided at least 30 calendar days' notice to the Noteholders and Certificateholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes and Certificates; and

II. Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or the Class Y Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or the Class Y Certificates may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or the Class Y Certificates then in issue have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which such Notes or Class Y Certificates may be held within the notification period referred to above that they object to the proposed modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding and/or of the Class Y Certificates then in issue, as applicable, is passed in favour of such modification in accordance with the Trust Deed.

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

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Condition 13.6 which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

(C) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or

(D) increasing the obligations or duties, or decreasing the protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents and/or the Conditions.

Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any Proposed Amendment pursuant to this Condition 13.6, the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders or any other Secured Creditor (other than itself (and the Security Trustee) as provided above) or any other person and each of the Note Trustee and the Security Trustee and shall be entitled to rely, without investigation, on any certificate or legal memorandum provided to it by the Issuer pursuant to this Condition 13.6 as evidence that the Proposed Amendments are made solely for the purpose of enabling the Issuer to satisfy any such obligation applicable to it, and have been drafted solely to such effect and shall not be liable to any Noteholder, Certificateholder or other Secured Creditor for so acting or relying irrespective of whether any such modification is or may be materially prejudicial to the interests of the Noteholders of any Class, the Certificateholders of any Class or any other Secured Creditor or any other person.

Only modifications which comply with this Condition 13.6 may be made pursuant to this Condition 13.6. Any other modifications may only be made pursuant to Condition 13.4 or Condition 13.10 and Clause 25 and Schedule 6 of the Trust Deed.

13.7 The Note Trustee shall at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (including, for the avoidance of doubt, the Trust Deed) (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document (including, for the avoidance of doubt, the Trust Deed)) but without the consent or sanction of the Noteholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification (other than in respect of a Basic Terms Modification, a Class X Certificates Entrenched Right, a Class Y Certificates Entrenched Right or a Retained Interest Entrenched Right) (and direct the Security Trustee to agree with the Issuer) to any Transaction Documents or enter into any Long-Term Servicing and Legal Title Holder Deed or any document which shall be required for the purposes of giving effect to Transfer of Legal Title pursuant to the terms of Interim Legal Title Holders Deed.

13.8 Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with these Conditions, Certificate Conditions or Transaction Documents shall be binding on the Noteholders and, unless the Note Trustee, or as the case may be, the Security Trustee (as directed by the Note Trustee) agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16 (*Notice to Noteholders*).

13.9 Any modification to the Transaction Documents and the Conditions shall be notified by the Issuer in writing to the Rating Agencies.

13.10 In connection with any such substitution of principal debtor referred to in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) or Condition 13.20 (*Issuer Substitution Condition*), the Note Trustee may agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors, to a change of the laws governing the Notes, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders of any Class or the Certificateholders of any Class.

13.11 In determining whether a proposed action will not be materially prejudicial to the interests of the Noteholders of any Class or Certificateholders of any Class thereof, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Rated Notes. It is agreed and acknowledged by the Note Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders and/or the Certificateholders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Rated Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee that this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders, the Certificateholders or any other person, or create any legal relations between each of the Rating Agencies and the Note Trustee, the Noteholders, the Certificateholders or any other person, whether by way of contract or otherwise.

13.12 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee (acting on the instructions of the Note Trustee) is required to have regard to the interests of the Noteholders of any Class or Certificateholders of any Class or Classes, it shall (a) have regard (except as expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) to the general interests of the Noteholders or Certificateholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholder or Certificateholder be entitled to claim, from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Certificateholders and (b) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes and Class of Certificates (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Notes and/or Class of Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class X Certificates, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Class X Certificates Entrenched Rights).

13.13 **Ordinary Resolution** means, in respect of the holders of any Class of Notes and/or Certificates:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed, these Conditions and the Certificate Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Class of Certificates held by such Eligible Persons);

(b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders holding a clear majority of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant class of Noteholders and/or Certificateholders of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes or Certificates.

13.14 **Extraordinary Resolution** means, in respect of the holders of any of Class of Notes and/or Certificates:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed, these Conditions and the Certificate Conditions by at least 75 per cent. of Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Class of Certificates held by such Eligible Persons);

(b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders of at least 75 per cent. in aggregate Principal Amount Outstanding of the Notes and/or Certificates which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant class of Noteholders and/or Certificateholders of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding of at least 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes and/or the Certificates.

Details of any Extraordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Issuer.

13.15 **Eligible Person** means any one of the following persons who shall be entitled to attend and vote at a meeting:

(a) a bearer of any Voting Certificate; and

(b) a proxy specified in any Block Voting Instruction.

13.16 **Voting Certificate** means an English language certificate issued by a Paying Agent in which it is stated:

(a) that on the date thereof the Notes and/or Certificates (not being the Notes and/or Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes and/or Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Voting Certificate; and

(ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and

(b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Certificates represented by such Voting Certificate.

13.17 **Block Voting Instruction** means an English language document issued by a Paying Agent in which:

(a) it is certified that on the date thereof Notes and/or Certificates (not being Notes and/or Certificates (as applicable) in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes and/or such Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Block Voting Instruction; and

(ii) the Notes and/or the Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;

(b) it is certified that each holder of such Notes and/or such Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes and/or the Certificates so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion thereof, neither revocable nor capable of amendment;

(c) the aggregate principal amount or aggregate total amount of the Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(d) one or more persons named in such Block Voting Instruction (each hereinafter called a **proxy**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates so listed in accordance with the instructions referred to in paragraph (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:

(i) whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting; and

(ii) who was originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the meeting when it is resumed.

13.18 Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Principal Paying Agent on behalf of the Issuer.

13.19 The Certificates will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, and the provisions concerning the giving of directions in writing to the Note Trustee or the Security Trustee, set out in the Conditions, the Certificate Conditions, the Deed of Charge and the Trust Deed any reference to the Principal Amount Outstanding of the Class X1 Certificates, the Class X2 Certificates and the Class Y Certificates shall be deemed to be £10,000,000 in respect of each Class of Certificate.

13.20 Issuer Substitution Condition

The Note Trustee may agree, subject to such amendment of these Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Certificates and any other Transaction Document and in respect of the other secured obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Notes are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Condition 5 (*Covenants and Undertakings*). In the case of a substitution pursuant to this Condition 13.20, the Note Trustee may in its absolute discretion agree, without the consent of the Noteholders, to a change in law governing the Notes, the Certificates and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders of any Class and the Certificateholders of any Class.

14. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or pre-funded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

15. REPLACEMENT OF NOTES

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange requirements. Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a new one will be issued.

16. NOTICE TO NOTEHOLDERS

16.1 Publication of Notice

(a) Subject to paragraph (d) below, any notice to Noteholders shall be validly given if published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee and notified to Noteholders (in each case a **Relevant Screen**) or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen) publication is required.

(b) In respect of Notes in definitive form, notices to Noteholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any notice sent by email shall be deemed to have been given at the time of dispatch, provided that in the case of a notice given by email a confirmation of receipt is received by the sending party and any such notice given by post will be deemed to have been given on the fourth day after the date of posting.

(c) While the Notes are represented by Global Note, notices to Noteholders will be valid if published as described above or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg, for communication by them to Noteholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day such notice is sent to Euroclear and/or Clearstream, Luxembourg.

(d) So long as the relevant Notes are admitted to trading on, and listed on the official list of, Euronext Dublin, all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin.

16.2 Note Trustee's Discretion to Select Alternative Method

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

17. SUBORDINATION BY DEFERRAL

17.1 Interest

If on any Interest Payment Date the Issuer has insufficient funds to make payment in full of all amounts of interest (which shall, for the purposes of this Condition 17, include any interest previously deferred under this Condition 17.1 and accrued interest thereon) payable in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Class X Notes after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of interest (such interest, the **Deferred Interest**) to the extent only of any insufficiency of funds. The Issuer shall not be entitled to defer amounts of interest payable in respect of the Class A Notes or the Class B Notes or the Most Senior Class of Notes.

17.2 General

Any amounts of Deferred Interest in respect of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes shall accrue interest at the relevant Rate of Interest (**Additional Interest**). Such Deferred Interest and Additional Interest shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that Condition 17.1 (*Interest*) applies) or on such earlier date as the relevant Class C Notes, Class D Notes, Class E Notes, Class F Notes and/or Class X Notes become due and repayable in full in accordance with these Conditions.

17.3 Notification

As soon as practicable after becoming aware that any part of a payment of interest on a Class of Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 17, the Issuer will give notice thereof to the relevant Class of Noteholders, as appropriate, in accordance with Condition 16 (*Notice to Noteholders*). Any deferral of interest in accordance with this Condition 17 will not constitute an Event of Default. The provisions of this Condition 17 shall cease to apply on the Final Redemption Date, or any earlier date on which the Notes are redeemed in full or are required to be redeemed in full, at which time all deferred interest and accrued interest thereon shall become due and payable.

18. NON-RESPONSIVE RATING AGENCY

(a) In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Rated Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled, but not obliged, to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a **Rating Agency Confirmation**).

(b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:

 (i) (A) one or more Rating Agencies (each such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy, provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and

 (ii) the Issuer has otherwise received no indication from that Rating Agency that its then current ratings of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such action, step or matter,

then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from a Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that (A) a written request for such Rating Agency Confirmation has been delivered to each Rating Agency by or on behalf of the Issuer and (B) each of the events in paragraphs (i)(A) or (B) and (ii) above has occurred and the Note Trustee and the Security Trustee shall be entitled to rely absolutely on such certificate without enquiry or liability.

19. JURISDICTION AND GOVERNING LAW

(a) Unless specifically stated to the contrary, the Courts of England (the **Courts**) are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Certificates and/or the Transaction Documents may be brought in such Courts.

(b) The Transaction Documents, the Notes, the Certificates and these Conditions (and any non-contractual obligations arising out of or in connection with them) are, unless specifically stated to the contrary, governed by, and shall be construed in accordance with, English law. The Scottish Declaration of Trust, the Scottish Supplemental Charge and certain provisions in the Transaction Documents relating to property situated in Scotland and all non-contractual obligations arising out of or in connection with them are governed by Scots law.

20. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).

1. GENERAL

The Class X1 Certificates (the **Class X1 Certificates**), the Class X2 Certificates (the **Class X2 Certificates**, and together with the Class X1 Certificates, the **Class X Certificates**) and the Class Y Certificates (the **Class Y Certificates**, and together with the Class X Certificates, the **Certificates**) of Avon Finance No. 3 PLC (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) entered into on 25 August 2023 (the **Closing Date**) and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee (in such capacity, the **Note Trustee**) for the registered holders for the time being of the Certificates (the **Certificateholders**). Any reference in these certificates terms and conditions (the **Certificate Conditions**) to a **Class** of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z Notes, the Class R Notes or the Class X Notes, as the case may be, or to the respective holders thereof. Any reference in these Certificate Conditions to a **Class** of the Class X Certificates or the Class Y Certificates or the Class X Certificateholders or the Class Y Certificateholders shall be a reference to the Class X Certificates or to the holders thereof or the Class Y Certificates or the holders thereof. Any reference to the **Rated Notes** shall be a reference 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 X Notes. Any reference to **Notes** shall be a reference to the Rated Notes, Class Z Notes and the Class R Notes. The security for the Certificates is constituted by a deed of charge and assignment (the **Deed of Charge**) entered into on the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Secured Creditors (in such capacity, the **Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) entered into on the Closing Date in connection with the issuance of the Notes and made between, among others, the Issuer, the Note Trustee, Elavon Financial Services DAC, UK Branch as principal paying agent (in such capacity, the **Principal Paying Agent** and, together with any further or other paying agent appointed under the Agency Agreement, the **Paying Agent**), Elavon Financial Services DAC, UK Branch as registrar (in such capacity, the **Registrar**) and Elavon Financial Services DAC, UK Branch as agent bank (in such capacity, the **Agent Bank**), provision is made for, *inter alia*, the payment of amounts in respect of the Certificates.

The statements in these Certificate Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a master definitions and construction schedule (the **Master Definitions and Construction Schedule**) entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date in connection with the issuance of the Notes and the other Transaction Documents (as defined therein).

Physical copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of the Paying Agent. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

2. INTERPRETATION

2.1 Definitions

Capitalised terms not otherwise defined in these Certificate Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

2.2 Interpretation

These Certificate Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

3. FORM, DENOMINATION AND TITLE

3.1 Form and Denomination

Each Certificate will initially be represented by a global certificate in registered form (a **Global Certificate**).

For so long as any of the Certificates are represented by a Global Certificate, transfers and exchanges of beneficial interests in such Global Certificate and entitlement to payments thereunder will be effected subject to, and in accordance with, the rules and procedures from time to time of Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, *S.A.* (**Clearstream, Luxembourg**), as appropriate. The Global Certificate will be deposited with and registered in the name of a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg.

A Global Certificate will be exchanged for the relevant Certificate in definitive registered form (such exchanged Global Certificate in definitive registered form, the **Definitive Certificates**) only if either of the following applies:

(a) both Euroclear and Clearstream, Luxembourg:

  (i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise); or

  (ii) announce an intention permanently to cease business or to cease to make their book-entry systems available for settlement of beneficial interests in the Global Certificate and in fact do either of those things,

  and in either case, no alternative clearing system satisfactory to the Note Trustee is available; or

(b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which become effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Certificates which would not be required were the relevant Certificates in definitive registered form.

If Definitive Certificates are issued in respect of Certificates originally represented by a Global Certificate, the beneficial interests represented by such Global Certificate shall be exchanged by the Issuer for the relevant Certificates in registered definitive form.

Definitive Certificates will be serially numbered and will be issued in registered form only.

References to **Certificates** in these Certificate Conditions shall include the Global Certificate and the Definitive Certificates.

The Class Y Certificates are divisible by 10,000,000 and can be transferred in integrals of 1.

The Class X1 Certificates are divisible by 10,000,000 and can be transferred in integrals of 1.

The Class X2 Certificates are divisible by 10,000,000 and can be transferred in integrals of 1.

3.2 Title

Title to the Global Certificate shall pass by and upon registration in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Certificate may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Certificate regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Title to Definitive Certificates shall only pass by and upon registration of the transfer in the Register.

Definitive Certificates may be transferred upon the surrender of the relevant Definitive Certificate, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. All transfers of Definitive Certificates are subject to any restrictions on transfer set out on the Definitive Certificates and the detailed regulations concerning transfers in the Agency Agreement.

Each new Definitive Certificate to be issued upon transfer of such Definitive Certificate will, within five Business Days of receipt and surrender of such Definitive Certificate (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Definitive Certificate to such address as may be specified in the relevant form of transfer.

Registration of a Definitive Certificate on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

4. STATUS AND SECURITY

4.1 Status of the Certificates

(a) The Certificates constitute direct, secured and (subject to the limited recourse provision in Certificate Condition 11.4 (*Limited Recourse*)) unconditional obligations of the Issuer.

(b) The Class X1 Certificate Payments and the Class X2 Certificate Payments rank pro rata and *pari passu* with the payment of interest on the Class A Notes as provided in these Certificate Conditions and the Transaction Documents.

(c) The Class Y Certificate Payment ranks pro rata and *pari passu* without preference or priority among themselves in relation to payment of the Class Y Certificate Payments at all times, but subordinate to items (a) to (x) of the Pre-Enforcement Revenue Priority of Payments and subordinate to items (a) to (p) of the Post-Enforcement Priority of Payments, as provided in these Certificate Conditions and the Transaction Documents.

(d) The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of the holders of each Class of Notes and each Class of Certificates equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Notes and/or Classes of Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class of Notes and/or Certificates ranking in priority to the other relevant Classes of Notes and/or Certificates in the Post-Enforcement Priority of Payments (other than in respect of the Class X Certificates, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only to the Class X Certificates Entrenched Rights).

(e) The Trust Deed and the Deed of Charge also contain provisions limiting the powers of any Class of Noteholders or Class of Certificateholders to pass an effective Extraordinary Resolution (and at all times to have regard to and subject always to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) according to the effect thereof on the interests of the holders of the Class or Classes of Notes and/or Certificates ranking in priority thereto. Except in certain circumstances described in Certificate Condition 12 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*), the Trust Deed and the Deed of Charge contain no such limitation on the powers of the holders of the Most Senior Class, the exercise of which will be binding (save in respect of a Basic Terms Modification, the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) on the holders of all other Classes of Notes and all other Classes of Certificates, in each case irrespective of the effect thereof on their respective interests.

(f) Subject to the Retained Interest Entrenched Right the Retention Holder will not be entitled to convene, count in the quorum or pass resolutions (including Extraordinary Resolutions and Ordinary Resolutions) in respect of any Notes or Certificates comprising the Retained Interest. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Retention Holder (other than any resolutions in respect of a Retained Interest Entrenched Right unless the Retention Holder has consented) if passed in accordance with the Conditions.

(g) The Class X Certificateholders shall only be entitled to convene meetings of the Class X Certificateholders and/or pass resolutions in respect of the Class X Certificates in relation to matters affecting a Class X Certificates Entrenched Right. Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class X Certificateholders (other than in respect of a Class X Certificates Entrenched Right unless the Class X Certificateholders have consented) if passed in accordance with the Conditions.

(h) Any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding on the Class Y Certificateholders (save in respect of a Basic Terms Modification and any resolution which affects a Class Y Certificates Entrenched Right) if passed in accordance with the Conditions.

As long as any Notes or Certificates are outstanding, but subject to Certificate Condition 12.4, the Note Trustee and the Security Trustee shall not have regard to the interests of the other Secured Creditors.

4.2 Security

(a) The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Noteholders, Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.

(b) The Noteholders, the Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

5. COVENANTS AND UNDERTAKINGS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of these Certificate Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Certificate remains outstanding:

(a) **Negative pledge**: create or permit to subsist any encumbrance (unless arising by operation of law) or other Security Interest whatsoever over any of its assets or undertakings;

(b) **Restrictions on activities**: (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;

(c) **Corporation tax**: prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the TSC Regulations;

(d) **Disposal of assets**: assign, transfer, sell, lend, lease, part with or otherwise dispose of, declare any trust over or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;

(e) **Equitable and beneficial interest**: permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(f) **Dividends or distributions by the Issuer**: pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the applicable Priority of Payments which are available for distribution in accordance with the Issuer's memorandum and articles of association and with applicable laws or issue any further shares;

(g) **Indebtedness**: incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;

(h) **Merger**: consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(i) **No modification or waiver**: permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the Security Interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed or waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

(j) **Bank accounts**: have an interest in any bank account other than the Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

(k) **Purchase Notes or Certificates**: purchase or otherwise acquire any Notes or Certificates;

(l) **U.S. activities**: engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles; or

(m) **VAT**: apply to become part of any group with any other company or group of companies for the purposes of Sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931), or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

6. CERTIFICATE PAYMENTS

6.1 Right to Certificate Payments

Each Certificate represents a pro rata entitlement of the Certificateholder to receive the relevant Certificate Payments by way of deferred consideration for the purchase by the Issuer of the Portfolio on the Closing Date.

A Certificate Payment shall be payable in respect of the Certificates on each Interest Payment Date.

Affiliate means, in relation to any person: (A) a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company; or (B) any other person that controls, is controlled by, or is under common control with, such person including any Branch.

Certificate Payment means the Class X Certificate Payments and the Class Y Certificate Payment as applicable.

Certificate Payment Amount means, for a Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the Certificate Payment for that date, divided by the number of Certificates of that Class then in issue.

Class X Certificate Payments means the Class X1 Certificate Payment and/or the Class X2 Certificate Payment (as applicable).

Class X1 Certificate Payment means, on any date of determination:

(i) prior to the First Optional Redemption Date and delivery of an Enforcement Notice and in respect of each Interest Payment Date, an amount equal to:

$$\frac{\mathbf{A \times B \times C}}{\mathbf{D}}$$

where,

A = 0.0007

B = the aggregate Current Balance of the Loans (excluding the Shortfall Loans) calculated as of the Calculation Date immediately preceding the relevant Interest Payment Date

C = the number of days in the relevant Interest Period

D = 365

with the total figure rounded downwards to the nearest £0.01;

(ii) following the First Optional Redemption Date but prior to delivery of an Enforcement Notice and in respect of each Interest Payment Date, zero; and

(iii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, any Class X Certificate Payments calculated in accordance with paragraph (i) above which has accrued but is unpaid on the date of the Enforcement Notice.

Class X2 Certificate Payment means, on any date of determination:

(i) prior to the First Optional Redemption Date and delivery of an Enforcement Notice and in respect of each Interest Payment Date, zero;

(ii) following the First Optional Redemption Date but prior to delivery of an Enforcement Notice and in respect of each Interest Payment Date, an amount equal to:

$$\frac{\mathbf{A \times B \times C}}{\mathbf{D}}$$

where,

A = 0.0009

B = the aggregate Current Balance of the Loans (excluding the Shortfall Loans) calculated as of the Calculation Date immediately preceding the relevant Interest Payment Date

C = the number of days in the relevant Interest Period

D = 365

with the total figure rounded downwards to the nearest £0.01; and

(iii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, any Class X Certificate Payments calculated in accordance with paragraph (ii) above which has accrued but is unpaid on the date of the Enforcement Notice.

Class Y Certificate Payment means, on any date of determination:

(i) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date from (and including) the Interest Payment Date falling in November 2023, the amount by which Available Revenue Receipts exceeds the amounts required to satisfy items (a) to (x) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and

(ii) following the delivery of an Enforcement Notice, for any date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (a) to (p) of the Post-Enforcement Priority of Payments on that date.

Holding Company means, in relation to a person, any other person in respect of which it is a Subsidiary.

in issue means, in relation to the Certificates, all the Certificates issued from time to time other than:

(i) those Certificates which have been cancelled in accordance with Certificate Condition 11.4 (*Limited Recourse*);

(ii) those Certificates which have become void or in respect of which claims have become prescribed, in each case under Certificate Condition 9 (*Prescription*);

(iii) those mutilated or defaced Certificates which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Certificate Condition 14 (*Replacement of Certificates*);

(iv) any Global Certificate to the extent that it shall have been exchanged for another Global Certificate or for the Certificates in definitive form pursuant to the Certificate Conditions,

provided that for each of the following purposes; namely:

(A) the right to attend and vote at any meeting of the Certificateholders, the passing of an Extraordinary Resolution in writing or an Ordinary Resolution in writing or an electronic consent through the relevant Clearing System(s) as envisaged by paragraph 1 (*Definitions*) of Schedule 6 (*Provisions for Meetings of Noteholders and Certificateholders*) to the Trust Deed and any direction or request by the Certificateholders;

(B) the determination of how many and which Certificates are for the time being outstanding for the purposes of Clause 14.1 (*Actions, Proceedings and Indemnification*) and Schedule 5 (*Form of the Global Certificate*) to the Trust Deed, Certificate Condition 10 (*Events of Default*) and Certificate Condition 11 (*Enforcement*);

(C) any discretion, power or authority (whether contained in the trust presents, or vested by operation of law) which the Security Trustee and the Note Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Certificateholders; and

(D) the determination by the Note Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Certificateholders or any Class or Classes thereof,

those Certificates (if any) (i) comprising the Retained Interest which are for the time being held by or on behalf or for the benefit of the Retention Holder or any Affiliate thereof (each such entity above a **Relevant Person**) and (ii) any other Notes or Certificates for the time being held by or on behalf or for the benefit of a Relevant Person (unless such Relevant Person is separated by information barriers from the Retention Holder, Arranger or Lead Manager teams), shall, in each case (unless and until ceasing to be so held) be deemed not to remain in issue, provided that where all of the Notes of any Class or all of the Certificates or any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case, such Classes of Notes or Certificates (the **Relevant Class of Notes** or the **Relevant Class of Certificates**, as applicable) shall be deemed to remain outstanding or in issue (as the case may be). The Retention Holder does not have voting or consent rights in relation to Notes and Certificates comprising the Retained Interest other than in respect of the Retained Interest Entrenched Rights.

Interest Payment Date means 28 November 2023 and thereafter the 28th day of February, May, August and November in each year or, if such day is not a Business Day, the immediately following Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

Subsidiary means any person (referred to as the **first person**) in respect of which another person (referred to as the **second person**):

(i) holds a majority of the voting rights in that first person or has the right under the constitution of the first person to direct the overall policy of the first person or alter the terms of its constitution; or

(ii) is a member of that first person and has the right to appoint or remove a majority of its board of directors or equivalent administration, management or supervisory body; or

(iii) has the right to exercise (directly or indirectly) a dominant influence (which must include the right to give directions with respect to operating and financial policies of the first person which its directors are obliged to comply with, whether or not for its benefit) over the first person by virtue of provisions contained in the articles (or equivalent) of the first person or by virtue of a control contract which is in writing and is authorised by the articles (or equivalent) of the first person and is permitted by the law under which such first person is established; or

(iv) is a member of that first person and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the first person or the rights under its constitution to direct the overall policy of the first person or alter the terms of its constitution; or

(v) has the power to exercise, or actually exercises (in either case, directly or indirectly) dominant influence or control over the first person; or

(vi) together with the first person are managed on a unified basis,

and for the purposes of this definition, a person shall be treated as a member of another person if any of that person's Subsidiaries are a member of that other person or, if any shares in that other person are held by a person acting on behalf of it or any of its Subsidiaries. A subsidiary undertaking shall include any subsidiary undertaking, the shares of which (if any) are subject to a Security Interest and where the legal title to the shares so secured are registered in the name of the secured party or its nominee pursuant to such security.

6.2 Determination of Certificate Payment

The Cash Manager shall on each Calculation Date determine the Certificate Payments payable on the immediately following Interest Payment Date (if any) and the Certificate Payment Amounts payable in respect of each Class of Certificates on such Interest Payment Date.

6.3 Publication of Certificate Payment and Certificate Payment Amount

The Cash Manager shall cause the Certificate Payments and Certificate Payment Amounts (if any) for each Class of Certificates for each Interest Payment Date to be notified to the Issuer, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to be published in accordance with Certificate Condition 15 (*Notice to Certificateholders*) as soon as possible after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.

6.4 Notifications to be Final

All notifications, opinions, determinations, Certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Certificate Condition 6.4 by the Cash Manager will (in the absence of manifest error) be binding on the Issuer, the Cash Manager, the Note Trustee, the Registrar, the Paying Agents and all Certificateholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Certificateholders shall attach to the Cash Manager in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Certificate Condition 6.4.

6.5 Termination of Certificate Payments

When all Class X Certificate Payments and Class Y Certificate Payments (if any) (as set out in Certificate Condition 6.2 (*Determination of Certificate Payment*) and including any Deferred Class X Certificate Payments that may be due in respect of the Class X Certificates as a result of payment deferral in accordance with Certificate Condition 18 (*Subordination by Deferral*)) have been made, no further Certificate Payments will be made by the Issuer and the Certificates shall be cancelled.

6.6 Determination and Reconciliation

Condition 6.8 (*Determinations and Reconciliation*) of the Notes shall have effect in relation to the Class Y Certificates as if set out in full herein.

7. PAYMENTS

7.1 Payment of Certificate Payment Amounts

Subject to Certificate Condition 3.1 (*Form and Denomination*), payments of Certificate Payment Amounts shall be made by:

(a) (other than in the case of final cancellation) Sterling cheque; or

(b) (other than in the case of final cancellation) upon application by the relevant Certificateholder to the specified office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London; and

(c) (in the case of final cancellation) Sterling cheque upon surrender (or, in the case of part-payment only, endorsement) of the relevant Global Certificate or Definitive Certificate (as the case may be) at the specified office of any Paying Agent.

7.2 Laws and Regulations

Payments of any Certificate Payment Amounts are subject, in all cases, to (a) any fiscal or other laws and regulations applicable thereto and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto (**FATCA**). Certificateholders will not be charged commissions or expenses on payments.

7.3 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents, provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London, and a person appointed to perform the obligations of the Registrar with a specified office in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*) and will notify the Rating Agencies of such change or addition.

7.4 No Payment on non-Business Day

If the date for payment of any amount in respect of a Certificate is not a Presentation Date, Certificateholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to interest or other payment in respect of such delay. In this Certificate Condition 7.4, the expression **Presentation Date** means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

8. TAXATION

All payments by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imports, duties, fees, deductions, withholding or charges of any nature whatsoever and wheresoever imposed (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Certificateholders in respect of such withholding or deduction.

9. PRESCRIPTION

Claims in respect of Certificate Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

In this Certificate Condition 9, the **Relevant Date**, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*).

10. EVENTS OF DEFAULT

10.1 Certificates

The Note Trustee at its absolute discretion may, and, if so directed in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class shall (subject to being indemnified and/or pre-funded and/or secured to its satisfaction as more particularly described in the Trust Deed), serve a notice (an **Enforcement Notice**) on the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest as provided in the Trust Deed (with a copy of such Enforcement Notice being sent simultaneously to the Security Trustee, the Servicer Facilitator, Servicer Administrator, the Issuer Account Bank, the Servicer and the Cash Manager) if any of the following events (each, an **Event of Default**) occur:

(a) if default is made in the payment of any principal or interest due in respect of the Most Senior Class then outstanding or, to the extent it is not the Most Senior Class then outstanding, the Class B Notes and the default continues for a period of (i) seven Business Days in the case of principal or (ii) 14 Business Days in the case of interest; or

(b) if default is made in the payment of interest or principal on any Class of Notes or in the payment of any amounts due in respect of the Certificates on the Final Redemption Date (or any other date on which the Notes are due to be redeemed in full); or

(c) if the Issuer fails to perform or observe any of its other obligations under the Conditions of the Notes, these Certificate Conditions or any Transaction Document to which it is a party which, in the opinion of the Note Trustee, is materially prejudicial to the interests of the holders of the Most Senior Class and the failure continues for a period of 30 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is aforementioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(d) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made which, in the opinion of the Note Trustee, is materially prejudicial to the interests of the holders of the Most Senior Class and the matters giving rise to such misrepresentation are not remedied within a period of 30 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(e) if any order is made by any competent court or any resolution is passed for the winding-up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Most Senior Class of Notes and the Class Y Certificateholders; or

(f) if (i) the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Most Senior Class of Notes, or (ii) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or (iii) the Issuer is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or

(g) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the Issuer, is not discharged within 30 days; or

(h) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

10.2 General

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Certificate Condition 10.1 (*Certificates*), the payment for the relevant Class of Certificates pursuant to the Certificates shall thereby immediately become due and payable.

11. ENFORCEMENT

11.1 General

The Note Trustee may, at any time, at its discretion and without notice, take (or direct the Security Trustee to take) such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Certificates or the Trust Deed (including the Conditions of the Notes or the Certificate Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of an Enforcement Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

(a) it shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class then outstanding or directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Notes and/or the Certificates of the Most Senior Class; and

(b) in all cases, it shall have been indemnified and/or pre-funded and/or secured to its satisfaction.

11.2 Preservation of Assets

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a pro rata and *pari passu* basis of all amounts owing to the holders of the Notes and the Certificates (and all persons ranking in priority to the holders of the Notes and the Certificates) or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, reached after considering at any time and from time to time the advice of any financial adviser (or such other professional advisers selected by the Security Trustee for the purpose of giving such advice), that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing: (i) to the Noteholders and Certificateholders (and all persons ranking in priority to the Noteholders and Certificateholders as set out in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders and Certificateholders (and all such higher ranking persons) have been repaid, to the remaining Secured Creditors in the order of priority set out in the Post-Enforcement Priority of Payments. The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to in this Certificate Condition 11.2 without enquiry and shall incur no liability to any person for so doing.

11.3 Limitations on Enforcement

No Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the Certificate Conditions or any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless (i) the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a 60-day period and such failure shall be continuing or (ii) the Note Trustee or, as the case may be, the Security Trustee is unable to do so and such inability is continuing, provided that no Certificateholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer. Any proceeds received by a Certificateholder pursuant to any such proceedings shall be paid to the Note Trustee promptly following receipt thereof for application pursuant to the applicable Priority of Payment.

11.4 Limited Recourse

Notwithstanding any other Certificate Condition or any provision of any Transaction Document, all obligations of the Issuer to the Certificateholders are limited in recourse to the property, assets and undertakings of the Issuer which are the subject of any security created under and pursuant to the Deed of Charge (the **Charged Assets**). If:

(a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;

(b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and

(c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, any further amounts under the Certificates (including payments of Certificate Payment Amounts),

then the Certificateholders shall have no further claim against the Issuer in respect of any further amounts due or to be paid in respect of the Certificates (including, for the avoidance of doubt, payments of Certificate Payment Amounts in respect of the Certificates) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Certificates and any further payment rights shall be extinguished.

12. MEETINGS OF CERTIFICATEHOLDERS AND NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

12.1 General

(a) The Trust Deed contains provisions for convening meetings of the Noteholders and/or Certificateholders of each Class and, in certain cases, more than one Class, to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Certificate Conditions, the Conditions or the provisions of any of the Transaction Documents.

(b) The Trust Deed also provides that, notwithstanding any other provision of these Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made):

(i) which in the opinion of the Note Trustee constitutes a Basic Terms Modification in respect of the Class Y Certificates or which:

(A) changes the Class Y Certificateholders' rights under the Interim Legal Title Holders Deed, any Long-Term Servicing and Legal Title Holder Deed and the Servicing Agreement;

(B) changes the Class Y Certificateholders' rights under the Portfolio Option Deed Poll;

(C) changes the definition of "Class Y Certificates Entrenched Rights"; or

(D) is adverse to the holders of the Class Y Certificates (the **Class Y Certificateholders**) (and whether or not the interests of that Class Y Certificateholder align with the interests of the holders of the relevant Class or Classes of Notes and/or Certificates),

(paragraphs (A) to (D) above being the **Class Y Certificates Entrenched Rights**), unless each of the Class Y Certificateholders have consented in writing to such modification or waiver;

(ii) which in the opinion of Note Trustee affects a Class X Certificates Entrenched Right, being a modification or waiver which changes:

(A) the date of payment of amounts due in respect of the Class X Certificates;

(B) the method of calculating the amounts payable in respect of the Class X Certificates;

(C) the priority of payments of amounts in respect of the Class X Certificates; or

(D) the definition of "Class X Certificates Entrenched Rights",

(paragraphs (A) to (D) above being the **Class X Certificates Entrenched Rights** unless the Class X Certificateholders have consented in writing to such modification or waiver); or

(iii) which is adverse to the holder of the Retained Interest where a corresponding modification or waiver is not made which affects all Noteholders of the relevant Class (the **Retained Interest Entrenched Rights**), unless the Retention Holder has consented in writing to such modification or waiver.

(c) For the purposes of these Certificate Conditions, **Most Senior Class** means:

(i) the Class A Notes or, if there are no Class A Notes then outstanding,

(ii) the Class B Notes or, if there are no Class A Notes or Class B Notes then outstanding,

(iii) the Class C Notes or, if there are no Class A Notes, Class B Notes or Class C Notes then outstanding,

(iv) the Class D Notes or, if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding,

(v) 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,

(vi) 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,

(vii) 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 or Class Z Notes then outstanding,

(viii) the Class R 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 Z Notes or Class R Notes then outstanding,

(ix) the Class Y Certificates (the Class X Certificates shall not at any time constitute the Most Senior Class).

12.2 Most Senior Class, Limitations on other Noteholders and Certificateholders

(a) Other than in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of the holders of each affected Class of Notes and/or Certificates then in issue (other than the Class X Certificateholders, unless the matter is also a Class X Certificates Entrenched Right), as applicable (unless the Note Trustee is of the opinion that it would not be materially prejudicial to the respective interests of the holders of the relevant affected Class or Classes of Notes and/or Certificates, as applicable) and other than where an Extraordinary Resolution is required under Certificate Condition 12.6 or the consent of the Retention Holder, the Class Y Certificateholders or the Class X Certificateholders is required (as described below):

(i) an Extraordinary Resolution of the holders of the Most Senior Class shall be binding on such Noteholders and/or Certificateholders and all other Classes of Noteholders and Classes of Certificateholders irrespective of the effect it has upon them;

(ii) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on such Noteholders and/or Certificateholders and all other Classes of Noteholders and Classes of Certificateholders ranking junior to such Class of Noteholders or Class of Certificateholders in the Post-Enforcement Priority of Payments irrespective of the effect it has upon them;

(iii) no Extraordinary Resolution of any Class of Noteholders or Certificateholders shall take effect for any purpose unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class;

(iv) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Class Y Certificateholders other than any resolution in respect of Class Y Certificates Entrenched Rights which shall only be binding on the Class Y Certificateholders if the relevant Class Y Certificateholders have consented to such modification or waiver;

(v) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Class X Certificateholders other than any resolution in respect of Class X Certificates Entrenched Rights which shall only be binding on the Class X Certificateholders if the Class X Certificateholders have consented to such modification or waiver; and

(vi) an Extraordinary Resolution of a Class of Noteholders or Certificateholders shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented to such modification or waiver.

(b) No Extraordinary Resolution of the holders of a Class of Notes and/or a Class of Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Class of Certificates shall take effect unless it has been sanctioned by an

Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of each affected Class of Certificates then in issue which are affected by such Basic Terms Modification (other than the Class X Certificateholders unless the matter is also a Class X Certificates Entrenched Right), or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of those affected Class or Classes of Notes then outstanding and the holders of the affected Class or Classes of Certificates (if applicable).

(c) No Ordinary Resolution that is passed by the holders of the Certificates shall take effect for any purpose while any of the Notes remain outstanding unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class, or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

(d) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Class Y Certificateholders other than any resolution in respect of Class Y Certificates Entrenched Rights which shall only be binding on the Class Y Certificateholders if the relevant Class Y Certificateholders have consented to such modification or waiver.

(e) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Class X Certificateholders other than any resolution in respect of Class X Certificates Entrenched Rights, which shall only be binding on the Class X Certificateholders if the Class X Certificateholders have consented to such modification or waiver.

(f) An Ordinary Resolution passed by the holders of the Notes shall be binding on the Retention Holder other than any resolution in respect of Retained Interest Entrenched Rights which shall only be binding on the Retention Holder if the Retention Holder has consented to such modification or waiver.

12.3 Quorum

(a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes of Notes or Certificateholders of any Class or Classes of Certificates for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable.

(b) Subject as provided below, the quorum at any meeting of Noteholders and/or Certificateholders of any Class of any Notes or Certificates for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes and/or Class of Certificates then outstanding or in issue, as applicable.

(c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class of Notes or holders of any Class of Certificates for passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of any Class of the Notes or Certificates, (ii) sanction a modification of the date of payment of principal or interest or amounts due in respect of any Class of the Notes or Certificates, (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of any Class of the Notes, or where applicable, of the method of calculating the amount of any principal or interest payable in respect of any Class of the Notes or of the method of calculating the amounts payable in respect of any Class of the Certificates, (iv) alter the currency in which payments under any Class of the Notes or Certificates are to be made, (v) alter the quorum or majority required in relation to a resolution or a meeting of holders of any Class of the Notes or Class of

Certificates, (vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of the Notes or Class of the Certificates, (vii) alter the priority of payment of interest or principal in respect of any Class of the Notes or amounts in respect of any Class of Certificates and (viii) change the definition of a Basic Terms Modification, provided that any amendment made in accordance with Condition 13.6 or Certificate Condition 12.6 shall not constitute a Basic Terms Modification (each a **Basic Terms Modification**), shall be one or more persons holding or representing in the aggregate not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class of Notes and/or Class of Certificates then outstanding or in issue, as applicable. For the avoidance of doubt, a proposal to sanction a reduction in the principal amounts due on a Class or Classes of Notes and/or any Class X Certificate Payments and/or Class Y Certificate Payment shall require the sanction of the holders of the relevant Class of Notes or Certificates to be so reduced, and shall not require the consent of other Classes of Notes or Certificates.

(d) The quorum at any adjourned meeting will be:

(i) for an Ordinary Resolution, one or more persons present and holding or representing not less than 10 per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Certificates then outstanding or in issue, as applicable;

(ii) subject as provided below, for an Extraordinary Resolution, one or more persons present and holding or representing in the aggregate not less than 25 per cent. of the aggregate Principal Amount Outstanding of the relevant Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable; and

(iii) for a Basic Terms Modification, one or more persons present and holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the affected Class or Classes of Notes and/or Class or Classes of Certificates then outstanding or in issue, as applicable.

12.4 The Note Trustee may or, in the case of paragraphs (a) and (c) below, shall at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors, agree (and direct the Security Trustee to agree) with the Issuer and any other parties in making or sanctioning any modification (other than in respect of a Basic Terms Modification, a Class Y Certificates Entrenched Right, a Class X Certificates Entrenched Right or a Retained Interest Entrenched Right):

(a) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document, which, in the opinion of the Note Trustee, will not be materially prejudicial to the interests of the Noteholders of any Class or the interests of the Certificateholders of any Class or the Note Trustee or the Security Trustee; or

(b) to the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Document if, in the opinion of the Note Trustee, such modification is of a formal, minor or technical nature or to correct a manifest error; or

(c) that would result in the Issuer entering into any new and/or amended bank account agreement or collection account agreement (including where the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank or Interim Period Collection Account Bank are downgraded below any relevant rating level as set out in the relevant Transaction Document, and the Issuer is required to take certain remedial action (as set out in the relevant Transaction Documents) in order to maintain the ratings of the Notes at their then current ratings); or

(d) that is required to effect the appointment of a Successor Servicer (including, but not limited to, the Issuer entering into any new and/or amended servicing agreement and/or collection account declaration of trust), provided that the conditions to the appointment of that Successor Servicer set out in the Servicing Agreement are satisfied,

and provided that neither the Note Trustee nor the Security Trustee shall be obliged to agree to any such new agreement and/or amendment (including, for the avoidance of doubt, any new appointment made thereunder) which, in the sole opinion of the Note Trustee or the Security Trustee, would have the effect of (i) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the protections, of the Note Trustee and/or the Security Trustee under the Transaction Documents and/or the Conditions and/or the Certificate Conditions.

12.5 The Note Trustee may, and may direct the Security Trustee to, without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach or Event of Default, from time to time and at any time, but only if and in so far as in the sole opinion of the Note Trustee (acting in accordance with the Trust Deed) that the interests of the Noteholders of any Class or the Certificateholders of any Class will not be materially prejudiced thereby, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificate Conditions or any of the Transaction Documents by any party thereto or determine that any Event of Default shall not be treated as such, provided that the Note Trustee shall not exercise any powers conferred on it by this Certificate Condition 12 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Certificate Condition 10 (*Events of Default*) but so that no such direction shall affect any waiver, authorisation or determination previously given or made.

12.6 The Note Trustee with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) shall, without the consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Creditors, concur (and direct the Security Trustee to concur) with the Issuer in making any modifications (other than in respect of a Basic Terms Modification or a Class Y Certificates Entrenched Right, a Class X Certificates Entrenched Right or a Retained Interest Entrenched Right) to the Transaction Documents and/or the Certificate Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer (or, where applicable, any other transaction parties) to:

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

(b) (i) comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date (including the appointment of a third party assist with the Issuer's reporting obligations in relation thereto); or (ii) comply with any changes in the requirements of the U.S. Credit Risk Retention Requirements, including as a result of any other U.S. risk retention legislation, regulations or official guidance in relation thereto, in each case applying in respect of the Transaction;

(c) enable the Notes to be (or to remain) listed and admitted to trading on Euronext Dublin;

(d) enable the Issuer or any of the other transaction parties to comply with FATCA, the CRS and/or any equivalent tax reporting and/or withholding tax regime;

(e) comply with any changes in the requirements of the UK CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or regulations or official guidance in relation thereto;

(f) comply with the provisions of Rule 17g-5 of the Exchange Act;

(g) to change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner), (any such rate, which may include an alternative screen rate, an **Alternative Base Rate**) and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer (or the Seller on its behalf) to facilitate such change (a **Base Rate Modification**), provided that the Issuer (or the Seller on its behalf) provides a certificate to the Paying Agents, the Registrar, the Agent Bank, Note Trustee and the Security Trustee certifying (such certificate, a **Base Rate Modification Certificate**) that:

   (i) such Base Rate Modification is being undertaken due to:

      I. an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;

      II. a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;

      III. the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);

      IV. a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);

      V. a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

      VI. a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or

VII. the reasonable expectation of the Issuer that any of the events specified in paragraphs I to VI above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

(ii) such Alternative Base Rate is:

I. a base rate published, endorsed, approved or recognised by the Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

II. a base rate utilised in a material number of publicly listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification; or

III. such other base rate as the Issuer reasonably determines (to preserve, so far as reasonably and commercially practicable, what would have been the expected Floating Rate of Interest applicable to the Class A Notes) or which is proposed by any holder of the Most Senior Class of Notes then outstanding or the Class Y Certificates then in issue and: (i) it has obtained written confirmation from each of the Rating Agencies that the proposed Base Rate Modification would not result in (x) a downgrade, withdrawal or suspension of the rating of any Class of Rated Notes or (y) any Class of Rated Notes being placed on rating watch negative (or equivalent) (a **Negative Ratings Action**); or (ii) it has been unable to obtain written confirmation from each of the Rating Agencies that the proposed Base Rate Modification would not result in a Negative Ratings Action but it has received oral confirmation from an appropriately authorised person at such Rating Agency; or (iii) it has given the Rating Agencies at least ten Business Days' prior written notice of the proposed modification and none of the Rating Agencies has indicated that such Base Rate Modification would result in a Negative Ratings Action.

The Paying Agents, the Registrar, the Agent Bank, the Note Trustee and the Security Trustee shall be entitled to rely on a Base Rate Modification Certificate absolutely without liability and enquiry.

For the avoidance of doubt, the Issuer (or the Seller on its behalf) may propose an Alternative Base Rate on more than one occasion, provided that the conditions set out in this paragraph (g) are satisfied,

(each a **Proposed Amendment**) and subject to:

(h) receipt by the Note Trustee and the Security Trustee of a certificate (upon which they may rely absolutely without liability or enquiry) issued by the Issuer signed by two directors of the Issuer (or the Seller on its behalf, signed by two directors of the Seller) certifying to the Note Trustee and the Security Trustee that the requested modifications in relation to any Proposed Amendment are to be made solely for the purpose of enabling the Issuer to satisfy such obligations under any Proposed Amendment and have been drafted solely to such effect, and in the case of a Proposed Amendment under paragraph (a) above shall include a memorandum addressed to the Note Trustee and the Security Trustee for the benefit of Noteholders, by a reputable law firm confirming that the Proposed Amendment seeks to address the non-compliance set out in paragraph (a) above and each of the Note Trustee and the Security Trustee shall be entitled to rely on such certificate and memorandum without enquiry or liability; and

(i) the Issuer (or the Seller on its behalf) certifying in writing to the Note Trustee and the Security Trustee that (upon which certificate the Note Trustee and the Security Trustee may rely absolutely and without liability or enquiry):

(i) the Issuer has provided at least 30 calendar days' notice to the Noteholders and Certificateholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and Certificate Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company Filings" screen relating to the Notes and Certificates; and

(ii) Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or the Class Y Certificates then in issue have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or the Class Y Certificates may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders or Certificateholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or the Class Y Certificates then in issue have notified the Issuer in accordance with the notice provided above, and the then current practice of any applicable clearing system through which such Notes or Class Y Certificates may be held within the notification period referred to above that they object to the proposed modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding and/or of the Class Y Certificates then in issue, as applicable, is passed in favour of such modification in accordance with the Trust Deed.

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

Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this Certificate Condition 12.6 which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

(A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or

(B) increasing the obligations or duties, or decreasing the protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents and/or the Certificate Conditions.

Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any Proposed Amendment pursuant to this Certificate Condition 12.6, the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders or any other Secured Creditor (other than itself (or the Security Trustee) as provided above) or any other person and each of the Note Trustee and the Security Trustee and shall be entitled to rely, without investigation, on any certificate or legal memorandum provided to it by the Issuer pursuant to this Certificate Condition 12.6 as evidence that the Proposed Amendments are made solely for the purpose of enabling the Issuer to satisfy any such obligation applicable to it, and have been drafted solely to such effect and shall not be liable to any Noteholder, Certificateholder or other Secured Creditor for so acting or relying irrespective of whether any such modification is or may be materially prejudicial to the interests of the Noteholders of any Class, the Certificateholders of any Class or any other Secured Creditor or any other person.

Only modifications which comply with this Certificate Condition 12.6 may be made pursuant to this Certificate Condition 12.6. Any other modifications may only be made pursuant to Certificate Condition 12.4 or Certificate Condition 12.7 and Clause 25 and Schedule 6 of the Trust Deed.

12.7 The Note Trustee shall at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (including, for the avoidance of doubt, the Trust Deed) (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document (including, for the avoidance of doubt, the Trust Deed)) but without the consent or sanction of the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification (other than in respect of a Basic Terms Modification, a Class X Certificates Entrenched Right, a Class Y Certificates Entrenched Right or a Retained Interest Entrenched Right) (and direct the Security Trustee to agree with the Issuer) to any Transaction Documents or enter into any Long-Term Servicing and Legal Title Holder Deed or any document which shall be required for the purposes of giving effect to Transfer of Legal Title pursuant to the terms of Interim Legal Title Holders Deed.

12.8 Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with the Conditions, these Certificate Conditions or the Transaction Documents shall be binding on the Certificateholders and, unless the Note Trustee or, as the case may be, the Security Trustee (as directed by the Note Trustee) agrees otherwise, any such modification shall be notified by the Issuer to the Certificateholders as soon as practicable thereafter in accordance with Certificate Condition 15 (*Notice to Certificateholders*).

12.9 Any modification to the Transaction Documents and the Certificate Conditions shall be notified by the Issuer in writing to the Rating Agencies.

12.10 In connection with any such substitution of principal debtor referred to in Condition 8.3 (*Optional Redemption for Taxation or Other Reasons*) or Certificate Condition 12.20 (*Issuer Substitution Condition*), the Note Trustee may agree, without the consent of the Certificateholders or the other Secured Creditors, to a change of the laws governing the Certificates, these Certificate Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee be materially prejudicial to the interests of the Certificateholders.

12.11 In determining whether a proposed action will not be materially prejudicial to the interests of the Noteholders or Certificateholders of any Class thereof, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current ratings of the Rated Notes. It is agreed and acknowledged by the Note Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders and/or the Certificateholders. In being entitled to take into account that each of the Rating Agencies has confirmed that the then current ratings of the Rated Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee that this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders, the Certificateholders or any other person, or create any legal relations between each of the Rating Agencies and the Note Trustee, the Noteholders, the Certificateholders or any other person, whether by way of contract or otherwise.

12.12 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Certificate Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee (acting on the instructions of the Note Trustee) is required to have regard to the interests of the Noteholders or Certificateholders of any Class or Classes, it shall (A) have regard (except as expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights, the Class X Certificates Entrenched Rights and the Retained Interest Entrenched Rights) to the general interests of the Noteholders or Certificateholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholders or Certificateholders be entitled to claim from the Issuer, the Note Trustee or the Security Trustee or any other person, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Certificateholders and (B) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes and Class of Certificates (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Notes and/or Class of Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes or Certificates ranking in priority to the other relevant Classes of Notes or Certificates in the Post-Enforcement Priority of Payments (other than the Class X Certificates, in respect of which the Note Trustee or, as the case may be, the Security Trustee will have regard only as to the Class X Certificates Entrenched Rights).

12.13 **Ordinary Resolution** means, in respect of the holders of any of the Class of Notes or Certificates:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed, these Certificate Conditions and the Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Certificates held by such Eligible Persons);

(b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders of a clear majority of the aggregate Principal Amount Outstanding of the Notes and/or Certificates, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant class of Noteholders and/or the Certificateholders of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes or Class of Certificates.

12.14 **Extraordinary Resolution** means, in respect of the holders of any of the Class of Notes or Certificates:

(a) a resolution passed at a meeting of Noteholders and/or Certificateholders duly convened and held in accordance with the Trust Deed, these Certificate Conditions and the Conditions by at least 75 per cent. of the Eligible Persons voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll (calculated on the basis of the aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Class of Certificates held by such Eligible Persons);

(b) a resolution in writing signed by or on behalf of the Noteholders and/or Certificateholders of at least 75 per cent. of the aggregate Principal Amount Outstanding of the Notes and/or the Certificates, which resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the relevant class of Noteholders and/or the Certificateholders of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders and/or Certificateholders holding at least 75 per cent. in aggregate Principal Amount Outstanding of the relevant Class of Notes and/or Class of Certificates.

Details of any Extraordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Issuer.

12.15 **Eligible Person** means any one of the following persons who shall be entitled to attend and vote at a meeting:

(a) a bearer of any Voting Certificate; and

(b) a proxy specified in any Block Voting Instruction.

12.16 **Voting Certificate** means an English language certificate issued by a Paying Agent in which it is stated that on the date thereof the Notes and/or Certificates (not being the Notes and/or Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes and/or Certificates will cease to be so blocked until the first to occur of:

(a) the conclusion of the meeting specified in such Voting Certificate; and

(b) the surrender of the Voting Certificate to the Paying Agent who issued the same,

and that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Certificates represented by such Voting Certificate.

12.17 **Block Voting Instruction** means an English language document issued by a Paying Agent in which:

(a) it is certified that on the date thereof, Notes and/or Certificates (not being Notes and/or Certificates (as applicable) in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes and/or such Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Block Voting Instruction; and

(ii) the Notes and/or the Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;

(b) it is certified that each holder of such Notes and/or such Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes and/or the Certificates so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion thereof, neither revocable nor capable of amendment;

(c) the aggregate principal amount or aggregate total amount of the Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(d) one or more persons named in such Block Voting Instruction (each hereinafter called a **proxy**) is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates so listed in accordance with the instructions referred to in paragraph (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy:

(i) whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting; and

(ii) who was originally appointed to vote at a meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the meeting when it is resumed.

12.18 Details of any Extraordinary Resolution and any Ordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Principal Paying Agent on behalf of the Issuer.

12.19 The Certificates will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, and the provision concerning the giving of directions in writing to the Note Trustee or the Security Trustee, set out in the Conditions, the Certificate Conditions, the Deed of Charge and the Trust Deed, any reference to the Principal Amount

Outstanding of the Class X1 Certificates, Class X2 Certificates and the Class Y Certificates of any Class shall be deemed to be £10,000,000 in respect of each Class of Certificate.

12.20 Issuer Substitution Condition

The Note Trustee may agree, subject to such amendment of these Certificate Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee may require, and subject to the terms of the Trust Deed, but without the consent of the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Certificates and any other Transaction Document and in respect of the other secured obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Certificates are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Certificate Condition 5 (*Covenants and Undertakings*). In the case of a substitution pursuant to this Certificate Condition 12.20, the Note Trustee may in its absolute discretion agree, without the consent of the Certificateholders, to a change in law governing the Certificates and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee, be materially prejudicial to the interests of the Noteholders of any Class and Certificateholders of any Class.

13. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

(a) The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or pre-funded and/or secured to their satisfaction.

(b) The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

14. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws. Replacement of any mutilated, defaced, lost, stolen or destroyed Certificate will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Certificate must be surrendered before a new one will be issued.

15. NOTICE TO CERTIFICATEHOLDERS

15.1 Publication of Notice

(a) While the Certificates are represented by a Global Certificate, notices to Certificateholders will be valid if submitted to Euroclear and/or Clearstream, Luxembourg, for communication by them to Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid, shall be deemed to have been given on the day such notice is sent to Euroclear and/or Clearstream, Luxembourg.

(b) While the Certificates are represented by Definitive Certificates, the Note Trustee shall be at liberty to sanction any method of giving notice to the Certificateholders if, in its opinion, such method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Certificateholders in such manner as the Note Trustee shall deem appropriate.

15.2 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Certificateholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the quotation systems on or by which the Certificates are then quoted and/or traded and provided that notice of such other method is given to the Certificateholders in such manner as the Note Trustee shall require.

16. JURISDICTION AND GOVERNING LAW

(a) Unless specifically stated to the contrary, the Courts of England (the **Courts**) are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Certificates or the Transaction Documents or the consequences of their nullity) and accordingly, any legal action or proceedings arising out of or in connection with the Notes and/or the Certificates and/or the Transaction Documents may be brought in such Courts.

(b) The Transaction Documents, the Notes, the Certificates and these Certificate Conditions (and any non-contractual obligations arising out of or in connection with them) are, unless specifically stated to the contrary, governed by, and shall be construed in accordance with, English law. The Scottish Declaration of Trust, the Scottish Supplemental Charge and certain provisions in the Transaction Documents relating to property situated in Scotland and all non-contractual obligations arising out of or in connection with them are governed and construed in accordance with Scots law.

17. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Certificates or these Certificate Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. SUBORDINATION BY DEFERRAL

18.1 Class X Certificate Payments

If on any Interest Payment Date the Issuer has insufficient funds to make payment in full of any Class X Certificate Payments (which shall, for the purposes of this Certificate Condition 18, include any Deferred Class X Certificate Payments from prior Interest Payment Dates, each as defined under this Certificate Condition 18) payable in respect of the Class X Certificates (but has sufficient funds available to make payment in full of interest due and payable in respect of the Class A Notes) after having paid or provided for items of higher priority in the Pre-Enforcement Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of some or all of the relevant payment due (such deferred amount, the **Deferred Class X Certificate Payments**) in respect of the Class X Certificates to the extent only of any insufficiency of funds.

18.2 Notification

As soon as practicable after becoming aware that any part of a payment on the Class X Certificates will be deferred or that previous Deferred Class X Certificate Payments will be made in accordance with this Certificate Condition 18, the Issuer will give notice thereof to the Class X Certificateholders in accordance with Certificate Condition 15 (*Notice to Certificateholders*). Any deferral of a payment or further deferral of Deferred Class X Certificate Payments in accordance with this Certificate Condition 18 will not constitute an Event of Default. The provisions of this Certificate Condition 18 shall cease to apply on the Final Redemption Date, or any earlier date on which the Class X Certificates are cancelled or are required to be redeemed in full, at which time all Deferred Class X Certificate Payments shall become due and payable.

CERTAIN REGULATORY CONSIDERATIONS IN RESPECT OF THE LOANS

Regulated Mortgage Contracts

In the UK, regulation of residential mortgage business under the FSMA came into force on 31 October 2004 (the date known as the **Regulation Effective Date**). Entering into a regulated mortgage contract as a lender, arranging a regulated mortgage contract or advising in respect of a regulated mortgage contract, and administering a regulated mortgage contract (or agreeing to do any of those activities), are (subject to applicable exemptions) regulated activities under the FSMA and the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the **RAO**) requiring authorisation and permission from the FCA.

The original definition of a regulated mortgage contract was such that if a mortgage contract was entered into on or after the Regulation Effective Date but prior to 21 March 2016, it will be a Regulated Mortgage Contract under the RAO if: (i) the lender provides credit to an individual or to trustees; (ii) the obligation of the borrower to repay was secured by a first legal mortgage (or, in Scotland, heritable security) on land (other than timeshare accommodation) in the UK; and (iii) at least 40 per cent. of which was used, or was intended to be used, as or in connection with a dwelling by the borrower or (in the case of credit provided to trustees) by an individual who was a beneficiary of the trust, or by a related person.

The current definition of a Regulated Mortgage Contract (a **Regulated Mortgage Contract**) is such that if the mortgage contract was entered into on or after 21 March 2016, it will be a Regulated Mortgage Contract if it meets the following conditions (when read in conjunction with and subject to certain relevant exclusions): (a) the borrower is an individual or trustee; and (b) the contract provides for the obligation of the borrower to repay is secured by a mortgage (or, in Scotland, heritable security) on land, at least 40 per cent. of which is used, or is intended to be used: (i) in the case of credit provided to an individual, as or in connection with a dwelling; or (ii) (in the case of credit provided to a trustee who is not an individual) as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a Related Person. In relation to a contract entered into before 23:00 on 31 December 2020, 'land' means land in the United Kingdom or within the territory of an EEA State and in relation to a contract entered into on or after 9.00 p.m. on 31 December 2020, 'land' means land in the United Kingdom. A related person (in relation to a borrower, or in the case of credit provided to trustees, a beneficiary of the trust) is: (1) that person's spouse or civil partner; (2) a person (whether or not of the opposite sex) whose relationship with that person has the characteristics of the relationship between husband and wife; or (3) that person's parent, brother, sister, child, grandparent or grandchild (a **Related Person**).

Credit agreements that were originated before 21 March 2016, which were regulated by the CCA, and that would have been Regulated Mortgage Contracts had they been entered into on or after 21 March 2016 are "consumer credit back book mortgage contracts" and are also therefore Regulated Mortgage Contracts.

On and from the Regulation Effective Date, subject to any exemption, persons carrying on any specified regulated mortgage-related activities by way of business must be authorised under the FSMA. The specified activities currently are: (a) entering into a Regulated Mortgage Contract as lender; (b) "administering" a Regulated Mortgage Contract (administering in this context broadly means notifying borrowers of changes in mortgage payments and/or taking any necessary steps for the purposes of collecting payments due under the mortgage loan); (c) advising in respect of Regulated Mortgage Contracts; and (d) arranging Regulated Mortgage Contracts. Agreeing to carry on any of these activities is also a regulated activity. If requirements as to the authorisation of lenders and brokers are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a criminal offence. An unauthorised person who carries on the regulated mortgage activity of administering a Regulated Mortgage Contract that has been validly entered into may commit an offence, although this will not render the contract unenforceable against the borrower. The regime under the FSMA regulating financial promotions covers the content and manner of the promotion of agreements relating to qualifying credit and who can issue or approve financial promotions. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of secured credit agreements under which the lender is a person (such as an originator) who carries on the regulated activity of entering into a Regulated Mortgage Contract. Failure to comply with the financial promotion regime (as regards who can issue or approve financial promotions) is a criminal offence and will render the Regulated Mortgage Contract or other secured credit agreement in question unenforceable against the borrower except with the approval of a court.

The Servicer holds authorisation and permission to administer Regulated Mortgage Contracts. Brokers are in certain circumstances required to hold authorisation and permission to arrange and, where applicable, to advise in respect of Regulated Mortgage Contracts.

The Issuer is not, and does not propose to be, an authorised person under the FSMA. Under the RAO, the Issuer does not require authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract. The Issuer does not carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered pursuant to a servicing agreement by an entity having the required authorisation and permission under the FSMA. If such a servicing agreement terminates, the Issuer will have a period of not more than one month (beginning with the day on which such arrangement terminates) in which to arrange for mortgage administration to be carried out by a replacement servicer having the required FSMA authorisation and permission.

The Issuer will only hold beneficial title to the Loans and their Related Security. In the event that legal title is transferred to the Issuer upon the occurrence of a perfection event, the Issuer will have arranged for a servicer to administer these Loans and is not expected to enter into any new Regulated Mortgage Contracts as lender under article 61(1) of the RAO. However, in the event that a mortgage is varied, such that a new contract is entered into and that contract constitutes a Regulated Mortgage Contract, then the arrangement of, advice on, administration of and entering into of such variation would need to be carried out by an appropriately authorised entity.

The FCA's Mortgages and Home Finance: Conduct of Business sourcebook (**MCOB**), which sets out the FCA's rules for regulated mortgage activities, came into force on 31 October 2004. These rules cover, among other things, certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract and start-of-contract and post-contract disclosure, contract changes, charges and arrears and repossessions. Further rules for prudential and authorisation requirements for mortgage firms, and for extending the appointed representatives regime to mortgages, came into force on 31 October 2004.

A borrower who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an authorised person of the FCA rules, and may set off the amount of the claim against the amount owing by the borrower under the loan or any other loan that the borrower has taken with that authorised person (or exercise analogous rights in Scotland). Any such claim or set-off may adversely affect the Issuer's ability to make payments on the Notes.

Regulation of residential secured lending (other than Regulated Mortgage Contracts)

The UK government had a policy commitment to move second charge lending into the regulatory regime for mortgage lending rather than the regime for consumer credit under which second charge lending previously fell. The UK government concluded that there was a strong case for regulating lending secured on a borrower's home consistently, regardless of whether it is secured by a first or subsequent charge. The UK government also proposed to move the regulation of second (and subsequent) charge loans already in existence before 21 March 2016 to the regulated mortgage contract regime rather than keeping them within the consumer credit regime. The policy of regulating lending secured on a borrower's home consistently also meant that the UK government decided to change the regulatory regime for pre-2004 first charge loans regulated by the CCA. Mortgage regulation under the FSMA began on 31 October 2004. Mortgages entered into before that date were regulated by the CCA, provided that they did not exceed the financial threshold in place when they were entered into and were not otherwise exempt. In November 2015, the UK government made legislation which meant that the administration of and other activities relating to those pre-October 2004 first charge mortgages which were regulated by the CCA became regulated mortgage activities from 21 March 2017, although firms could have adopted the new rules from 21 March 2016 if they chose. The move of CCA-regulated mortgages to the FSMA regime was implemented by the Mortgage Credit Directive Order 2015 on 21 March 2016 (the **Mortgage Credit Directive Order**). The government has put in place transitional provisions for existing loans so that some of the CCA protections in place, when the loans were originally taken out, are not removed retrospectively.

Unregulated mortgages which were originated before 31 October 2004, remain unregulated and are not regulated by virtue of the implementation of the Mortgage Credit Directive Order.

Credit agreements which were originated before 21 March 2016, which were regulated by the CCA and that would have been regulated mortgage contracts had they been entered into on or after 21 March 2016, are defined by the Mortgage Credit Directive Order as "consumer credit back book mortgage contracts" and would also therefore be Regulated Mortgage Contracts. The main CCA consumer protection retained in respect of consumer credit back book mortgage contracts is the continuing unenforceability of the agreement if it was rendered unenforceable by the CCA prior to 21 March 2016. Unless the agreement was irredeemably unenforceable, the lender may enforce the agreement by seeking a court order or bringing any relevant period of non-compliance with the CCA to an end in the same manner as would have applied if the agreement were still regulated by the CCA. If a consumer credit back book mortgage contract was void as a result of Section 56(3) of the CCA, that agreement or the relevant part of it will remain void. Restrictions on early settlement fees will also be retained. If interest was not chargeable under a consumer credit back book mortgage contract due to non-compliance with Section 77A of the CCA (duty to serve an annual statement) or section 86B of the CCA (duty to serve a notice of sums in arrears), once the consumer credit back book mortgage contract became regulated by the FSMA under the Mortgage Credit Directive Order as of 21 March 2016, the sanction of interest not being chargeable under Section 77A of the CCA and Section 86D of the CCA ceased to apply, but only for interest payable under those loans after 21 March 2016. A consumer credit back book mortgage contract will also be subject to the unfair relationship provisions described below. Certain provisions of MCOB are applicable to these consumer credit back book mortgage contracts. These include the rules relating to disclosure at the start of a contract and post-sale disclosure (MCOB 7), charges (MCOB 12) and arrears, payment shortfalls and repossessions (MCOB 13). General conduct of business standards will also apply (MCOB 2). This process is subject to detailed transitional provisions that are intended to retain certain customer protections in the FCA's Consumer Credit Sourcebook (CONC) and the CCA that are not contained within MCOB.

The Seller has given or, as applicable, will give, warranties to the Issuer in the Mortgage Sale Agreement that, among other things, each Loan and its Related Security is enforceable (subject to exceptions). If a Loan or its Related Security does not comply with these warranties, the Issuer may make a warranty claim against the Seller in accordance with the terms of the Mortgage Sale Agreement, which are set out in detail in the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*".

This regulatory regime may result in adverse effects on the enforceability of certain Loans and consequently the Issuer's ability to make payment in full on the Notes when due.

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) regulated by the CCA as a regulated credit agreement – as defined by Article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the **RAO**) (a **Regulated Credit Agreement**);

(c) regulated by FSMA as a regulated mortgage contract – as defined by Article 61 of the RAO (a **Regulated Mortgage Contract**); or

(d) regulated as a consumer buy-to-let mortgage contract under the consumer buy-to-let regime – as defined by the Mortgage Credit Directive Order 2015 (a **Consumer Buy-to-Let Loan**).

The Mortgage Portfolio comprises Mortgage Loans that the Seller believes are either unregulated or Regulated Mortgage Contracts.

If any of the Loans are in fact Regulated Credit Agreements or Consumer Buy-to-Let Loans, then breach of the relevant regulations could give rise to a number of consequences (as applicable), including but not limited to: unenforceability of the Loans, interest payable under the Loans being irrecoverable for certain periods of time, or borrowers being entitled to claim damages for losses suffered and being entitled to set off the amount of their claims against the amount owing by the borrower under the Loans, all of which may adversely affect the ability of the Issuer to make payments in full on the Notes when due. A loan will not be a Consumer Buy-to-Let Loan unless it was originated on or after 21 March 2016 and no Mortgage Loan was originated on or after 21 March 2016.

Unregulated buy-to-let mortgage loans

Many buy-to-let mortgage loans will be unregulated because they do not meet the criteria for a Regulated Credit Agreement, Regulated Mortgage Contract or Consumer Buy-to-Let Loan. There are, however, still some regulated activities that apply to unregulated buy-to-let mortgage loans, the relevant activities in respect of the Loans being debt administration and debt collection (such activity includes, for example, contacting borrowers in arrears via letter, telephone and/or SMS; discussing the reason for arrears with the borrowers and seeking to agree a suitable repayment plan with borrowers). The Servicer has permission for the regulated activities of debt administration and debt collection which are necessary in respect of servicing unregulated loans, Consumer Buy-to-Let Loans and Regulated Credit Agreements. Any replacement servicer would also need to have such permissions thereby potentially limiting the entities (including the Seller) available to perform such roles. The Issuer is excluded as lender from the regulated activities of debt administration and debt collection in respect of any unregulated loan, Consumer Buy-to-Let Loan or Regulated Credit Agreement.

Unfair relationships

Under the CCA, the "extortionate credit" regime was replaced by an "unfair relationship" test. The "unfair relationship" test applies to all existing and new credit agreements, except Regulated Mortgage Contracts under the FSMA. If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make an order, among other things, requiring the Originators, or any assignee such as the Issuer, to repay amounts received from such borrower. In applying the "unfair relationship" test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the creditor's conduct (or the conduct of anyone acting on behalf of the creditor) before and after making the agreement or in relation to any related agreement. There is no statutory definition of the word "unfair" in the CCA as the intention is for the test to be flexible and subject to judicial discretion and it is therefore difficult to predict whether a court would find a relationship "unfair". However, the word "unfair" is not an unfamiliar term in UK legislation due to the UTCCR and the CRA (each as defined below). The courts may, but are not obliged to, look solely to the CCA for guidance. The principle of "treating customers fairly" under the FSMA, and guidance published by the Financial Services Authority (**FSA**) as the FCA was then known and, as of 1 April 2013, the FCA on that principle and former guidance by the Office of Fair Trading (the **OFT**) on the unfair relationship test, may also be relevant. Under the CCA, once the debtor alleges that an "unfair relationship" exists, the burden of proof is on the creditor to prove the contrary.

Plevin v Paragon [2014] UKSC 61, a Supreme Court judgment, has clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules.

If a court determines that there was an unfair relationship between the Interim Legal Title Holders and the Borrowers in respect of the Loans and orders that financial redress be made in respect of such Loans, such redress may adversely affect the ultimate amount received by the Issuer in respect of the relevant Loans, the realisable value of the Portfolio and/or the Issuer's ability to make payment in full on the Notes when due.

Breathing Space Regulations

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (SI 2020/1311) (the **Breathing Space Regulations**) (which came into force in England and Wales on 4 May 2021) gives eligible individuals the right to legal protection from their creditors, including almost all enforcement action, during a period of "breathing space". A standard breathing space will give an individual with problem debt legal protection from creditor action for up to 60 days; and a mental health crisis breathing space will give an individual protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days.

However, the Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears. Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the moratorium) during the breathing space period, otherwise the relevant debt adviser may cancel the breathing space period.

In February 2021, the FCA issued a policy statement (PS21/1) on the application of the Breathing Space Regulations, in which they confirm that no changes are currently being made to the rules under MCOB, in relation to how mortgage lenders should treat a "breathing space" as an indicator of payment difficulties. The FCA's view is that this is something that firms should take into account, but should not be treated more specifically than other potential indicators of payment difficulties.

In Scotland, eligible individuals are afforded similar legal protection under the Bankruptcy (Scotland) Act 2016 although the moratorium period of six months is longer than in England and Wales and does not make any accommodation for mental health crises. The Scottish Government has introduced The Bankruptcy and Diligence (Scotland) Bill which, if enacted, will permit regulations to be made for the introduction of a similar form of moratorium in Scotland as currently exists under the Breathing Space Regulations. It is anticipated that the Bill will come into force by summer 2024, although regulations on the proposed moratorium will likely follow later.

Distance Marketing

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 (the **Distance Marketing Regulations**) apply to contracts for financial services entered into on or after 31 October 2004 by a "consumer" within the meaning of the Distance Marketing Regulations and by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower).

The Distance Marketing Regulations require suppliers of financial services by way of distance communication to provide certain information to consumers. This information generally has to be provided before the consumer is bound by the contract and includes, but is not limited to, general information in respect of the supplier and the financial service, the contractual terms and conditions, and whether or not there is a right of cancellation.

A regulated mortgage contract under the FSMA, if originated by a United Kingdom lender (who is authorised by the FCA) from an establishment in the United Kingdom, will not be cancellable under the Distance Marketing Regulations, but will be subject to related pre-contract disclosure requirements in MCOB. Failure to comply with MCOB pre-contract disclosure rules could result in, among other things, disciplinary action by the FCA and claims for damages under Section 138D of FSMA.

Certain agreements for financial services will be cancellable under the Distance Marketing Regulations if the borrower does not receive prescribed information at the prescribed time. Where the credit agreement is cancellable under the Distance Marketing Regulations, the borrower may send notice of cancellation at any time before the expiry of 14 days beginning with: (i) the day after the day on which the contract is made (where all of the prescribed information has been provided prior to the contract being entered into); or (ii) the day after the day on which the last of the prescribed information is provided (where all of the prescribed information was not provided prior to the contract being entered into).

Compliance with the Distance Marketing Regulations may be secured by way of injunction (interdict in Scotland) obtained by an enforcement authority, granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the Distance Marketing Regulations may render the originator or intermediaries (and their respective relevant officers) liable to a fine.

If the borrower cancels the contract under the Distance Marketing Regulations, then: (a) the borrower is liable to repay the principal and any other sums paid by or on behalf of the originator to the borrower, under or in relation to the contract, within 30 calendar days of cancellation, beginning with the day of the borrower sending notice of cancellation or, if later, the lender receiving notice of cancellation; (b) the borrower is liable to pay interest, early repayment charges and other charges for services actually provided in accordance with the contract only if: (i) the amount is in proportion to the extent of the service provided (in comparison with the full coverage of the contract) and is not such that it could be construed as a penalty; (ii) the borrower received certain prescribed information at the prescribed time about the amounts payable; and (iii) the originator did not commence performance of the contract before the expiry of the relevant cancellation period (unless requested to do so by the borrower); and (c) any security provided in relation to the contract is to be treated as never having had effect. If a significant portion of the Loans is characterised as being cancellable under the Distance Marketing Regulations, then there is a risk that there could be an adverse effect on the Issuer's receipts in respect of the Loans affecting the Issuer's ability to make payments in full on the Notes when due.

Unfair Terms in Consumer Contracts Regulations and the Consumer Rights Act 2015

In the United Kingdom, the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the **1999 Regulations**), together with (in so far as applicable) the Unfair Terms in Consumer Contracts Regulation 1994 (together with the 1999 Regulations, the **UTCCR**), applies to agreements made on or after 1 July 1995 but prior to 1 October 2015 by a "consumer" within the meaning of the UTCCR, where the terms have not been individually negotiated. The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015. The main provisions of the CRA came into force on 1 October 2015. The CRA is only applicable to contracts that: (a) were entered into on or after 1 October 2015; or (b) were, since 1 October 2015, subject to a material variation such that they are treated as new contracts falling within the scope of the CRA. The CRA is also applicable on or after 1 October 2015, to notices of variation, such as variation of interest rate under contracts. All of the Loans in the Portfolio were originated prior to 1 October 2015, but it is possible that some of the Loans have been subject to a material variation since 1 October 2015, such that they are treated as new contracts falling within the scope of the CRA.

The UTCCR and the CRA provide that a consumer (which would include a borrower under all or almost all of the Loans) may challenge a term in an agreement on the basis that it is "unfair" within the UTCCR or the CRA as applicable and is therefore not binding on the consumer (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term) and provided that a regulator may take action to stop the use of terms which are considered to be unfair.

The FCA have stated that the finalised FCA guidance "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" applies equally to factors that firms should consider to achieve fairness under the UTCCR.

(i) UTCCR

The UTCCR will not generally affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal, provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer's attention. The UTCCR may affect terms that are not considered to be terms which define the main subject matter of the contract, such as the lender's power to vary the interest rate and certain terms imposing early repayment charges and mortgage exit administration fees. For example, if a term permitting the lender to vary the interest rate (as the originator is permitted to do) is found to be unfair, the borrower will not be liable to pay interest at the increased rate or, to the extent that the borrower has paid it, will be able, as against the lender, or any assignee such as the Issuer, to claim repayment of the extra interest amounts paid or to set off the amount of the claim against the amount owing by the borrower under the loan or any other loan agreement that the borrower has taken with the lender. Any such non-recovery, claim or set-off may adversely affect the Issuer's ability to make payments on the Notes.

(ii) CRA

The main provisions of the CRA came into force on 1 October 2015 and applies to agreements made on or after that date. The CRA significantly reforms and consolidates consumer law in the UK. The CRA involves the creation of a single regime out of the Unfair Contract Terms Act 1977 (which essentially deals with attempts to limit liability for breach of contract) and the UTCCR for contracts entered into on or after 1 October 2015. The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015 and introduced a new regime for dealing with unfair contractual terms as follows:

(A) Under Part 2 of the CRA, an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession). Additionally, an unfair notice is not binding on a consumer, although a consumer may rely on the term or notice if the consumer chooses to do so. A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. In determining whether a term is fair it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends.

(B) Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 of Schedule 2 lists "a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract", although paragraph 22 of Schedule 2 provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.

(C) A term of a consumer contract which is not on the "grey list" may nevertheless be regarded as unfair.

Where a term of a consumer contract is "unfair" it will not bind the consumer. However, the remainder of the contract will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible of multiple different meanings, the meaning most favourable to the consumer will prevail. It is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings has explicitly raised the issue of fairness.

(iii) Regulatory Developments

In July 2019, the FCA and the Competition and Markets Authority (**CMA**) entered into a memorandum of understanding in relation to consumer protection (the **MoU**) which replaced the original memorandum of understanding entered into between the FCA and the CMA on 12 January 2016. The MoU states that the FCA will consider fairness within the meaning of the CRA and the UTCCR, of standard terms, and within the meaning of the CRA of negotiated terms, in financial services contracts entered into by authorised firms or appointed representatives and within the meaning of the Consumer Protection from Unfair Trading Regulations 2008 (the **CPUTR**), of commercial practices in financial services and claims management services of an authorised firm or appointed representative.

Historically, the OFT, FSA and FCA (as appropriate) have issued guidance on the UTCCR. This has included: (i) OFT guidance on fair terms for interest variations in mortgage contracts dated February 2000; (ii) an FSA statement of good practice on the fairness of terms in consumer contracts dated May 2005; (iii) an FSA statement of good practice on mortgage exit administration fees dated January 2007; and (iv) FSA finalised guidance on unfair contract terms and improving standards in consumer contracts dated January 2012. On 2 March 2015, the FCA updated its online unfair contract terms library by removing some of its material relating to unfair contract terms. The FCA stated that such material "no longer reflects the FCA's views on unfair contract terms" and that firms should no longer rely on the content of the documents that have been removed.

On 19 December 2018, the FCA published finalised guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (FG 18/7), outlining factors the FCA considered firms should have regard to when drafting and reviewing variation terms in consumer contracts. This follows developments in case law, including at the Court of Justice of the European Union (the **CJEU**). The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA state that firms should consider both this guidance and any other rules that apply when they draft and use variation terms in their consumer contracts. The FCA stated that the finalised guidance will apply to FCA authorised persons and their appointed representatives in relation to any consumer contracts which contain variation terms.

The Unfair Contract Terms and Consumer Notices Regulation Guide (UNFCOG in the FCA handbook) explains the FCA's policy on how it uses its powers under the CRA and the CMA published guidance on the unfair terms provisions in the CRA on 31 July 2015 (the **CMA Guidance**). The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the CRA are regarded to be "effectively the same as those of the UTCCR" (save in applying the consumer notices and negotiated terms). The document further notes that "the extent of continuity in unfair terms legislation means that existing case law generally, and that of the Court of Justice of the European Union particularly, is for the most part as relevant to the Act as it was the UTCCRs".

In general, the interpretation of the UTCCR and/or the CRA is open to some doubt, particularly in the light of sometimes conflicting reported case law between English courts and the CJEU. The broad and general wording of the CRA and UTCCR makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Loans which have been made to Borrowers covered by the UTCCR or CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans. If any term of the Loans entered into between 1 July 1995 and 30 September 2015 is found to be unfair for the purpose of the UTCCR, this may reduce the amounts available to meet the payments due in respect of the Notes.

If any term of the Loans is found to be unfair for the purpose of the CRA, this may reduce the amounts available to meet the payments due in respect of the Notes. No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the Interim Legal Title Holder, the Issuer and/or the Servicer and their respective businesses and operations. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the Loans.

Financial Ombudsman Service

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

Complaints properly brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. The Ombudsman may order a money award to a debtor, which may adversely affect the ability of the Issuer to meet its obligations under the Notes. As the Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a monetary award to a complaining borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments to Noteholders and Certificateholders. The Seller has confirmed that, in respect of the Loans, there have been 1 upheld borrower complaint brought before the Ombudsman in the last three years.

Consumer Protection from Unfair Trading Regulations 2008

The Consumer Protection from Unfair Trading Regulations 2008 (the **CPUTR**) came into force on 26 May 2008 and prohibits certain practices which are deemed "unfair" within the terms of the CPUTR. In addition, under the CPUTR, a commercial practice within the scope of the CPUTR may 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 either honest market practice 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).

Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but is a criminal offence punishable by a fine and/or imprisonment. Under the terms of the CPUTR, the possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreements may result in irrecoverable losses on amounts to which such agreements apply. The Consumer Protection (Amendment) Regulations 2014 came into force on 1 October 2014 and amended the CPUTR. In certain circumstances, these amendments to the CPUTR give consumers a right to redress for misleading or aggressive commercial practices (as defined in the CPUTR), including a right to unwind agreements.

Non-disclosure of Broker Commissions

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

Where only the existence but not the amount of the commission was disclosed to a Borrower then, depending on the circumstances of the case, that Borrower may have a claim against the Interim Legal Title Holders of the affected Loan. If such claim was successful, it is likely that a court would order payment to such Borrower of the amount of commission paid in respect of the affected Loan together with interest on that amount (although the court does have discretion as to the remedy that it would award the Borrower in the circumstances), whereas the award is likely to be greater where there was a failure to disclose the existence of the commission to a Borrower.

Mortgage Prisoners

The FCA are aware that there are some consumers who cannot switch to a more affordable mortgage despite being up to date with their mortgage payments. This includes those who cannot switch because of changes to lending practices during and after the 2008 financial crisis and subsequent regulation that tightened lending standards – often called 'mortgage prisoners'.

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

The FCA laid before parliament their review of data on mortgage prisoners on 29 November 2021.

The modification of the responsible lending rules should make it easier for a borrower who is a mortgage prisoner to switch to a new lender and this, together with the proposed notification obligations, could increase redemption rates where there are a significant number of mortgage prisoners held by a lender.

Mortgage repossession

There is a protocol for mortgage repossession cases in England and Wales (the **Pre-action Protocol**), which sets out the steps that judges will expect any lender to take before starting a claim. A number of mortgage lenders have confirmed that they will delay the initiation of repossession action for at least three months after a borrower, who is an owner-occupier, is in arrears. The application of such a moratorium may be subject to the wishes of the relevant borrower and may not apply in cases of fraud. In addition, under the protocol, the lender must consider whether to postpone the start of a possession claim where the borrower has made a genuine complaint to the Ombudsman about the potential possession claim. Please also refer to the sections below entitled "FCA response to the cost of living crisis" and the "Mortgage Charter" with regards to repossessions in the context of the recent cost of living crisis.

The Mortgage Repossessions (Protection of Tenants etc.) Act 2010 came into force on 1 October 2010. This Act gives courts in England and Wales the same power to postpone and suspend repossession for up to two months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent) as generally exists on application by an authorised tenant. In addition, under the Pre-action Protocol, the lender must consider whether to postpone the start of a possession claim where the borrower has made a genuine complaint to the Ombudsman about the potential possession claim. The lender has to serve notice at the property before enforcing a possession order.

Part I of the Home Owner and Debtor Protection (Scotland) Act 2010 came into force on 30 September 2010 and imposes additional requirements on heritable creditors (the Scottish equivalent to a mortgagee) in relation to the enforcement of standard securities over residential property in Scotland. Under Part I of this Act, the heritable creditor, which may be the Interim Legal Title Holders or, in the event of it taking legal title to the Scottish Loans and their Related Security, the Issuer, has to obtain a court order to exercise its power of sale (in addition to initiating the enforcement process by the service of a two-month "calling up" notice, unless the borrower and any other occupiers have surrendered the property voluntarily). In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the borrower's position, and comply with further procedural requirements, which may restrict the ability of the Interim Legal Title Holders (or Issuer, as applicable) as heritable creditor in respect of the Scottish Loans and their Related Security to exercise its power of sale.

This protocol and these Acts may have adverse effects in markets experiencing above average levels of repossession claims. There is a risk that delays in the initiation of responsive action in respect of the Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments on the Notes and the Certificates.

FCA response to the cost of living crisis

On 16 June 2022, the FCA sent a "Dear CEO" letter which stated that the FCA consider that the Mortgages Tailored Support Guidance published on 25 March 2021 (the **Mortgages Tailored Support Guidance**) which was issued to address exceptional circumstances arising out of coronavirus, is also relevant for borrowers in financial difficulties due to other circumstances such as the rising cost of living. Therefore, if a borrower indicates that they are experiencing or reasonably expect to experience payment difficulties due to the rising cost of living, the FCA have said that lenders should offer prospective forbearance to enable them to avoid, reduce, or manage any payment shortfall that would otherwise arise. This includes borrowers who have not yet missed a payment.

The Mortgages Tailored Support Guidance emphasises the MCOB requirement that a lender must not repossess a property unless all other reasonable attempts to resolve the position have failed. It further states that mortgage lenders must also establish and implement clear, effective and appropriate policies and procedures for the fair and appropriate treatment of borrowers whom the lender understands, or reasonably suspects, to be particularly vulnerable. The Mortgages Tailored Support Guidance also confirms the FCA's expectation that action to seek possession should be a last resort.

In addition, the FCA proposed that lenders considering or resuming possession proceedings should support and enable borrowers to disclose circumstances that might make them particularly vulnerable to repossession action at this time – and to consider whether additional care may be required as a result.

On 13 March 2023, the FCA published finalised guidance: "Guidance for firms supporting their existing mortgage borrowers impacted by the rising cost of living" (FG23/2). The FCA stated that the purpose of the finalised guidance was to ensure that lenders are clear about the effect of the FCA rules and the range of options lenders have to support their customers including those who are facing higher interest rates alongside the rising cost of living. The FCA have said that the guidance clarifies the effect of their existing rules and principles and is not intended to set new expectations or requirements of lenders or to repeat the position set out in other documents such as the expectations around repossessions or the treatment of vulnerable customers. It explains how lenders can support borrowers in, or at risk of, payment difficulty and confirms the flexibility lenders have under FCA rules and guidance to support borrowers in different ways.

The FCA makes clear in the Mortgages Tailored Support Guidance that it expects lenders of owner-occupied and buy-to-let mortgage loans to act in a manner consistent with the guidance.

In March 2021, the FCA stated that as the more immediate impacts of coronavirus begin to subside, they were considering whether they will need to make any permanent changes to their forbearance regimes for mortgages and credit in light of the Mortgages Tailored Support Guidance. This could include updating the rules and guidance in MCOB and incorporating elements of the Mortgages Tailored Support Guidance. On 25 May 2023, the FCA launched consultation CP23/13 setting out how they plan to incorporate aspects of the Mortgages Tailored Support Guidance into MCOB and withdraw the Mortgages Tailored Support Guidance. The FCA are also proposing targeted additional changes to support consumers in financial difficulty. The FCA expect their new rules to come into force in the first half of 2024 and propose to withdraw the Mortgages Tailored Support Guidance at the same time.

There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Loans, including further amending and extending the scope of the above guidance.

Mortgage Charter

On 26 June 2023, the HM Treasury published the "Mortgage Charter" in light of the current pressures on households following interest rate rises and the cost-of-living crisis. The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of standards that they will adopt when helping their regulated mortgage borrowers worried about high interest rates (the **Mortgage Charter**). Platform Funding Limited (one of Interim Legal Title Holders) are signatories to the Mortgage Charter and have agreed that among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances, in less than a year from their first missed payment. In addition, lenders will permit borrowers who are up to date with their payments to: (i) switch to interest-only payments for six months (the **MC Interest-only Agreement**); or (ii) extend their mortgage term to reduce their monthly payments and give borrowers the option to revert to their original term within six months by contacting their lender (the **MC Extension Agreement**). These options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score. The Mortgage Charter commitments do not apply to buy-to-let mortgages.

With the effect on and from 30 June 2023, the FCA has amended the Mortgages and Home Finance: Conduct of Business Sourcebook (**MCOB**) to allow (rather than require) lenders to give effect to the MC Interest-only Agreement and the MC Extension Agreement. The amendments made by the FCA do not apply to second ranking mortgages or bridging loans. The FCA announced that it intends to review the impact of the rule changes within 12 months.

The charter is currently voluntary and adhering to it will be a decision for lenders to make individually.

There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the rising cost of living in the UK which may impact the performance of the Loans, including further amending and extending the scope of the Mortgage Charter or related rules.

PPI

The FCA set a deadline of 29 August 2019 by which consumers needed to make any payment protection insurance complaints or lose their right to have them assessed by firms or the Ombudsman (although consumers continue to be able to bring claims in court). A consumer may be able to also still submit a complaint if they were sold the PPI policy after 29 August 2017, the complaint is about a claim being turned down by an insurer or the consumer can clearly show that there were exceptional circumstances that prevented them from making a complaint by the deadline.

Assured Shorthold Tenancy

Depending on the level of ground rent payable at any one time it is possible that a long leasehold in England and Wales may also be an AT or AST under the Housing Act 1988 (**HA 1988**). If it is, this could have the consequences set out below.

A tenancy or lease will be an AT if granted after 15 January 1989 and:

(i) the tenant or, as the case may be, each of the joint tenants is an individual;

(ii) the tenant or, as the case may be, at least one of the joint tenants occupies the dwelling-house as their only or principal home;

(iii) if granted before 1 April 1990:

  (A) the property had a rateable value at 31 March 1990 lower than £1,500 in Greater London or £750 elsewhere; and

  (B) the rent payable for the time being is greater than two-thirds of the rateable value at 31 March 1990; and

(iv) if granted on or after 1 April 1990 the rent payable for the time being is between £251 and £100,000 inclusive (or between £1,001 and £100,000 inclusive in Greater London).

There is no maximum term for an AT and therefore any lease can constitute an AT if it satisfies the relevant criteria.

Since 28 February 1997, all ATs will automatically be ASTs (unless the landlord serves notice to the contrary) which gives landlords the right to recover the property at the end of the term of the tenancy. The HA 1988 also entitles a landlord to obtain an order for possession and terminate an AT/AST during its fixed term on proving one of the grounds for possession specified in Section 7(6) of the HA 1988. The ground for possession of most concern in relation to long leaseholds is Ground 8 – namely that, if the rent is payable yearly (as most ground rents are), at least three months' rent is more than three months in arrears both at the date of service of the landlord's notice and the date of the hearing.

Most leases give the landlord a right to forfeit the lease if rent is unpaid for a certain period of time, but the courts normally have power to grant relief, cancelling the forfeiture as long as the arrears are paid off. There are also statutory protections in place to protect long leaseholders from unjustified forfeiture action. However, an action for possession under Ground 8 is not the same as a forfeiture action and the court's power to grant relief does not apply to Ground 8. In order to obtain possession, the landlord will have to follow the notice procedure in Section 8 of the HA 1988 and, if the tenant does not leave on expiry of the notice, apply for a court order. However, as Ground 8 is a mandatory ground, the court will have no discretion and will be obliged to grant the order if the relevant conditions are satisfied. There is government consultation underway to review residential leasehold law generally and it is anticipated that this issue will be addressed as part of any resulting reforms.

Currently, however, there is a risk that where:

(i) a long lease is also an AT/AST due to the level of the ground rent;

(ii) the tenant is in arrears of ground rent for more than three months;

(iii) the landlord chooses to use the HA 1988 route to seek possession under Ground 8; and

(iv) the tenant does not manage to reduce the arrears to below three months' ground rent by the date of the court hearing,

the long lease will come to an end and the landlord will be able to re-enter the relevant property.

In Scotland, the corresponding provisions of the Housing (Scotland) Act 1988 that govern assured tenancies and short assured tenancies (being broadly the Scottish equivalent of ATs and ASTs in England and Wales) do not apply to long leases in respect of residential property in Scotland that are capable of being registered in the Registers of Scotland and secured by a standard security.

Private Residential Tenancies in Scotland

The Private Housing (Tenancies) (Scotland) Act 2016 (the 2016 Act) introduced, from 1 December 2017, a form of tenancy in Scotland known as a "private residential tenancy" which (other than in a very limited number of exceptions) provides tenants with security of tenure by restricting a landlord's ability to regain possession of the property to a number of specific eviction grounds.

Accordingly, a lender or security-holder may not be able to obtain vacant possession if it wishes to enforce its security unless one of the specific eviction grounds under the legislation applies. It should be noted though that one of the grounds on which an eviction order can be sought is that a lender or security-holder intends to sell the property and requires the tenant to leave the property in order to dispose of it with vacant possession. There is a risk that the 2016 Act may result in lower recoveries in relation to buy-to-let mortgages over properties in Scotland and may affect the ability of the Issuer to make payments under the Notes and Certificates.

In response to rapid increases in inflation and the cost of living that have been affecting the UK since the beginning of the energy crisis in the first half of 2022, the Scottish Parliament has enacted The Cost of Living (Tenant Protection) (Scotland) Act 2022 (the 2022 Act). The 2022 Act amends the 2016 Act and implements temporary protections for tenants that will prohibit eviction and rent increases. The initial period for the majority of these protections (including those relating to private residential tenancies) has been extended to 30 September 2023. While Scottish Ministers have the ability to end the protections prior to that date, regulations to extend the provisions for a further 6 months, until 31 March 2024, have now been laid before the Scottish Parliament. This is the final extension permitted under the legislation. While the temporary protections apply, a landlord will not be able to increase rent beyond a permitted rate (to be set by the Scottish Ministers and currently 3%) however a landlord may apply to increase the rent by up to 6% in order to recover a proportion of increases in certain property costs (including interest payable under a mortgage). In addition, a landlord will not be able to enforce eviction notices unless the ground for eviction is one of those exempt from the prohibition. The exempt eviction grounds include, among others, when an eviction is sought because (i) a lender or security-holder intends to sell the property; (ii) the landlord intends to sell or live in the property in order to alleviate financial hardship; and (iii) there are rent arrears equal to or more than the equivalent of 6 months' rent. There are similar provisions for assured and other tenancies. Delays to landlords seeking possession of a property and the restrictions on a landlord's ability to increase rent during the period in which these protections are in place may result in less rental income being available to meet the underlying Borrower's repayment obligations in respect of the relevant Loans.

The effects of the 2016 Act and 2022 Act (as amended) are restricted to any Buy-to-Let Loans secured over Scottish Property.

Land Registration Reform in Scotland

The Land Registration etc. (Scotland) Act 2012 (the **2012 Act**) came into force in Scotland on 8 December 2014. One of the policy aims of the 2012 Act is to encourage the transfer of property titles recorded in the historic General Register of Sasines to the more recently established Land Register of Scotland with the aim of eventually closing the General Register of Sasines.

Previously, title to a residential property that was recorded in the General Register of Sasines would usually only require to be moved to the Land Register of Scotland (a process known as "first registration") when that property was sold or if the owner decided voluntarily to commence first registration. The 2012 Act provides additional circumstances which will trigger first registration of properties recorded in the General Register of Sasines, including (i) the recording of a standard security (which will extend to any standard security granted by the Issuer in favour of the Security Trustee over Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Deed of Charge following a Perfection Trigger Event (a **Scottish Sasine Sub-Security**)) or (ii) the recording of an assignation of a standard security (which would extend to either an assignation granted by the relevant Interim Legal Title Holder in favour of the Issuer or its nominee in respect of Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Mortgage Sale Agreement, the Interim Legal Title Holders Deed and/or the Servicing Agreement following a Perfection Trigger Event (a **Scottish Sasine Transfer**)).

The relevant provisions of the 2012 Act relating to the recording of standard securities came into force on 1 April 2016. As of this date, the General Register of Sasines is now closed to the recording of standard securities. As a result of this, if a Scottish Sasine Sub-Security is granted by the Issuer this may lead to higher legal costs and a longer period being required to complete registration than would previously have been the case. However, for the time being other deeds such as assignations of standard securities (including Scottish Sasine Transfers) will continue to be accepted in the General Register of Sasines indefinitely (although Registers of Scotland have reserved the right to consult further on this issue in the future).

Given that the proportion of residential properties in Scotland which remain recorded in the General Register of Sasines continues to decline (the Registers of Scotland estimate that, as of November 2022 around 87 per cent. of functional property titles in Scotland were registered in the Land Register of Scotland), it is likely that, in relation to the Provisional Portfolio, where, as at the Cut-Off Date, approximately 1.99 per cent. (by Current Balance) of the Properties are located in Scotland, only a minority of the Scottish Mortgages will be recorded in the General Register of Sasines.

FCA Consumer Duty

The FCA has published final rules on the introduction of the Consumer Duty on regulated firms, which aims to set a higher level of consumer protection in retail financial markets. The FCA published its final rules on the Consumer Duty in July 2022, which provide that the Consumer Duty applied from 31 July 2023 for products and services that remain open to sale or renewal and will apply from 31 July 2024 for closed products and services. It will therefore apply to the Mortgage Loans from 31 July 2024.

The Consumer Duty applies to the regulated activities and ancillary activities of all firms authorised under the FSMA, where such firms carry on certain specified activities with consumers.

There are three main elements to the Consumer Duty, comprising (1) the new consumer principle that requires firms to act to deliver good outcomes for retail consumers, (2) the cross-cutting rules supporting the consumer principle and (3) the four outcomes, relating to (i) the quality of firms' products and services, (ii) price and value, (iii) consumer understanding and (iv) consumer support.

The Consumer Duty applies not only at origination of a product but throughout its subsistence (so in the case of a mortgage loan, the Consumer Duty will apply at origination and throughout the period the mortgage loan is outstanding). The cross-cutting rules include an obligation to avoid causing foreseeable harm to the consumer and the outcomes include an obligation to ensure that the product (for example, a mortgage loan) provides fair value to the retail customer. These obligations (as with the remainder of the Consumer Duty) must be assessed on a regular basis throughout the life of the product.

The Consumer Duty will apply in respect of Regulated Mortgage Contracts (as well as loans falling within the consumer credit regime). It will apply to product manufacturers and distributors, which include purchasers of in scope mortgage loans, as well as firms administering or servicing those mortgage loans. Although the Consumer Duty will not apply retrospectively, the FCA will require firms to apply the Consumer Duty to existing products on a forward-looking basis. If (for example) the obligations relating to fair value or not causing harm are not met in relation to the Mortgage Portfolio, it could adversely affect the amounts received or recoverable in relation to the Mortgage Portfolio. This may adversely affect the ability of the Issuer to make payments in full on the Notes and Certificates when due. It is not yet possible to predict the precise effect of the new Consumer Duty on the Loans with any certainty, however, the FCA has its usual enforcement powers, such as issuing fines and securing redress for consumers, in relation to breaches of the Consumer Duty.

The Renting Homes (Wales) Act 2016

The Renting Home (Wales) Act 2016 (the **Renting Homes Act**) received royal assent on 18 January 2016 and fully entered into force on 1 December 2022. The Renting Homes Act converts the majority of existing residential tenancies in Wales into an occupation contract with retrospective effect. Subject to certain criteria being met, residential lettings and tenancies granted on or after 1 December 2022 will be "occupation contracts".

Under the Renting Homes Act, a landlord must, within the requisite time period set out in the act, serve a written statement on the tenant of an occupation contract which sets out certain terms of the occupation contract which are specified in the Act.

Where a tenant has breached the occupation contract the minimum notice that must be given to the tenant by the landlord of termination of the contract is one month. The notice period can be shorter where it relates to acts of anti-social behaviour or serious rent arrears. Where a "no fault" notice is issued, the minimum notice that must be given to a tenant is six months.

The Renting Homes Act (which only has effect in Wales) does not contain an equivalent mandatory ground for possession that a lender had under the Housing Act 1988 where a property was subject to a mortgage granted before the beginning of the tenancy and the lender required possession in order to dispose of the property with vacant possession.

The Renting Homes Act may result in lower recoveries in relation to buy-to-let mortgage loans over Properties in Wales and may affect the ability of the Issuer to make payments under the Notes.

Energy Efficiency Regulations 2015

From 1 April 2018, landlords of relevant domestic properties in England and Wales may not grant a tenancy to new or existing tenants if their property has an EPC rating of band F or G (as shown on a valid Energy Performance Certificate for the property) and from 1 April 2020, landlords must not continue letting a relevant domestic property which is already let if that property has an EPC rating of band F or G (as shown on a valid Energy Performance Certificate for the property). In both cases described above, this is referred to in the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (the **Energy Efficiency Regulations 2015**) as the prohibition on letting substandard property. Where a landlord wishes to continue letting property which is currently substandard, they will need to ensure that energy efficiency improvements are made which raise the EPC rating to a minimum of E. In certain circumstances, landlords may be able to claim an exemption from this prohibition on letting substandard property; this includes situations where the landlord is unable to obtain funding to cover the cost of making improvements, or where all improvements which can be made have been made, and the property remains below an EPC rating of Band E. Local authorities will enforce compliance with the domestic minimum level of energy efficiency. They may check whether a property meets the minimum level of energy efficiency, and may issue a compliance notice requesting information where it appears to them that a property has been let in breach of the Energy Efficiency Regulations 2015, (or an invalid exemption has been registered in respect of it). Where a local authority is satisfied that a property has been let in breach of the Energy Efficiency Regulations 2015 it may serve a notice on the landlord imposing financial penalties. In September 2020, the Department for Business, Energy & Industrial Strategy issued a consultation titled "Improving the energy performance of privately rented homes in England and Wales" regarding, among other things, the proposal to raise energy performance standards for the domestic private rented sector to an EPC rating band of C. The consultation period closed on 8 January 2021. No publication date for the results of the consultation has yet been announced by the UK Government.

In order to set similar standards in the private rented sector in Scotland compared to those in England and Wales, the Scottish government has published, in draft form, The Energy Efficiency (Domestic Private Rented Property) (Scotland) Regulations 2020 to ensure that all privately rented homes in Scotland meet a minimum standard of energy efficiency. These regulations would have required all private rented sector properties to have a minimum Energy Performance Certificate (EPC) rating of 'E' at a change in tenancy from 1 October 2020 – and rising to EPC rating level 'D' from 1 April 2022. However, whilst it was anticipated that these regulations would come into force on 1 April 2020, the Scottish Government has delayed the implementation of the new minimum standards due to the impact of the COVID-19 pandemic.

General

No assurance can be given that additional legislation, regulations or guidance from Parliament, the FCA, the CMA, the PRA, the Ombudsman or any other regulatory authority will not arise with regard to the mortgage market in the United Kingdom generally, the Interim Legal Title Holder's particular sector in that market or specifically in relation to the Interim Legal Title Holder. Any such action or developments or compliance costs may have a material adverse effect on the Loans, the Interim Legal Title Holder, the Issuer and/or the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full on the Notes when due.

Potential effects of any additional regulatory changes

In the United Kingdom and elsewhere, there is continuing political and regulatory scrutiny of the banking industry and, in particular, retail banking. In the United Kingdom, the FCA (and previously its predecessor, the FSA), the PRA and the CMA have recently carried out, or are currently conducting, several enquiries. In recent years there have been several issues in the UK financial services industry in which the FCA has intervened directly, including the sale of personal pensions, payment protection insurance and the sale of mortgage-related endowments. No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the mortgage market in the United Kingdom generally, the Interim Legal Title Holder's particular sector in that market or specifically in relation to the Interim Legal Title Holder. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the group and its businesses and operations. This may adversely affect the Issuer's ability to make payments in full when due on the Notes.

UNITED KINGDOM TAXATION

*The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs (**HMRC**) practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future (possibly with retrospective effect). Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek professional advice.*

The Class X Certificates and the Class Y Certificates are not considered below.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax, provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of Section 1005 of the Income Tax Act 2007. Euronext Dublin is a recognised stock exchange for such purposes. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in Member States of the European Economic Area and are admitted to trading on the Regulated Market of Euronext Dublin. Provided, therefore, that such Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on those Notes will be payable without withholding or deduction for or on account of United Kingdom income tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Where Notes are issued at an issue price of less than 100 per cent. of the principal amount, any payments in respect of the discount element on any such Notes should not generally be subject to any withholding or deduction for or on account of United Kingdom income tax. Where Notes are to be, or may fall to be, redeemed at a premium as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.

UNITED STATES FEDERAL INCOME TAXATION

A discussion of the material U.S. federal income tax consequences of the purchase, ownership and disposition of the Rule 144A Notes is set out below. As set forth in the discussion below, it is anticipated that, upon issuance of the Rule 144A Notes, Allen & Overy LLP will deliver its opinion that, although there is no statutory, judicial or administrative authority directly addressing the characterisation of instruments similar to the Rule 144A Notes, when issued, the Class A Notes will, and the Class B Notes, Class C Notes and Class D Notes should, be treated as debt for U.S. federal income tax purposes.

General

The following is a general summary of certain material U.S. federal income tax consequences that may be relevant with respect to the purchase, ownership and disposition of the Rule 144A Notes (except for the discussions under "*Taxation of Non-United States holders of the Notes*" and "*Back-up withholding and information reporting*" which apply in respect of all Notes). In general, the discussion only addresses a holder that acquires the Notes at original issuance and holds the Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including, without limitation, the following:

(a) financial institutions;

(b) insurance companies;

(c) dealers or traders in stocks, securities, notional principal contracts or currencies;

(d) tax-exempt entities;

(e) regulated investment companies;

(f) real estate investment trusts;

(g) persons that will hold the Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" for U.S. federal income tax purposes;

(h) partnerships or other pass-through entities for U.S. federal income tax purposes;

(i) certain former citizens or residents of the United States;

(j) persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement; and

(k) United States holders (as defined below) that have a "functional currency" other than the U.S. Dollar.

This discussion also does not address alternative minimum tax or net investment income tax consequences, or the indirect effects on the holders of equity interests in holders of Notes, nor does it describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal government. This discussion does not address investors that held Original Notes. Prospective investors that held Original Notes prior to the Closing Date should consult their tax advisers regarding the tax consequences to them of an investment in the Notes.

This discussion is based on the Code, U.S. Treasury regulations and judicial and administrative interpretations thereof, all as currently in effect and subject to change at any time, possibly with retroactive effect.

No rulings will be sought from the U.S. Internal Revenue Service (the **IRS**) on any of the issues discussed in this section and there can be no assurance that the IRS or courts will agree with the conclusions expressed herein. Accordingly, investors are encouraged to consult their own tax advisers as to the U.S. federal income tax consequences to the investor of the purchase, ownership and disposition of the Notes to them, including the possible application of state, local, non-U.S. or other tax laws, and other U.S. tax issues affecting the transaction.

As used in this section, the term **United States holder** means a beneficial owner of Notes that is for U.S. federal income tax purposes:

(a) a citizen or resident of the United States;

(b) a corporation created or organised in or under the laws of the United States or any state thereof (including the District of Columbia);

(c) any estate, the income of which is subject to U.S. federal income tax regardless of the source of its income; or

(d) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

A **Non-United States holder** is a beneficial owner of the Notes that is not a United States holder and not a partnership. If a holder of Notes is a partnership for U.S. federal income tax purposes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Such partners of partnerships holding Notes are encouraged to consult their own tax advisers regarding the personal tax consequences to them.

Characterisation of the Rule 144A Notes

The Issuer will treat the Rule 144A Notes other than the Class E Notes, the Class F Notes, the Class R Notes, the Class X Notes and the Class Z Notes (the **U.S. Notes**) as indebtedness for U.S. federal income tax purposes. Each United States holder of a U.S. Note, by acceptance of such U.S. Note, will agree to treat such U.S. Note as indebtedness for U.S. federal income tax purposes. Although there is no statutory, judicial or administrative authority directly addressing the characterisation of instruments similar to the U.S. Notes, upon issuance of the U.S. Notes, Allen & Overy LLP will deliver an opinion that, when issued, the Class A Notes will, and the Class B Notes, Class C Notes and Class D Notes should, be treated as debt for U.S. federal income tax purposes. This opinion is not binding on the IRS, and no assurance can be given that the characterisation of the U.S. Notes as indebtedness will prevail if the issue was challenged by the IRS. In general, the characterisation of an instrument for such purposes as debt or equity by its issuer as of the time of issuance is binding on a holder, unless the holder takes an inconsistent position and discloses such position in its tax return. This characterisation, however, is not binding on the IRS. Prospective United States holders of the U.S. Notes should consult with their own tax advisers as to the effect of a recharacterisation of the U.S. Notes as equity interests in the Issuer. In general, if a Class of Notes were treated as equity, the discussion under the heading "*Taxation of United States holders of the Equity Notes*" below and elsewhere of the tax consequences of holding Equity Notes (as defined below) would be relevant to holders of that Class as well. Except as otherwise stated below, the remainder of this discussion assumes the U.S. Notes will be treated as indebtedness for U.S. federal income tax purposes.

The Issuer has agreed, and by its acceptance of the Class E Notes, the Class F Notes, the Class R Notes, the Class X Notes and the Class Z Notes (the **Equity Notes**), each United States holder of an Equity Note will be deemed to have agreed, to treat the Equity Notes as equity in the Issuer for U.S. federal income tax purposes, except as otherwise required by any governmental authority. The balance of this discussion assumes that the Equity Notes will properly be characterised as equity in the Issuer.

Taxation of United States holders of the U.S. Notes

Qualified Stated Interest and Original Issue Discount

United States holders of U.S. Notes generally will be required to include in gross income the U.S. Dollar value of payments of "qualified stated interest" (generally, stated interest unconditionally payable at least annually at a single fixed rate) accrued or received on their U.S. Notes, in accordance with their usual method of tax accounting, as ordinary interest income. The Issuer intends to treat interest on the Class A Notes as "qualified stated interest" under U.S. Treasury regulations (**OID Regulations**) relating to original issue discount (**OID**). As a consequence, discount on a Class A Note arising from an issuance at less than par will only be required to be accrued under the OID Regulations if such discount is equal to or exceeds 0.25 per cent. of the Class A Note's stated redemption price at maturity multiplied by the number of complete years to its maturity. In general, the stated redemption price at maturity of a Class A Note is the total of all payments provided by the Class A Notes that are not payments of qualified stated interest. If the discount on a Class A Note does not exceed the above threshold, such discount will be treated as *de minimis* OID and, absent an election by the holder to accrue under the OID rules, will be included in income on a pro rata basis as principal payments are made on the Class A Notes.

If a United States holder holds a U.S. Note issued with OID other than a Deferred Interest Note (as defined below) (any such Note, a **Discount Note**), such United States holder must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Note. The amount of OID includible in income by a United States holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the United States holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Discount Note may be of any length selected by the United States holder and may vary in length over the term of the Discount Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Discount Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of interest on the Discount Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is equal to the "issue price" of the Discount Note (generally, the first price at which a substantial amount of U.S. Notes are sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers), increased by the amount of any OID accrued for each prior accrual period and reduced by any payments received during each prior accrual period other than those of qualified stated interest.

Because payments of stated interest on the Class C Notes and the Class D Notes (together, the **Deferred Interest Notes**) are contingent on available funds and subject to deferral (and such potential for deferral is not, in the Issuer's view, sufficiently remote to be disregarded for purposes of the OID rules), the Issuer will treat the Deferred Interest Notes for U.S. federal income tax purposes as having OID. The total amount of such discount with respect to a Deferred Interest Note will equal the sum of all payments to be received under such Deferred Interest Note less its issue price (the first price at which a substantial amount of Deferred Interest Notes of the same Class was sold to investors). A U.S. holder of Deferred Interest Notes will be required to include OID in income as it accrues. The amount of OID accruing in any Interest Period will generally equal the stated interest accruing in that period (whether or not currently due) plus any additional amount representing the accrual under a constant yield method of any additional OID represented by the excess of the principal amount of the Deferred Interest Notes over their issue price (regardless of the amount). Accruals of any such additional OID will be based on the projected weighted average life of the Deferred Interest Notes rather than their stated maturity. In the case of Deferred Interest Notes, accruals of OID should be calculated by assuming that interest will be paid over the life of the Deferred Interest Note based on the value of SONIA used in setting interest for the first Interest Period, and then adjusting the income for each subsequent Interest Period for any difference between the actual value of SONIA used in setting interest for those periods and the assumed rate.

As an alternative to the above treatments, United States holders may elect to include in gross income all interest with respect to the U.S. Notes, including stated interest, OID, *de minimis* OID, and unstated interest using the constant yield method described above.

Interest income on the U.S. Notes will be treated as foreign source income for U.S. federal income tax purposes, which may be relevant in calculating a United States holder's foreign tax credit limitation for U.S. federal income tax purposes. The limitation on foreign taxes eligible for the U.S. foreign tax credit is calculated separately with respect to specific classes of income. The foreign tax credit rules are complex, and United States holders are encouraged to consult their own tax advisers regarding the availability of a foreign tax credit and the application of the limitation in their particular circumstances.

Sale, exchange or retirement of the U.S. Notes

In general, a United States holder of a U.S. Note will have an adjusted tax basis in such U.S. Note equal to the cost of the U.S. Note to such holder, increased by any amounts includible in income by the holder as OID, and reduced by any payments thereon other than payments of qualified stated interest. Upon a sale, exchange or retirement of the U.S. Note, a United States holder will generally recognise gain or loss equal to the difference between the amount realised (less amounts attributable to any accrued and unpaid interest, which would be taxable as such) and the holder's adjusted tax basis in the U.S. Note. Such gain or loss will be long-term capital gain or loss if the United States holder has held the U.S. Note for more than one year at the time of disposition. Long-term capital gains recognised by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deductibility of capital losses is subject to limitations.

Foreign Currency Gain or Loss

A United States holder holding U.S. Notes denominated in a non-U.S. Dollar currency will be subject to the U.S. federal income tax rules generally applicable to debt instruments denominated in a non-functional currency. Under those rules, interest income generally will be calculated in the non-U.S. Dollar currency and converted into U.S. Dollars based on an applicable exchange rate. The holder will recognise foreign currency gain or loss (which is ordinary income or loss) as interest payments are received to account for any difference between the amount of reported interest income and the U.S. Dollar value of the interest payments received. OID on U.S. Notes denominated in a non-U.S. Dollar currency for each accrual period will be determined in the non-U.S. Dollar currency that such U.S. Note is denominated in and then translated into U.S. Dollars in the same manner as stated interest accrued by an accrual basis United States holder. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale, exchange or retirement of a Discount Note), a United States holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. Dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. Dollars.

Foreign currency gain or loss also may be recognised as principal payments are received, or upon a sale, exchange or retirement of the U.S. Notes (limited by the overall gain or loss on sale, exchange or retirement of the U.S. Notes), reflecting changes in exchange rates over the period in which the U.S. Notes are held. United States holders purchasing U.S. Notes should consult their own tax advisers regarding the calculation and treatment of foreign currency gain or loss.

Taxation of United States holders of the Equity Notes

Investment in a Passive Foreign Investment Company

A non-U.S. corporation will be classified as a passive foreign investment company (a **PFIC**) for U.S. federal income tax purposes if 75 per cent. or more of its gross income (including the pro rata share of the gross income of any corporation in which the non-U.S. corporation is considered to own 25 per cent. or more of the shares by value) in a taxable year is passive income. Alternatively, a non-U.S. corporation will be classified as a PFIC if at least 50 per cent. of its assets generally are determined based on fair market value (including the pro rata share of the assets of any corporation in which the non-U.S. corporation is considered to own 25 per cent. or more of the shares by value) are held for the production, or produce, of passive income.

Based on the assets that the Issuer expects to hold and the income anticipated thereon, it is highly likely that the Issuer will be classified as a PFIC for U.S. federal income tax purposes. The Issuer intends to treat the Equity Notes as equity in a PFIC. Accordingly, the following discussion assumes that the Issuer will be a PFIC throughout the term of the Equity Notes, and United States holders of Equity Notes should assume that they will be subject to the U.S. federal income tax consequences described below that result from owning stock in a PFIC (subject to the discussion under "*Investment in a Controlled Foreign Corporation*", below).

If the PFIC rules are otherwise applicable and a United States holder has not elected to treat the Issuer as a "qualified electing fund" (as described in the next paragraph), such United States holder generally will be subject to special rules with respect to (i) any "excess distribution" (generally, any distributions received by the United States holder on the Equity Notes in a taxable year that are greater than 125 per cent. of the average annual distributions received by the United States holder in the three preceding taxable years or, if shorter, the United States holder's holding period for the Equity Notes) and (ii) any gain realised on the sale, exchange or retirement of the Equity Notes. Under these rules, (a) the excess distribution or gain will be allocated rateably over the United States holder's holding period, (b) the amount allocated to the current taxable year will be taxed as ordinary income and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest tax rate on ordinary income in effect for each taxable year to which the income is allocated, as if such distributions and gain had been recognised rateably over the United States holder's holding period for the Equity Notes. An interest charge is also applied to the deferred tax amount resulting from the deemed rateable distribution.

If a United States holder elects to treat the Issuer as a "qualified electing fund" (a **QEF**), distributions and gain will not be taxed as if recognised rateably over the United States holder's holding period or subject to an interest charge. Instead, a United States holder that makes a QEF election is required for each taxable year to include in income the United States holder's pro rata share of the ordinary earnings of the qualified electing fund as ordinary income and a pro rata share of the net capital gain of the qualified electing fund as capital gain, regardless of whether such earnings or gain have in fact been distributed (assuming the discussion below under "*Investment in a Controlled Foreign Corporation*" does not apply), and pay tax on such income, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge. In order to comply with the requirements of a QEF election, a United States holder must receive from the Issuer certain information. The Issuer agrees to make available to any United States holder of Equity Notes or of any other Class of Notes that is determined by the U.S. Internal Revenue Service to be treated as equity in the Issuer, upon such United States holder's request and at the Issuer's expense, the books and records of the Issuer, and to provide information to such United States holder pertinent to the Issuer's status as a PFIC as defined in Section 1297(a) of the Code. Upon request by such United States holder, the Issuer will timely provide to each such United States holder, at the Issuer's expense, all information reasonably available to the Issuer to permit such United States holder to (i) accurately prepare all tax returns and comply with any reporting requirements as a result of the Issuer's status as a PFIC and (ii) make and maintain any tax election (including, without limitation, a QEF election under Section 1295 of the Code) with respect to the Issuer and comply with any reporting or other requirements incident to such election. Except as expressly noted, the discussion below assumes that a QEF election will not be made.

If the Issuer is a PFIC, each United States holder of an Equity Note must make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which the United States holder holds a direct or indirect interest. If a United States holder does not file IRS Form 8621, the statute of limitations on the assessment and collection of U.S. federal income taxes of such United States holder for the related tax year may not close before the date which is three years after the date on which such report is filed. Prospective investors should consult their own tax advisers regarding the potential application of the PFIC rules to the Equity Notes and any other Class of Notes.

Investment in a Controlled Foreign Corporation

Depending on the degree of ownership of the Equity Notes and other equity interests in the Issuer by United States holders, the Issuer may constitute a controlled foreign corporation (**CFC**). In general, a foreign corporation will constitute a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, are owned, directly or indirectly, by **United States shareholders**. A United States shareholder for this purpose is any United States person that owns or is treated as owning under specified attribution rules, 10 per cent. or more of the combined voting power or value of all classes of shares of a foreign corporation. If more than 50 per cent. of the Equity Notes and other equity interests in the Issuer are held by such United States shareholders, the Issuer would be a CFC.

If the Issuer was treated as a CFC, a United States shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a dividend at the end of the taxable year of the Issuer in an amount equal to that person's pro rata share of the Issuer's **subpart F income** and investments of the Issuer's earnings in U.S. property. Among other items, and subject to certain exceptions, subpart F income includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income and income from certain transactions with related parties. It is likely that, if the Issuer were to constitute a CFC, substantially all of its income would be subpart F income. In addition, distributions of previously taxed amounts included as dividends by a United States shareholder generally will not be treated as income to the United States shareholder when distributed. Instead, special rules apply to determine the appropriate exchange rate to be used to translate such amounts treated as a dividend and the amount of any foreign currency gain or loss with respect to distributions of previously taxed amounts attributable to movements in exchange rates between the times of deemed and actual distributions and certain "dividends" from such CFC could be recharacterised as U.S. source income for U.S. foreign tax credit purposes.

If the Issuer was to constitute a CFC, for the period during which a United States holder of Equity Notes is a United States shareholder of the Issuer, such holder generally would be taxable on the Issuer's subpart F income and investments of the Issuer's earnings in U.S. property under rules described in the preceding paragraph and not under the PFIC rules previously described. The Issuer, at its expense, shall from time to time at the request of a Noteholder provide all information that is reasonably required to determine if United States shareholders' direct or indirect ownership of the Issuer would cause the Issuer to be considered a CFC as defined in Section 957(a) of the Code. If the Issuer or a Noteholder determines that the Issuer is a CFC, the Issuer shall furnish to each Noteholder upon its reasonable request, on a timely basis, and at the Issuer's expense, all information necessary to satisfy the U.S. income tax return filing requirements of such Noteholder arising from its investment in the Issuer.

A United States holder that is a United States shareholder of the Issuer subject to the CFC rules for only a portion of the time during which it holds Equity Notes should consult its own tax adviser regarding the interaction of the PFIC and CFC rules.

Distributions on the Equity Notes

Except to the extent that distributions are attributable to amounts previously taxed by virtue of a QEF election or pursuant to the CFC rules, some or all of any distributions with respect to the Equity Notes may constitute excess distributions, taxable as previously described. Distributions of current or accumulated earnings and profits of the Issuer, as determined for U.S. federal income tax purposes, which are not excess distributions will be taxed as dividends when received. The amount of such income is determined by translating non-U.S. Dollar currency received into U.S. Dollars at the spot rate on the date of receipt. A United States holder may realise foreign currency gain or loss on a subsequent disposition of the non-U.S. Dollar currency received.

Disposition of the Equity Notes

In general, a United States holder of an Equity Note will recognise gain or loss upon the sale, exchange or retirement of the Equity Note equal to the difference between the amount realised and such holder's adjusted tax basis in such Equity Note. Initially, the tax basis of a United States holder should equal the amount paid for an Equity Note. Such basis will be increased by amounts taxable to such United States holder by virtue of a QEF election or the CFC rules (if applicable), and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as a non-taxable return of capital. Unless a QEF election is made, it is highly likely that any gain realised on the sale, exchange or retirement of an Equity Note will be treated as an excess distribution and taxed as ordinary income under the special tax rules described above (assuming that the PFIC rules apply and not the CFC rules).

Subject to a special limitation for individual United States holders that have held the Equity Notes for more than one year, if the Issuer were treated as a CFC and a United States holder were treated as a United States shareholder thereof, any gain realised by such holder upon the sale, exchange or retirement of Equity Notes would be treated as ordinary income to the extent of the United States holder's pro rata share of current and accumulated earnings and profits of the Issuer and any of its subsidiaries. In this respect, earnings and profits would not include any amounts previously taxed pursuant to the CFC rules.

Foreign Currency Gain or Loss

A United States holder of Equity Notes that recognises income from the Equity Notes under the QEF or CFC rules discussed above will recognise foreign currency gain or loss attributable to movement in foreign exchange rates between the date when it recognised income under those rules and the date when the income actually is distributed. Any such foreign currency gain or loss will be treated as ordinary income or loss.

A United States holder that receives foreign currency upon the sale or other disposition of the Equity Notes generally will realise an amount equal to the U.S. Dollar value of the foreign currency on the date of such sale, exchange or retirement. A United States holder will have a tax basis in the foreign currency received equal to the U.S. Dollar amount realised. Any gain or loss realised by a United States holder on a subsequent conversion of the foreign currency for a different amount will be foreign currency gain or loss.

Transfer and Other Reporting Requirements

In general, United States holders that acquire Equity Notes for cash may be required to file IRS Form 926 and to supply certain additional information to the IRS if (i) such United States holder owns (directly or indirectly) immediately after the transfer, at least 10 per cent. by vote or value of the Issuer or (ii) the transfer when aggregated with all related transfers under applicable regulations exceeds $100,000. In addition, a United States holder of Equity Notes that owns (actually or constructively) at least 10 per cent. by vote or value of the Issuer may be required to file an information return on IRS Form 5471. A United States holder of Equity Notes generally is required to provide additional information regarding the Issuer annually on IRS Form 5471 if it owns (actually or constructively) more than 50 per cent. by vote or value of the Issuer.

Prospective investors in the Equity Notes should consult with their own tax advisers regarding whether they are required to file IRS Form 8886 in respect of this transaction. Such filing generally will be required if such investors file U.S. federal income tax returns or U.S. federal information returns and recognise losses in excess of a specified threshold. Such filing will also generally be required by a United States holder of the Equity Notes if the Issuer both participates in certain types of transactions that are treated as "reportable transactions", such as a transaction in which its loss exceeds a specified threshold, and either (x) such United States holders owns 10 per cent. or more of the aggregate amount of the Equity Notes and makes a QEF election with respect to the Issuer or (y) the Issuer is treated as a CFC and such United States holder is a "United States shareholder" (as defined above) of the Issuer. If the Issuer does participate in a reportable transaction, it will make reasonable efforts to make such information available. Significant penalties may be imposed on taxpayers required to file IRS Form 8886 that fail to do so timely.

Foreign Financial Asset Reporting

Certain United States holders that own certain foreign financial assets, including debt or equity of foreign entities, with an aggregate value in excess of certain U.S. Dollar thresholds, may be required to file an information report with respect to such assets with their tax returns and the understatement of income attributable to such foreign financial assets may extend the statute of limitations with respect to the tax return. Failure to comply with this requirement may result in the imposition of substantial penalties. United States holders are urged to consult their tax advisers regarding the application of these reporting requirements to their ownership of the Rule 144A Notes.

Taxation of Non-United States holders of the Notes

Subject to the back-up withholding and Foreign Account Tax Compliance Act rules discussed below, a Non-United States holder generally should not be subject to U.S. federal income or withholding tax on any payments on a Note and gain from the sale, redemption or other disposition of a Note unless: (i) that payment and/or gain is effectively connected with the conduct by that Non-United States holder of a trade or business in the U.S.; or (ii) in the case of any gain realised on the sale or exchange of a Note by an individual Non-United States holder, that holder is present in the U.S. for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Non-United States holders are encouraged to consult their own tax advisers regarding the U.S. federal income and other tax consequences to them of owning Notes.

Back-up withholding and information reporting

Back-up withholding and information reporting requirements may apply to certain payments on the Notes and to proceeds of the sale or redemption of the Notes to United States holders. The Issuer, its agent, a broker or any paying agent, as the case may be, may be required to withhold tax from any payment that is subject to back-up withholding if the United States holder fails to furnish the United

States holder's taxpayer identification number (usually on IRS Form W-9), to certify that such United States holder is not subject to back-up withholding, or to otherwise comply with the applicable certification requirements of the back-up withholding rules. Certain United States holders are not subject to the back-up withholding and information reporting requirements. Non-United States holders may be required to comply with applicable certification procedures (usually on IRS Form W-8BEN or IRS Form W-8BEN-E) to establish that they are not United States holders in order to avoid the application of such information reporting requirements and back-up withholding.

Back-up withholding is not an additional tax. Any amounts withheld under the back-up withholding rules will be refunded or credited against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Holders of Notes are encouraged to consult their own tax advisers as to their qualification for exemption from back-up withholding and the procedure for obtaining an exemption.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the Code, commonly known as FATCA, a **foreign financial institution** may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer expects to be treated as a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

ERISA CONSIDERATIONS FOR INVESTORS

The U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include for ERISA purposes the assets of such plans (collectively, **ERISA Plans**), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, the **Plans**)) and persons (referred to as "parties in interest" or "disqualified persons") having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person, including a Plan fiduciary, who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and Section 4975 of the Code.

The Issuer, the Paying Agent, any transfer agent, the Registrar or any other party to the transactions referred to in this Prospectus may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes is acquired or held by a Plan, including, but not limited to, where the Issuer, the Paying Agent, any transfer agent, the Registrar or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest solely by reason of providing services to the plan (and neither it nor its affiliate has or exercises discretionary authority or control, or renders investment advice with respect to assets involved in the transaction), provided that the Plan receives no less than and pays no more than adequate consideration for the transaction), Prohibited Transaction Class Exemption (**PTCE**) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisers regarding the prohibited transaction rules and these exemptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to any federal, state, local, or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code (**Similar Law**). Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exempted relief under any Similar Law.

In addition, the U.S. Department of Labor has promulgated a regulation, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the **Plan Asset Regulation**), describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for the purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an equity interest of an entity that is neither a publicly offered security nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in the form of debt may be considered an equity interest if it has substantial equity features. If the Issuer is deemed under the Plan Asset Regulation to hold plan assets by reason of a Plan's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code. The Plan Asset Regulation provides, however, that if equity participation in any entity by "Benefit Plan Investors" is not significant, then the "look-through" rule will not apply to such entity. The term "**Benefit Plan Investors**" is defined in the Plan Asset Regulation to include (1) any "employee benefit plan" as defined in Section 3(3) of ERISA which is subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (2) any "plan" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code and (3) any entity whose underlying assets include "plan assets" for ERISA purposes by reason of any such employee benefit plan's or plan's investment in the entity. Equity participation by Benefit Plan Investors in any entity is significant if, immediately after the most recent acquisition of any equity interest in the entity, 25 per cent. or more of the total value of any class of equity interests in the entity (excluding the value of any interests held by certain persons, other than Benefit Plan Investors, with discretionary authority or control over the assets of the entity or who provide investment advice to the entity for a fee (direct or indirect) with respect to such assets or certain affiliates of such persons) is held by Benefit Plan Investors. While there is little pertinent authority in this area and no assurance can be given, the Issuer believes that the Class A Notes (**ERISA-Eligible Notes**) should not be treated as equity interests for the purposes of the Plan Asset Regulation and, therefore, the look-through rule of the Plan Asset Regulation should not apply. However, while not entirely clear, it is possible that the Certificates and each Class of Notes other than the Class A Notes could be viewed as equity interests for the purposes of the Plan Asset Regulations.

Accordingly, any Notes that are not ERISA-Eligible Notes may not be purchased or held by any Benefit Plan Investor, including any ERISA Plan or other Plan or any entity whose underlying assets include plan assets by reason of such an ERISA Plan or other Plan's investment in such entity within the meaning of the Plan Asset Regulation, and each purchaser and transferee of such Note (or interest therein) will be deemed to have represented, warranted and agreed that (i) it is not, and is not acting on behalf of (and for so long as it holds such Note (or interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor, and (ii) if it is a governmental, church or non-U.S. plan, (A) it is not, and for so long as it holds such Note (or interest therein) will not be, subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer (or other persons responsible for the investment and operation of the Issuer's assets) to any Similar Law, and (B) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a violation of any Similar Law. Each purchaser and transferee of an ERISA-Eligible Note (or interest therein) will be deemed to have represented, warranted and agreed that either (i) it is not, and is not acting on behalf of (and for so long as it holds such Note (or interest therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such Note (or interest therein) constitutes or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan or (ii) its acquisition, holding and disposition of such Note (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Each purchaser and transferee that is, or is acting on behalf of, a Benefit Plan Investor will be further deemed to represent, warrant and agree that: (i) none of the Issuer, the Paying Agent, any Transfer Agent, the Registrar or any other party to the transactions referred to in this Prospectus, or other persons that provide marketing services, or any of their respective affiliates, has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor (**Plan Fiduciary**), has relied as a primary basis in connection with its decision to invest in the Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the Notes; and (ii) the Plan Fiduciary is exercising its own independent judgement in evaluating the investment in the Notes.

Each Plan Fiduciary who is responsible for making the investment decisions on whether to purchase or commit to purchase and to hold any of the Notes should determine whether, under the documents and instruments governing the Plan, an investment in such Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in such Notes (including any governmental, church or non-U.S. plan) should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental, church or non-U.S. plan, any Similar Law).

The sale of any Notes to a Plan is in no respect a representation by the Issuer, the Paying Agent, any transfer agent, the Registrar, the Lead Manager or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

SUBSCRIPTION, SALE AND SELLING RESTRICTIONS

Barclays (in its capacity as a Lead Manager and Retention Holder) has, pursuant to a subscription agreement dated on or about the date of this Prospectus between the Seller, the Arranger, the Lead Manager, the Retention Holder and the Issuer (the **Subscription Agreement**), agreed with the Issuer and Seller (subject to certain conditions) to subscribe or purchase and pay for on the Closing Date:

(a) in the case of the Lead Manager:

(i) £478,092,688.40 of the Class A Notes at the issue price of 99.79454 per cent.;

(ii) £30,827,359.97 of the Class B Notes at the issue price of 98.27646 per cent.;

(iii) £18,099,414.53 of the Class C Notes at the issue price of 97.64993 per cent.;

(iv) £10,090,868.22 of the Class D Notes at the issue price of 95.64804 per cent.;

(v) £11,166,744.55 of the Class E Notes at the issue price of 93.24269 per cent.;

(vi) £8,276,747.18 of the Class F Notes at the issue price of 90.71402 per cent.;

(vii) £6,146,585.40 of the Class Z Notes at the issue price of 63.40608 per cent.;

(viii) £4,330,001.20 of the Class R Notes at the issue price of 63.40608 per cent.; and

(ix) £8,326,443.07 of the Class X Notes at the issue price of 97.33976 per cent.,

(together the **LM Notes**); and

(b) in the case of the Retention Holder:

(i) £25,163,193.26 of the Class A Notes at the issue price of 99.79454 per cent.;

(ii) £1,622,544.35 of the Class B Notes at the issue price of 98.27646 per cent.;

(iii) £953,063.32 of the Class C Notes at the issue price of 97.64993 per cent.;

(iv) £531,803.10 of the Class D Notes at the issue price of 95.64804 per cent.;

(v) £588,361.37 of the Class E Notes at the issue price of 93.24269 per cent.;

(vi) £436,334.44 of the Class F Notes at the issue price of 90.71402 per cent.;

(vii) £324,005.07 of the Class Z Notes at the issue price of 63.40608 per cent.;

(viii) £228,261.89 of the Class R Notes at the issue price of 63.40608 per cent.; and

(ix) £439,002.32 of the Class X Notes at the issue price of 97.33976 per cent.

Only the LM Notes are being sold through the Lead Manager. The Certificates are not being offered by this prospectus. Any transferee or purchaser of any Certificate is prohibited from relying on this prospectus in connection with any such transaction.

On the Closing Date, (i) five per cent. of each Class of the Notes will be acquired by the Retention Holder and (ii) the Lead Manager will place up to 95 per cent. of each Class of the Notes with either one or more funds or related funds managed or advised by the same investment manager.

The Certificates are not being offered by this prospectus and will be issued on the Closing Date to the Seller and represent a right to deferred consideration for the sale of the Portfolio by the Seller to the Issuer. The Seller will transfer the Certificates to Barclays immediately following the issue of the Certificates to the Seller on the Closing Date. Barclays expects to transfer up to 95 per cent. of the Class Y Certificates to either one or more funds or related funds managed or advised by the same investment manager pursuant to a private placement transaction.

Other than admission of the Notes to the Official List and the admission of the Notes to trading Euronext Dublin, no action has been taken by the Issuer, the Seller, the Lead Manager or the Arranger which would or has been intended to permit a public offering of the Notes, or possession or distribution of this Prospectus or other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

The Retention Holder will covenant to the Arranger and Lead Manager that it will, while any of the Notes remain outstanding, retain on an ongoing basis a material net economic interest of five per cent. in the nominal value of each of the Class of Notes and the Certificates sold or transferred to the investors in accordance with the UK Securitisation Regulation, the EU Securitisation Regulation and the U.S. Credit Risk Retention Requirements. Any change in the manner in which the interest is held will be notified to the Noteholders.

Pursuant to the terms of the Subscription Agreement, the Retention Holder may assign, transfer or novate its rights, obligations and liabilities (other than any obligations relating to retention of five per cent. of the material net economic interest of each of the Class of Notes and Class of Certificates sold or transferred to the investors) except to the extent that such obligation is capable of being transferred or novated in accordance with the applicable legislation and regulation and would not cause the transaction described in this Prospectus to cease to be compliant with the risk retention requirements under Article 6 of the UK Securitisation Regulation, Article 6 of the EU Securitisation Regulation or the U.S. Credit Risk Retention Requirements to one of its subsidiaries. In that event, the obligations, liabilities and rights of the Seller will become the obligations, liabilities and rights of the entity acquiring them.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful

United States

The Arranger and Lead Manager acknowledge that any LM Notes that are not ERISA-Eligible Notes may not be purchased or held by any Benefit Plan Investor, including any ERISA Plan or other Plan or any entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity within the meaning of the Plan Asset Regulation, and each purchaser and transferee of such LM Notes (or interests therein) will be deemed to have represented, warranted and agreed that (i) it is not, and is not acting on behalf of (and for so long as it holds such LM Notes (or interests therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor, and if it is a governmental, church or non-U.S. plan, (A) it is not, and for so long as it holds such LM Notes (or interests therein) will not be, subject to any federal, state, local or non-U.S. law or regulation that could cause the underlying assets of the Issuer to be treated as assets of the investor in any Note (or interest therein) by virtue of its interest and thereby subject the Issuer (or other persons responsible for the investment and operation of the Issuer's assets) to any Similar Law, and (B) its acquisition, holding and disposition of such LM Notes (or interests therein) will not constitute or result in a violation of any

Similar Law. Each purchaser and transferee of ERISA-Eligible Notes (or interests therein) will be deemed to have represented, warranted and agreed that either (i) it is not, and it is not acting on behalf of (and for so long as it holds such LM Notes (or interests therein) will not be, and will not be acting on behalf of), a Benefit Plan Investor or a governmental, church or non-U.S. plan which is subject to any Similar Law, and no part of the assets to be used by it to acquire or hold such LM Notes (or interests therein) constitute or will constitute the assets of any Benefit Plan Investor or such governmental, church or non-U.S. plan or (ii) its acquisition, holding and disposition of such LM Notes (or interests therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any Similar Law. Each purchaser and transferee that is, or is acting on behalf of, a Benefit Plan Investor will be further deemed to represent, warrant and agree that: (i) none of the Issuer, the Paying Agent, any Transfer Agent, the Registrar or any other party to the transactions referred to in this Prospectus, or other persons that provide marketing services, or any of their respective affiliates, has provided, and none of them will provide, any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor (**Plan Fiduciary**), has relied as a primary basis in connection with its decision to invest in the LM Notes, and they are not otherwise undertaking to act as a fiduciary, as defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of the LM Notes; and (ii) the Plan Fiduciary is exercising its own independent judgement in evaluating the investment in the LM Notes.

Each of the Arranger and the Lead Manager has acknowledged, in the Subscription Agreement, that the LM Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and therefore may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined under Regulation S of the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Accordingly, the Notes are being offered and sold only (a) outside the United States to persons other than U.S. persons as defined in Regulation S in offshore transactions in reliance on, and in compliance with, Regulation S and (b) in the United States to QIBs acting for their own account or the account or benefit of one or more other QIBs in connection with resales by the Lead Manager in reliance on Rule 144A. In addition, the LM Notes cannot be resold in the United States or to U.S. persons unless they are subsequently registered or an exemption from registration is available.

In connection with any Regulation S Notes, each of the Arranger and the Lead Manager has agreed that with respect to the Regulation S Notes for which it has subscribed that it will not offer, sell or deliver the Regulation S 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 Regulation S Notes and the Closing Date (the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 or 904 of Regulation S. Each of the Arranger and the Lead Manager has further agreed that with respect to the Regulation S Notes for which it has subscribed, it will have sent to each affiliate or person receiving a selling commission, fee or other remuneration that purchases Regulation S Notes from it during the Distribution Compliance Period, a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them in Regulation S.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes within the United States by the Lead Manager, or any other manager or dealer that is not participating in the offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

In connection with any Rule 144A Notes, each of the Arranger and the Lead Manager has agreed that with respect to the relevant Rule 144A Notes for which it has subscribed, it will directly or through its U.S. broker-dealer affiliates arrange for the offer and resale of LM Notes within the United States only to QIBs in reliance on Rule 144A, and each purchaser of Notes is hereby notified that the Lead Manager may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Rule 144A Notes which may be purchased by a QIB is £250,000 (or the approximate equivalent thereof in any other currency). To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as restricted securities within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

The Issuer, the Arranger and the Lead Manager reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any QIB within the meaning of Rule 144A to whom an offer has been made directly by the Lead Manager or, in each case, its U.S. broker-dealer affiliate. Distribution of this Prospectus by any person that is not a U.S. person outside the United States, or by any QIB in the United States, to any U.S. person or to any other person within the United States, other than any QIB (and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto), is unauthorised. Any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB (and those persons, if any, retained to advise such non-U.S. person or QIB), is prohibited.

United Kingdom

The Lead Manager has represented and agreed with the Issuer that:

(a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issuance or sale of any LM Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the LM Notes in, from or otherwise involving the United Kingdom.

The Arranger and Lead Manager each acknowledge that, save for having applied for the admission of the Notes to the Official List of the Central Bank of Ireland and admission to trading on Euronext Dublin, no further action has been or will be taken in any jurisdiction by the Arranger and Lead Manager that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Prospectus or any other offering material in relation to the Notes, in any country or jurisdiction where such further action for that purpose is required.

Ireland

The Lead Manager has represented and agreed that:

(a) it will not underwrite the issue of, or place the LM Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 of

Ireland, as amended (the **MiFID Regulations**), including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OTFs)) thereof and in connection with the MiFID Regulations, any applicable codes of conduct or rules and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland, Regulation (EU) No 600/2014, as amended, and any delegated or implementing acts adopted thereunder and the provisions of the Investor Compensation Act 1998 of Ireland, as amended;

(b) it will not underwrite the issue of, or place, the LM Notes otherwise than in conformity with the provisions of the Companies Act 2014 of Ireland (as amended, the **Companies Act**), the Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 of Ireland, as amended;

(c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the LM Notes otherwise than in conformity with the provisions of the European Union Prospectus Regulations 2019 and any rules issued by the Central Bank of Ireland under Section 1363 of the Companies Act; and

(d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the LM Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU/596/2014), as amended, the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU), the European Union (Market Abuse) Regulations 2016 of Ireland, as amended (S.I. No 349 of 2016), and any Irish market abuse law as defined in those Regulations and the Companies Act 2014 of Ireland, as amended, and any rules made or guidance issued by the Central Bank of Ireland in connection with the foregoing, including any rules or guidelines issued by the Central Bank of Ireland under Section 1370 of the Companies Act 2014 of Ireland, as amended.

Prohibition of Sales to UK Retail Investors and EEA Retail Investors

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 United Kingdom.

For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, varied, superseded or substituted from time to time (**EUWA**); or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

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.

For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of EU MiFID II;

(b) a customer within the meaning of Directive (EU) 2016/97 as amended or recast, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or

(c) not a qualified investor as defined in the EU Prospectus Regulation,

the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

General

Each of the Issuer, the Arranger, the Lead Manager and the Seller has undertaken that it will not, directly or indirectly, offer or sell any Notes or Certificates or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations (including as stated in the section entitled "*Important Notices*", not to retail investors as defined in such section), and all offers and sales of Notes by it will be made on the same terms.

It is expected that delivery of Notes will be made against payment on the Closing Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 under the Exchange Act, trades in the United States secondary market generally are required to settle within two business days (T+2), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until two days prior to the Closing Date will be required, by virtue of the fact the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices, and purchasers of Notes who wish to trade Notes between the date of pricing and the Closing Date should consult their own adviser.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

The Notes and the Class X Certificates are subject to transfer restrictions and are not transferable except in accordance with the restrictions set forth herein. Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes or the Class X Certificates.

Offers and Sales

The Notes (including any interests therein) have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States, and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. Accordingly, the Notes (and any interests therein) are being offered and sold only (i) in the case of the Rule 144A Notes, in the United States, to QIBs acting for their own account or for the account or benefit of one or more other QIBs in reliance on Rule 144A, in each case in accordance with and pursuant to Rule 144A and any state or local securities laws and (ii) in the case of the Regulation S Notes, outside the United States to persons other than U.S. persons in reliance on Regulation S.

The Notes may not be reoffered, resold, pledged or otherwise transferred except (a) (i) to a person whom the transferor reasonably believes is a QIB purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A or (ii) to a non-U.S. person in an offshore transaction complying with Rule 903 or 904 of Regulation S or (b) pursuant to another available exemption from the registration requirements of the Securities Act, in each case in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

On or prior to the expiration of the Distribution Compliance Period, any sale or transfer of interests in a Regulation S Global Note to U.S. persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A as provided below. Any offers, sales or deliveries of the Notes in the United States or to U.S. persons by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the end of the Distribution Compliance Period may constitute a violation of United States law.

Investor Representations and Restrictions on Resale

Each purchaser (together with any subsequent transferee) of the Notes (including any interests therein) will be deemed to have acknowledged, represented and agreed as follows:

(a) the Notes are only being offered in a transaction that does not involve a public offering in the United States within the meaning of the Securities Act and the Notes have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, reoffered, resold, pledged or otherwise transferred, except in accordance with the restrictions described below;

(b) (i) in the case of the Rule 144A Global Notes, it (A) is a QIB within the meaning of Rule 144A under the Securities Act, (B) is aware, and each beneficial owner of such Notes has been advised, that the sale to it is being made in reliance on Rule 144A under the Securities Act, (C) is acquiring such Notes for its own account or as a fiduciary or agent for others (which others must also be QIBs) for investment purposes and not for distribution in violation of the Securities Act and (D) is able to bear the economic risk of an investment in such Notes and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Notes; or (ii) in the case of the Regulation S Notes, it is not a U.S. person (within the meaning of Regulation S under the Securities Act) and is acquiring such Regulation S Notes for its own account or as a fiduciary or agent for other non-U.S. persons in an offshore transaction (as defined in Regulation S) pursuant to an exemption from registration provided by Regulation S;

(c) it understands that the Issuer is not and will not be registered under the Investment Company Act;

(d) if it decides to resell or otherwise transfer the Notes or any beneficial interest therein prior to the date which is one year after the later of the last issue date for the series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, then it agrees that it will only resell or transfer such Notes or any beneficial interest therein: (i) to the Issuer or any affiliate thereof; (ii) inside the United States to a person whom the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and to whom notice is given that the resale or other transfer is being made in reliance on Rule 144A; (iii) pursuant to an exemption from registration provided by Rule 144 under the Securities Act (if available); (iv) to a non-U.S. person acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S; or (v) pursuant to another available exemption from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States, provided, that the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control;

(e) if it is outside the United States and is not a U.S. person, if it should resell or otherwise transfer the notes prior to the expiration of the Distribution Compliance Period, it will do so only (i) (A) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (B) to a QIB in compliance with Rule 144A and (ii) in accordance with all applicable U.S. state or local securities laws;

(f) it will, and will require each subsequent holder to, notify any subsequent purchaser of the Notes of the resale restrictions referred to in paragraph (d) above, if then applicable;

(g) it is not acquiring the notes with a view to the resale, distribution or other disposition thereof in violation of the Securities Act;

(h) it understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Notes. Before any interest in the Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;

(i) it understands that the Notes offered in reliance on Regulation S will be represented by the Regulation S Global Notes. Before any interest in the Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note, it will be required to provide a transfer agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws; and

(j) it understands that the Issuer, the Registrar, the Arranger, the Lead Manager and their affiliates and others will rely upon the truth and accuracy of the acknowledgments, representations and agreements contained in this section "*Transfer Restrictions and Investor Representations*". If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any Class of Notes is outstanding, a Regulation S Global Note will bear a legend substantially as set forth below:

NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED. ACCORDINGLY, THE NOTES MAY ONLY BE OFFERED, SOLD, PLEDGED OR TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (**U.S. PERSONS**) PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

AS A MATTER OF U.S. LAW, PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT: (A) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**); (B) TO, OR FOR THE ACCOUNT OR BENEFIT OF, PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**)); OR (C) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. ANY PURPORTED TRANSFER OF THIS NOTE OR ANY INTEREST HEREIN THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON SAFEKEEPER OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

[[*TO BE INCLUDED FOR NOTES THAT ARE ERISA-ELIGIBLE*:] EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN, BY ITS ACQUISITION AND HOLDING OF THIS NOTE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), WHICH IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), WHICH IS SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42)

OF ERISA) (EACH OF THE FOREGOING, A **BENEFIT PLAN INVESTOR**) OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAW. EACH PURCHASER AND TRANSFEREE THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR SHALL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT: (I) NONE OF THE ISSUER, THE PAYING AGENT, ANY TRANSFER AGENT, THE REGISTRAR OR ANY OTHER PARTY TO THE TRANSACTIONS REFERRED TO IN THE PROSPECTUS, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR (**PLAN FIDUCIARY**), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE; AND (II) THE PLAN FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE INVESTMENT IN THIS NOTE.]

[[*TO BE INCLUDED FOR NOTES THAT ARE NOT ERISA-ELIGIBLE*:] BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), WHICH IS SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF SUCH EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (EACH OF THE FOREGOING, A **BENEFIT PLAN INVESTOR**), AND (B) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (X) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR INTEREST HEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER'S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION

OF ANY SIMILAR LAW. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.]

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Unless determined otherwise by the Issuer in accordance with applicable law and so long as any Class of the Notes is outstanding, a Rule 144A Global Note will bear a legend substantially as set forth below:

THIS NOTE HAS NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE **INVESTMENT COMPANY ACT**). ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) (**U.S. PERSONS**), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. ACCORDINGLY, EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE, BY PURCHASING OR OTHERWISE ACQUIRING A BENEFICIAL INTEREST IN THE NOTES IN RESPECT OF WHICH THIS NOTE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OR BENEFIT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, UNDER THE SECURITIES ACT, (II) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR 904 OF REGULATION S OF THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN PARAGRAPH (A) ABOVE. ANY PURPORTED TRANSFER OF THIS NOTE OR ANY INTEREST HEREIN THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR AND CLEARSTREAM, LUXEMBOURG (THE **COMMON SAFEKEEPER**) TO THE REGISTRAR OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF SUCH ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE COMMON SAFEKEEPER

OR SUCH OTHER REPRESENTATIVE OF THE COMMON SAFEKEEPER OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE COMMON SAFEKEEPER (AND ANY PAYMENT HEREON IS MADE TO SUCH ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF THE COMMON SAFEKEEPER), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO SUCH NOMINEES OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

[[*TO BE INCLUDED FOR NOTES THAT ARE ERISA-ELIGIBLE:*] EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN, BY ITS ACQUISITION AND HOLDING OF THIS NOTE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), WHICH IS SUBJECT TO THE PROVISIONS OF PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), WHICH IS SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (EACH OF THE FOREGOING, A **BENEFIT PLAN INVESTOR**) OR (IV) A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, OR NON U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), AND NO PART OF THE ASSETS TO BE USED BY IT TO ACQUIRE OR HOLD THIS NOTE OR ANY INTEREST HEREIN CONSTITUTES OR WILL CONSTITUTE THE ASSETS OF ANY BENEFIT PLAN INVESTOR OR SUCH GOVERNMENTAL, CHURCH OR NON-U.S. PLAN OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE OR ANY INTEREST HEREIN WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR, IN THE CASE OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, A VIOLATION OF ANY SIMILAR LAW. EACH PURCHASER AND TRANSFEREE THAT IS, OR IS ACTING ON BEHALF OF, A BENEFIT PLAN INVESTOR SHALL BE FURTHER DEEMED TO REPRESENT, WARRANT AND AGREE THAT: (I) NONE OF THE ISSUER, THE PAYING AGENT, ANY TRANSFER AGENT, THE REGISTRAR OR ANY OTHER PARTY TO THE TRANSACTIONS REFERRED TO IN THE PROSPECTUS, OR OTHER PERSONS THAT PROVIDE MARKETING SERVICES, OR ANY OF THEIR RESPECTIVE AFFILIATES, HAS PROVIDED, AND NONE OF THEM WILL PROVIDE, ANY INVESTMENT RECOMMENDATION OR INVESTMENT ADVICE ON WHICH IT, OR ANY FIDUCIARY OR OTHER PERSON INVESTING THE ASSETS OF THE BENEFIT PLAN INVESTOR (**PLAN FIDUCIARY**), HAS RELIED AS A PRIMARY BASIS IN CONNECTION WITH ITS DECISION TO INVEST IN THIS NOTE, AND THEY ARE NOT OTHERWISE UNDERTAKING TO ACT AS A FIDUCIARY, AS DEFINED IN SECTION 3(21) OF ERISA OR SECTION 4975(e)(3) OF THE CODE, TO THE BENEFIT PLAN INVESTOR OR THE PLAN FIDUCIARY IN CONNECTION WITH THE BENEFIT PLAN INVESTOR'S ACQUISITION OF THIS NOTE; AND (II) THE PLAN

FIDUCIARY IS EXERCISING ITS OWN INDEPENDENT JUDGEMENT IN EVALUATING THE INVESTMENT IN THIS NOTE.]

[[*TO BE INCLUDED FOR NOTES THAT ARE NOT ERISA-ELIGIBLE*:] BY ITS ACQUISITION AND HOLDING OF THIS NOTE, EACH PURCHASER AND TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT (A) IT IS NOT, AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF), (I) AN **EMPLOYEE BENEFIT PLAN** AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**) WHICH IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (II) A **PLAN** AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**), WHICH IS SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF SUCH EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY WITHIN THE MEANING OF 29 C.F.R. SECTION 2510.3-101 (AS MODIFIED BY SECTION 3(42) OF ERISA) (EACH OF THE FOREGOING, A **BENEFIT PLAN INVESTOR**) AND (B) IF IT IS A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN, (X) IT IS NOT, AND FOR SO LONG AS IT HOLDS THIS NOTE (OR INTEREST HEREIN) WILL NOT BE, SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT COULD CAUSE THE UNDERLYING ASSETS OF THE ISSUER TO BE TREATED AS ASSETS OF THE INVESTOR IN ANY NOTE (OR INTEREST THEREIN) BY VIRTUE OF ITS INTEREST AND THEREBY SUBJECT THE ISSUER (OR OTHER PERSONS RESPONSIBLE FOR THE INVESTMENT AND OPERATION OF THE ISSUER’S ASSETS) TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA AND/OR SECTION 4975 OF THE CODE (**SIMILAR LAW**), AND (Y) ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.]

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

GENERAL INFORMATION

1. The LEI of the Issuer is 213800AFVZCS1I277A87 and the STUI is 213800AFVZCS1I277A87 N202301.

2. It is expected that the admission of the Notes to the Official List of Euronext Dublin and the admission of the Notes to trading on Euronext Dublin's Regulated Market will be granted on or around 25 August 2023. The Certificates are not and will not be listed.

3. None of the Issuer or Holdings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holdings respectively is aware) in the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or Holdings (as the case may be).

4. The accounting reference date of the Issuer is 30 September 2024. So long as the Notes are admitted to trading on Euronext Dublin's Regulated Market, the most recently published audited annual accounts of the Issuer from time to time shall be available at the specified office of the Principal Paying Agent in London. The Issuer does not publish interim accounts.

5. The auditors of the Issuer are PricewaterhouseCoopers LLP, a limited liability partnership registered in England and Wales with registered number OC303525. and its registered office at 7 More London Riverside SE1 2RT. PricewaterhouseCoopers LLP is registered and authorised for regulated activities under the Institute of Chartered Accountants in England and Wales (registered number OC303525).

6. For so long as the Notes are admitted to the Official List of Euronext Dublin and to trading on Euronext Dublin's Regulated Market, the Issuer shall maintain a Paying Agent in the United Kingdom.

7. Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.

8. The issue of the Notes and the Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on 21 August 2023.

9. The Notes and the Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg, under the following ISINs and Common Codes.

Class of Notes	**Regulation S ISIN**	**Regulation S Common Code**	**Rule 144A ISIN**	**Rule 144A Common Code**
Class A Notes	XS2667745082	266774508	XS2667751130	266775113
Class B Notes	XS2667745322	266774532	XS2667751486	266775148
Class C Notes	XS2667745751	266774575	XS2667752450	266775245
Class D Notes	XS2667745835	266774583	XS2667752617	266775261
Class E Notes	XS2667746056	266774605	XS2667752708	266775270
Class F Notes	XS2667746304	266774630	XS2667752880	266775288

Class of Notes	Regulation S ISIN	Regulation S Common Code	Rule 144A ISIN	Rule 144A Common Code
Class Z Notes	XS2667746569	266774656	XS2667753003	266775300
Class R Notes	XS2667746726	266774672	XS2667753268	266775326
Class X Notes	XS2667747021	266774702	XS2667753425	266775342
Class X1 Certificate	XS2667750751	266775075	XS2668084531	266808453
Class X2 Certificate	XS2667750835	266775083	XS2668084887	266808488
Class Y Certificates	XS2667751056	266775105	XS2668084960	266808496

UK Securitisation Regulation Reporting

10. The Issuer and Barclays Bank PLC (as SSPE and originator, respectively, within the meaning of the UK Securitisation Regulation), have agreed that the Issuer is designated as the reporting entity (the **Reporting Entity**) as required under Article 7(2) of the UK Securitisation Regulation.

The Reporting Entity has undertaken in the Subscription Agreement:

(a) that it will fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf;

(b) that it will procure that:

(i) the UK SR Investor Report is published as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards;

(ii) the UK SR Data Tape is published as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards; and

(iii) any information required to be reported pursuant to Article 7(1)(g) (as applicable) of the UK Securitisation Regulation is published as required by and in accordance with Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards; and

(c) that:

(i) the UK SR Investor Report and UK SR Data Tape will be made available to, *inter alia*, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes or the Certificates by being published on the Reporting Website on each Interest Payment Date (and in any event no later than one month following each such Interest Payment Date); and

(ii) any UK SR Significant Event Information will be made available to, *inter alia*, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes or the Certificates by being published on the Reporting Website without delay,

in each case, subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity is only required to do so to the extent that the disclosure requirements under Article 7 of the UK Securitisation Regulation remain in effect.

The Corporate Services Provider has agreed that, upon receipt from the Issuer, the Servicer, the Cash Manager or the Servicer Administrator of any SR Significant Event Information, with support from the relevant agents, it will arrange for its preparation in the requisite format and arrange to upload such SR Significant Event Information to the Reporting Website without delay.

The Reporting Entity further confirms that it has made available this Prospectus and the Transaction Documents as required by Article 7(1)(b) of the UK Securitisation Regulation (in draft form) prior to the pricing of the Notes and that it will procure that final documents are provided no later than 15 days after the Closing Date.

UK Article 7 ITS means Commission Implementing Regulation (EU) 2020/1225 as it forms part of the domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

UK Article 7 RTS means Commission Delegated Regulation (EU) 2020/1224 as it forms part of the domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

UK Article 7 Technical Standards means the UK Article 7 RTS and the UK Article 7 ITS, as amended from time to time.

EU Securitisation Regulation Reporting

11. The Reporting Entity has undertaken in the Subscription Agreement to procure the provision of information to Noteholders and (upon request) potential investors in accordance with the requirements of Article 7(1) of the EU Securitisation Regulation and in a manner consistent with Article 7(2) of the EU Securitisation Regulation and the EU Article 7 Technical Standards as if such provisions were applicable to it, subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; (ii) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply as a result of any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which would impose additional material obligations on the Issuer in order for it to maintain compliance with its EU Article 7

Undertaking, provided that it, or another party on its behalf, consults with the Retention Holder and the Portfolio Option Holder in relation to potential actions to avert or remedy such non-compliance; and (iii) the Reporting Entity is only required to procure the provision of information pursuant to this undertaking in the manner and form that would apply to a securitisation where no prospectus has been prepared in accordance with the EU Prospectus Regulation.

EU Article 7 ITS means Commission Implementing Regulation (EU) 2020/1225226 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission, as amended from time to time.

EU Article 7 RTS means Commission Delegated Regulation (EU) 2020/1224227 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission, as amended from time to time.

EU Article 7 Technical Standards means the EU Article 7 RTS and the EU Article 7 ITS, as amended from time to time.

12. From the date of this Prospectus and for so long as the Notes are listed on Euronext Dublin and admitted to trading on its Regulated Market, physical copies of the following documents may be inspected at the registered office of the Issuer (and, with the exception of paragraph (a) below, at the specified office of the Paying Agents) during usual business hours, on any weekday (public holidays excepted) and made available at https://www.euroabs.com/IH.aspx?d=21060:

(a) the memorandum and articles of association of each of the Issuer and Holdings; and

(b) copies of the following documents:

(i) Accession Undertaking to the Seller Declaration of Trust;

(ii) Administration Agreement;

(iii) Agency Agreement;

(iv) Bank Account Agreement;

(v) Cash Management Agreement;

(vi) Corporate Services Agreement;

(vii) Deed of Charge;

(viii) Portfolio Option Deed Poll;

(ix) Issuer Power of Attorney;

(x) Interim Legal Title Holder Power of Attorney;

(xi) LTH Guarantee;

(xii) Interim Legal Title Holders Deed;

(xiii) Servicing Agreement;

(xiv) Master Definitions and Construction Schedule;

(xv) Mortgage Sale Agreement;

(xvi) Interim Period Collection Account Declaration of Trust;

(xvii) Retention Holder Deed Poll;

(xviii) Risk Retention Letter;

(xix) Scottish Declaration of Trust (redacted);

(xx) Scottish Supplemental Charge;

(xxi) Servicer Power of Attorney;

(xxii) Seller Power of Attorney;

(xxiii) Seller Security Power of Attorney;

(xxiv) Share Trust Deed;

(xxv) Trust Deed; and

(xxvi) such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and/or the Certificates.

12.2 The Corporate Services Provider has agreed that, upon receipt from the Issuer, the Servicer, the Cash Manager or the Servicer Administrator of any SR Significant Event Information, with support from the relevant agents, it will arrange for its preparation in the requisite format and arrange to upload such SR Significant Event Information to the Reporting Website without delay.

13. The Issuer confirms that the Loans backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. Investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.

INDEX OF DEFINED TERMS

ISSUER
Avon Finance No. 3 PLC
1 Bartholomew Lane
London, EC2N 2AX

SELLER
Isle of Wight Home Loans Limited
1 Churchill Place
London, E14 5HP

INTERIM LEGAL TITLE HOLDERS

Platform Funding Limited	**Mortgage Agency Services Number Four Limited**	**Mortgage Agency Services Number Five Limited**
PO Box 101 1 Balloon Street Manchester M60 4EP	PO Box 101 1 Balloon Street Manchester M60 4EP	PO Box 101 1 Balloon Street Manchester M60 4EP

SERVICER
Western Mortgage Services Limited
30 Berners Street, London W1T 3LR

CASH MANAGER
U.S. Bank Global Corporate Trust Limited
Fifth Floor
125 Old Broad Street
London EC2N 1AR

ISSUER ACCOUNT BANK
Barclays Bank PLC
1 Churchill Place
London, E14 5HP

AGENT BANK
REGISTRAR AND PRINCIPAL PAYING AGENT
Elavon Financial Services DAC, UK Branch
Fifth Floor
125 Old Broad Street
London EC2N 1AR

ARRANGER
Barclays Bank PLC
1 Churchill Place
London E14 5HP

LEAD MANAGER
Barclays Bank PLC
1 Churchill Place
London E14 5HP

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SECURITY TRUSTEE
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