

CHESTNUT FINANCING PLC

(Incorporated in England and Wales with limited liability, registered number 8968863)

Class of Notes	Initial Principal Amount	Issue Price	Interest Rate	Relevant Margin	Step-Up Date	Expected Ratings (DBRS/Moody's)	Scheduled Maturity Date	Final Maturity Date
Class A Notes	£266,300,000	100%	3 month GBP LIBOR plus the Relevant Margin	Prior to the Step-Up Date 0.75% per annum and on and after the Step-Up Date 1.125% per annum	The Interest Payment Date falling in November 2017	AAA(sf)/Aaa(sf)	The Interest Payment Date falling in August 2017	The Interest Payment Date falling in November 2030
Class Z VFN	£135,000,000	100%	3 month GBP LIBOR plus the Relevant Margin	5.50% per annum	N/A	Not rated	N/A	The Interest Payment Date falling in November 2030

Issue Date The Issuer will issue the Class A Notes and the Class Z VFN (collectively, the **Notes**) on 28 May 2014 (the **Closing Date**).

Underlying Assets The Issuer will make payments on the Notes from, *inter alia*, payments of principal and revenue received from a portfolio comprising mortgage loans originated by EFG Private Bank Limited (in such capacity, the **Originator**) and secured over residential properties located in England (the **Initial Portfolio**) over which a trust (an **Originator Trust**) will be declared on the First Trust Date (being the Closing Date) by the Originator in favour of the Issuer. EFG Private Bank Limited (in such capacity, the **Originator Trustee**) will act as trustee of such trust in favour of the Issuer absolutely. During the Revolving Period, the Originator may, on a quarterly basis, offer for acquisition the beneficial interest in additional mortgage loans (the **Additional Loans** and each an **Additional Loan**). If the Issuer acquires the beneficial interest in any Additional Loan on any date during the Revolving Period (such date, an **Additional Trust Date**), the Originator Trustee will hold the beneficial interest in such Additional Loan on trust for the Issuer. The trusts declared by the Originator over the mortgage loans are referred to as the **Originator Trusts**. The characteristics of the mortgage loans comprising the Portfolio are described in detail in this Prospectus. Generally, such mortgage loans are made to high net worth individuals or to corporate entities associated with such persons, with outstanding principal balances of up to £7,750,000 and sometimes secured over multiple properties. See the sections entitled "Summary of the Key Transaction Documents – Originator Trust Deed" and "Characteristics of the Portfolio" for further details.

Guarantee EFG International AG (**EFGI** or the **Guarantor**), a Swiss corporate entity (*Aktiengesellschaft*) which is the ultimate holding company of EFG Private Bank Limited, will guarantee the timely payment of interest on the Class A Notes and the payment of the principal amount outstanding (plus accrued and unpaid interest) of the Class A Notes on the earlier to occur of (i) the Scheduled Maturity Date and (ii) a Note Event of Default. See the sections entitled "Transaction Overview – The Guarantee" and "Summary of the Key Transaction Documents – Guarantee" for further details.

Credit Enhancement and Liquidity Support In respect of the Class A Notes only:

- the availability of the Guarantee;
- subordination of the Class Z VFN;
- the availability of the Cash Reserve Fund, as funded by the Class Z VFN on the Closing Date;
- the application in certain circumstances of Principal Receipts to provide for any Revenue Deficiency in the Available Revenue Receipts; and
- Excess Available Revenue Receipts.

See the sections entitled "Transaction Overview – Credit Structure and Cashflows", "Credit Structure" and

"Terms and Conditions of the Notes" for further details.

Redemption Provisions	Information on any optional and mandatory redemption of the Notes is summarised under the section entitled " <i>Transaction Overview - Overview of the Terms and Conditions of the Notes</i> " and set out in full in Condition 7 (<i>Redemption</i>).
Rating Agencies	<p>DBRS Ratings Ltd. (DBRS) and Moody's Investors Service Limited (Moody's and, together with DBRS, the Rating Agencies). As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the European Union and is registered under Regulation (EU) No 1060/2009 (as amended) (the CRA Regulation). As such each of the Rating Agencies is included on the list of credit rating agencies published by the European Securities and Markets Authority on its website (at www.esma.europa.eu/page/list-registered-and-certified-CRAs). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.</p> <p>All references to "DBRS" and "Moody's" in this Prospectus are to the entities as defined in the above paragraph.</p>
Ratings	Ratings are expected to be assigned to the Class A Notes as set out above on the Closing Date. The Class Z VFN will not be rated. The assignment of ratings to the Class A Notes is not a recommendation to invest in the Class A Notes or to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Any credit rating assigned to the Class A Notes may be revised or withdrawn at any time.
Listing	This Prospectus comprises a prospectus for the purposes of Directive 2003/71/EC (as amended) (the Prospectus Directive). The Prospectus has been approved by the Central Bank of Ireland (the Central Bank) as competent authority under the Prospectus Directive. The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive). Application has been made to Irish Stock Exchange Limited (the Irish Stock Exchange) for the Notes to be admitted to the official list (the Official List) and trading on its regulated market (the Main Securities Market). The Irish Stock Exchange's Main Securities Market is a regulated market for the purposes of the Markets in Financial Instruments Directive.
Obligations	Other than in circumstances where the Guarantee is called upon, the Notes will be obligations of the Issuer alone and will not be guaranteed by, or the responsibility of, the Originator, its affiliates or any other party named in this Prospectus.

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.

Arrangers and Joint Lead Managers for the Class A Notes

BNP PARIBAS

UBS Investment Bank

The date of this Prospectus is 23 May 2014

IMPORTANT NOTICE

OTHER THAN IN CIRCUMSTANCES WHERE THE GUARANTEE IS CALLED UPON, THE NOTES WILL BE OBLIGATIONS OF THE ISSUER ONLY. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE ORIGINATOR, ANY JOINT LEAD MANAGER, THE CASH MANAGER, ANY ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY SUCH ENTITIES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS, EXCEPT THAT THE PAYMENTS ON THE CLASS A NOTES WILL BE GUARANTEED BY THE GUARANTOR AS DESCRIBED HEREIN. NO LIABILITY OR ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY ANY OF THE ORIGINATOR, ANY JOINT LEAD MANAGER, THE CASH MANAGER, ANY ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE NOTE TRUSTEE, THE SECURITY TRUSTEE OR BY ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS OTHER THAN THE ISSUER AND, IF THE GUARANTEE IS CALLED UPON, THE GUARANTOR.

The Class A Notes will each initially be represented by a temporary global note in bearer form (each, a **Temporary Global Note**). Each Temporary Global Note will be exchangeable, as described herein, for a permanent global note in bearer form which is recorded in the records of Euroclear System (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) (each, a **Permanent Global Note** and, together with the Temporary Global Notes, the **Global Notes** and each, a **Global Note**) without interest coupons attached, not earlier than 40 calendar days after the Closing Date (provided that certification of non-U.S. beneficial ownership has been received). The Global Notes will be deposited with a common safekeeper (the **Common Safekeeper**) for Euroclear and Clearstream, Luxembourg on or before the Closing Date. The Common Safekeeper will hold the Global Notes in custody for Euroclear and Clearstream, Luxembourg. The Class A Notes, issued in new global note form and represented by the Global Notes may be transferred in book-entry form only. The Class A Notes will be issued in the denomination of £100,000 and integral multiples of £1,000 in excess thereof. Except in the limited circumstances described under "*Description of the Notes in global form and the Variable Funding Notes — Issuance of Definitive Notes*", the Notes will not be available in definitive form (the **Definitive Notes**).

Each of Euroclear and Clearstream, Luxembourg will record the beneficial interests in the Global Notes (**Book-Entry Interests**). Book-Entry Interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear or Clearstream, Luxembourg, and their respective participants.

Payments of interest on, and principal of, the Class A Notes will be guaranteed by EFGI as described herein.

The Class Z VFN will be in dematerialised registered form. The Issuer will maintain a register, to be kept on the Issuer's behalf by the Class Z VFN Registrar, in which the Class Z VFN will be registered in the name of the Class Z VFN Holder. Transfers of all or any portion of the interest in the Class Z VFN may be made only through the register maintained by the Issuer.

It is expected that the Notes will not satisfy the Eurosystem eligibility criteria for eligible collateral for the purposes of the funding programmes and liquidity schemes established by the European Central Bank.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Guarantor, the Originator, the Note Trustee, the Security Trustee, any Joint Lead Manager, the Cash Manager, any Account Bank, the Principal Paying Agent or any other party to the Transaction Documents that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other

requirements in any such jurisdiction, or pursuant to an exemption available thereunder. No party to the Transaction Documents assumes any responsibility for facilitating any such distribution or offering. In particular, save for obtaining the approval of this Prospectus as a prospectus for the purposes of the Prospectus Directive by the Central Bank, no action has been or will be taken by the Issuer, the Guarantor, the Originator, the Note Trustee, the Security Trustee, or any Joint Lead Manager 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 advertisement or other offering material may be distributed or published, in any jurisdiction, except in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT (**REGULATION S**)) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON REALES OR TRANSFERS, SEE "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

Each of the VFN Purchaser and the Joint Lead Managers and each 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 forth therein 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*".

None of the Issuer or any Joint Lead Manager 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.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly cited 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.

EFG Private Bank Limited accepts responsibility for the information set out in the sections headed "*The Originator*", "*The Loans*", "*Characteristics of the Portfolio*" and "*Risk Retention*". To the best of the knowledge and belief of EFG Private Bank Limited (having taken all reasonable care to ensure that such is the case), the information contained in the sections referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by EFG Private Bank Limited as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above) or any other information supplied in connection with the Notes or their distribution.

EFGI accepts responsibility for the information set out in the sections headed "*The Guarantor*", "*Transaction Overview – The Guarantee*" and "*Summary of the Key Transaction Documents – Guarantee*". To the best of the knowledge and belief of EFGI (having taken all reasonable care to ensure

that such is the case), the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by EFGI 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.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Joint Lead Manager or any of their affiliates, advisers, directors or group companies as to the accuracy or completeness of any information contained in this Prospectus or any other information supplied in connection with the Notes or their distribution.

No person is authorised to give any information or to make any representation in connection with the offering or sale of the Notes other than those contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Originator, the Guarantor, the Note Trustee, the Security Trustee, any Joint Lead Manager or any of their respective affiliates, advisers, directors or group companies. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of the Notes shall, under any circumstances, create any implication or constitute a representation that there has been no change in the affairs of the Issuer, the Guarantor or the Originator or in the other information contained herein since the date hereof. The information contained in this Prospectus was obtained from the Issuer and the other sources identified herein, but no assurance can be given by the Note Trustee, the Security Trustee or any Joint Lead Manager as to the accuracy or completeness of such information. None of any Joint Lead Manager, the Note Trustee or the Security Trustee has separately verified the information contained herein. Accordingly, none of the Note Trustee, the Security Trustee or any Joint Lead Manager makes any representation, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information in this Prospectus. In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved. The content of this Prospectus should not be construed as providing legal, business, investment, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in any Notes.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Originator, the Guarantor, any Joint Lead Manager or any of them to subscribe for or purchase any of the Notes in any jurisdiction where such action would be unlawful and neither this Prospectus, nor any part thereof, may be used for or in connection with any offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

In this Prospectus all references to **pounds, 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**).

Incorporation by Reference

The Guarantor's audited consolidated financial statements for the financial years ended 31 December 2012 and 31 December 2013 (which are available on the website of EFG International AG at www.efginternational.com) shall be deemed incorporated in, and form part of, this Prospectus. This Prospectus is to be read in conjunction with such financial statements and construed on the basis that they are incorporated in, and form part of, this Prospectus.

Forward-Looking Statements

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the 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. Neither the Joint Lead Manager 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 Issuer or any Joint Lead Manager 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.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Notes, which are complex financial instruments, unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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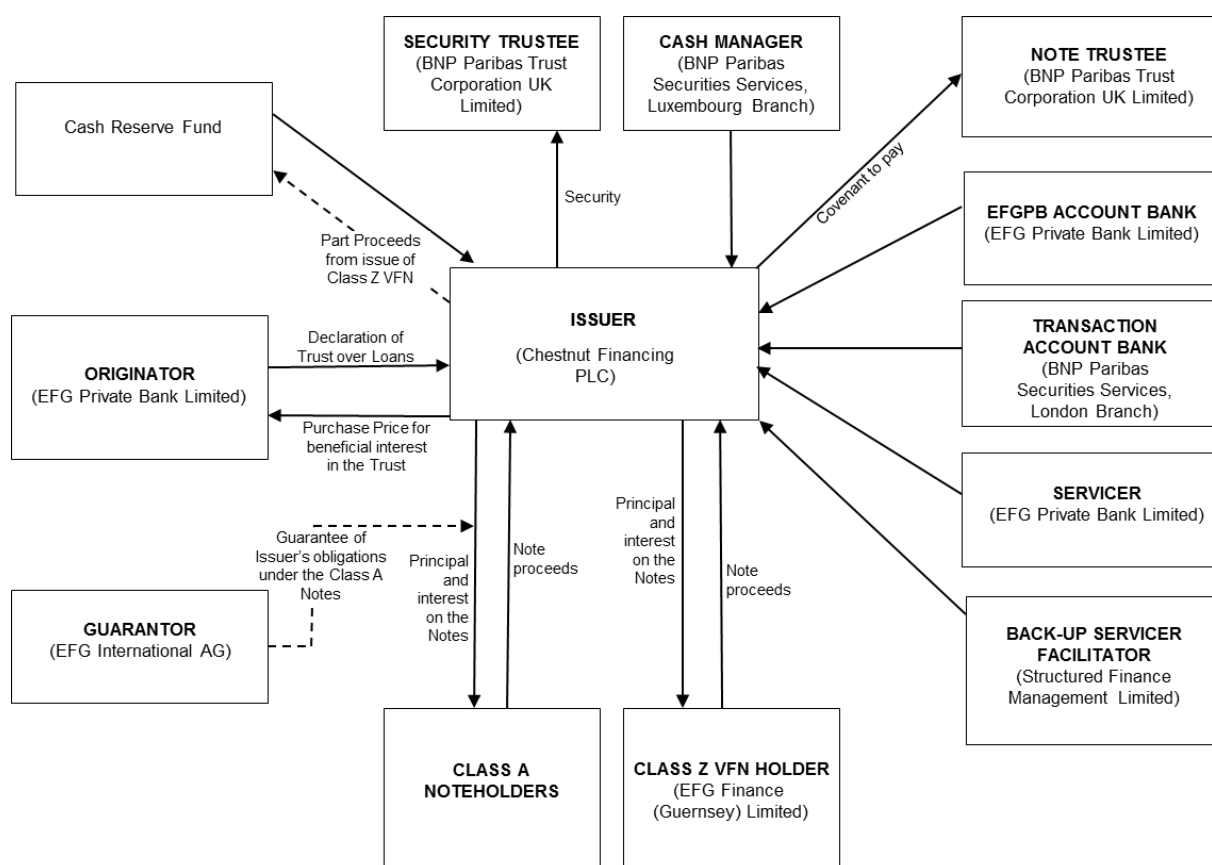
TRANSACTION OVERVIEW - STRUCTURE DIAGRAMS AND TRANSACTION PARTIES ON THE CLOSING DATE

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION

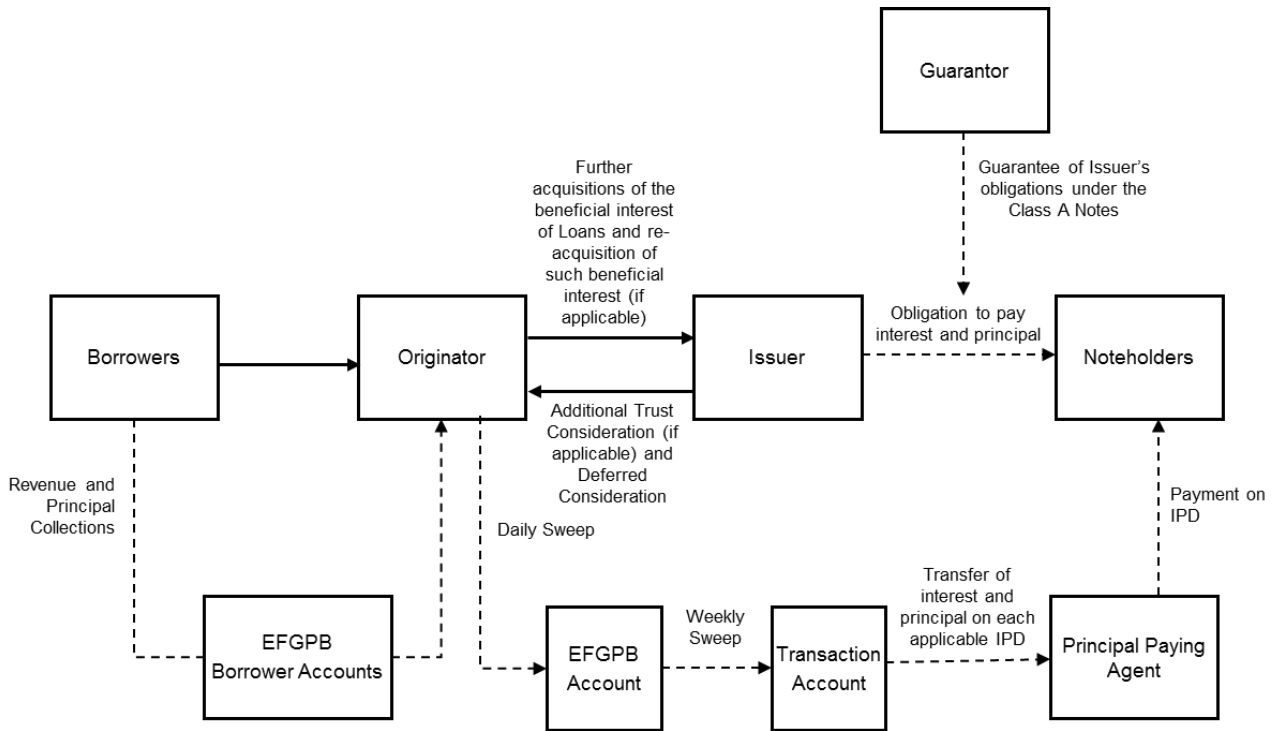
The information set out below is an overview of various aspects of the transaction. This overview is not purported to be complete and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Prospectus.

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

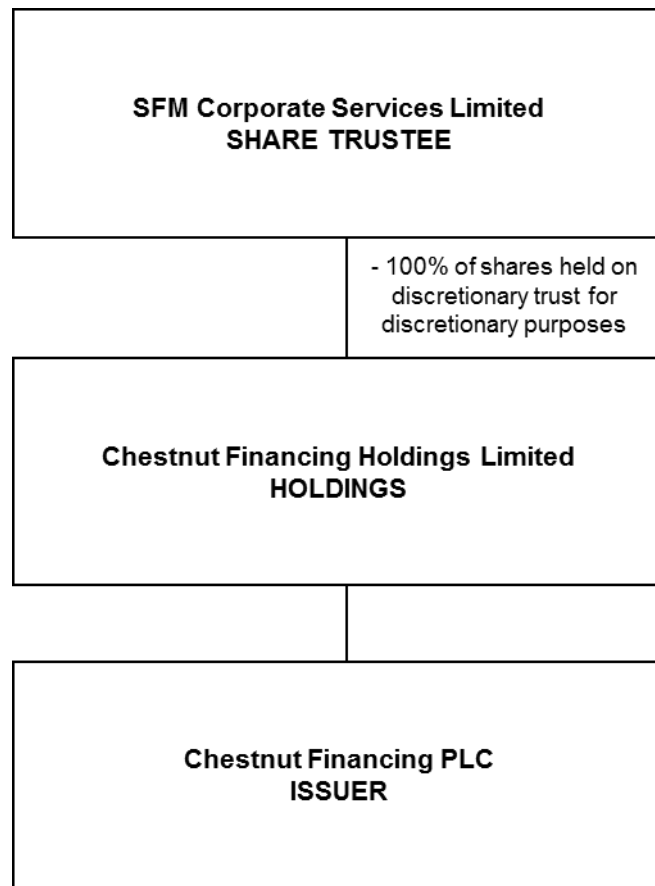
Capitalised terms used, but not defined, in certain sections of this Prospectus, including this overview, may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is set out at the end of this Prospectus.



DIAGRAMMATIC OVERVIEW OF ON-GOING CASH FLOWS



OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER



The above diagram 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 beneficial ownership.
- The entire issued share capital of Holdings is held on trust by the Share Trustee under the terms of a discretionary trust, the benefit of which is expressed to be for discretionary purposes. The Share Trustee is not affiliated with EFG Private Bank Limited or any member of the EFG Group of companies containing EFG Private Bank Limited. Payments on the Notes will not be affected by this arrangement. See "*Holdings*".
- None of the Issuer, Holdings or the Share Trustee is owned or controlled, whether directly or indirectly, by EFG Private Bank Limited or any member of the EFG Group of companies containing EFG Private Bank Limited.

TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Appointment/Further Information
Issuer	Chestnut Financing PLC	35 Great St. Helen's, London EC3A 6AP	See the section entitled " <i>The Issuer</i> " for further information.
Holdings	Chestnut Financing Holdings Limited	35 Great St. Helen's, London EC3A 6AP	See the section entitled " <i>Holdings</i> " for further information.
Originator (including in its servicing capacity)	EFG Private Bank Limited	Leconfield House, Curzon Street, London W1J 5JB	See the section entitled " <i>The Originator</i> " for further information.
Originator Trustee	EFG Private Bank Limited	Leconfield House, Curzon Street, London W1J 5JB	See the section entitled " <i>The Originator</i> " for further information.
Guarantor	EFG International AG	Bleicherweg 8, 8001 Zürich	See the section entitled " <i>The Guarantor</i> " for further information.
Back-Up Servicer Facilitator	Structured Finance Management Limited	35 Great St. Helen's, London EC3A 6AP	Appointed by the Issuer pursuant to the Back-Up Servicer Facilitator Agreement. See the section entitled " <i>Summary of the Key Transaction Documents – Back-Up Servicer Facilitator Agreement</i> " and " <i>The Corporate Services Provider and Back-Up Servicer Facilitator</i> " for further information.

Cash Manager	BNP Paribas, Securities Services, Luxembourg Branch	33, Rue de Gasperich, L-5826 Hesperange, Luxembourg	Appointed by the Issuer pursuant to Cash Management Agreement. See the section entitled " <i>Summary of the Key Transaction Documents – Cash Management Agreement</i> " and " <i>The Cash Manager and Transaction Account Bank</i> " for further information.
Account Banks	EFG Private Bank Limited (the EFGPB Account Bank)	Leconfield House, Curzon Street, London W1J 5JB	Appointed by the Issuer pursuant to EFGPB Bank Account Agreement. See the sections entitled " <i>Summary of the Key Transaction Documents – EFGPB Bank Account Agreement</i> " and " <i>The Originator</i> " for further information.
	BNP Paribas Securities Services, London Branch (BNPP London or the Transaction Account Bank and together with the EFGPB Account Bank, the Account Banks)	55 Moorgate, London EC2R 6PA, United Kingdom	Appointed by the Issuer pursuant to the Transaction Account Agreement. See the sections entitled " <i>Summary of the Key Transaction Documents – Transaction Account Agreement</i> " and " <i>Cash Manager and Transaction Account Bank</i> " for further information.
Security Trustee	BNP Paribas Trust Corporation UK Limited	55 Moorgate, London EC2R 6PA, United Kingdom	Appointed by the Issuer pursuant to Issuer Deed of Charge. See the sections entitled

			<p>"Overview of the Terms and Conditions of the Notes – Security", "Summary of the Key Transaction Documents – Issuer Deed of Charge" and "The Note Trustee and the Security Trustee" and the Conditions for further information.</p>
Note Trustee	BNP Paribas Trust Corporation UK Limited	55 Moorgate, London EC2R 6PA, United Kingdom	<p>Appointed by the Issuer pursuant to Note Trust Deed. See the sections entitled "Summary of the Key Transaction Documents – Note Trust Deed" and "The Note Trustee and the Security Trustee" and the Conditions for further information.</p>
Principal Paying Agent and Agent Bank	BNP Paribas, Securities Services, Luxembourg Branch	33, Rue de Gasperich, L-5826 Hesperange, Luxembourg	<p>Appointed by the Issuer pursuant to the Agency Agreement. See the Conditions and the section entitled "Summary of the Key Transaction Documents – Agency Agreement" for further information.</p>
Class Z VFN Registrar	BNP Paribas, Securities Services, Luxembourg Branch	33, Rue de Gasperich, L-5826 Hesperange, Luxembourg	<p>Appointed by the Issuer pursuant to the Agency Agreement. See the Conditions and the section entitled "Summary of the Key Transaction Documents – Agency Agreement"</p>

			for further information.
Corporate Services Provider	Structured Finance Management Limited	35 Great St. Helen's, London EC3A 6AP	Appointed by the Issuer pursuant to the Corporate Services Agreement. See the section entitled " <i>Summary of the Key Transaction Documents – Corporate Services Agreement</i> " and " <i>The Corporate Services Provider and Back Up Servicer Facilitator</i> " for further information.
Joint Lead Manager	BNP Paribas, London Branch	10 Harewood Avenue, London NW1 6AA	See the section entitled " <i>Subscription and Sale</i> " for more information.
Joint Lead Manager	UBS Limited	1 Finsbury Avenue, London EC2M 2PP	See the section entitled " <i>Subscription and Sale</i> " for more information.

RISK FACTORS

The following is a description of the principal risks associated with an investment in the Notes and in particular the Class A Notes. The Issuer believes that these risks are material to an investment in the Class A Notes. Prospective investors 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.

Any of the risks described below or additional risks not currently known to the Issuer could have a material adverse effect on the business, financial condition, operations or prospects of the Issuer and could result in a corresponding decline in the value of the Class A Notes.

Limited Source of Funds

Other than in circumstances where the Guarantee is called upon with respect to the Class A Notes, the ability of the Issuer to meet its obligations to pay principal and interest on the Notes and its operating and administrative expenses will be dependent solely on receipts from the Loans in the Portfolio, interest earned on the Issuer Bank Accounts and any Authorised Investments, and amounts standing to the credit of the Cash Reserve Fund. Other than the foregoing, the Issuer will not have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes under the applicable Priority of Payments (except that the Class A Noteholders will benefit from the Guarantee). If such funds are insufficient, and if and to the extent the Guarantor does not, upon written demand (subject to the terms of the Guarantee), pay amounts due on the Class A Notes, any such insufficiency will be borne by the Class A Noteholders and the other Secured Creditors, subject to the applicable Priority of Payments.

The Relevant Margin payable by the Issuer in respect of the Class A Notes on and from the Step-Up Date will be 1.125 per cent. per annum (which is 1.5 times the margin at the Closing Date). It is not expected that any additional sources of funds will be made available to the Issuer in order for the Issuer to meet its payment obligations in respect of any increase in the Relevant Margin.

The recourse of the Noteholders to the Charged Assets following service of a Note Acceleration Notice is described below (see further "*English law security and insolvency considerations*").

Assessment of the Class A Notes

If the Issuer does not have sufficient funds to repay the Principal Amount Outstanding of the Class A Notes on the Scheduled Maturity Date, repayment of the Class A Notes on the Scheduled Maturity Date will be dependent upon the Guarantor paying an amount equal to the Class A Required Redemption Amount to the Note Trustee, for the benefit of the Class A Noteholders. If for any reason the Guarantor fails to pay the Class A Required Redemption Amount on the Scheduled Maturity Date, then the Class A Notes will be repaid on each Interest Payment Date on an accelerated basis from Available Revenue Receipts and Available Principal Receipts, until repaid in full, in accordance with the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments. After the Scheduled Maturity Date, if the Class A Notes have not been redeemed, the Issuer may take steps to sell the Portfolio to a third party which may include the Originator or an EFG Delegate. See further the section headed "*Summary of the Key Transaction Documents – Originator Trust Deed – Disposition of the beneficial interest in the Portfolio*" below.

The Class A Noteholders will also have an unsecured claim against the Guarantor for any unpaid amount under the Guarantee.

It should be noted that the Class A Notes are not UK regulated covered bonds under the UK Regulated Covered Bonds Regulations 2008 (as amended). Investors should make their own assessment as to whether the Class A Notes are asset-backed securities or other debt instruments, given the presence of the Guarantee (see further "*Risk Retention*" below).

Limited Recourse

The Notes will be limited recourse obligations of the Issuer. The ability of the Issuer to meet its obligations under the Notes will be dependent upon the receipt of funds as described above under "*-- Limited Source of Funds*".

Following the occurrence of a Note Event of Default, service of a Note Acceleration Notice and enforcement of the Issuer 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 Issuer 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 Issuer Deed of Charge, amounts outstanding under the Notes,

then the Secured Creditors (which include the Noteholders) shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal and interest in respect of the Notes). As such, amounts available to the Issuer in such circumstances may be insufficient to pay Noteholders in full, any unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

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

There is no assurance that the Issuer will have sufficient funds to redeem the Notes in full following enforcement of the Issuer Security.

The Guarantee

If the Guarantor fails to pay amounts when due and payable under the Guarantee, then the Class A Noteholders will have an unsecured claim against the Guarantor for any unpaid amount under the Guarantee.

Pursuant to the terms of the Guarantee, if an Early Amortisation Event occurs prior to the Scheduled Maturity Date, then the Guarantor will not be required to pay the Principal Amount Outstanding of the Class A Notes until the Scheduled Maturity Date. However, at its option, the Guarantor may elect to pay the Principal Amount Outstanding of the Class A Notes (plus accrued interest) on any Interest Payment Date prior to the Scheduled Maturity Date. Any such early repayment will adversely affect the yield to maturity of the Class A Notes.

RISKS RELATING TO THE PORTFOLIO

Borrowers

The Borrowers in respect of the Loans in the Portfolio are generally high net-worth individuals or corporate entities associated with such persons. Where the Borrower is a corporate entity (which shall include special purpose vehicles), its obligations are guaranteed by an individual or individuals or by corporate or trust entities associated with such persons.

The Loans in the Cut-Off Date Portfolio vary in size from £110,000 to £7,745,000, and are secured by first ranking mortgages over one or more properties in the United Kingdom. No Loan will be permitted to be included in the Portfolio (whether on the First Trust Date or on any Additional Trust Date) which has a Current Balance greater than £7,750,000.

The aggregate Current Balance of Loans made to the top ten Borrowers (based on the Current Balance of each such Borrower's Loan, or where a Borrower has more than one Loan, of such Borrower's Loans, in each case which are included in the Portfolio), will not be more than £55,000,000.

There is risk that a default or delinquency occurring in respect of one large Loan in the Portfolio, or a series of larger Loans, may disproportionately affect the timing and/or receipts paid to the Issuer in respect of its beneficial interest in the Portfolio, and accordingly may adversely affect the ability of the Issuer to make payments of interest and principal when due on the Notes.

This risk has been mitigated through the level of credit enhancement provided by the Class Z VFN, the Cash Reserve Fund and the Early Amortisation Event mechanism, which will ensure that funds are applied on an accelerated basis to redeem the Class A Notes if the Cumulative Net Default Ratio exceeds a certain limit (see further "*Summary of the Key Transaction Documents – Originator Trust Deed*" below).

Geographic Concentration Risks

As at 17 March 2014 (the **Cut-Off Date**), 83.20% of the Portfolio is secured over properties in Greater London and 9.42% of the Portfolio is secured over properties elsewhere in the counties adjacent to London, including Berkshire, Buckinghamshire, Essex, Hertfordshire, Kent and Surrey (the **Home Counties**). The Portfolio is therefore subject to geographic concentration risks.

To the extent that Greater London or the Home Counties experience weaker regional economic conditions and housing markets, that may be expected to exacerbate the risks relating to the Loans.

Any natural disasters affecting Greater London or the Home Counties may also reduce the value of affected Properties. This may result in a loss being incurred upon sale of any Property. These circumstances could affect receipts on the Loans and ultimately result in losses on the Notes. For an overview of the geographical distribution of the Loans as at the Cut-Off Date, see "*Characteristics of the Portfolio — Geographical Distribution*".

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

Borrowers may default on their obligations under the Loans in the Portfolio. Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Although interest rates are currently at a historical low, this may change in the future and an increase in interest rates may adversely affect

Borrowers' ability to pay interest or repay principal on their Loans. Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Unemployment, loss of earnings, illness, divorce and other similar personal factors may lead to an increase in delinquencies by and insolvency 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 enforce a power of sale in respect of a mortgaged property in England, the relevant mortgagee must first obtain possession of the relevant property. Possession is usually obtained by way of a court order. This can be a lengthy and costly process and will involve the mortgagee assuming certain risks. In addition, once possession has been obtained, a reasonable period must be allowed for marketing the property, to discharge obligations and to take reasonable care to obtain a proper price. If obtaining possession of properties and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Notes may be reduced. The Issuer's ability to make such payments may be reduced further if the powers of a mortgagee in relation to obtaining possession of properties permitted by law, are restricted in the future.

Decline in house prices and/or market liquidity may adversely affect the performance and market value of the Notes

The value of the Related Security in respect of the Loans may be affected by, among other things, a decline in the residential property values or the liquidity of the property market in relevant regions of the United Kingdom. If the residential property market in the United Kingdom (or the relevant regions thereof, given the limited geographical spread of the properties securing the Loans in the Portfolio) should experience an overall decline in property values and/or liquidity, such a decline could result in the value of the Related Security being 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.

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. The recent downturn in the United Kingdom economy had a negative effect on the housing market. However, most of the Loans in the Portfolio are located in Greater London or the Home Counties, which has experienced a return to growth in recent years and where the market was less affected by a lack of liquidity than in the whole of the United Kingdom generally.

However, whilst it is expected that this risk is mitigated by the loan-to-value of the Loans in the Portfolio (the weighted average original LTV ratio of the Loans in the Portfolio does not and will not exceed 60%) and the short-term nature of the Loans (the maximum term for the Loans is 5 years from the date of origination) a fall in property prices resulting from a further deterioration in the housing market could result in losses being incurred by lenders where the net recovery proceeds of a sale are insufficient to redeem the outstanding loan. If the value of the Related Security backing the Loans is reduced this may ultimately result in losses to Noteholders if the Related Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes.

Should residential property values decline, Borrowers may have insufficient equity to refinance their Loans with lenders other than the Originator at the end of their term and may 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 losses which in turn may adversely affect payments on the Notes.

Short Final Repayment Dates and Interest-only Loans

The maximum term for the Loans is 5 years from the date of origination. Further, 98% of the loans in the Cut-Off Date Portfolio are payable on an interest-only basis.

Where the Borrower is 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) or the scheduled capital repayments during the term of the Loan would not be sufficient to repay the Loan by the final maturity date, then the Originator recommends that the Borrower has a credible repayment strategy in place. However, the Originator does not require absolute proof of any such repayment mechanism nor does it investigate its adequacy.

Borrowers and/or guarantors are high net worth individuals with varied income and liquidity streams. If the borrower's planned repayment strategy does not come to fruition, then 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 ability to ensure that sufficient funds are made available from an alternate source as well as the financial condition of the Borrower, tax laws and general economic conditions at the time. If a Borrower cannot repay its Loan and a Loss occurs, this may affect repayments on the Notes if the resulting Principal Deficiency Ledger entry cannot be cured.

Insurance Policies

The policies of the Originator in relation to buildings insurance are described under "*The Loans — Insurance Policies*" below. No assurance can be given that the Issuer will always receive the benefit of any claims made under any applicable insurance contracts. This could adversely affect the Issuer's ability to redeem the Notes.

Whilst it is a condition of the Mortgage Deed in relation to each Loan that the mortgagor insures all Mortgaged Property, the Originator does not as a matter of course monitor whether each property remains insured for so long as the Loan is outstanding.

Changes to the Portfolio between Cut-Off Date and Closing Date

The information in the section headed "*Characteristics of the Portfolio*" has been extracted from the systems of the Originator as at the Cut-Off Date. The Portfolio will be randomly selected by the Originator from the Cut-Off Date Portfolio. The Cut-Off Date Portfolio comprises 271 Loans with an aggregate Current Balance of £396,143,004.64. The characteristics of the Portfolio as at the Closing Date will vary from those set out in the tables in this Prospectus if, inter alia, in the period from (and including) the Cut-Off Date up to (but excluding) the Closing Date such Loan is repaid in full or if such Loan does not comply with the Loan Warranties on the Closing Date. However, no additional loans will be added to the Portfolio between the Cut-Off Date and the Closing Date. The Originator has not provided and does not provide any assurance that there will be no material change in the characteristics of the Cut-Off Date Portfolio and the Portfolio between the Cut-Off Date and the Closing Date.

Searches, Investigations and Warranties in Relation to the Loans

The Originator will give certain warranties to each of the Issuer and the Security Trustee regarding the Loans and their Related Security transferred to the Issuer on the Closing Date and will give similar warranties to each of the Issuer and the Security Trustee regarding any Additional Loans and their Related Security held on trust for the Issuer during the Revolving Period and any Further Advances, Product Switches or Further Tranches made from time to time, on the relevant Additional Trust Date (in relation to Additional Loans), the relevant Further Advance Trust Date (in relation to Further Advances), the relevant Product Switch Date (in relation to Product Switches) or the relevant Further Tranche Trust Date (in relation to Further Tranches) (see "*Summary of the Key Transaction Documents — Originator Trust Deed*" below for a summary of these).

Neither the Note Trustee, the Security Trustee, the Joint Lead Managers nor the Issuer has undertaken, or will undertake, any investigations, searches or other actions of any nature whatsoever in respect of any Loan or its Related Security in the Portfolio and each relies instead on the warranties given in the Originator Trust Deed by the Originator. The sole remedy of the Issuer against the Originator if any of the warranties made by the Originator are materially breached or proves to be materially untrue as at the Closing Date or on the relevant Additional Trust Date (in relation to Additional Loans), the relevant Further Advance Trust Date (in relation to Further Advances), the relevant Product Switch Date (in relation to Product Switches) or the relevant Further Tranche Trust Date (in relation to Further Tranches), which breach is not remedied within 60 Business Days after receiving written notice of such breach, is that the Originator (or, at the Originator's discretion, another entity within the EFG Group designated by the Originator (any such entity, an **EFG Delegate**)) shall be obliged to re-acquire the Issuer's beneficial interest in the relevant Loan and its Related Security in accordance with the relevant provisions in the Originator Trust Deed.

It should also be noted that any warranties made by the Originator in relation to Additional Loans and their Related Security, Further Advances, Further Tranches and/or Product Switches may be amended from time to time and differ from the warranties made by the Originator at the Closing Date without the consent of the Noteholders, provided that the Security Trustee has given its consent to such amendments (and for such purpose, the Security Trustee may, but is not obliged to, have regard to any confirmation from the Rating Agencies that certain actions proposed to be taken by the Issuer and the Security Trustee will not have an adverse effect on the then current rating of the Notes (a **Ratings Confirmation**) (and, for the avoidance of doubt, the Rating Agencies will not be required to provide such confirmation)). Changes to the warranties may affect the quality of Loans in the Portfolio and accordingly the ability of the Issuer to make payments due on the Notes. Where the Originator (or an EFG Delegate) is required to re-acquire the Issuer's beneficial interest in the Loans because the Loan Warranties are not true, there can be no assurance that the Originator will have the financial resources to honour its re-acquisition obligations under the Originator Trust Deed. Either of these circumstances may affect the quality of the Loans and their Related Security in the Portfolio and accordingly the ability of the Issuer to make payments on the Notes.

Limited Secondary Market for Loans

The ability of the Issuer to redeem the Notes in full, including following the occurrence of Note Event of Default, may depend upon whether the Loans can be realised to obtain an amount sufficient to redeem the Notes. There is not, at present, an active and liquid secondary market for mortgage loans of this type in the United Kingdom (being comparatively large loans made to high net worth individuals or to corporate entities associated with such persons). There can be no assurance that such a market for the Loans will develop, or, if a secondary market does develop, there is no assurance that it will (i) provide sufficient liquidity of investment for the Loans to be realised or (ii) continue for the life of the Notes. Therefore, the Issuer, and following the occurrence of a Note Event of Default, the Security Trustee, may not be able to dispose of the Mortgages for an amount sufficient to redeem in full the Class A Notes or to pay in full amounts due to the other Secured Creditors.

Interest Rate Risk

The Loans in the Portfolio are subject to fixed interest rates or tracker interest rates (fixed rate margins above LIBOR), while the Issuer's liabilities under the Notes are based on Three-Month Sterling LIBOR. Pursuant to the Mortgage Conditions, a Borrower may request a fixed rate quote and the Originator, may (at its option) quote to the Borrower such rate. If the Originator offers a quote for a fixed rate of interest and the Borrower accepts such fixed rate, the amount of loans in the Portfolio which become Fixed Rate Loans could increase. A switch from floating rate of interest to a fixed rate of interest will constitute a Product Switch. The Portfolio Criteria set a limit of Fixed Rate Loans at 5% of the aggregate Current Balance of all Loans in the Portfolio as at the date of transfer of the beneficial interest to the Issuer or on the occurrence of a Further Advance Trust Date, a Product Switch Date or a Further Tranche Trust Date. If the Cash Manager determines that the 5% limit of Fixed Rate Loans has not been complied with on the relevant Additional Trust

Date, Further Advance Trust Date, Product Switch Date, or Further Tranche Trust Date, then the Originator (or an EFG Delegate) will be obliged to re-acquire the beneficial interest of the Issuer in such Product Switch. If the Originator (or an EFG Delegate) is unable to re-acquire the beneficial interest of the Issuer in such Loans in the Portfolio, then there is a risk that the yield on the Loans may not be sufficient to cover the interest due on the Notes

However, this risk is intended to be mitigated by the following conditions to inclusion of Fixed Rate Loans in the Portfolio:

- (i) the aggregate Current Balance of the Fixed Rate Loans in the Portfolio will not be permitted to exceed 5% of the aggregate Current Balance of the Loans in the Portfolio;
- (ii) if such limit is exceeded, then the Originator (or an EFG Delegate) will be required to re-acquire the Issuer's beneficial interest in the relevant Loan and its Related Security; and
- (iii) if, prior to the end of the Revolving Period, the Originator (or an EFG Delegate) does not re-acquire the relevant Loans in the Portfolio, an Early Amortisation Event will occur.

The interest rate risk is further mitigated by the credit enhancement provided in the transaction by the Class Z VFN, the Cash Reserve Fund and the Guarantee.

There is no interest rate swap in the transaction.

Help to Buy Scheme not applicable to Loans in the Portfolio

In March 2013, the UK Government announced the "Help to Buy" Scheme involving two separate proposals to assist home buyers. The first involves a shared equity loan made available by the UK Government to Borrowers for the purchase of new homes. No shared equity loans are included in the Portfolio. The second involves a guarantee provided by the UK Government for loans made to borrowers allowing up to a 95 per cent. loan to value ratio. The guarantee loans were available from 1 October 2013 (each of the loans under this scheme, a Help to Buy Loan). The Loans in the Portfolio do not benefit from any guarantee provided under the Help to Buy Scheme and the Portfolio does not contain any Help to Buy Loans.

RISKS RELATING TO CREDIT STRUCTURE AND CREDIT RISK

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

The yield to maturity of the Class A Notes will depend on, inter alia, the amount and timing of payment of principal and interest on the Loans and the price paid by the holders of the Notes of each Class. Borrowers are high net worth individuals and corporate entities associated with such persons and by their nature this class of borrowers often has varied and irregular income and liquidity streams. In particular, such borrowers may generate material liquidity at any given point in time, which they may use to prepay the Loans. Prepayments on the Loans may result from refinancing, sales of Properties by Borrowers voluntarily or as a result of enforcement proceedings under the relevant Mortgages, as well as the receipt of proceeds under the insurance policies. These repayments are unpredictable and no assurance can be given as to the level or frequency of prepayments that the Portfolio will experience. The yield to maturity of the Notes of any Class may be adversely affected by, amongst other things, the 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 borrower liquidity events, performance of property and investment markets, prevailing mortgage market interest rates, the availability of alternative financing programmes, the competitiveness of replacement products, the impact of whether a Loan imposes an early repayment charge on a Borrower, the end of any incentive periods which a particular Borrower may currently be on, local and regional economic conditions and homeowner mobility. Generally, when market interest rates increase, borrowers are less likely

to prepay their mortgage loans, while conversely, when market interest rates decrease, borrowers are generally more likely to prepay their mortgage loans.

In addition, any required re-acquisition of the beneficial interest in the Loans by the Originator (or an EFG Delegate) pursuant to the terms of the Originator Trust Deed will have the same effect as a prepayment of such Loans. Such required re-acquisition will occur if a Loan or its Related Security does not comply with the Loan Warranties or Portfolio Criteria as at the date of transfer of the beneficial interest therein to the Issuer, or (if applicable) as at the date of a Product Switch or Further Advance.

On any Interest Payment Date the Originator may also elect to re-acquire from the Issuer (or designate an EFG Delegate to re-acquire) its beneficial interest in the entire Portfolio (or, in the case of (ii) below, its beneficial interest in the remaining Portfolio):

- (i) upon an offer being made by the Issuer to the Originator as set out under "*Summary of the Key Transaction Documents – Originator Trust Deed – Disposition of the beneficial interest in the Portfolio*";
- (ii) on that Interest Payment Date on which the aggregate Principal Amount Outstanding of the Class A Notes is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes on the Closing Date; or
- (iii) if certain changes in tax laws or accounting laws either materially and adversely affects the return on capital of the Originator or material increases the cost or materially reduces the benefit to the Originator of the transaction contemplated by the Transaction Documents.

Any re-acquisition of the beneficial interest of the Issuer in the Loans and their Related Security may adversely affect the yield to maturity on the Class A Notes.

During the Revolving Period, payments and prepayments of principal on the Loans will be applied either to acquire the beneficial interest in further portfolios of Loans and their Related Security that may, from time to time, be offered by the Originator, or used to fund a Revenue Deficiency. After the Revolving Period, payments and prepayments of principal on the Loans will be applied 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*" below) or used to fund a Revenue Deficiency.

The occurrence of an Early Amortisation Event or Note Event of Default will affect yield to maturity of the Notes.

The occurrence of an Early Amortisation Event or a Note Event of Default will cause the Revolving Period to terminate, and all interest and principal receipts from the Issuer's beneficial interest in the Portfolio to be applied (subject to the payment of senior ranking amounts due and payable in accordance with the applicable Priority of Payments), to redeem the Class A Notes only. The occurrence of an Early Amortisation Event or a Note Event of Default will adversely affect the yield to maturity of the Class A Notes. If, following the occurrence of an Early Amortisation Event, the Guarantor elects to pay the Class A Required Redemption Amount prior to the Scheduled Maturity Date, then that will also adversely affect the yield to maturity of the Class A Notes (see "*Summary of the Key Transaction Documents – Guarantee*").

Subordination of the Class Z VFN

The Class Z VFN is subordinated in right of payment of interest and principal to the Class A Notes. However, there is no assurance that the subordination of the Class Z VFN will protect the holders of Class A Notes from all risk of loss.

Deferral of Interest Payments on the Class Z VFN

If, on any Interest Payment Date whilst any of the Class A Notes remain outstanding, the Issuer has insufficient funds to make payment in full of all amounts of interest payable in respect of the Class Z VFN 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 16 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as interest in respect of the Class Z VFN becomes immediately due and repayable in accordance with the Conditions. Such deferral will not constitute a Note Event of Default so long as the Class A Notes remain outstanding.

Failure to pay interest on the Class A Notes or, if the Class A Notes have been redeemed in full, the Class Z VFN, shall constitute a Note Event of Default under the Notes which may result in the Security Trustee enforcing the Issuer Security.

Absence of Secondary Market

No assurance is provided that there is an active and liquid secondary market for the Class A Notes, and no assurance is provided that such a market for the Class A Notes will develop. All of the Class A Notes will be sold to a limited number of third-party investors. EFG Finance (Guernsey) Limited, an affiliate of the Originator, will purchase the Class Z VFN on the Closing Date. The Notes are subject to certain restrictions on the resale and transfer as set forth under "*Subscription and Sale*" 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 Class A Notes or it may not provide Class A Noteholders with liquidity of investment with the result that a Class A Noteholder may not be able to find a buyer to buy its Class A Notes readily or at prices that will enable the Class A Noteholder to realise a desired yield. Neither the Issuer nor the Joint Lead Managers are or will be obliged to make a market for the Class A Notes. Any investor in the Class A Notes must be prepared to hold their Class A Notes until their Final Maturity Date.

There is no secondary market for the Class Z VFN nor is it expected that one will develop. It is expected, however, that the Class Z VFN will be held by an EFG Group entity for so long as the Class A Notes are outstanding.

Lack of liquidity in the secondary market may adversely affect the market value of the Class A Notes

The Notes are guaranteed mortgage-backed securities, which have some characteristics of residential mortgage-backed securities, but with the addition of the Guarantee.

As at the date of this Prospectus, the secondary market for mortgage-backed securities is continuing to experience significant disruptions resulting from reduced investor demand for such securities. At times, this has had a material adverse impact on the market value of mortgage-backed securities and resulted in the secondary market for mortgage-backed securities experiencing limited liquidity. Limited liquidity in the secondary market may continue to have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. It is not known for how long these market conditions will continue or whether they will worsen. It is not known if these conditions will adversely affect the Class A Notes, which are guaranteed mortgage-backed securities.

Whilst central bank schemes such as the Bank of England's Discount Window Facility, the Extended Term Collateral Repo and Funding for Lending Scheme and the European Central Bank liquidity scheme provide an important source of liquidity in respect of eligible securities, the Notes are not expected to be eligible securities for the purpose of such facilities.

Increases in prevailing market interest rates may adversely affect the performance and market value of the Notes

Borrowers seeking to avoid increased payments (caused by, for example, the expiry of an initial fixed rate or low introductory rate, or a rise in the related mortgage interest rates) by refinancing their mortgage loans may no longer be able to find available replacement loans at comparably low interest rates. Any decline in housing prices may also leave borrowers with insufficient equity in their homes to permit them to refinance. These events, alone or in combination, may contribute to higher delinquency rates, slower prepayment spreads and higher losses which could have an adverse effect on the Issuer's ability to make payments under the Notes.

Ratings of the Class A Notes and confirmation of ratings

The ratings assigned to the Class A Notes by each Rating Agency are based, amongst other things, on the terms of the Transaction Documents and other relevant structural features of this transaction, including (but not limited to) the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings or issuer default ratings of the Guarantor, the Cash Manager and the Transaction Account Bank, a credit assessment of the Loans, and reflect only the views of the Rating Agencies.

Ratings assigned by Moody's will address the expected loss posed to investors by the Final Maturity Date and will reflect Moody's opinion that the structure allows for timely payment of interest and ultimate payment of principal in respect of the Class A Notes by the Final Maturity Date. The rating of the Class A assigned by Moody's relies partially on the presence (and the application, if necessary) of the Guarantee.

The ratings issued by DBRS address the timely payment of interest rate on the Class A Notes on each Interest Payment Date and full payment of principal on the Class A Notes by a date that is no later than the Final Maturity Date.

The expected ratings of the Class A Notes to be assigned on the Closing Date are set out in "*Ratings*", below. 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 organisation if, in its judgement, circumstances (including without limitation, a reduction in the credit rating of the Guarantor and/or the Transaction Account Bank in the future so warrant). See also "*Change of Counterparties*" below.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the judgement of the Rating Agencies, circumstances so warrant. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Class A Notes.

Agencies other than the Rating Agencies could seek to rate the Class A Notes and, if such unsolicited ratings are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, those shadow ratings could have an adverse effect on the value of the Class A Notes. For the avoidance of doubt and unless the context otherwise requires, any references to ratings or rating in this Prospectus are to ratings assigned by the specified Rating Agency only.

The Class Z VFN will not be rated by the Rating Agencies.

Rating Agency Confirmations

The Conditions provide that 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 and one

Rating Agency (such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances as more fully described in the Conditions, then such condition to receive a Rating Agency Confirmation or response from each Ratings Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency. See Condition 20 under "*Terms and Conditions of the Notes*".

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 20 Business Days, there remains a risk that such Non-Responsive Rating Agency may subsequently downgrade, qualify or withdraw the then current ratings of the Class A Notes as a result of the action or step. Such a downgrade, qualification or withdrawal to the then current ratings of the Class A Notes may have an adverse effect on the value or liquidity of the Class A Notes.

The UK Government Credit Guarantee Scheme, ABS Guarantee Scheme and Financial Services Compensation Scheme not applicable

On 8 October 2008, the UK Government announced the introduction of a credit guarantee scheme pursuant to which the Government will make available to eligible institutions for an interim period a guarantee of new short and medium term debt issuance to assist in refinancing maturing, wholesale funding obligations as they fall due. The UK Government has indicated that certain debt instruments including the Notes are not covered by the guarantee provided under the scheme and, as such, for the avoidance of doubt, the obligations of the Issuer in respect of the Notes are not guaranteed by the UK Government under the above credit guarantee scheme. In addition, on 19 January 2009, the UK government announced the introduction of the asset backed securities guarantee scheme which closed on 31 December 2009. The Notes are not guaranteed by the UK Government under the asset backed securities guarantee scheme. Also, any investment in the Notes does not have the status of a bank deposit in England and Wales and is not within the scope of the UK Financial Services Compensation Scheme. As such, the Notes are obligations of the Issuer and (in respect of the Class A Notes only) the Guarantor only and any potential investors should be aware that they will not be able to have recourse to any of the guarantees or compensation schemes set out above in relation to an investment in the Notes.

FACTORS THAT MAY AFFECT THE GUARANTOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE

As a result of its business activities, the EFG Group is exposed to a variety of risks, the most significant of which are business risk, credit risk, market risk, reputational risk, operational risk, liquidity risk and risks relating to global economic and market conditions. Failure to control these risks could have a material adverse effect on the Guarantor's and the EFG Group's result of operations and financial condition.

Risks relating to global economic and market conditions

Since the second half of 2007, disruption in the global credit markets, coupled with the re-pricing of credit risk, has created increasingly difficult conditions in the financial markets. Financial markets are subject to periods of historic volatility which may impact the EFG Group's financial performance, either because of a reduction in trading activities by its clients or because of changes in investment markets, including changes in interest rates, exchange rates and other risks to which the EFG Group is exposed. The largest part of the portfolios the EFG Group handles are non-discretionary portfolios with fee arrangements based on the volume of transactions into which the EFG Group enters on behalf of its clients. Historically, trading volumes have declined in times of market downturn. To the extent this is also the case in future periods of market downturn, the EFG Group's revenues would decline, because less market activity would result in a lower commission fee income. Since the onset of the current period of economic stress and related financial market volatility resulting from the global financial crisis in 2008/9 and subsequently the sovereign debt crisis

in Europe, the EFG Group has observed periods of decreased trading activity among its clients. As a result, the average amount of revenue earned by the EFG Group as a percentage of its Assets under Management (**AuM**) has been under pressure since the second half of 2007. Continued periods of declining securities prices and economic difficulties may continue to depress client activities which would have an adverse impact on the EFG Group's business and result of operations. In addition, an important portion of the EFG Group's revenues is derived from investment advisory contracts with its clients, both in connection with non-discretionary and discretionary accounts. The EFG Group's income from investment advisory services is generated directly from advisory fees and, with respect to non-discretionary accounts, indirectly from commission fees the EFG Group charges for performing brokerage, trading or custody services. The fee arrangement for a discretionary managed portfolio is usually a flat-fee arrangement, according to which the EFG Group charges a percentage of AuM in the portfolio that also includes the advisory fees, although fees may include a performance-related component in some cases. In either case, the revenues associated with investment advisory and ancillary services are typically proportionate to AuM. If the market value of the EFG Group's AuM were to decline further as a result of a decline in the securities markets, changes in foreign exchange rates, or as a result of poor investment performance, or if clients were to withdraw AuM from the EFG Group, the EFG Group's revenues and profits would be likely to decline as a result, which could have a material adverse effect on its financial condition. Moreover, a continuation or worsening of the current period of economic distress or a continued decline in securities prices may have a detrimental effect on the quality of the EFG Group's assets, as a result of a decline in the value of collateral securing the EFG Group's loans to its clients or a decrease in credit worthiness of financial institutions and other counterparties of the EFG Group.

Competition

All aspects of the Guarantor's and the EFG Group's business are highly competitive and the competitive conditions are expected to continue to intensify. The Guarantor and the EFG Group's ability to compete depends on many factors, including its reputation, the quality of its services and advice, intellectual capital, product innovation, execution ability, pricing, sales efforts, and the talent of its employees. The significant and increasing competition may adversely affect the Guarantor's and the EFG Group's future results of operations. Competition in the private banking markets is based on a number of factors, including investment performance, personal relationships, products, pricing, distribution systems, customer service, brand recognition and perceived financial strength. The EFG Group competes with the private banking divisions of a number of large international financial institutions as well as with established local and regional competitors, including Swiss private banks and private banks based in the local markets in which the EFG Group operates. In addition, the EFG Group faces competition from a number of wealth managers, including commercial banks, commercial credit lending institutions, brokerage firms, broker-dealers, insurance companies and other financial institutions in Europe, Asia and the Americas. The type and degree of competition faced by the EFG Group depends on the location in which it operates. In Switzerland, for example, the EFG Group faces competition primarily from a number of well-established Swiss global and private banks with long-standing clients. In growing markets, such as those in Asia, the EFG Group faces intense competition from large international banks including several Swiss global banks that are seeking to increase their presence in a growing region. Many of the EFG Group's competitors form part of larger financial services groups and attract business through numerous avenues including retail bank offices, commercial credit lending, investment banking contacts, corporate lending and broker-dealers. A number of the EFG Group's competitors have a stronger brand and are able to offer more comprehensive lines of products and services than the EFG Group. In addition, many of the EFG Group's competitors are systemically important financial institutions that are more likely than the EFG Group to benefit from government support. As a result, these competitors may be perceived by clients to provide greater security and stability than the EFG Group's subsidiaries, which may adversely affect the EFG Group's ability to attract or retain client relationships and AuM.

Credit risk

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the EFG Group's businesses. Adverse changes in the credit quality of the EFG Group's borrowers and counterparties or a general deterioration in the Swiss, European Union, US or global economic conditions could affect the recoverability and value of its assets and require an increase in the Guarantor's consolidated provision for bad and doubtful debts and investments. This could have a material adverse effect on the EFG Group's result of operations and financial condition. The EFG Group's credit exposures result primarily from loans to clients secured by financial collateral or real estate and from exposures to financial institutions, sovereigns and quasi-sovereign entities and corporations as part of the EFG Group's business. Continuing volatility in financial markets may adversely affect the ability of the EFG Group's clients and counterparties to meet their financial obligations and may lead to losses for the EFG Group.

Country risk

Country risk is defined as "the transfer and conversion risk that arises from cross-border transactions". Country risk also encompasses sovereign risk, the default risk of sovereigns or state entities acting as borrowers, guarantors or issuers. The EFG Group's international operations are subject to risk of loss from unfavourable economic, political, legal and other developments in the relevant countries. The EFG Group is exposed to country risk in particular as a result of its exposures as a creditor to sovereign and quasi-sovereign institutions and to banks, other financial institutions and corporations located outside of Switzerland.

Market risk

Market risk refers to fluctuations in interest rates, trading prices of debt and equity securities, derivatives, foreign exchange rates and commodities. The Guarantor and the EFG Group take on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or factors such as interest rates, credit spreads, foreign exchange rates, commodities and equity prices. Market risk derives from trading in treasury and investment market products for which prices are fixed daily, as well as from more traditional banking business, such as loans. Changes in interest rates may affect the EFG Group's net interest income. Like all banking groups, the EFG Group earns interest from loans and other assets, and pays interest to depositors and other creditors. Changes in interest rates will affect both the level of interest income and interest expense. The net effect of changes in interest rates on the EFG Group's net interest income will depend on the relative level of assets and liabilities that are affected by the change in interest rates. Consequently the Guarantor's and the EFG Group's net interest income may decrease. The EFG Group is also exposed to market risks and to risks relating to the value of life insurance policies held by the EFG Group. In particular, changes to actuarial assumptions with regard to the life insurance policies could result in write-downs in value of the insurance portfolio, which could have a material adverse effect on the EFG Group's result of operations.

Currency risk

The EFG Group is exposed to currency risk in connection with the results and capital of its subsidiaries that are denominated in currencies other than Swiss francs. The Guarantor and the EFG Group are also exposed to foreign currency fluctuations because the majority of its revenues relate to fees charged in currencies other than the Swiss franc. Moreover, many of the EFG Group's operating subsidiaries use local currencies as their functional reporting currencies, which may result in volatility in reported earnings as a result of fluctuations in exchange rates between the functional reporting currencies of its subsidiaries and the Swiss

franc. The EFG Group does not have currency hedging arrangements in place to minimise the effects of exchange rate fluctuations on the reporting of its subsidiaries (currency translation risk).

Liquidity risk

The inability of a bank or financial institution, including the Guarantor's subsidiaries, to anticipate and provide for unforeseen decreases or changes in funding sources could have an adverse effect on such bank's ability to meet its obligations when they fall due. Liquidity risk is the risk that the Issuer, the Guarantor or the EFG Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. Liquidity could be affected by unexpected withdrawal of client deposits, the inability to access the long-term or short-term debt, repurchase, or securities lending markets whether due to factors specific to the Issuer, the Guarantor or the EFG Group or to general market conditions. In this context it should be noted that the Guarantor is a holding company and therefore all its liquid assets are held by its subsidiaries which might negatively impact the Guarantor's ability to generate cash reserves. The Issuer's, the Guarantor's and the EFG Group's liquidity is critical to its ability to operate its business, to grow and be profitable. If any of the Issuer, the Guarantor or the EFG Group does not effectively manage their liquidity, their business and financial condition could be negatively affected.

Reputational risk

The EFG Group's reputation is critical in maintaining its relationships with clients, investors, regulators and the general public. Its reputation may essentially be affected by shortcomings under any risk category described herein, and therefore is a key focus in the EFG Group's risk management efforts. The EFG Group is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its business. In the financial services industry, there have been a number of highly publicized cases involving fraud, tax evasion, money laundering, non-compliance with regulations or other misconduct by employees in recent years, and the EFG Group is exposed to the risk of such fraud, misconduct or improper practice by its employees. Internal procedures or precautions in place to prevent and detect such fraud, misconduct or improper practice may not be effective in all cases. Substantial legal liability or a significant regulatory action against the EFG Group, or adverse publicity, governmental scrutiny or legal and enforcement proceedings regardless of the ultimate outcome, could cause significant reputational damage to the EFG Group and adversely affect the EFG Group's business, results of operations and financial position.

Operational risk

The EFG Group's business is dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, IT system and equipment failures, natural disasters or the failure of third party systems, for example, those of the EFG Group's suppliers or counterparties. Although the Guarantor and the EFG Group have implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is not possible to implement procedures which are fully effective in controlling each of the operational risks.

Risk of losing key personnel

The continued service of the members of EFGI's Executive Committee is critical to the EFG Group's overall management, as well as its culture and the implementation of its strategy. The EFG Group's continued success is dependent upon the retention of these and other key officers and employees. In addition, the EFG Group's private banking business is centred around Client Relationship Officers (see "*The Guarantor – Principal Activities*"). To compete effectively, the EFG Group must continue to focus on satisfying customer needs in both global and local markets and on retaining and recruiting Client Relationship Officers able to

meet clients needs. Failure to recruit or retain Client Relationship Officers and other investment management professionals could lead to a loss of clients and a decline in our revenues. Our business model relies on experienced Client Relationship Officers to attract and retain clients. As a result, the EFG Group's ability to attract and retain experienced Client Relationship Officers is central to its ability to maintain and grow AuM and revenues. The market for experienced Client Relationship Officer and other professionals is competitive. Consequently, there can be no assurance that the EFG Group will be successful in its efforts to recruit and retain the required key personnel. Any failure to recruit or retain suitably experienced Client Relationship Officers and other investment management professionals could limit the EFG Group's ability to grow AuM, which could adversely affect the EFG Group's business, results of operations and financial condition.

Risks relating to the EFG Group's credit rating or perceived credit worthiness

The Guarantor and its subsidiary, EFG Bank AG (**EFG Bank**), are each rated by Moody's Deutschland GmbH (Moody's) and Fitch Ratings Limited. 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. These credit ratings of the Guarantor and EFG Bank and related perceptions of the EFG Group's credit worthiness affect both the terms on which counterparties are willing to transact with the EFG Group and, in some cases, the willingness of clients to do business with the EFG Group. Rating downgrades or changes in perceptions of the EFG Group's credit worthiness may affect the volume and terms on which the EFG Group is able to conduct foreign exchange transactions, enter into derivative agreements as part of its hedging activities and may cause clients to be reluctant to do business with the EFG Group. In addition, a rating downgrade would be likely to affect the ability of the EFG Group to issue structured notes through its subsidiaries, which could negatively affect the EFG Group's funding costs and liquidity. Therefore, a reduction in the EFG Group's credit rating or a material change in its perceived credit worthiness could have a material adverse effect on the EFG Group's business, results of operations and financial condition.

Legal risk

As announced on 20 December 2013, EFG Bank intends to participate in the "Programme for Non-Prosecution Agreements or Non-Target letters for Swiss Banks" of the U.S. Department of Justice (the **DoJ Program**) as a Category 2 Bank to seek a non-prosecution agreement. Participation as a Category 2 Bank means that EFG Bank must provide the DoJ with information on how the EFG Group's US business was structured, operated and supervised, and the total number of US related accounts open from 1 August 2008 as well as their highest dollar value. In addition, upon execution of the non-prosecution agreement, EFG Bank will be required to provide the DoJ with additional information on each US related account closed since 1 August 2008. Furthermore, as required under the DoJ Program, the Guarantor has appointed an Independent Examiner to certify the quality and adequacy of the processes implemented by EFG Bank in providing the information under the DoJ Program. If and to the extent EFG Bank fails to demonstrate that assets managed by it on behalf of US clients are not undeclared or that another penalty reduction factor applies, EFG Bank will be subject to fines calculated pursuant to the DoJ Program. Depending on when non-compliant accounts have been opened and other mitigating factors, EFG Bank may be liable to penalties of up to 50% of the highest dollar value since 1 August 2008 of such non-compliant accounts. EFG Bank's participation in the DoJ Program as a Category 2 Bank could, therefore, result in substantial fines that could have a material adverse effect on EFG Bank itself and on the EFG Group's business, results of operations and financial condition.

In addition, the EFG Group is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its business. An adverse result in any of these proceedings could result in the EFG Group being required to make significant payments which could materially adversely affect the EFG Group's result of operations and financial position.

Risks relating to regulatory changes and increased compliance requirements

The EFG Group is subject to financial services laws, regulations, administrative actions and policies in Switzerland and each other jurisdiction in which it operates. Changes in supervision and regulation, in particular in Switzerland, could materially affect the EFG Group's business, the products and services offered or the value of its assets. Although EFGI works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the EFG Group's control. In recent years, there has been substantially increased regulation of the financial services industry in Switzerland and many other jurisdictions in which the EFG Group operates, imposing substantial new or more stringent rules in various areas such as internal practices, capital requirements, procedures, controls and disclosure requirements, financial reporting, corporate governance, auditor independence, equity compensation plans, distribution fees and money laundering prevention. Recent or proposed new changes include the partial revision of the Swiss Collective Investment Scheme Act that will result, among other things, in increased documentation requirements, the proposed new financial services act (*Finanzdienstleistungsgesetz*) – a draft of the bill is currently being prepared by the Swiss Federal Department of Finance – which could substantially increase conduct, information and suitability and appropriateness obligations at the point of sale, the proposed MiFID II rules in the EEA, which may, among other things, have an impact on distribution commissions, fees and any other inducements, and increased regulatory capital and liquidity requirements for banks in connection with the implementation of the Basel III Framework, which may result in increased costs for the EFG Group or may require it to adjust its business strategy in order to comply with the new requirements. The EFG Group is subject to the Swiss implementation of the Basel III framework that entered into force on 1 January 2013 and applies more rigorous capital requirements that go beyond the Basel III minimum requirements. These additional Swiss capital requirements are implemented through a target capital ratio and a minimum capital ratio as intervention threshold for FINMA, depending on the size of a bank threshold pursuant to FINMA Circular 2011 / 2 on Capital Buffers and Capital Planning. As a Category 3 bank, EFGI's target capital ratios are a total capital ratio of at least 12 per cent., a CET 1 ratio of at least 7.8 per cent. and a Tier 1 capital ratio of at least 9.6 per cent. The minimum total capital ratio is 11 per cent. If a bank does not meet the target 12% total capital ratio, FINMA may impose a ban on dividend payments, share repurchases and /or discretionary bonuses, or oblige the bank to raise capital. Upon a breach of the minimum 11% total capital ratio, FINMA has even broader remedial powers and may enforce a reduction of risk weighted assets, the sale of assets, or the closing of businesses. Also, the bank may generally become subject to the measures discussed below under "Noteholders' rights may be impacted by FINMA's decision to impose protective measures (Schutzmassnahmen) or that a Bankruptcy Event has occurred in respect of the Guarantor".¹³ On 30 October 2012, the Swiss Federal Supreme Court has rendered its decision in a pilot case on the question whether trailer fees and similar compensations, commonly referred to as "retrocessions", paid for the distribution/placement of financial products such as investment funds and structured products, belong to the client in a situation where the distributor is in a discretionary asset management relationship with the client. Pursuant to the Supreme Court ruling, distributors may not retain such retrocessions where a distributor has a discretionary asset management relationship with a client, unless such client validly waived its right to receive such retrocessions in a qualified manner. The court explicitly left open the question whether the same rule would also apply to advisory and execution only-relationships. In doctrine it is disputed whether the statute of limitations for a client's claim for forwarding of retrocessions received in the past is five or ten years from receipt of the retrocession by the distributor or even longer. Following the Supreme Court ruling, FINMA has requested all banks to inform all potentially concerned clients of the ruling and their right to reclaim retrocessions received by a bank in the past in the circumstances described above. Also, the banks have to inform FINMA on the measures taken as a consequence of the decision. As a result of the decision and including the strict requirements for valid waivers, clients of the EFG Group may seek to claim restitution of such retrocessions from the EFG Group, which could impact its profitability. This trend and scope of increased compliance requirements, together with a general increase of the scrutiny of the financial services industry over the past several years, which has led to increased regulatory investigations and litigation against financial services firms, as well as an increased focus on tax compliance, may require the EFG Group (including the Issuer and the Guarantor) to invest in additional resources and incur additional cost to

ensure compliance, and may result in increased general operating, legal and compliance expenses that may affect the profitability of the EFG Group. Furthermore, failing to adequately comply with legal and regulatory requirements may have an impact on the EFG Group's reputation, business, results of operations, and financial condition. Non-compliance with regulatory requirements may also result in regulatory enforcement measures being taken against the EFG Group as well as in shareholders, clients and investors taking legal action against the EFG Group, all of which may result in censures, fines, cease-and-desist orders or suspension of the Guarantor, its subsidiaries, officers or employees and may materially adversely affect its business, results of operations and financial condition.

Risks relating to effects of regulatory changes on the EFG Group's clients

The EFG Group is exposed to the risk that its clients may move assets away from jurisdictions in which it operates. In particular, regulatory or tax changes in either the jurisdiction where the assets are held or in the jurisdiction where the assets are domiciled might cause clients to shift their assets away from or towards particular jurisdictions. The extent to which tax and regulatory changes cause the EFG Group's clients to move assets away from jurisdictions where the EFG Group has a strong presence towards other jurisdictions in which the EFG Group is not present has the potential to reduce the EFG Group's AuM. As a result of any such development, the EFG Group's business, results of operations and financial condition may be adversely affected. Because AuM booked in Switzerland represent an important part of the EFG Group's overall business, it is particularly exposed to the risk of changes in Swiss banking secrecy, taxation or other laws. Any future change in the Swiss banking secrecy laws, allowing foreign authorities, regulators and other interested parties to request the disclosure of the identity of the EFG Group's clients, or the anticipation of such a change could result in some of the EFG Group's clients' assets being moved away from Switzerland to other markets. This may cause a decline of the EFG Group's AuM and may adversely affect the EFG Group's business, results of operations and its financial condition.

MATTERS RELATED TO THE STRUCTURE OF THIS TRANSACTION

Originator Trust limits certain rights of the Issuer and set-off rights exercised by Borrowers may reduce amounts available to redeem the Notes

The Trust Assets will not be assigned to the Issuer and legal title to the Loans will remain with EFG Private Bank Limited in its capacity as Originator Trustee under the Originator Trust. Accordingly, none of the Issuer, the Note Trustee or the Security Trustee will be in privity of contract with the Borrowers under the Loans and their Related Security and will not have the right to assert claims or effect remedies directly against the Borrowers. In the event of defaults by Borrowers under the Loans, the Issuer and the Note Trustee and the Security Trustee will have rights solely against the Originator under the Originator Trust Deed and will have no rights against the Borrowers under the Loans and their Related Security and only EFG Private Bank Limited will be entitled to take any remedial actions or exercise any votes permitted to be taken or given thereunder.

In order to mitigate this position, the Originator Power of Attorney will allow the Issuer (or its nominee or sub-delegate, including a substitute servicer) or the Security Trustee to act in the name of EFG Private Bank Limited to enforce the Loans and their Related Security against the Borrowers and collect the proceeds therefrom upon the occurrence of certain events of default, without the need to seek the leave of a court under English insolvency laws.

The holding of a beneficial interest (under a trust) has the following main legal consequences in England:

- (a) for so long as the Issuer holds only a beneficial interest in the Loans and their Related Security, the Issuer's interest in the Loans and their Related Security may become subject to interests of third parties (whether legal or equitable) created after the creation of the Issuer's beneficial interest. In addition, the holding of a beneficial interest does not enable the Issuer

to prevent the Originator from modifying the terms of the Loans and their Related Security. Under the Originator Trust Deed, the Originator has agreed to certain restrictions on its ability to vary any of the terms of the Loans or the Related Security;

- (b) any legal proceedings taken against any Borrower must be taken in the name of the Originator only (see "*Summary of the Key Transaction Documents - Originator Power of Attorney*"). In this regard, following a Power of Attorney Event, the Originator will undertake for the benefit of the Issuer that it will lend its name to and take such other steps as may be reasonably required by the Issuer, in relation to any legal proceedings in respect of any Loan or its Related Security;
- (c) any Borrower is not bound to make payment to anyone other than the person to whom he or she made such payments before the declaration of trust took place (being the Originator) and can obtain a valid discharge from such person; and
- (d) equitable or common law rights of set-off may accrue in favour of such Borrower against his or her obligation to make payments under the relevant Loans to the Originator, for example, in respect of other deposit accounts the Borrower may have with the Originator in respect of the Originator's obligation to fund any further amount to a Borrower if it was contractually obliged to do so (including but not limited to under the Tranching Loans). These rights may result in the Issuer receiving less money than anticipated from the Portfolio.

The above restrictions may cause delays in enforcement of the Loans and their Related Security and/or, if set-off rights are exercised, may reduce the amounts available to the Issuer to redeem the Notes. These risks are intended to be mitigated through the level of credit enhancement in this transaction and by the Early Amortisation Events.

Restrictions on Transfer of Mortgages

There are provisions in the Mortgages which limit or restrict the transfer or assignment of the Mortgages. The transaction has been structured with the intention that such limitations or restrictions are not contravened by the creation of the Originator Trusts which will remain in force. Such limitations or restrictions on transfer will not permit the appointment of a substitute Originator Trustee unless that originator is a bank or a financial institution. However, under the Originator Power of Attorney the Issuer may enforce, in the name of the Originator, the rights of the Originator to collect in the Loans and enforce the Related Security. Moreover, following certain defaults by the Originator, the Issuer can require that legal title in the Loans (but not the beneficial title, which will remain with the Issuer) be transferred to a different financial institution, to hold the same on trust for the Issuer. In addition, the Issuer may at any time request that the legal title in the Loans be vested in it and the Originator Trustee must, if and to the extent permitted by law, comply with such request.

Issuer dependent on the Originator to service the Loans and their Related Security

The Originator, as the named lender under the Mortgage Conditions, will agree to service the Loans made thereunder in accordance with its ordinary business practice, subject to the terms of the Originator Trust Deed. The Issuer will be dependent upon the Originator and its servicing activities and the performance of its obligations under the Originator Trust Deed in order to receive amounts due from Borrowers under the Loans.

If the Guarantor fails to maintain the Guarantor Requisite Ratings (see "*Transaction Overview – Triggers Tables*"), then the Issuer, with assistance from the Back-Up Servicer Facilitator (using its best efforts) will be required to appoint a suitably experienced third party who, upon the occurrence of a Servicing Termination

Event where notice to terminate has been served, will assume the servicing duties and obligations of the Originator under the Originator Trust Deed.

Risks relating to the insolvency of the Originator

The Originator Trust Deed creates in favour of the Issuer a beneficial interest in the Trust Assets. In the event a liquidator or administrator were to be appointed in respect of the business and property of EFG Private Bank Limited in the United Kingdom, the Issuer believes, and has received legal advice and a legal opinion confirming that, the Originator Trust (upon execution of the Originator Trust Deed) will be validly constituted and that the effect of the Originator Trust Deed will be to remove the Trust Assets from the property of EFG Private Bank Limited available to a liquidator or administrator of EFG Private Bank Limited for distribution to the general creditors of EFG Private Bank Limited. There can be no assurance, however, that a court would reach the same conclusion.

It is possible that a liquidator or administrator appointed in relation to the business and property of EFG Private Bank Limited may commence proceedings to challenge the validity and effectiveness of the Originator Trust for the purpose of including the beneficial interest in the Trust Assets acquired by the Issuer under the Originator Trust Deed in the property and estate of EFG Private Bank Limited. If proceedings were commenced against the Issuer or in relation to the Originator Trust, delays in distributions on the Notes, possible reductions in the amount of payments of principal and interest on the Notes and limitations on the exercise of remedies under the Transaction Documents could occur.

RIGHTS OF NOTEHOLDERS AND SECURED CREDITORS

Conflict between Noteholders

The Note Trust Deed and the Issuer Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee to have regard to the interests of the Class A Noteholders and the Class Z VFN Holder equally 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 the Class A Notes and the holders of the Class Z VFN, the Note Trustee will be required to have regard only to the interests of the holders of the Class A Notes and will not have regard to the interests of the holders of the Class Z VFN.

So long as any of the Notes 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 Note Trust Deed and Condition 12.4 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Pursuant to the terms of the Note Trust Deed, if any of the Class A Notes is held by (or on behalf of or for the benefit) of the Originator, the Issuer or any of their holding companies or subsidiaries of such holding companies, or by any company over which the Issuer or the Originator exercises control, then such holding will not be taken into account by the Note Trustee or the Security Trustee, as applicable, for the purposes of: (i) the right to attend and vote at any meeting of the Class A Noteholders or any written resolution, (ii) the determination of how many and which Class A Notes are outstanding for the purposes of action, proceedings and indemnification by the Note Trustee, meetings of the Class A Noteholders, events of default and enforcement, (iii) any discretion, power or authority which the Security Trustee and/or the Note Trustee is required to exercise by reference to the interests of the Class A Noteholders and (iv) the determination by the Note Trustee of whether any matter is materially prejudicial to the interests of the Class A Noteholders except, in the case of the Originator, the Issuer or any of their holding companies holding all of the Class A Notes.

Meetings of Noteholders, Modification and Waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit decisions of defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Note Trustee or, as the case may be, the Security 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) but without the consent or sanction of the Noteholders or any of the other Secured Creditors (i) may agree to (other than in respect of a Basic Terms Modification) any modification of, or the waiver or authorisation of, any breach or proposed breach of, the Conditions of the Notes 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 (where the Note Trustee determines that there is a conflict between the interests of the Class A Noteholders and the interests of the Class Z VFN Holder), the Class A Noteholders or (ii) may agree to any modification which, in the Note Trustee's or, as the case may be, the Security Trustee's, opinion, is of a formal, minor or technical nature or to correct a manifest error. The Note Trustee may also, without the consent of the Noteholders, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Noteholders, determine that a Note Event of Default shall not, or shall not subject to any specified conditions, be treated as such. See "*Terms and Conditions of the Notes – Condition 12 (Meetings of Noteholders, Modification, Waiver)*" below.

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

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

Upon the occurrence of a Note Event of Default, the Note Trustee in its absolute discretion may, and if so directed in writing by an Ordinary Resolution of the Class A Noteholders (or, if no Class A Notes are outstanding, if directed in writing by the holders of the Class Z VFN), shall (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction), give a Note Acceleration Notice to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Note Trust Deed.

Each of the Note Trustee and the Security Trustee may, at any time, at their discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes or the Note Trust Deed (including the Conditions) and/or (in the case of the Security Trustee) the Issuer Deed of Charge or (in either case) of the other Transaction Documents to which it is a party and at any time after the service of a Note Acceleration Notice, the Security Trustee may, at its discretion without notice, take such steps as it may think fit to enforce the Issuer 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 a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*)) unless:

- (a) it shall have been directed to do so by an Ordinary Resolution of the Class A Noteholders or (ii) (for so long as no Class A Notes remain outstanding) it has been directed to do so by the Class Z VFN Holder; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction,

provided that the Note Trustee or the Security Trustee shall not, and shall not be bound to, act at the direction of the Class Z VFN Holder as aforesaid so long as any Class A Notes are outstanding. If the Note Trustee or the Security Trustee fail to exercise their discretion where they have not been directed as described above, it may adversely affect the ability of the Issuer to make payments on the Notes following the service of a Note Acceleration Notice.

See further "*Terms and Conditions of the Notes – Condition 11 (Enforcement)*" below.

In addition, each of the Note Trustee and the Security Trustee benefit from indemnities given to them by the Issuer pursuant to the Transaction Documents.

Book-Entry Interests

Unless and until Definitive Notes are issued in exchange for the Book-Entry Interests, holders and beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of the Class A Notes under the Note Trust Deed. After payment to the Principal Paying Agent, Euroclear or to Clearstream, Luxembourg, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts in respect of the Class A Notes to Euroclear or to Clearstream, Luxembourg or to the holders or beneficial owners of Book-Entry Interests.

The Class A Notes will be represented by Global Notes delivered to a common safekeeper for Clearstream, Luxembourg and Euroclear, and will not be held by the beneficial owners or their nominees. The Global Notes will not be registered in the names of the beneficial owners or their nominees. As a result, unless and until Class A Notes in definitive form are issued, beneficial owners will not be recognised by the Issuer or the Note Trustee as Noteholders, as that term is used in the Note Trust Deed. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder under the Note Trust Deed.

Payments of principal and interest on, and other amounts due in respect of, each Global Note will be made by the Principal Paying Agent to the order of the Common Safekeeper for Euroclear and Clearstream, Luxembourg against presentation of such Global Note. Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect payments to owners of 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 registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Note Trustee, the Security Trustee or any Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Noteholders, holders of the Book-Entry Interests will not have the right under the Note Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of 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 a Note Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Notes are issued in accordance with the relevant provisions described herein under "*Terms and Conditions of the Notes*" below. 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 Note Trust Deed.

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 Note Trustee, the Security Trustee, any Paying Agent or any of their 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.

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 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 definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

MORTGAGE ADMINISTRATION AND THIRD PARTY CREDIT RISK

Issuer Reliance on other Third Parties

The Issuer is also party to contracts with a number of other third parties who have agreed to perform services in relation to the Notes. 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, EFGPB, as the EFGPB Account Bank, has agreed to provide the EFGPB Bank Account to the Issuer pursuant to the EFGPB Bank Account Agreement, BNPP London, as the Transaction Account Bank, has agreed to provide the Transaction Account to the Issuer pursuant to the Transaction Account Agreement, the Cash Manager has agreed to provide cash management services pursuant to the Cash Management Agreement, the Back-Up Servicer Facilitator has agreed to assist in appointing a substitute servicer pursuant to the Back-Up Servicer Facilitator Agreement and the Paying Agents, the Registrar, the Class Z VFN Registrar and the Agent Bank have all agreed to provide services with respect to the Notes 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, Noteholders may be adversely affected. In particular:

- (a) any failure or delay in the delivery of a Servicing Report to the Cash Manager could affect the payment of interest and principal on the Notes (as to which see Condition 5.9 (*Determinations and Reconciliation*)) and Noteholders acquiring or disposing of an interest in the Notes following such delay or failure may be adversely affected by any subsequent reconciliations made under Condition 5.9 (*Determinations and Reconciliation*) in respect of payments of principal and interest made in the Notes on the basis of estimations made in the absence of a Servicing Report;
- (b) any failure or delay in the appointment of a substitute servicer may adversely affect the receipt of collections on the underlying Loans and their Related Security, which would adversely affect payments on the Notes;

- (c) if and when a substitute servicer is appointed and is enforcing the Loans in the name of the Originator for the benefit of the Issuer, there is no assurance that it will be able to commence its obligations in a timely manner if it has not had sufficient time to undertake a review of its contractual duties and obligations; and
- (d) any failure or delay by the Cash Manager in making the required determinations under the Transaction Documents or distributing moneys in accordance with the applicable Priority of Payments, could adversely affect the payment of interest and principal on the Notes.

Potential Conflicts of Interest

The Joint Lead Managers and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Originator's holding company (including other subsidiaries of its holding company). In addition to acting as a Joint Lead Manager, BNP Security Services Limited, an affiliate of BNP Paribas, London Branch, will act as the Cash Manager, the Transaction Account Bank and Paying Agent. Other parties to the transaction may also perform multiple roles, including the Originator, who will act as servicer and an Account Bank.

Actual or potential conflicts may arise between the interests of the Originator and the interests of the Issuer and the Noteholders. In addition, the Originator may accept deposits from, make loans to or otherwise extend credit to, and generally engage in any kind of personal banking transactions with any existing or future Borrower. Various potential and actual conflicts of interest may arise from the activities of the Originator and/or its affiliates in connection with the transactions contemplated by this Prospectus.

Nothing in the Transaction Documents shall prevent any of the parties to the Transaction Documents from rendering services similar to those provided for in the Transaction Documents to other persons, firms or companies or from carrying on any business similar to or in competition with the business of any of the parties to the Transaction Documents.

Accordingly, conflicts of interest may exist or may arise as a result of parties to this transaction:

- (a) having previously engaged or in the future engaging in transactions with other parties to the transaction;
- (b) having multiple roles in this transaction; and/or
- (c) carrying out roles in other transactions for third parties.

Change of Counterparties

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 Transaction Account Bank, the Cash Manager and the Originator in its servicing capacity) are required to satisfy certain criteria in order that they can continue to be a counterparty to the Issuer.

These criteria may include requirements imposed under the FSMA. They also include certain rating criteria relating to the Originator (in its servicing capacity), the Cash Manager and the Transaction Account Bank. If the party concerned ceases to satisfy the applicable ratings criteria, 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 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. This may reduce amounts available to the Issuer to make payments of interest on the Notes.

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. The consent of Noteholders may not be required in relation to such amendments and/or waivers.

LEGAL, TAX AND REGULATORY CONSIDERATIONS

Change of Law

The structure of the transaction and, inter alia, the issue of the Notes are based on the law and administrative practice in effect as at the date of this Prospectus as it affects the parties to the transaction and the Portfolio, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to such law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes.

Mortgage repossessions

A protocol for mortgage repossession cases in England and Wales came into force on 19 November 2008, which sets out the steps that judges will expect any lender to take before starting a claim. The Originator expects that it would delay the initiation of repossession action for a period of time after a borrower who is an owner-occupier is in arrears. The application of such moratorium may be subject to the wishes of the relevant borrower and may not apply in cases of fraud. The Mortgage Repossessions (Protection of Tenants etc.) Act 2010 came into force on 1 October 2010. The Repossession 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. The lender has to serve notice at the property before enforcing a possession order.

This protocol and these Acts may have adverse effects in markets experiencing above average levels of repossession claims. Delays in the initiation of responsive action in respect of the Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments to Noteholders under the Notes.

Consumer Credit Act 1974

Certain lending in the United Kingdom is regulated by the Consumer Credit Act 1974 (the **CCA**). The regulator for credit agreements regulated by the CCA was the Office of Fair Trading (the **OFT**) before 1 April 2014, which issued licences and guidance on conduct of business under the CCA, and is the Financial Conduct Authority (the **FCA**) from 1 April 2014, which issues authorisation and permission and rules and guidance on conduct of business under the FSMA. The FCA is also the regulator for regulated mortgage contracts under the FSMA (please see "*Mortgage regulation under the FSMA*" below).

A credit agreement is regulated by the CCA where: (a) the borrower is or includes an "individual" as defined in the CCA; (b) the credit agreement was made before the financial limit was removed (as described below), the amount of "credit" as defined in the CCA did not exceed the financial limit of £25,000 for credit agreements made on or after 1 May 1998 or lower amounts for credit agreements made before that date; and (c) the credit agreement is not an exempt agreement under the CCA. The Originator considers that at least 50% of the Loans in the Portfolio are regulated mortgage contracts as at the First Trust Date.

Any credit agreement intended to be a regulated mortgage contract under the FSMA, or unregulated, might instead be wholly or partly regulated by the CCA or treated as such, and any credit agreement intended to

be regulated by the CCA or treated as such, or unregulated, might instead be a regulated mortgage contract under the FSMA because of technical rules on:

- (a) determining whether any credit under the CCA arises, or whether any applicable financial limit of the CCA is exceeded;
- (b) determining whether the credit agreement is an exempt agreement under the CCA (for example, certain types of credit agreement to finance the purchase of, or alteration to, homes or business premises, or regulated mortgage contracts under the FSMA); or
- (c) changes to credit agreements.

Any credit agreement that is wholly or partly regulated by the CCA or treated as such has to comply with the requirements as to licensing or authorisation of lenders and brokers, documentation and procedures of credit agreements, and (in so far as applicable) pre-contract disclosure. If it does not comply with those requirements then, to the extent that the credit agreement is regulated by the CCA or treated as such, it is unenforceable against the borrower: (a) without an order of the FCA or the court, if the lender or broker did not hold the required licence or authorisation at the relevant time; (b) totally, for agreements entered into before 6 April 2007, if the form to be signed by the borrower was not signed by the borrower personally or omits or misstates a "prescribed term"; or (c) without a court order in other cases and, in exercising its discretion whether to make the order, the court would take into account any prejudice suffered by the borrower and any culpability by the lender.

A court order under section 126 of the CCA is necessary to enforce a land mortgage securing a loan or further advance to the extent that the credit agreement is regulated by the CCA or treated as such. In dealing with such an application, the court has the power, if it appears just to do so, to amend the credit agreement or to impose conditions upon its performance or to make a time order (for example, giving extra time for arrears to be cleared).

Under section 75 of the CCA, in certain circumstances the lender is liable to the borrower in relation to misrepresentation and breach of contract by a supplier in a transaction financed by a credit agreement that is wholly or partly regulated by the CCA or treated as such. In addition, 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 a rule under the FSMA. From 1 April 2014, such rules will include rules in the Consumer Credit sourcebook (**CONC**). The borrower may set off the amount of the claim against the lender under section 75 of the CCA, or for contravention of CONC, against the amount owing by the borrower under the loan or under any other loan that the borrower has taken with the lender. Any such set-off in relation to a Loan in the Portfolio may adversely affect the Issuer's ability to make payments on the Notes.

Consumer Credit Act 2006

The Consumer Credit Act 2006 (the **CCA 2006**) was enacted on 30 March 2006 and was fully implemented by 31 October 2008. The CCA 2006 updates and amends the CCA as follows.

The "extortionate credit" regime is 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 the lender and the borrower is unfair, then it may make an order, among other things, requiring the originator, or any assignee such as the Issuer, to repay to the borrower any sum paid by him. 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 before and after making the agreement. There is no statutory definition of the word "unfair", as the intention is for the test to be flexible and subject to judicial discretion. However, the word "unfair" is not an unfamiliar term in United Kingdom legislation, due to the Unfair Terms in Consumer Contracts Regulations 1999. The courts

may, but are not obliged to, look solely to the CCA 2006 for guidance. The principle of "treating customers fairly" under the FSMA, and guidance published by the FSA and, as of 1 April 2013, the FCA on that principle and by the OFT on the unfair relationship test, may also be relevant. Once the borrower alleges that an unfair relationship exists, then the burden of proof is on the creditor to prove the contrary.

The financial limit of £25,000 for CCA regulation has been removed for credit agreements made on or after 6 April 2008, except for (a) certain changes to credit agreements, and (b) certain buy-to-let loans made before 31 October 2008.

To the extent that a credit agreement is regulated by the CCA or treated as such, it is unenforceable for any period in which the lender fails to comply with requirements as to default notices. From 1 October 2008: (a) the credit agreement is also unenforceable for any period in which the lender fails to comply with further requirements as to periodic statements and arrears notices; (b) the borrower is not liable to pay interest or, in certain cases, default fees for any period in which the lender fails to comply with further requirements as to post-contract disclosure; and (c) interest upon default fees is restricted to nil until the 29th day after the day on which a prescribed notice is given and then to simple interest (i.e. interest may only be calculated on the principal amount of the default sum).

Early repayment charges are restricted by a formula under the CCA which applies to the extent that the credit agreement is regulated by the CCA or treated as such. A more restrictive formula applies generally to all such credit agreements made on or after 11 June 2010.

These changes to the CCA may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

The Originator has interpreted certain technical rules under the CCA in a way common with many other lenders in the mortgage market. If such interpretation were held to be incorrect by a court or the Ombudsman (as defined above), then a Loan, to the extent that it is regulated by the CCA or treated as such, would be unenforceable as described above. If such interpretation were challenged by a significant number of Borrowers, then this could lead to significant disruption and shortfall in the income of the Issuer. Court decisions have been made on technical rules under the CCA against certain mortgage lenders, but such decisions are very few and are generally county court decisions which are not binding on other courts.

The Originator has given or, as applicable, will give warranties to the Issuer in the Originator Trust Deed 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, and if the default cannot be or is not cured within 60 Business Days, then the Originator will, upon receipt of notice from the Issuer, be required to re-acquire the beneficial interest of the Issuer in all the relevant Loans secured on the same Property (together, forming one Mortgage Account) and their Related Security from the Issuer.

Mortgage regulation under the FSMA

Residential mortgage lending in the United Kingdom became a regulated activity under the FSMA on 31 October 2004.

Certain provisions of the FSMA apply to a regulated mortgage contract. A mortgage loan contract is a regulated mortgage contract under the FSMA if it is entered into on or after 31 October 2004 or originated prior to 31 October 2004 but varied on or after 31 October 2004 such that a new contract is entered into and if, at the time it is entered into: (a) the borrower is an individual or trustee; (b) the contract provides for the obligation of the borrower to repay to be secured by a first legal mortgage on land (other than timeshare accommodation) in the United Kingdom; and (c) at least 40 per cent. of that land is used, or is intended to be used, as or in connection with a dwelling by the borrower or (in the case of credit provided to trustees) by an

individual who is a beneficiary of the trust, or by a related person (broadly, the person's spouse, near relative or a person with whom the borrower has a relationship which is characteristic of a spouse).

On and from 31 October 2004, subject to any exemption, persons carrying on any specified regulated mortgage-related activities by way of business must be authorised under the FSMA. On 1 April 2013, following amendments made to the FSMA by the Financial Services Act 2012, the majority of the functions of the Financial Services Authority (the **FSA**) were transferred to the Financial Conduct Authority (the **FCA**) and the Prudential Regulation Authority (the **PRA**). Under the new structure the FCA has taken over, amongst other things, the FSA's responsibility for the authorisation and supervision of persons carrying on specified regulated mortgage-related activities. The PRA has taken over responsibility for the prudential regulation of deposit-takers, insurers and major investment firms. Depending on the scope of a firm's authorisation and permissions, firms involved in the residential mortgage market may be regulated by both authorities (in which case they will be known as dual-regulated firms) or the FCA only. Firms authorised by the FSA prior to 1 April 2013 will have their authorisations transferred to the relevant authorities and will not need to apply for new authorisations from the FCA. The Originator is regulated by both the PRA and the FCA. 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 collecting payments due under the mortgage loan); (c) advising in respect of regulated mortgage contracts; and (d) arranging in respect of regulated mortgage contracts. Agreeing to carry on any of these activities is also a regulated activity. If requirements as to 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 promotion of agreements relating to qualifying credit and by whom such promotions can be issued or approved. In this respect, the FSMA regime not only covers financial promotions of regulated mortgage contracts but also promotions of certain other types of secured credit agreements under which the lender is a person (such as the Originator) who carries on the regulated activity of entering into a regulated mortgage contract. Failure to comply with the financial promotions regime (as regards by whom promotions can be issued or approved) 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.

Any credit agreement intended to be a regulated mortgage contract under the FSMA might instead be wholly or partly regulated by the CCA or treated as such, or unregulated, and any credit agreement intended to be regulated by the CCA or treated as such, or unregulated, might instead be a regulated mortgage contract under the FSMA, because of technical rules on: (a) determining whether the credit agreement or any part of it falls within the definition of a regulated mortgage contract; and (b) changes to credit agreements.

The Originator is required to hold, and holds, authorisation and permission to enter into and to administer and, where applicable, to advise on regulated mortgage contracts. Subject to any exemption, brokers are required to hold authorisation and permission to arrange and, where applicable, to advise on regulated mortgage contracts.

The Issuer is not, nor proposes to become, an authorised person under the FSMA. The Issuer does not carry on the regulated activity of administering (servicing) regulated mortgage contracts, because the Loans are serviced by the Originator pursuant to the terms of the Originator Trust Deed, which has the required authorisation and permission under the FSMA. If a Power of Attorney Event occurs, the Back-Up Servicer Facilitator will be required to assist with the arranging for mortgage servicing to be carried out, in the name of the Originator, by a replacement servicer having the required FSMA authorisation and permission. In addition, no variation is permitted to be made to the Loans and no Further Tranche or Product Switch is permitted to be made in relation to a Loan where it would result in the Issuer arranging or advising in respect

of, administering (servicing) or entering into a regulated mortgage contract or agreeing to carry on any of these activities, if the Issuer would be required to be authorised under the FSMA to do so.

The Mortgages and Home Finance: Conduct of Business sourcebook (MCOB), which sets out rules under the FSMA for regulated mortgage activities, was published on 31 October 2004. These rules cover certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract with a 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 also 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 a rule under the FSMA 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 the lender. Any such set-off in relation to a loan in the mortgage portfolio may adversely affect the Issuer's ability to make payments on the Notes.

So as to avoid dual regulation, it is intended that regulated mortgage contracts under the FSMA are not regulated by the CCA, and relevant regulations made in 2005 and 2008 under the FSMA are designed to clarify the position in this regard. This exemption only affects credit agreements made on or after 31 October 2004 and credit agreements made before 31 October 2004 but subsequently varied such that a new contract is entered into on or after 31 October 2004 and constitutes a separate regulated mortgage contract. A court order under section 126 of the CCA is, however, necessary to enforce a land mortgage securing a regulated mortgage contract to the extent that the credit agreement would, apart from the exemption referred to above, be regulated by the CCA or treated as such.

In June 2010, the FSA made changes to MCOB which effectively convert previous guidance on the policies and procedures to be applied by authorised firms with respect to forbearance in the context of regulated mortgage contracts into formal mandatory rules. Under these rules, a firm is restricted from repossessing a property unless all other reasonable attempts to resolve the position have failed and, in complying with such restriction, a firm is required to consider whether, given the borrower's circumstances, it is appropriate to take certain actions. Such actions refer (amongst other things) to the extension of the term of the mortgage, product type changes and deferral of interest payments. While the FSA indicated that it did not expect each forbearance option referred to in these rules to be explored at every stage of interaction with the borrower, it is clear that these rules impose mandatory obligations on firms without regard to any relevant contractual obligations or restrictions. As a result, the rules may operate in certain circumstances to require the Originator to take certain forbearance-related actions which do not comply with the Transaction Documents (and, in particular, the servicing arrangements contemplated by such documents) in respect of one or more Loans and their Related Security. No assurance can be made that any such actions will not reduce the amounts available to meet the payments due in respect of the Notes, although the impact of this will depend on the number of Loans which involve a Borrower who experiences payment difficulties.

Distance Marketing

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 apply to credit agreements entered into on or after 31 October 2004 by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower). A regulated mortgage contract under the FSMA, if originated by a United Kingdom lender from an establishment in the United Kingdom, will not be cancellable under these regulations, but will be subject to related pre-contract disclosure requirements in MCOB. Certain other credit agreements will be cancellable under these regulations if the borrower does not receive prescribed information at the prescribed time, or in any event for certain unsecured lending. Where the credit agreement is cancellable under these regulations, the borrower may send notice of cancellation at any time before the end of the 14th day after the day on which the

cancellable agreement is made, where all the prescribed information has been received, or, if later, the borrower receives the last of the prescribed information.

If the borrower cancels the credit agreement under these regulations, then: (a) the borrower is liable to repay the principal and any other sums paid by the originator to the borrower under or in relation to the cancelled agreement within 30 days 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 or any early repayment charge or other charge for credit under the cancelled agreement, only if the borrower received certain prescribed information at the prescribed time and if other conditions are met; and (c) any security is to be treated as never having had effect for the cancelled agreement. If a significant portion of the Loans are characterised as being cancellable under these regulations, then 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.

Mortgage Directive

On 31 March 2011, the European Commission published a proposal for a Directive on credit agreements relating to residential immovable property for consumers (the **Mortgage Directive**). The Council of the European Union adopted the Mortgage Directive on 28 January 2014. Member States will be required to implement the Directive into national law within two years after it enters into force.

The Mortgage Directive applies to: (a) credit agreements secured by a mortgage or comparable security commonly used in a member state of the European Union (a **Member State**) on residential immovable property, or secured by a right relating to residential immovable property; (b) credit agreements the purpose of which is to finance the purchase or retention of rights in land or in an existing or proposed residential building; and extends the Consumer Credit Directive (2008/48/EC) to (c) unsecured credit agreements the purpose of which is to renovate residential immovable property involving a total amount of credit above €75,000. The proposed Mortgage Directive does not apply to credit agreements to be repaid from the sale proceeds of an immovable property, or to certain credit granted by an employer to its employees.

The Mortgage Directive requires (among other things): standard information in advertising; standard pre-contractual information; adequate explanations to the borrower on the proposed credit agreement and any ancillary service; calculation of the annual percentage rate of charge in accordance with a prescribed formula; assessment of creditworthiness of the borrower and a right of the borrower to make early repayment of the credit agreement. The Mortgage Directive also imposes prudential and supervisory requirements for credit intermediaries and non-bank lenders.

Until the Mortgage Directive is implemented into UK law, it is too early to tell what effect the implementation of the Mortgage Directive into UK law would have on the Originator and/or its business and operations and thus, on the ability of the Issuer to make payments on the Notes when due.

Unfair Terms in Consumer Contracts Regulations 1994 and 1999

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 Regulations 1994 (together with the 1999 Regulations, the **UTCCR**), apply to agreements made on or after 1 July 1995 and affect all or almost all of the Loans. The UTCCR provide that:

- (a) a consumer may challenge a standard term in an agreement on the basis that it is "unfair" within the UTCCR and therefore not binding on the consumer (although the agreement itself continues to bind the parties if it is capable of continuing in existence without the unfair term); and

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

The UTCCR will not affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal, or price terms, provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer's attention. A term could, however, be assessed for fairness on other relevant grounds. Key provisions (such as the interest rate variation provision and loan transfer mechanism) of the mortgage loans may be subject to scrutiny under the UTCCR. For example, if a term permitting the lender to vary the interest rate 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 that the borrower has taken with the lender. Any such non-recovery, claim or set-off in relation to a Loan in the Portfolio may adversely affect the Issuer's ability to make payments on the Notes.

The Loans in the Portfolio are subject to fixed rates of interest and tracker rates of interest, hence there is not a variable rate that would typically be subject to review under the UTCCR. However, some Loans in the Portfolio provide that the Originator may adjust the interest margin on the Loan on six months' notice, if an expected wider relationship between the Borrower and the Bank is not maintained.

The lead enforcement body for the UTCCR was the OFT before 1 April 2014, and is the Competition and Markets Authority (the **CMA**) from 1 April 2014. The qualifying body in relation to regulated mortgage contracts and mortgage loans originated by lenders authorised under the FSMA was the FSA before 1 April 2013, and is the FCA from 1 April 2013. The lead enforcement body was and is responsible for enforcing the UTCCR in relation to other mortgage loans.

In February 2000, the OFT issued a guidance note on (a) its views on the application of the UTCCR to clauses that permit for interest variations in mortgage loan contracts without good reason and (b) what it considered to be fair terms and unfair terms for interest variation in mortgage contracts. Where the interest variation term does not provide for precise and immediate tracking of an external rate outside the lender's control, and if the borrower is locked in, for example by an early repayment charge that is considered to be a penalty, the term is likely to be regarded by the OFT as unfair under the UTCCR unless the lender: (a) notifies the affected borrower in writing at least 30 days before the rate change; and (b) permits the affected borrower to repay the whole loan during the next three months after the rate change, without paying the early repayment charge. The guidance note has been withdrawn from the OFT website, but may constitute a factor which the OFT and FCA may take into account when considering interest variation terms in standard form agreements.

In May 2005, the FSA issued a statement of good practice on fairness of terms in consumer contracts. This statement provides that, for locked-in borrowers, (i.e. where the borrower is required to give advance notice or to pay a cost or to give up a benefit in order to withdraw from the contract) a firm may consider drafting the contract to permit a change in the contract to be made only where any lock-in clause is not exercised. In the context of the OFT's investigation into credit card default fees, the OFT on 5 April 2006 issued a statement of its view of the principles that credit card issuers should follow in setting default fees, and that the principles are likely to apply to analogous default fees in other contracts such as mortgages. The principles are in essence that terms imposing default fees should not have the object of raising more in revenue than is reasonably expected to be necessary to recover certain limited administrative costs incurred as a result of a borrower's default.

In January 2007, the FSA issued a statement of good practice on mortgage exit administration fees. This statement provides that the lender should ensure that the fee represents in fact the cost of the administration services that the lender provides when a borrower exits the mortgage. The FSA issued a follow-up

communication in November 2007 emphasising that this statement should not be interpreted narrowly and, where appropriate, firms should consider applying its principles to other charges.

MCOB rules for regulated mortgage contracts require that: (a) arrears charges represent a reasonable estimate of the cost of the additional administration required as a result of the borrower being in arrears; and (b) from 25 June 2010, the borrower's payments are allocated first towards paying off the balance of any payment shortfall, excluding any interest or charges on that balance. In October 2010, the FSA issued a statement that, in its view, early repayment charges are likely to amount to the price paid by the borrower in exchange for services provided and may not be reviewable for fairness under the UTCCR, provided that they are written in plain and intelligible language and are adequately drawn to the borrower's attention. In January 2012, the FSA issued a further statement intended to raise awareness of issues that it commonly identifies under the UTCCR.

In March 2013, the Law Commission published advice to the UK Government on reforming the UTCCR. The Law Commission recommended, among other things, that no assessment of fairness shall be made of a term that specifies the main subject matter of the contract, or of a price term, provided that the term in question is transparent and prominent. The Law Commission also recommended that the UTCCR should expressly provide that, in proceedings by consumers, the court is required to consider the fairness of a term, even if the consumer has not raised the issue, where the court has available to it the legal and factual elements necessary for that task. Such reforms are included in the draft Consumer Rights Bill expected to be introduced into Parliament in 2014 which was first presented to Parliament in January 2014.

Whilst the CMA and FCA have powers to enforce the UTCCR, it would be for a court to determine their proper interpretation. The extremely broad and general wording of the 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 or may be made to borrowers covered by the UTCCR may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans.

The guidance issued by the FSA (and, as of 1 April 2013, the FCA) and the OFT has changed over time and it is possible that it may change in the future. No assurance can be given that any such changes in guidance on the 1999 Regulations, or reform of the 1999 Regulations, will not have a material adverse effect on the Originator, the Issuer and/or their respective businesses and operations. This may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

Decisions of the Ombudsman could lead to some terms of the Loans being varied, which may adversely affect payments on the Notes

Under the FSMA, the Ombudsman is required to make decisions on certain complaints relating to the 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 law and guidance. Transitional provisions exist by which certain complaints relating to breach of the Mortgage Code (described above) occurring before 31 October 2004 may be dealt with by the Ombudsman. 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.

As 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 the borrower, it is not possible to predict how any future decision of the Financial Ombudsman Service would affect the ability of the Issuer to make payments to Noteholders.

Consumer Protection from Unfair Trading Regulations 2008

On 11 May 2005, the European Parliament and the Council adopted a Directive on unfair business-to-consumer commercial practices (the **Unfair Practices Directive**). Generally the Unfair Practices Directive applies full harmonisation, which means that Member States may not impose more stringent provisions in the fields to which full harmonisation applies. By way of exception, the Unfair Practices Directive permits Member States to impose more stringent provisions in the fields of financial services and immovable property, such as mortgage loans.

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

The Unfair Practices Directive is implemented in the UK by the Consumer Protection from Unfair Trading Regulations 2008 (the **CPUTR**), which came into force on 26 May 2008. The CPUTR prohibits certain practices which are deemed "unfair" within the terms of the CPUTR. Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but the possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreement may result in irrecoverable losses on amounts to which such agreements apply. Breach of certain CPUTR provisions is a criminal offence. Draft amendments to the CPUTR propose to give consumers a right to redress for prohibited practices, including a right to unwind agreements.

In addition, the OFT addresses commercial practices in administering licences under the CCA, and the Unfair Practices Directive is taken into account in reviewing rules under the FSMA. For example, MCOB rules for regulated mortgage contracts from 25 June 2010 (formerly these were matters of non-binding guidance) prevent the lender from: (a) repossessing the property unless all other reasonable attempts to resolve the position have failed, which include considering whether it is appropriate to offer an extension of term, or conversion to interest-only for a period, or a Product Transfer, and (b) automatically capitalising a payment shortfall.

The Unfair Practices Directive provided for a transitional period until 12 June 2013 for the application of full harmonisation in the fields to which it applies. In March 2013, the European Commission published a report on the application of the Unfair Practices Directive, which indicated (among other things) that there is no case for further harmonisation in the fields of financial services and immovable property. No assurance can be given that the implementation of the Unfair Practices Directive into law in the UK and any further harmonisation will not have a material adverse effect on the Loans or the manner in which they are serviced and accordingly on the ability of the Issuer to make payments to Noteholders.

UK proposals for changes to mortgage regulation and to the regulatory framework

In January 2011, HM Treasury announced proposals to enhance consumer protection in the mortgage market. Regulations have been drafted to provide for consumer protection when a mortgage book is sold by a regulated mortgage lender to an unregulated entity. In this regard, it is proposed that the definition of the regulated activity of administering a regulated mortgage contract will be expanded so that any entity which exercises specified rights in relation to regulated mortgage contracts, such as changing in interest rates or taking action to repossess a property against a borrower, will be required to be authorised and regulated under the FSMA.

In December 2011, the FSA published a consultation paper that consolidates proposals arising out of its wide-ranging mortgage market review, which was launched in October 2009 to consider strengthening rules and guidance on, inter alia, affordability assessments, product regulation, arrears charges and responsible lending. The FSA's aim was to ensure the continued provision of mortgage credit for the majority of

borrowers who can afford the financial commitment of a mortgage, while preventing a re-emergence of poor lending practices as the supply of mortgage credit in the market recovers. In October 2012, the FSA published a feedback statement and final rules that generally come into force on 26 April 2014 with transitional arrangements where, among other things, the borrower does not take on additional borrowing.

In December 2012, the Financial Services Act 2012 received royal assent. This Act contains provisions which (among other things) on 1 April 2013 replaced the FSA with the PRA and the FCA. This act also contains provisions enabling the transfer of regulation of credit agreements regulated by the FCA from the OFT to the FCA. The relevant secondary legislation was enacted in 2013 and 2014 and the transfer was effected on 1 April 2014.

Under the Financial Services Act 2012 and from dates to be specified: (a) carrying on servicing activities otherwise than in accordance with permission from the FCA will render the credit agreement unenforceable without FCA approval; and (b) the FCA will have power to render unenforceable contracts made in contravention of its rules on cost and duration of credit agreements or in contravention of its product intervention rules. This Act also provides for formalised cooperation to exist between the FCA and the Ombudsman, particularly where issues identified potentially have wider implications, with a view to the FCA requiring affected firms to operate consumer redress schemes.

These or any further changes to MCOB arising from the FCA's mortgage market review, or to MCOB or the FSMA arising from HM Treasury's proposals to change mortgage regulation or changes in the regulatory framework, may adversely affect the Loans, the Originator, the Issuer and their respective businesses and operations.

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 introduced by the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (the **Securitisation Regulations**)), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Securitisation Regulations), for so long as it satisfies the conditions of the Securitisation Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Regulations (or subsequently does not), then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows for the transaction described in this Prospectus and as such adversely affect the tax treatment of the Issuer and consequently its ability to make payments on the Notes.

U.S. Foreign Account Tax Compliance Act (FATCA) withholding may affect payments on the Notes

Sections 1471 through 1474 of the US Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

The Issuer expects to be treated as a Foreign Financial Institution (as defined by FATCA) which is required to report certain information in respect of its account holders and investors to its home government or the U.S. Internal Revenue Service (a **Reporting FFI**) pursuant to the intergovernmental agreement entered into by the United States and United Kingdom and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes or being subject to FATCA Withholding on payments it receives because none of these payments should be from sources within the United States. There can be no assurance, however, that the Issuer will be treated as a Reporting FFI.

While the Class A Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, it is possible that FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding and the party responsible for withholding is unable to determine that the payments are from sources outside the United States. FATCA also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Class A Notes are discharged once it has paid the common safekeeper for the clearing systems (as registered holder of the Class A Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries. Prospective investors should refer to the section "*Foreign Account Tax Compliance Act*".

EU financial transaction tax

The European Commission has published a proposal for a Directive for a common financial transaction tax (FTT) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including purchases or sales of securities (such as authorised investments)) if it is adopted based on the current proposals. Any such liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied. A joint statement issued in May 2014 by ten of the eleven participating member states indicated an intention to implement the FTT progressively, such that it would initially extend to transactions involving shares and certain derivatives, with this initial implementation occurring by 1 January 2016. However, full details are not available and further changes could be made prior to adoption.

The FTT proposal remains subject to negotiation between the participating member states described above. It may therefore be altered prior to any implementation. Additional EU member states may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Withholding Tax under the Notes and under the Guarantee

As of the date of this Prospectus, no withholding or deduction for or on account of UK tax will be required on interest payments by the Issuer to any holders of the Notes, provided that the Notes are securities, carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange for such purposes and the Notes will be treated as listed on the Irish Stock Exchange if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Main Market of the Irish Stock Exchange. The applicability of any withholding or deduction for or on account of United Kingdom taxes is discussed further under "*United Kingdom Taxation*" below.

Except as set out in the paragraph below, in the event that any withholding or deduction for or on account of any taxes is imposed in respect of payments to Noteholders of any amounts due under the Notes, none of the Issuer, the Guarantor or any other person is obliged to gross up or otherwise compensate Noteholders for the lesser amounts the Noteholders will receive as a result of such withholding or deduction. However, in certain circumstances, the Issuer will, in accordance with Condition 7.6 (*Optional Redemption of the Class A Notes for Taxation or Other Reasons*), use reasonable endeavours to prevent such an imposition in relation to the Class A Notes.

If any withholding or deduction is applied in respect of payments made under the Guarantee, the Guarantor will, subject to certain exceptions set forth in the Guarantee, be required to pay an additional amount equal to the amount of any withholding or deduction (see "*Summary of the Key Transaction Documents - Guarantee*").

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Implementation of and/or changes to the Basel III framework may affect the capital requirements and/or the liquidity of the Notes

The Basel Committee on Banking Supervision (the Basel Committee) approved significant changes to Basel II) regulatory capital and liquidity framework in 2011 (such changes being commonly referred to as Basel III). In particular, Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). It is intended that member countries will implement the new capital standards and the new Liquidity Coverage Ratio as soon as possible (with provision for phased implementation, meaning that the measure will not apply in full until January 2019) and the Net Stable Funding Ratio from January 2018. Implementation of Basel III requires national legislation and therefore the final rules and the timetable for their implementation in each jurisdiction may be subject to some level of national variation. The Basel Committee has also published a consultative document setting out certain proposed revisions to the securitisation framework, including proposed new hierarchies of changes to the approaches to calculating risk weights and a new risk weight floor of 15 per cent.

Implementation of the Basel III framework may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel II framework (including the changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased 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 as well as covered bonds.

In relation to asset backed securities, the increased regulatory initiatives have resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or 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 none of the Issuer, the Joint Lead Managers, the Guarantor or the Originator makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future.

In particular, investors should be aware of the EU risk retention and due diligence requirements which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has

undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an on-going basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. In particular, in the context of the requirements which apply in respect of EU regulated credit institution investors, investment firms and authorised alternative investment fund managers, coming legislative developments may result in changes to the corresponding interpretation materials which apply in respect of such requirements. No assurance can be provided that any such changes will not affect the compliance position of previously issued transactions and/or the requirements applying to relevant investors in general.

The risk retention and due diligence requirements described above may or may not apply in respect of the Notes (although it is arguable that the presence of the Guarantee means that the Notes are not a securitisation for the purposes of the EU risk retention and due diligence requirements). Investors should nonetheless make themselves aware of such requirements (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Originator to retain a material net economic interest in the securitisation and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by the Originator or the Cash Manager on the Issuer's behalf), please see the statements set out in the section of this Prospectus headed "*EU Risk Retention*". Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with any relevant requirements and none of the Issuer, the Originator Trustee (in its capacity as the Originator Trustee), the Cash Manager nor any Joint Lead Manager or any other party makes any representation that the information described above is sufficient in all circumstances for such purposes.

The EU risk retention and due diligence requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

European Monetary Union and risks relating to change of currency

If the Euro were to become the lawful currency of the United Kingdom, there may be several implications, including (a) all amounts payable in respect of the Notes may become payable in Euro; (b) applicable provisions of law may allow or require the Notes to be redenominated into Euro and additional measures to be taken in respect of such Notes; and (c) the introduction of the Euro as the lawful currency of the United Kingdom may result in the disappearance of published or displayed rates for deposits in Sterling used to determine the rates of interest on the Notes or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the Euro could also be accompanied by a volatile interest rate environment which could adversely affect a Borrower's ability to repay its Loan as well as adversely affect investors in the Notes. It cannot be said with certainty what effect, if any, adoption of the Euro by the United Kingdom will have on investors in the Notes.

English law security and insolvency considerations

The Issuer will enter into the Issuer Deed of Charge pursuant to which it will grant the Issuer Security in respect of certain of its obligations, including its obligations under the Notes (as to which, see "*Summary of*

the Key Transaction Documents — Issuer Deed of Charge). If insolvency proceedings are commenced in respect of the Issuer, the ability to realise the Issuer Security may be delayed and/or the value of the Issuer Security impaired.

In particular, the ability to realise the security granted by the Issuer may be delayed if an administrator is appointed or in the context of a company voluntary arrangement in respect of the Issuer. In this regard, it should be noted that:

- (a) in general, an administrator may not be appointed in respect of a company if an administrative receiver is in office. Amendments were made to the Insolvency Act 1986 in September 2003 which restrict the right of the holder of a floating charge to appoint an administrative receiver, unless an exception applies. Significantly, one of the exceptions allows for the appointment of an administrative receiver in relation to certain transactions in the capital market. While it is anticipated that the requirements of this exception will be met in respect of the Issuer Deed of Charge, it should be noted that the Secretary of State for Business, Innovation & Skills may by regulation modify the capital market exception and/or provide that the exception shall cease to have effect; and
- (b) under the Insolvency Act 1986 (as amended by the Insolvency Act 2002), certain "small" companies (which are defined by reference to certain financial and other tests) are entitled to seek protection from their creditors for a limited period for the purposes of putting together a company voluntary arrangement. The position as to whether or not a company is a small company may change from time to time and consequently no assurance can be given that the Issuer will not, at any given time, be determined to be a small company. However, certain companies are excluded from the optional moratorium provisions, including a company which is party to certain transactions in the capital market and/or which has a liability in excess of a certain amount. While the Issuer should fall within the current exceptions, it should be noted that the Secretary of State for Business, Innovation & Skills may by regulation modify these exceptions.

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 section 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Issuer Deed of Charge may be used to satisfy any claims of unsecured creditors. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Issuer 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 will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Issuer Security.

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

Fixed charges may take effect under English law as floating charges

Pursuant to the terms of the Issuer Deed of Charge, the Issuer has purported to grant fixed charges over, amongst other things, its interests in the Loans and their respective Related Security, the Issuer's interest in its bank accounts maintained with the Account Banks and the Issuer's interest in all Authorised Investments purchased from time to time.

The law in England and Wales relating to the characterisation of fixed charges is unsettled. There is a risk that a court could determine that the fixed charges purported to be granted by the Issuer take effect under

English law as floating charges only, if, for example, it is determined that the Security Trustee does not exert sufficient control over the charged property for the security to be said to constitute fixed charges. If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets. Monies paid into accounts or derived from those assets could be diverted to pay preferential creditors and certain other liabilities were a receiver, liquidator or administrator to be appointed in respect of the relevant company in whose name the account is held.

Liquidation expenses

On 6 April 2008, a provision in the Insolvency Act 1986 came into force which effectively reversed by statute the House of Lords' decision in the case of *Leyland Daf* in 2004. Accordingly, it is now the case that 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 rules 4.218A to 4.218E of the Insolvency Rules 1986 and rules 4.228A to 4.228E of the Insolvency Rules (Northern Ireland) 1991. In general, the reversal of the *Leyland Daf* case applies in respect of all liquidations commenced on or after 6 April 2008.

As a result of the changes described above, which bring the position in a liquidation into line with the position in an administration, 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 the Secured Creditors under the Issuer Deed of Charge may be reduced by at least a significant proportion of any liquidation or administration expenses. There can be no assurance that the Noteholders will not be adversely affected by such a reduction in floating charge realisations.

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 a UK bank or building society. The relevant transaction entities for these purposes include EFGPB as an Account Bank and Originator (each a **relevant entity**). In addition, pursuant to recent amendments made to the Banking Act (which have not yet taken effect and key aspects of which remain unclear), provision has been made for certain tools to be used in respect of a wider range of UK entities, including investment firms and certain banking group companies provided that certain conditions are met. The tools available under the Banking Act include share and property transfer powers (including powers for partial property transfers), 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.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the 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 related 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 Banking Act in respect of a relevant entity (as described above), such instrument or order may (amongst other things) affect the ability of such entities to satisfy their obligations under the Transaction Documents and/or result in modifications to such documents. In particular, modifications may be made pursuant to powers permitting certain trust arrangements to be removed or

modified and/or via powers which permit provision to be included in an instrument or order such that the relevant instrument or order (and certain related events) is required to be disregarded in determining whether certain widely defined "default events" have occurred (which events would include certain trigger events included in the Transaction Documents in respect of the relevant entity, including termination events). 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. While there is provision for compensation in certain circumstances under the Banking Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

At present, the UK authorities have not made an instrument or order under the Banking Act in respect of the entities referred to above 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.

As noted above, amendments have been made to the Banking Act (but not yet taken effect) such that specified stabilisation tools (including the property transfer powers) may be used in respect of certain banking group companies provided certain conditions are met. The UK authorities have indicated that a portion of the definition of such companies will be specified in corresponding secondary legislation (which has not yet been published or made). In the absence of such secondary legislation, it is not possible to determine whether the Issuer would be regarded as a relevant group company for these purposes. As such, it is too early to anticipate the full impact of the amendments made to the Banking Act and there can be no assurance that the Noteholders will not be adversely affected by an action taken under the relevant amended provisions, once such provisions have taken effect. That said, it should be noted that the Government is currently consulting on the conditions to be specified in respect of banking group companies and the relevant consultation paper refers to the intention to exclude entities that facilitate capital market arrangements.

Also as noted above, it should also be noted that further amendments have been put forward (but not yet approved) with respect to the Banking Act (but again have not yet taken effect) to introduce, amongst other things, the introduction of a new bail-in tool, which tool would permit the Bank of England in certain circumstances to cancel or modify contracts for the purposes of reducing or deferring liabilities of relevant entities (including UK banks and banking group companies) and/or to convert liabilities of such entities into different forms. As the proposed amendments have not yet been approved and changes could be made during the course of the legislative procedure, it is too early to anticipate the full impact of the amendments. When in force, there can be no assurance that the Noteholders will not be adversely affected by the amendments and/or any action taken under the new built-in tool adopted under the Banking Act.

Lastly, the European Commission has published a legislative proposal for a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. Amongst other things, the proposed directive contemplates the introduction of a package of minimum early intervention and resolution-related tools and powers for relevant authorities and provides for special rules for cross-border groups. The resolution tools and powers referred to in the directive include certain powers which overlap in part with those available under the Banking Act and also include provisions for authorities to bail-in eligible liabilities of relevant institutions. The proposed directive is not in final form and it is likely that changes will be made to it in the course of the corresponding legislative procedure. As such, it is too early to anticipate the full impact of the directive and there can be no assurance that Noteholder will not be adversely affected by an action taken under it, once it is agreed upon and implemented.

Pensions Act 2004

Under the Pensions Act 2004 a person that is 'connected with' or an 'associate' of an employer under an occupational pension scheme can be subject to either a contribution notice or a financial support direction.

The Issuer may be treated as 'connected with' an employer under an occupational pension scheme which is within the EFG Group.

A contribution notice could be served on the Issuer if it was party to an act or a deliberate failure to act, the main purpose or one of the main purposes of which was either (i) to prevent the recovery of the whole or any part of a debt which was, or might become, due from the employer under section 75 of the Pensions Act 1995 or (ii) otherwise than in good faith, to prevent such a debt becoming due, to compromise or otherwise settle such a debt, or to reduce the amount of such a debt which would otherwise become due.

A financial support direction could be served on the Issuer where the employer is either a service company or insufficiently resourced. An employer is insufficiently resourced if the value of its resources is broadly less than 50 per cent. of the pension scheme's deficit calculated on an annuity buy-out basis and there is a connected or associated person whose resources at least cover that difference. A financial support direction can only be served where the Pensions Regulator considers it is reasonable to do so, having regard to a number of factors.

If a contribution notice or a financial support direction were to be served on the Issuer this could adversely affect the interests of the Noteholders.

CRA Regulations

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

General

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 Originator's particular sector in that market or specifically in relation to the Originator. Any such action or developments, in particular, but not limited to, the cost of compliance, may have a material adverse effect on the Originator, the Issuer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full on the Notes when due.

TRANSACTION OVERVIEW – THE GUARANTEE

Please refer to section entitled “**Summary of the Key Transaction Documents – Guarantee**” for further detail in respect of the Guarantee.

Terms of the Guarantee

Pursuant to the Guarantee, the Guarantor shall irrevocably and unconditionally (subject only to the service of a Notice to Pay) guarantee to the Note Trustee, for the benefit of the Class A Noteholders, the due and punctual payment of the following amounts (together, the **Guaranteed Amounts**):

- (i) interest due on the Class A Notes on each Interest Payment Date (including the Scheduled Maturity Date) up to the date on which the Class A Notes are redeemed in full; and
- (ii) the Principal Amount Outstanding of the Class A Notes (plus accrued interest up to the date on which the Class A Notes will be redeemed) (the **Class A Required Redemption Amount**) on the earlier to occur of: (i) the Scheduled Maturity Date and (ii) a Note Event of Default; provided that if an Early Amortisation Event occurs prior to the Scheduled Maturity Date, then the Guarantor shall be required to pay the Class A Required Redemption Amount (if and to the extent any Class A Notes are still outstanding) on the Scheduled Maturity Date. Notwithstanding the previous sentence, following the occurrence of an Early Amortisation Event the Guarantor may elect (at its option), upon not less than 20 and not more than 40 Business Days’ prior written notice to the Issuer and the Note Trustee, to pay the Class A Required Redemption Amount prior to the Scheduled Maturity Date, and such amount received by the Note Trustee (or, if so directed by the Note Trustee, the Paying Agent) will be applied to redeem the Class A Notes on the next following Interest Payment Date.

Notice to Pay

Notice to Pay means a notice which is served by the Note Trustee on the Guarantor pursuant to the Note Trust Deed, requiring the Guarantor to make a payment under the Guarantee of the Guaranteed Amounts then due and payable (or to become due and payable on the next Interest Payment Date) by the Guarantor in any of the circumstances set out below.

Notice to Pay - interest

On each Calculation Date, the Cash Manager shall determine if the Issuer will have sufficient Available Revenue Receipts and/or Available Principal Receipts to pay interest due on the Class A Notes on such Interest Payment Date. If the Cash Manager determines that there will be a shortfall, then it shall promptly notify the Issuer and the Note Trustee thereof, and the Note Trustee shall promptly serve a Notice to Pay on the Guarantor for the amount of such shortfall.

If the Guarantor does not pay the interest due on the Class A Notes on the relevant Interest Payment Date or within the relevant grace period set out in Condition 10.1(a), then such failure to pay shall constitute both a Guarantor Event of Default and a Note Event of Default.

Notice to Pay – principal due on the Scheduled Maturity Date

On the last Calculation Date prior to the Scheduled Maturity Date, the Cash Manager shall determine if the Issuer will have sufficient Available Principal Receipts to pay the Class A Required Redemption Amount on the Scheduled Maturity Date. If the Cash Manager determines that there will be a shortfall, then it shall promptly notify the Issuer and the Note Trustee thereof, and the Note Trustee shall serve a Notice to Pay on the Guarantor for the amount of the shortfall.

If the Guarantor does not pay the Class A Required Redemption Amount on the Scheduled Maturity Date, then the Class A Notes will be repaid on an accelerated basis from Available Revenue Receipts and Available Principal Receipts, until repaid in full, in accordance with the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments. No funds will be applied to redeem the Class Z VFN or other subordinated amounts until the Class A Notes are fully redeemed. After the Scheduled Maturity Date, if the Class A Notes have not been redeemed, the Issuer may take steps to sell the Portfolio to a third party which may include the Originator or an EFG Delegate. See further the section headed "*Summary of the Key Transaction Documents – Originator Trust Deed – Disposition of the beneficial interest in the Portfolio*" below.

The Class A Noteholders will also have an unsecured claim against the Guarantor for the unpaid amount under the Guarantee.

Notice to Pay – Class A Required Redemption Amount due on the occurrence of a Note Event of Default

Following the occurrence of a Note Event of Default, the Note Trustee shall promptly serve a Notice to Pay on the Guarantor for an amount equal to the Class A Required Redemption Amount.

If the Guarantor does not pay under the Guarantee in such circumstance, then the Issuer Security will be enforceable and the Class A Notes will be repaid on an accelerated basis from available funds, until repaid in full, in accordance with the Post-Enforcement Priority of Payments. No funds will be applied to redeem the Class Z VFN or other subordinated amounts until the Class A Notes are fully repaid. The Class A Noteholders will also have an unsecured claim against the Guarantor for the unpaid amount under the Guarantee.

Application of funds from Guarantor

The Guarantor shall pay all amounts due under the Guarantee to the Note Trustee (or the Paying Agent on its behalf), for application solely in respect of the Class A Notes. For the avoidance of doubt, funds paid by the Guarantor will not be distributed in accordance with the applicable Priority of Payments.

Gross-up with respect to the Guarantee

If any withholding or deduction is applied in respect of payments made under the Guarantee, the Guarantor will be obliged to pay an additional amount to the Class A Noteholders equal to the amount of that withholding or deduction, subject to certain exceptions set forth in the Guarantee.

Guarantor Events of Default

The Guarantor Events of Default are fully set out in Condition 10.3 and include (where relevant, subject to the applicable grace period) the following:

- non payment under the Guarantee following the service of a Notice to Pay on the Guarantor;
- material breach of representations or warranties given by the Guarantor under the Note Trust Deed;
- certain insolvency events with respect to the Guarantor; and
- repudiation and illegality of the Guarantee.

See Condition 10.3 under "*Terms and Conditions of the Notes*".

Consequences of Guarantor Event of Default

- a Following the occurrence of a Guarantor Event of Default:
- (a) if prior to the Scheduled Maturity Date and if the Guarantor Event of Default relates to an event under Condition 10.3(a)(i), a Note Event of Default will occur and the Issuer Security will become enforceable;
 - (b) if prior to the Scheduled Maturity Date and if the Guarantor Event of Default relates to an event under Conditions 10.3(a)(ii) to (vii) inclusive, an Early Amortisation Event will occur, if one has not occurred already; and
 - (c) if on or after the Scheduled Maturity Date, the Class A Notes will be immediately due and payable from Available Revenue Receipts and Available Principal Receipts in accordance with the applicable Priority of Payments, ahead of the Class Z VFN and all other subordinated amounts.

Guarantor option to provide funds to the Issuer following an Early Amortisation Event for the redemption of the Class A Notes prior to the Scheduled Maturity Date

If an Early Amortisation Event occurs prior to the Scheduled Maturity Date, the Guarantor will be required to pay to the Issuer an amount equal to the Class A Required Redemption Amount on the Scheduled Maturity Date. However, the Guarantor may, in its sole discretion, elect to pay an amount equal to the Class A Required Redemption Amount prior to the Scheduled Maturity Date and any such amount received by the Note Trustee (or, if so directed by the Note Trustee, the Paying Agent) will be applied to redeem the Class A Notes on the next following Interest Payment Date.

Unsecured Guarantee

The Guarantee will be an unsecured obligation of the Guarantor.

Claims against the Guarantor are not limited recourse

The Guarantee is a full recourse obligation of the Guarantor.

Governing Law

The Guarantee will be governed by Swiss law.

TRANSACTION OVERVIEW - PORTFOLIO AND SERVICING

Please refer to the sections entitled "**Characteristics of the Portfolio**" and "**Summary of the Key Transaction Documents – Originator Trust Deed**" for further detail in respect of the characteristics of the Portfolio and the transfer and the servicing arrangements in respect of the Portfolio.

Trust over the Portfolio:

Pursuant to the Originator Trust Deed, the Originator will declare a bare trust over the Initial Portfolio in favour of the Issuer (as sole beneficiary) on the First Trust Date. The Issuer will acquire the beneficial interest in the Initial Portfolio using the proceeds of the Notes issued on the Closing Date.

The primary source of funds available to the Issuer to pay interest and principal on the Notes will be the Revenue Receipts and Principal Receipts generated by the Loans in the Portfolio in which the Issuer has a beneficial interest.

The **Revolving Period** is the period which will commence on the First Trust Date and end on the earlier of: (i) the Interest Payment Date falling in May 2017 and (ii) the occurrence of an Early Amortisation Event.

During the Revolving Period the Originator may, on a quarterly basis, offer the beneficial interest in additional mortgage loans and their related security (the **Additional Loans** and each an **Additional Loan**) to the Issuer. If the Issuer accepts that offer, then it will pay for its beneficial interest in such Additional Loans using:

- first, amounts standing to the credit of the Retained Principal Ledger (such amounts to be used on a first in, first out basis);
- second, principal proceeds received from the Loans since the previous Interest Payment Date standing to the credit of the Principal Ledger; and
- third, any moneys advanced by the Class Z VFN Holder under the Class Z VFN.

To the extent the Issuer does not have sufficient funds to pay for such beneficial interest in the Additional Loans offered, then the Issuer shall not acquire the relevant beneficial interest in such Additional Loans offered by the Originator at that time. If the beneficial interest in Additional Loans is acquired by the Issuer at any time during the Revolving Period, the Originator will hold all rights, title, benefit and interests in each Additional Portfolio on trust absolutely for the Issuer.

Prior to the occurrence of a Notification Event as set out below, notice of the beneficial interest of the Issuer in the Portfolio will not be given to the Borrowers under those Loans in respect of which the Issuer has a beneficial interest.

Consideration

The Issuer will use the net proceeds of the issue of the Class A Notes to pay a portion of the Initial Trust Consideration. The remaining portion of the Initial Trust Consideration will be funded using part of the proceeds of

the Class Z VFN.

The beneficial interest in the Loans in the Initial Portfolio will be acquired by the Issuer on the First Trust Date at a price equal to their Current Balance as at the close of business on the calendar day immediately preceding the First Trust Date. The Issuer will pay Deferred Consideration to the Originator from excess Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments.

The Loans

The **Portfolio** will consist of the Loans, the Related Security and all monies derived therein from time to time (whether contained in the Initial Portfolio or any Additional Portfolio).

As at the Closing Date, the Loans in the Portfolio will comprise Fixed Rate Loans and Floating Rate Loans. Such Loans will be Repayment Loans and/or Interest-only Loans. See "*The Loans*" for a full description of the Loans.

The term **Loans** when used in this Prospectus means the residential mortgage loans, secured by Mortgages and Related Security, in the Portfolio over which a bare trust is declared in favour of the Issuer by the Originator on the First Trust Date and any Additional Loans in relation to which a bare trust is declared in favour of the Issuer by the Originator on any Additional Trust Date during the Revolving Period in each case together with, where the context so requires, each Further Advance or Further Tranche in relation to which the Issuer acquires a beneficial interest from the Originator after the First Trust Date and any alteration to a Loan by the Originator pursuant to a Product Switch. The Portfolio excludes each Loan and its Related Security, the beneficial interest in which is re-acquired by the Originator (or an EFG Delegate) pursuant to the Originator Trust Deed.

The characteristics of the Loans comprising the Portfolio are described in detail in this Prospectus. Generally, such Loans are made to high net worth individuals or by corporate entities associated with such persons, with outstanding principal balances of up to £7,750,000 and sometimes secured over multiple properties. No Loan will be permitted to be included in the Portfolio (whether on the First Trust Date or on any Additional Trust Date) which has a Current Balance greater than £7,750,000.

When used in this Prospectus:

Additional Portfolio means the Loans and their Related Security over which a bare trust is declared in favour of the Issuer on any Additional Trust Date.

Additional Trust Date means a date during the Revolving Period on which the Issuer acquires the beneficial interest in any Additional Loans and their Related Security.

Borrower means the relevant individual or individuals or entities specified as borrowers in the relevant Mortgage together with the individual or

individuals or entities (if any) from time to time assuming an obligation to repay a relevant Loan or any part of it (including any guarantor in relation to any of the Loans in the Portfolio).

Business Day means a day other than a Saturday or Sunday on which banks are open for business in London, Luxembourg and Zurich.

Calculation Date means the 15th of February, May, August and November of each year or if such day is not a Business Day, the immediately preceding Business Day.

Collection Period means the quarterly period commencing on and including the Collection Period Start Date and ending on but excluding the immediately following Collection Period Start Date except that the first Collection Period will commence on (and include) the Closing Date and end on but exclude the Collection Period Start Date falling in August 2014.

Collection Period Start Date means the 1st of February, May, August and November of each year or, if such day is not a Business Day, the immediately preceding Business Day.

Current Balance of a Loan means, on any relevant date, the aggregate principal balance of the Loan at such date (but avoiding double counting) including:

- (a) the original amount advanced to the relevant Borrower and any further amount (including any Further Tranche and any Further Advance, as the case may be) advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and
- (b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment 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,

as at the end of the Business Day immediately preceding that given date less (but avoiding double counting) any prepayment, repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released and any Further Tranches and/or Further Advances committed to be made but not made by the end of the Business Day immediately preceding that given date, except that, for the avoidance of doubt, in relation to any re-acquisitions of such Loan by the Originator (or an EFG Delegate), the Current Re-acquisition Value shall apply.

Current Re-acquisition Value means, in relation to any re-acquisition of a Loan by the Originator (or an EFG Delegate), on any date, the Current Balance of such Loan *plus* 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 shall also be included.

First Trust Date means the Closing Date.

Initial Portfolio means the Loans and their Related Security over which a trust is declared in favour of the Issuer on the First Trust Date.

Mortgage means in respect of any Loan each first fixed charge by way of legal mortgage, which is, or is to be, held on trust by the Originator Trustee for the benefit of the Issuer pursuant to the Originator Trust Deed, which secures the repayment of the relevant Loan including the Mortgage Conditions applicable to it.

Property means, for any Loan, the freehold or leasehold property in England and all rights and security attached or appurtenant or related thereto and all buildings and fixtures on the property which are subject to the Mortgage securing repayment of that Loan.

Related Security means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all other matters applicable thereto forming part of the Trust Assets pursuant to the Originator Trust Deed (as described more fully in the section entitled "Summary of the Key Transaction Documents – Originator Trust Deed").

Quarterly Pool Date means the 1st of February, May, August and November of each year, or, if such day is not a Business Day, the immediately preceding Business Day.

Quarterly Test Date means the Business Day which is two Business Days prior to the relevant Calculation Date.

Trust Assets means the Loans and their Related Security as to both principal and income over which a bare trust is declared from time to time in accordance with the Originator Trust Deed.

Interest rates on the Loans

The Mortgage Conditions permit Borrowers to switch from a floating rate of interest to a fixed rate of interest. If the Originator (at its discretion) agrees to quote such a fixed rate and a Borrower accepts the rate so quoted, then the interest rate will switch from floating to fixed for the relevant Loan. The Issuer will not have the benefit of an interest rate swap, but the Portfolio Criteria set a limit of Fixed Rate Loans at 5% of the aggregate Current Balance of all Loans in the Portfolio as at the date of transfer of the beneficial interest to the Issuer or on the occurrence of a Further Advance or Product Switch. If such limit is exceeded, then the Originator (or an EFG Delegate) will be required to re-acquire the Issuer's

beneficial interest in the relevant Loan and its Related Security. If, prior to the end of the Revolving Period, the Originator (or an EFG Delegate) does not re-acquire the relevant Loan(s) in the Portfolio, an Early Amortisation Event will occur. See further “*Risk Factors – Interest Rate Risk*” and “*Summary of the Key Transaction Documents – Originator Trust Deed*”.

Features of the Loans

The following is a summary of certain features of the Loans as at the **Cut-Off Date** and Noteholders should refer to, and carefully consider, further details in respect of the Loans set out in “*Characteristics of the Portfolio*”.

Type of Borrower	Prime (High net worth Individuals or their asset-holding vehicles)		
Type of mortgage	Repayment, Interest-Only		
Self-certified Loans	No		
Buy to Let Loans	Yes		
Property Investment Loans	Yes		
New Build Loans	Yes		
Offset Loans	No		
Right to Buy Loans	No		
Number of Loans	271		
Current Balance:	£396,143,004.64		
	Weighted average	Minimum	Maximum
Current Balance per Loan (£)	1,461,782.30*	110,000.00	7,745,000.00
Indexed LTV	44.56%	10.00%	64.28%
LTV at origination	50.71%	12.57%	67.00%
Seasoning (months)	21.68	1.00	63.00
Remaining Term (months)	27.79	3.00	60.00

* *Calculated on a simple average basis*

Further Advances

A Further Advance is any advance of further money to the relevant Borrower under a Loan (at the discretion of the Originator) following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance (under the same loan identifier), 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.

The Issuer shall acquire the beneficial interest in any Further Advance on the date the Further Advance is advanced to the relevant Borrower. If it is discovered that the Loan Warranties or Portfolio Criteria were breached in relation to a Further Advance, and such breach is not remedied within 60 Business Days, the Originator (or an EFG Delegate) will be under an obligation to re-acquire the beneficial interest in the Loan and its Related Security subject to the Further Advance.

See further "*Summary of the Key Transaction Documents – Originator Trust Deed – Further Advances, Product Switches and Further Tranches*".

Further Tranches

The Portfolio may include Loans which are not fully drawn by the Borrower (each such loan, a **Tranched Loan** and the commitment of the Originator to advance further tranches under such Tranched Loan, the **Tranched Loan Commitment**). The beneficial interest in a Tranched Loan may be acquired by the Issuer provided the terms of such Loan state that the Tranched Loan Commitment will lapse no later than 12 months after the First Trust Date or the Additional Trust Date (as applicable) on which the beneficial interest in such Tranched Loan was acquired by the Issuer. As a condition to the Issuer agreeing to acquire the beneficial interest in the Tranched Loan, the Class Z VFN holder shall be required to provide funding under the Class Z VFN on the relevant Additional Trust Date (or, in relation to Tranched Loans included in the Initial Portfolio, on the First Trust Date) in an amount equal to the difference between the drawn amount and the committed amount under the Tranched Loan.

On any date on which Further Tranches are advanced under a Tranched Loan (such date, the **Further Tranche Trust Date**), the Issuer will use amounts standing to the credit of the Tranched Loans Prefunding Reserve to acquire the beneficial interest in the Further Tranche).

If it is discovered that the Loan Warranties or Portfolio Criteria were breached in relation to a Further Tranche, and such breach is not remedied within 60 Business Days, the Originator (or an EFG Delegate) will be under an obligation to re-acquire the beneficial interest in the Loan and its Related Security subject to the Further Tranche.

See further "*Summary of the Key Transaction Documents – Originator Trust Deed – Further Advances, Product Switches and Further Tranches*".

Product Switches

The Originator may offer a Borrower (and the Borrower may accept), or a Borrower may request (and the Originator may accept), a Product Switch. Any Loan which has been subject to a Product Switch will remain in the Portfolio provided that it continues to satisfy the Portfolio Criteria and the Loan Warranties as at the Product Switch Date.

If it is discovered that the Loan Warranties or Portfolio Criteria were

breached in relation to a Product Switch, and such breach is not remedied within 60 Business Days, the Originator (or an EFG Delegate) will be under an obligation to re-acquire the beneficial interest in the Loan and its Related Security subject to that Product Switch.

See further "*Summary of the Key Transaction Documents – Originator Trust Deed – Further Advances, Product Switches and Further Tranches*".

Portfolio Criteria

The inclusion of any Loan in the Portfolio will be subject to compliance with the Portfolio Criteria as of the First Trust Date, each Additional Trust Date, Further Advance Trust Date, Product Switch Date or Further Tranche Trust Date, as applicable. The Portfolio Criteria will be tested by the Originator, in its capacity as servicer on the relevant transfer date and verified by Cash Manager on the Quarterly Test Date immediately following the Collection Period in which such acquisition of an Additional Loan, Further Advance, Product Switch or Further Tranche took place. The Portfolio Criteria are set out under "*Summary of the Key Transaction Documents – Originator Trust Deed – Portfolio Criteria*".

Representations and Warranties

The Originator will make the Loan Warranties regarding the Loans and Related Security to the Issuer on the Closing Date (in relation to the Initial Portfolio), on the relevant Additional Trust Date (in relation to any Additional Portfolio), on the relevant Further Tranche Trust Date (in relation to each Further Tranche), on the relevant Further Advance Trust Date (in relation to each Further Advance) and on the relevant Product Switch Date (in relation to each Product Switch).

The Loan Warranties comprise representations and warranties in respect of the legal nature of the Loans and their Related Security, as well as asset representations and warranties which include the following:

- First ranking security in respect of Properties (subject in certain cases to the completion of application for registration or recording);
- No Loan is in Arrears;
- No Borrower is required to withhold or deduct amounts for or on account of tax or taxes on payments in respect of the Loans;
- No Loan is a Self-certified Loan, Offset Loan, Right to Buy Loan, Shared Ownership Loan or Shared Equity Loan;
- No Loan has a maturity date falling later than 2022;
- To the best of the Originator's knowledge, no Borrower was subject to a petition in bankruptcy, receiving order in bankruptcy, deed of arrangement, any receivership, administration, liquidation or similar insolvency procedures as of the date on which such Borrower executed the relevant Mortgage; and
- So far as the Originator is aware, no Borrower is in material

breach of any obligation owed in respect of the relevant Loan.

See section "*Summary of the Key Transaction Documents – Originator Trust Deed – Representations and Warranties*" for further details.

Re-acquisition of the beneficial interest in the Loans and Related Security

The beneficial interest of the Issuer in a Loan and its Related Security shall be re-acquired by the Originator (or an EFG Delegate) from the Issuer and shall be removed from the Originator Trusts:

- Upon a breach of the Loan Warranties or Portfolio Criteria (which is either not capable of remedy or if the Originator failed to remedy such breach within a 60 Business Day grace period) in respect of Loans over which a trust is declared by the Originator on the First Trust Date;
- If the Issuer is unable to fund the acquisition of any Further Advance from funds standing to the credit of the Retained Principal Ledger or the Principal Ledger and the Class Z VFN Holder fails to advance an amount equal to such shortfall;
- Upon a breach of the Loan Warranties or Portfolio Criteria in respect of Additional Loans or Loans subject to a Further Advance, Product Switch and/or Further Tranche (which is either not capable of remedy or if the Originator failed to remedy it within the agreed 60 Business Day grace period);
- Upon the occurrence of a Regulatory Determination; or
- Upon the receipt by the Originator of a formal objection from a Borrower to any adjustment to the interest margin in relation to the relevant Loan as a result of the Originator's determination that a wider business relationship has not developed with such Borrower.

See the section headed "*Summary of the Key Transaction Documents – Originator Trust Deed – Re-acquisition by the Originator*".

Consideration for re-acquisition

The amount payable by the Originator (or, if applicable, an EFG Delegate) in respect of the re-acquisition of the Loans and Related Security shall be equal to the Current Re-acquisition Value (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer) of the relevant Loan calculated on the Business Day prior to the re-acquisition.

Right to Re-acquire by the Originator (beneficial interest in Entire Portfolio)

The Originator (or an EFG Delegate) shall have the right (but not any obligation) to re-acquire the entire beneficial interest of the Issuer in the Portfolio:

- (a) upon the occurrence of a Regulatory Change or Accounting Change;
- (b) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Class A Notes is equal to or less than 10% of the aggregate Principal Amount Outstanding of the Class

A Notes on the Closing Date; or

- (c) upon an offer being made by the Issuer to the Originator as set out below under “*Summary of the Key Transaction Documents – Originator Trust Deed -- Disposition of the beneficial interest in the Portfolio*”.

In relation to each of items (a), (b) and (c) above, the price payable by the Originator (or an EFG Delegate) to the Issuer to re-acquire the beneficial interest of the entire Portfolio (or, in the case of (b) above, the remaining Portfolio) from the Originator Trust shall equal the aggregate Current Re-acquisition Value of all Loans in the Portfolio on the Business Day prior to re-acquisition.

Optional Partial Re-acquisition

Without prejudice to the obligation of the Originator to re-acquire the beneficial interest in any of the Loans in the Portfolio, the Originator (or an EFG Delegate) shall have the right (but not the obligation) to offer to re-acquire the Issuer’s beneficial interest in the Loans in the Portfolio from time to time and remove such Loans from the relevant Originator Trusts, subject to the following conditions (the **Optional Re-acquisition Criteria**):

- (a) The maximum aggregate Current Balance of all Loans in relation to which the beneficial interest may optionally be offered to be re-acquired and removed from the Originator Trust shall not exceed 5.00% of the aggregate Current Balance of all Loans in the Portfolio as at the Closing Date; and
- (b) Any such Loan will be re-acquired at a price at least equal to the Current Re-acquisition Value of such Loan calculated on the Business Day prior to the re-acquisition.

Disposition of the beneficial interest in the Portfolio before the Scheduled Maturity Date

If, 60 Business Days prior to the Scheduled Maturity Date, the Issuer (or the Cash Manager on its behalf) determines that it will not have sufficient funds to redeem in full the Class A Notes and pay all amounts ranking in priority to the Class A Notes on that Scheduled Maturity Date in accordance with the applicable Priority of Payment, the Issuer will attempt to dispose of the beneficial interest in the Portfolio prior to the Scheduled Maturity Date.

Not less than 40 Business Days prior to the Scheduled Maturity Date, the Issuer (or the Cash Manager on the Issuer’s behalf) shall offer to the Originator (or an EFG Delegate) the right to re-acquire the Issuer’s entire beneficial interest in the Portfolio at a price equal to the then Current Re-acquisition Value of the Loans in the Portfolio calculated on the Business Day prior to the re-acquisition date.

If the Originator or such designated EFG Delegate accepts that offer, it shall be required, not less than 10 Business Days prior to the Scheduled Maturity Date, to pay to the Issuer the then Current Re-acquisition Value of the Loans in the Portfolio calculated on the Business Day prior to the re-acquisition date.

If the Originator or such designated EFG Delegate does not accept the offer by the date 15 Business Days before the Scheduled Maturity Date, then the Issuer (or the Cash Manager on the Issuer's behalf) shall appoint an agent (a **Portfolio Agent**) to manage the disposition of its beneficial interest in the Portfolio (in whole but not in part) to third parties; provided that the Issuer (or the Cash Manager on the Issuer's behalf) has obtained an opinion from an appropriately qualified and experienced United Kingdom tax adviser confirming that the process of seeking and accepting offers for the acquisition of the entire beneficial interest in the Portfolio should not cause the Issuer to cease to be taxed in accordance with the Taxation of Securitisation Regulations.

The Issuer may also appoint a Portfolio Agent (provided that the requirements set out in the paragraph above have been satisfied) in the event that (i) a Notice to Pay has been served on the Guarantor for principal due on the Scheduled Maturity Date, (ii) the Guarantor has failed to pay such amount under the Guarantee and (iii) neither the Originator nor an EFG Delegate has acquired the beneficial interest in the Portfolio from the Issuer prior to the Scheduled Maturity Date. In such circumstances, the Issuer shall first offer to the Originator (or an EFG Delegate) the right to re-acquire the Issuer's entire beneficial interest in the Portfolio at a price which is equal to the then Current Re-acquisition Value of the Loans in the Portfolio calculated on the Business Day prior to the re-acquisition date. If the Originator or such designated EFG Delegate accepts that offer, it shall be required, not less than 10 Business Days prior to the Interest Payment Date on which the Notes are to be redeemed, to pay to the Issuer the then Current Re-acquisition Value of the Loans in the Portfolio calculated on the Business Day prior to the re-acquisition date.

In the event that a Portfolio Agent is appointed and no offers are received by the Portfolio Agent, or if the offer(s) submitted by the Portfolio Agent are unacceptable to the Issuer, the Portfolio Agent shall repeat the procedures to be set out in the applicable portfolio management agreement every six months thereafter until (a) an offer acceptable to the Issuer is obtained or (b) the appointment of the Portfolio Agent is terminated.

The Issuer shall use the proceeds of any disposition of its beneficial interest in the Portfolio (together with any Principal Receipts otherwise available to the Issuer) to redeem the Notes, subject to the terms of the applicable Priority of Payments.

The Issuer shall not agree to any disposition of its beneficial interest in the Portfolio for a price less than the Optional Disposition Class A Required Redemption Amount unless (i) together with the amount to be received from the disposition of its beneficial interest in the Portfolio, it has sufficient funds to redeem the Class A Notes in full and pay all amounts ranking in priority thereto in accordance with the applicable Priority of Payments; (ii) it has received from the Guarantor an amount in cash equal to the difference between the amount offered and the Optional Disposition Class A Required Redemption Amount (provided that the

Guarantor will not be obliged to pay an amount greater than the Class A Required Redemption Amount) or (iii) the holders of the Class A Notes have directed the Note Trustee to consent to that disposition pursuant to an Ordinary Resolution.

The **Optional Disposition Class A Required Redemption Amount** is an amount equal to the Principal Amount Outstanding of the Class A Notes on the Scheduled Maturity Date, together with accrued and unpaid interest thereon, and all amounts ranking in priority to the Class A Notes to be paid on the Scheduled Maturity Date in accordance with the applicable Priority of Payment after deducting amounts standing to the credit of or amounts expected to be standing to the credit of the Issuer Bank Accounts as at the relevant Calculation Date.

Notification Events

Until a Notification Event has occurred, the beneficial interest of the Issuer in the Portfolio will not be notified to the relevant Borrowers. Notification of such interest will occur on or before the 20th Business Day after the earliest to occur of the following:

- (a) notification being required (i) by law or an order of a court of competent jurisdiction or (ii) by a regulatory authority which has jurisdiction over the Originator;
- (b) the security under the Issuer Deed of Charge or any material part of that security being, in the opinion of the Security Trustee, in jeopardy and the Security Trustee being required by the Note Trustee (on behalf of the Class A Noteholders) so long as any Class A Notes are outstanding or the other Secured Creditors if no Class A Notes are then outstanding to take the action specified by such Class A Noteholders or other Secured Creditors (as applicable) to reduce that jeopardy;
- (c) the Originator Trustee calling for notification by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (d) the occurrence of an Insolvency Event in respect of the Originator.

Legal title to the Loans will remain with the Originator and will therefore be subject to certain risks including as described in "*Risk Factors - Originator Trust limits certain rights of the Issuer and set-off rights exercised by Borrowers may reduce amounts available to redeem the Notes*".

Originator Power of Attorney

The Originator shall grant an irrevocable power of attorney in favour of the Issuer, which will entitle the Issuer or the Security Trustee (or its nominee or sub-delegate), upon the occurrence of a Power of Attorney Event, in the name of the Originator, to take certain actions, including collecting amounts due on the Loans and enforcing rights under the Loans.

A **Power of Attorney Event** means each of the following events: (i) the occurrence of a Servicing Termination Event; (ii) the occurrence of a Note

Event of Default; or (iii) the occurrence of a Notification Event.

See further "*Summary of the Key Transaction Documents – Originator Trust Deed*" below.

Servicing obligations of the Originator

The Originator will, from the First Trust Date, continue to service the Loans and their Related Security subject to the Originator Trusts in accordance with the relevant provisions of the Originator Trust Deed.

Amongst its other obligations the Originator (in its servicing capacity) shall in the ordinary course of its business, acting as a Reasonable, Prudent Mortgage Lender, collect payments from the Borrowers under the Loans and continue to administer such Loans in the same manner and with the standard of skill, care and diligence the Originator applies to its other residential mortgage loans, beneficially owned and administered by it, with a view to the timely collection of all sums due under each such Loan.

Upon the occurrence of any of the events specified in paragraphs (a) to (c) below (together the **Servicing Termination Events** and each a **Servicing Termination Event**), the Issuer shall be entitled (with the prior written consent of the Security Trustee) to either (x) appoint a new servicer which will, subject to the terms of the Originator Power of Attorney, service the Loans in the Portfolio in the name of EFG Private Bank Limited, or (y) require the Originator to appoint a Servicing Delegate in accordance with the terms of the Originator Trust Deed:

- (a) the Originator, in its servicing capacity, defaults in the payment on the due date of any payment due and payable by it under the relevant provisions of the Originator Trust Deed and such default continues unremedied for a period of 30 Business Days after the earlier of (i) the Originator becoming aware of such default and (ii) receipt by the Originator of written notice from the Issuer or the Security Trustee, as the case may be, requiring the same to be remedied;
- (b) the Originator, in its servicing capacity, defaults in the performance or observance of any of its other covenants and obligations under the relevant provisions of the Originator Trust Deed, which failure in the reasonable opinion of the Issuer (prior to the delivery of a Note Acceleration Notice) or the reasonable opinion of the Security Trustee acting on the instructions of the Note Trustee (after the delivery of a Note Acceleration Notice) is materially prejudicial to the interests of the Noteholders, and the Originator does not remedy such failure within 40 Business Days after the earlier of (i) the Originator becoming aware of the failure or (ii) receipt by the Originator of written notice from the Issuer, the Originator Trustee or the Security Trustee as the case may be requiring the Originator's material non-compliance with its servicing obligations (other than those specified in paragraph (a) above); provided however, that where the relevant default occurs as a result of a default by any person to whom the Originator has sub-contracted or delegated part of its obligations under the Originator Trust Deed, such default shall not constitute a

Servicing Termination Event if within 40 Business Days of the occurrence of such default the Originator either procures the remedy of such default or terminates the relevant sub-contracting or delegation arrangements and indemnifies the Issuer and the Security Trustee against the direct consequences of such default; or

- (c) an Insolvency Event occurs in relation to the Originator (whilst the Originator continues to act in its servicing capacity).

Subject to the fulfilment of certain conditions, the Originator may also resign upon giving 12 months' written notice provided a replacement servicer has been appointed by the Issuer who may be the Back-up Servicer, if already appointed (with the consent of the Security Trustee). The Originator shall not be permitted to resign under any other circumstances than those permitted in the Originator Trust Deed.

In the absence of a Servicing Termination Event, Noteholders have no right to instruct the Security Trustee to terminate the appointment of the Originator (in its servicing capacity).

Subject to (i) the Priorities of Payment and (ii) the Originator, in its servicing capacity, not having given prior written notice of its waiver of any such fee to the Cash Manager and the Issuer, the Originator, in its servicing capacity, shall be paid, for the performance of its servicing duties and obligations under the Originator Trust Deed, a servicing fee (the Servicing Fee) on each Interest Payment Date up to and including the Final Maturity Date (or, if earlier, the date upon which the Notes are to be redeemed in full). The Servicing Fee shall be equal to 0.25% (on the aggregate Current Balance of the Loans in the Portfolio as determined on the last day of the preceding Collection Period (inclusive of VAT, if any)).

Upon any delegation of the Originator's servicing role to a Servicing Delegate, the Issuer (or the Cash Manager on the Issuer's behalf) may pay any fees of the Servicing Delegate directly to such Servicing Delegate, in consideration of the Servicing Delegate's performance of the servicing duties and obligations. The Originator shall not have any further claim against the Issuer (or the Cash Manager) to the Servicing Fee if any fees of a Servicing Delegate are paid directly by the Issuer to the Servicing Delegate.

See "*Summary of the Key Transaction Documents — Originator Trust Deed*" below.

**Back-up Servicer
Facilitator/Back-up Servicer**

The Back-Up Servicer Facilitator will be appointed on the Closing Date pursuant to the Back-Up Servicer Facilitator Agreement and will use its best efforts to identify a suitably experienced third party to assume the servicing duties and obligations of the Originator under the Originator Trust Deed (such entity, the **Back-Up Servicer**) following the Guarantor Requisite Ratings ceasing to be met by the Guarantor.

The Back-Up Servicer will be appointed (if such appointment is required to be made), on the basis that, prior to its assumption of the servicing obligations, it will liaise and co-ordinate with the Originator to establish a transfer plan for the servicing obligations. It will assume the servicing obligations only upon the occurrence of a Servicing Termination Event, where notice to terminate has been served.

TRANSACTION OVERVIEW - OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

Please refer to section entitled "**Terms and Conditions of the Notes**" for further detail in respect of the terms of the Notes.

FULL CAPITAL STRUCTURE OF THE NOTES

	Class A Notes	Class Z VFN
Currency	GBP	GBP
Principal Amount:	£266,300,000	£135,000,000 (of which £114,197,000 shall be subscribed for as at the Closing Date)
Credit enhancement and liquidity support features:	<p>Subordination of the Class Z VFN.</p> <p>The availability of the Cash Reserve Fund, as funded by the Class Z VFN on the Closing Date.</p> <p>The availability of the Guarantee in certain circumstances.</p> <p>The application in certain circumstances of Principal Receipts to provide for any Revenue Deficiency in the Available Revenue Receipts.</p> <p>Excess Available Revenue Receipts.</p>	Excess Available Revenue Receipts.
Issue Price:	100%	100%
Interest Rate:	3 month GBP LIBOR plus the Relevant Margin	3 month GBP LIBOR plus the Relevant Margin
Relevant Margin:	Prior to the Step-Up Date 0.75% per annum and on and after the Step-Up Date 1.125% per annum	5.50% per annum
Step-Up Date:	Interest Payment Date falling in November 2017	N/A
Interest Accrual Method:	Actual/Actual	Actual/Actual
Interest Payment Dates:	25th day of February, May, August and November, in each year	25th day of February, May, August and November, in each year
Business Day Convention:	Modified Following	Modified Following
First Interest Payment	August 2014	August 2014

	Class A Notes	Class Z VFN
Date:		
Scheduled Maturity Date:	Interest Payment Date falling in August 2017	Not applicable.
Final Maturity Date:	Interest Payment Date falling in November 2030	Interest Payment Date falling in November 2030
Form of the Notes:	Global Bearer	Registered
Application for Exchange Listing:	Irish Stock Exchange's Main Securities Market	Irish Stock Exchange's Main Securities Market
Clearance/ Settlement:	Euroclear /Clearstream, Luxembourg	N/A
ISIN:	XS1071397704	N/A
Common Code:	107139770	N/A
Expected Ratings (DBRS / Moody's):	AAA (sf)/Aaa (sf)	Not rated
Minimum Denomination	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof

Ranking and Form of the Notes The Issuer will issue the following classes of the Notes on the Closing Date under the Note Trust Deed:

- Class A Guaranteed Mortgage Backed Floating Rate Notes due November 2030 (the **Class A Notes**); and
- Class Z VFN due November 2030 (the **Class Z VFN**),

and, together, the **Notes** and the holders thereof from time to time, **the Noteholders**.

The Class A Notes will rank *pari passu* and rateably without any preference or priority among themselves as to payments of principal and interest.

Amounts due in respect of the Class A Notes will rank in priority to amounts due in respect of the Class Z VFN. Certain amounts due by the Issuer to its other Secured Creditors will rank in priority to amounts due in respect of the Notes.

Pursuant to the Issuer Deed of Charge, the Notes will all share the same Issuer Security. Certain other amounts, being the amounts owing to the other Secured Creditors, will also be secured by the Issuer Security.

The Class A Notes will be issued in global bearer form. The Class Z

VFN will be issued in dematerialised registered form. Each Class of Notes will be issued only outside the United States to persons who are not U.S. persons (as defined in Regulation S) in accordance with Regulation S of the United States Securities Act of 1933, as amended. The Class A Notes will be cleared through Euroclear and/or Clearstream, Luxembourg as set out in "*Description of the Notes*" below.

Variable Funding Note

The Issuer will issue the Class Z VFN on the Closing Date.

Prior to the Class Z VFN Commitment Termination Date, the Class Z VFN will have a maximum principal amount of £135,000,000 or such other greater amount as may be agreed from time to time by the Issuer and the holder of the Class Z VFN (the **Class Z VFN Holder**) and notified to the Note Trustee (the **Maximum Class Z VFN Amount**), that can be funded by the Class Z VFN Holder at the request of the Issuer.

The commitment of the Class Z VFN Holder to advance further amounts under the Class Z VFN will be extinguished on the earlier to occur of:

- (a) an Early Amortisation Event;
- (b) a Note Event of Default; and
- (c) the Final Maturity Date for the Class A Notes;

(the **Class Z VFN Commitment Termination Date**).

The maximum principal amount outstanding under the Class Z VFN shall not exceed the Maximum Class Z VFN Amount.

Issuer Security

Pursuant to a deed of charge to be entered into between, *inter alios*, the Issuer and the Security Trustee (the **Issuer Deed of Charge**) on the Closing Date, the Notes will be secured by the following security (the **Issuer Security**):

- (a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) the Issuer's right, title, interest and benefit in and to the Transaction Documents (other than the Note Trust Deed, Subscription Agreement and Issuer Deed of Charge itself) (subject to any rights of set-off or netting provided for therein);
- (b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) the Issuer's beneficial interest in the Trust Assets;
- (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) the Issuer's right, title, interest and benefit to and under insurance policies acquired by the Issuer pursuant to the Originator Trust Deed;

- (d) a charge by way of first fixed charge (which may take effect as a floating charge) over the Issuer's interest in the Issuer Bank Accounts and any other account (including any securities accounts) in which it has an interest and any sums or securities standing to the credit thereof;
- (e) a charge by way of first fixed charge (which may take effect as a floating charge) over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer; and
- (f) a floating charge over all other assets of the Issuer not otherwise subject to a fixed charge or assignment but extending over all of the Issuer's property, assets, rights and revenues (whether or not the subject of fixed charge or assignment as aforesaid).

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

Interest Provisions

Please refer to the "*- Full Capital Structure of the Notes*" table above and as fully set out in Condition 5.

Interest Deferral

Interest due and payable on the Class A Notes outstanding will not be deferred. Interest due and payable on the Class Z VFN may be deferred in accordance with Condition 16.

Gross-up

None of the Issuer nor any Paying Agent or any other person will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes.

Redemption

While the Revolving Period is subsisting, no amounts of principal will be payable in relation to the Notes other than in accordance with Condition 7.8.

Prior to the occurrence of a Note Event of Default, the Notes are subject to the following optional or mandatory redemption events:

- mandatory redemption in whole on the Interest Payment Date falling in November 2030 (the **Final Maturity Date**), as fully set out in Condition 7.1;
- mandatory redemption in whole on the Interest Payment Date falling in August 2017 (the **Scheduled Maturity Date**), as fully set out in Condition 7.2;
- if the Class A Notes have not been redeemed on the Scheduled Maturity Date, mandatory partial redemption of the Class A Notes in part on each Interest Payment Date commencing on the Scheduled Maturity Date, subject to availability of Available Principal Receipts and Available Revenue Receipts which shall be applied in accordance with the applicable Priorities of Payments as fully set out in Condition 7.3;

- if an Early Amortisation Event has occurred or will occur on the next Interest Payment Date (as determined by the Cash Manager on the relevant Calculation Date), mandatory partial redemption in part on each Interest Payment Date, commencing on the Interest Payment Date immediately succeeding the Calculation Date, subject to availability of Available Revenue Receipts and Available Principal Receipts, which shall be applied in accordance with the applicable Priorities of Payments as fully set out in Condition 7.4;
- optional redemption of the Class A Notes exercisable by the Issuer in whole on the Optional Redemption Date, as fully set out in Condition 7.5;
- optional redemption of the Class A Notes exercisable by the Issuer in whole for tax reasons 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 7.6;
- mandatory redemption of the Notes following the exercise by the Originator of the Regulatory Change Option or the Accounting Change Option as fully set out in Condition 7.7; and
- mandatory redemption of the Class Z VFN in an amount equal to the amount funded by the Class Z VFN Holder upon the acquisition by the Issuer of the beneficial interest in a Tranche Loan on the Interest Payment Date immediately following the lapse of the relevant Tranche Loan Commitment, as fully set out in Condition 7.8.

Any Note redeemed pursuant to the above redemption provisions 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.

Early Amortisation Events

Prior to the Scheduled Maturity Date, each of the following events, determined as of each Calculation Date (unless otherwise specified below), shall constitute an Early Amortisation Event:

- the Cumulative Net Default Ratio exceeds 4% at any Interest Payment Date from (and including) the Closing Date up to and including the Interest Payment Date in August 2015, 7% at any Interest Payment Date from but excluding the Interest Payment Date in August 2015 to and including the Interest Payment Date in August 2016 and 10% at any Interest Payment Date from but excluding the Interest Payment Date falling in August 2016 to and including the Interest Payment Date in May 2017;
- the occurrence of a Servicing Termination Event;
- the occurrence of a Guarantor Event of Default as described in

Conditions 10.3(a)(ii) to (vii);

- if there is a debit balance on the Principal Deficiency Ledger on an Interest Payment Date, having taken into account payments to be made on such Interest Payment Date;
- if the balance standing to the credit of the Cash Reserve Fund is less than the Cash Reserve Required Balance on an Interest Payment Date, having taken into account payments to be made on such Interest Payment Date;
- if on two consecutive Interest Payment Dates, the amount credited to the Retained Principal Ledger exceeds 20% of the outstanding principal balance of the Loans;
- if any amount deposited in the Retained Principal Ledger has not been withdrawn for the purpose of purchasing Additional Loans for a period of 12 months following the date of deposit;
- if the aggregate Current Balance of the Fixed Rate Loans in the Portfolio exceeds 5% of the aggregate Current Balance of the Loans in the Portfolio;
- if the Class Z VFN Holder fails to provide any funding under the Class Z VFN requested by the Issuer (or the Cash Manager on its behalf) pursuant to Condition 17; and
- if the Loss Ratio is greater than or equal to 2%.

Cumulative Net Default Ratio

The Cumulative Net Default Ratio means the ratio, determined by the Servicer on each Calculation Date, of (a) the cumulative amount of all Defaulted Amounts arising on the Loans since the Closing Date minus the sum of (i) the cumulative amount of all Recoveries on Defaulted Loans since the Closing Date plus (ii) the aggregate Re-acquisition Value of all Defaulted Loans re-acquired by the Originator (or an EFG Delegate) since the Closing Date; divided by (b) the sum of (i) the Current Balance (as at the Closing Date) of the Initial Portfolio plus (ii) the Current Balance (as at the applicable Additional Trust Date) of all Additional Portfolios the beneficial interest of which has been transferred or will be transferred at the immediately succeeding Interest Payment Date to the Issuer plus (iii) the sum of the cumulative Principal Incremental Balance of the Loans in the Portfolio.

Defaulted Amount means the Current Balance of each Loan that has become a Defaulted Loan.

Recoveries on Defaulted Loans means any amount recovered by the Servicer in relation to each Defaulted Loan, excluding the Current Re-acquisition Value of any Defaulted Loan paid by the Originator (or an EFG Delegate) to the Issuer for the re-acquisition of such Defaulted Loan.

Principal Incremental Balance means the amount of any increase in

the Current Balance of a Loan by way of a Further Advance calculated as at the relevant Further Advance Trust Date, less (if applicable) an amount equal to the Further Advance Trust Consideration paid from a further drawing under the Class Z VFN in relation to such Further Advance.

Loss Ratio

The Loss Ratio means the ratio, determined by the Servicer on each Calculation Date, of the cumulative Losses on the Portfolio since the Closing Date divided by the sum of (i) the aggregate Current Balance (as at the Closing Date) of the Loans in the Initial Portfolio plus (ii) the aggregate Current Balance of all Additional Loans (calculated as at the relevant Additional Trust Date in relation to such Additional Loans) the beneficial interest in which has been transferred (or will be transferred prior to the immediately succeeding Interest Payment Date) to the Issuer.

For the purposes of the calculation of the Loss Ratio, Losses shall be deemed to include the aggregate Current Re-acquisition Value of all Defaulted Loans re-acquired by the Originator (or an EFG Delegate) since the Closing Date.

Early Amortisation Event Test Date

On each Calculation Date, the Cash Manager shall determine if an Early Amortisation Event will occur on the next Interest Payment Date, taking into account payments to be made on such Interest Payment Date. In the event that an Early Amortisation Event will occur on the next following Interest Payment Date, the Cash Manager shall notify the Issuer, the servicer, the Guarantor, the Note Trustee and the Security Trustee of such determination prior to such Interest Payment Date.

Note Event of Default

Note Events of Default are fully set out in Condition 10 and include the following events (where relevant, subject to the applicable grace period):

- non-payment of interest and/or principal in respect of the Notes;
- breach of contractual obligations by the Issuer under the Transaction Documents which in the opinion of the Note Trustee is materially prejudicial to the Class A Noteholders; and
- the occurrence of certain insolvency events in respect of the Issuer.

See Condition 10.1 and 10.2 under "*Terms and Conditions of the Notes*".

Consequences of a Note Event of Default

Following the occurrence of a Note Event of Default, the Notes will accelerate and the Security Trustee may enforce the Issuer Security. To the extent that the Guarantee has not already been called, the Note Trustee shall serve a Notice to Pay on the Guarantor, requiring the Guarantor to pay the amount then due and payable on the Class A Notes.

Limited Recourse

The Notes 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 11.4.

The Guarantee will be a full recourse obligation of the Guarantor.

Governing Law

English law, except for the Guarantee which will be governed by Swiss law.

RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

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

Prior to a Note Event of Default

Prior to the occurrence of a Note Event of Default, Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Notes then outstanding are entitled to request that the Note Trustee convene a Noteholders' meeting or participate in a Noteholders' meeting convened by the Issuer or the Note Trustee to consider any matter affecting their interests, although the quorum for any such meeting will be higher (as set out in "Noteholder Meetings Provisions" below).

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

Following a Note Event of Default

Following the occurrence of a Note Event of Default, Class A Noteholders may, if they pass an Ordinary Resolution, direct the Note Trustee (subject to being indemnified and/or secured and/or prefunded to its satisfaction) to give a Note Acceleration Notice to the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding.

So long as no Class A Notes remain outstanding, upon the occurrence of a Note Event of Default, the Note Trustee shall, if so directed in writing by the holders of all the Class Z VFN (subject to being indemnified and/or secured and/or prefunded to its satisfaction), give a Note Acceleration Notice to the Issuer that the Class Z VFN are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Note Trust Deed.

Noteholders Meeting provisions

Notice period:	21 clear days for an initial meeting	10 clear days for an adjourned meeting
Quorum:	For an initial meeting, 25 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding for all Ordinary Resolutions; 50 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding for an Extraordinary	Any percentage holding for an adjourned meeting (other than a Basic Terms Modification, which requires 25 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding)

Resolution (other than a Basic Terms Modification, which requires 75 per cent. of the Principal Amount Outstanding of the relevant Class of Notes then outstanding)

Required majority:	For initial meetings, 50 per cent. of votes cast for matters requiring Ordinary Resolution and 75 per cent. of votes cast for matters requiring Extraordinary Resolution (including a Basic Terms Modification)	For adjourned meetings, 50 per cent. of votes cast for matters requiring Ordinary Resolution and 75 per cent. of votes cast for matters requiring Extraordinary Resolution (including a Basic Terms Modification)
Written Resolution:	75 per cent. of the Principal Amount Outstanding of the relevant class of Notes then outstanding. A Written Resolution has the same effect as an Extraordinary Resolution.	

Extraordinary Resolution means:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Note Trust Deed and the Conditions by a majority consisting of not less than three-quarters of the votes cast; or
- (b) (i) a resolution in writing signed by or on behalf of the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of any Class of the Notes then outstanding 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 Noteholders of such Class, or (ii) (in relation to the Class A Notes only), where the Class A Notes are held on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Note Trustee (as the case may be) given by way of electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-quarters in aggregate Principal Amount Outstanding of the Class A Notes then outstanding.

Ordinary Resolution means:

- (a) a resolution passed at a meeting duly convened and held in

accordance with the Note Trust Deed and the Conditions by a clear majority; or

- (b) a resolution in writing signed by or on behalf of the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes, 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 Noteholders.

**Matters requiring
Extraordinary Resolution**

Matters that require an Extraordinary Resolution include:

- (a) approval of any Basic Terms Modification;
- (b) approval of the substitution of any person for the Issuer as principal obligor under the Notes;
- (c) authorisation of the Issuer to dispose of its beneficial interest in the Trust Assets for a price less than the Class A Required Redemption Amount;
- (d) approval or assent to any modification of the provisions contained in the Notes, the Conditions or the Note Trust Deed or any other Transaction Document other than modifications which are sanctioned by the Note Trustee without the consent or sanction of the Noteholders in accordance with the Conditions and the terms of the Note Trust Deed;
- (e) waiver of any breach or authorise any proposed breach by the Issuer of its obligations under the Notes or any Transaction Document or any act or omission which might otherwise constitute a Note Event of Default under the Notes;
- (f) removal of the Note Trustee and/or the Security Trustee;
- (g) approval of the appointment of a new Note Trustee and/or Security Trustee;
- (h) authorisation of the Note Trustee or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (i) discharge or exoneration of the Note Trustee from any liability in respect of any act or omission for which it may become responsible under the Note Trust Deed or the Notes;
- (j) any other authorisation or approval which under the Note Trust Deed or the Notes or any other Transaction Document is required to be given by Extraordinary Resolution; and
- (k) appointment of any persons as a committee to represent the interests of the Noteholders and to convey upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

See Condition 12 in the section entitled "*Terms and Conditions of the Notes*" for more detail.

**Relationship between
Classes of Noteholders**

Subject to the provisions governing a Basic Terms Modification, an Extraordinary Resolution of Class A Noteholders shall be binding on the Class Z VFN Holders and would override any resolutions to the contrary by them.

A Basic Terms Modification requires an Extraordinary Resolution of the relevant affected Classes of Notes.

**Relationship between
Noteholders and other
Secured Creditors**

So long as the Notes are outstanding, the Security Trustee will have regard solely to the interests of the Noteholders and shall not have regard to the interests of any other Secured Creditor.

**Provision of Information to
the Noteholders**

The Cash Manager on behalf of the Issuer will publish the quarterly Investor Report detailing, *inter alia*, certain aggregated loan data in relation to the Portfolio. Such Investor Reports will be published on the following website: <http://gctabsreporting.bnpparibas.com/index.jsp>. The website and the contents thereof do not form part of this Prospectus. In addition, the Cash Manager will make the Investor Report available to Bloomberg.

**Communication with
Noteholders**

Other than the quarterly Investor Reports referenced above, any notice to be given by the Issuer or the Note Trustee to Noteholders shall be given in one of the following ways:

- so long as the Class A Notes are held in the Clearing Systems, by delivery to the relevant Clearing System for communication by it to Noteholders; or
- so long as the Notes are listed on a recognised stock exchange, by delivery in accordance with the notice requirements of that exchange.

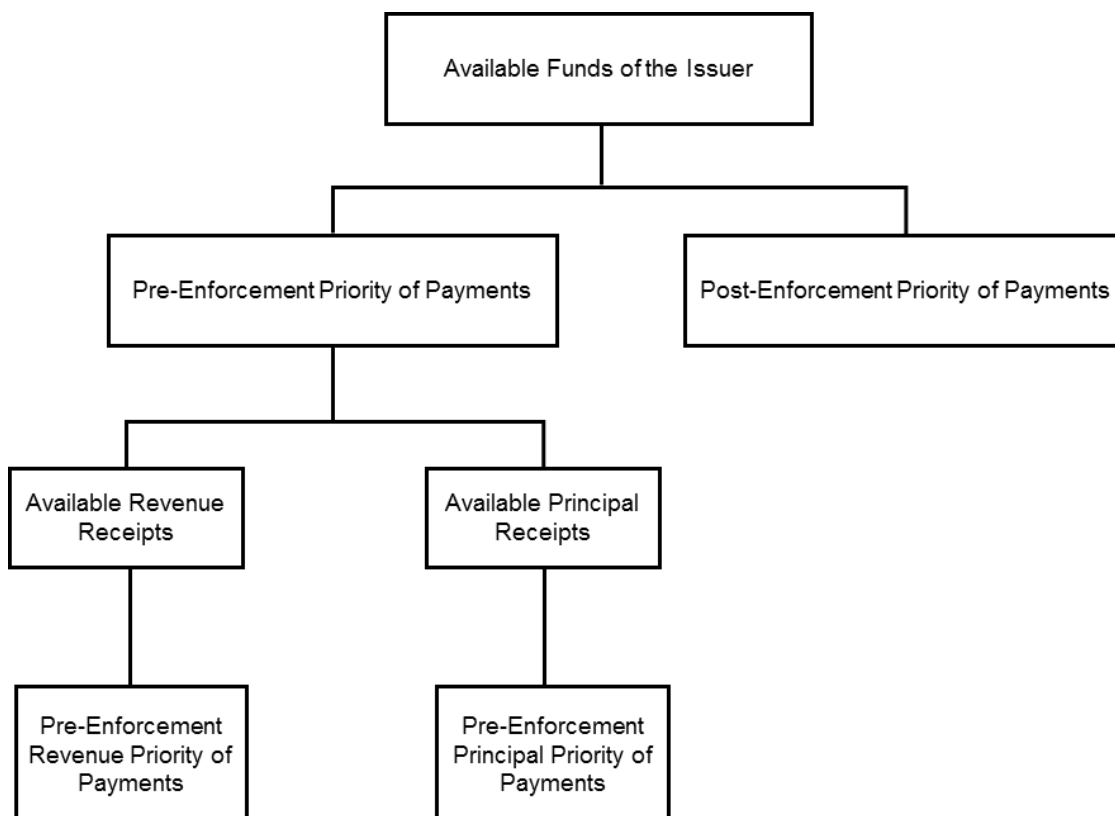
The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities 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.

Notices to the Class Z VFN Holder may also be sent to it by the Issuer to the fax number or email address notified to the Issuer from time to time in writing.

See Condition 15 in the section entitled "*Terms and Conditions of the Notes*" for more detail.

TRANSACTION OVERVIEW - CREDIT STRUCTURE AND CASHFLOW

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



Available Funds of the Issuer

The Issuer will have Available Revenue Receipts and Available Principal Receipts for the purposes of making interest and principal payments under the Notes and the other Transaction Documents in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Principal Priority of Payments, as applicable.

Available Revenue Receipts will include the following:

- (a) Revenue Receipts received during the immediately preceding Collection Period or, if in a Determination Period, Calculated Revenue Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date;
- (b) interest payable to the Issuer on the Issuer Bank Accounts and income from any Authorised Investments in each case received during the immediately preceding Collection Period;
- (c) other net income of the Issuer received during the immediately preceding Collection Period (excluding any Principal Receipts);
- (d) amounts standing to the credit of the Cash Reserve Fund as at the last

day of the immediately preceding Collection Period;

- (e) amounts credited to the Transaction Account on the immediately preceding Interest Payment Date in accordance with paragraph (m) of the Pre-Acceleration Revenue Priority of Payments;
- (f) following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 5.9(c);

less:

- (g) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Originator) such as (but not limited to):
 - payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;
 - amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;
 - payments by the Borrower of any fees (including Early Repayment Fees) and other charges which are due to the Originator; and
 - 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 or the Originator,

(items within (g) of the definition of Available Revenue Receipts being collectively referred to herein as **Third Party Amounts**). Third Party Amounts may be deducted by the Cash Manager on a daily basis from the Issuer Bank Accounts to make payment to the persons entitled thereto except where such payments have already been provided for elsewhere;

plus

- (h) if a Revenue Deficiency occurs such that the aggregate of items (a) to (f) less (g) above is insufficient to pay or provide for interest due on the Class A Notes or amounts ranking in priority thereto in the Pre-Enforcement Revenue Priority of Payments, Available Principal Receipts in an aggregate amount sufficient to cover such Revenue Deficiency; and
- (i) any Further Class Z VFN Funding provided (or to be provided prior to the forthcoming Interest Payment Date) by the Class Z VFN Holder in order to ensure that following the application of Available Revenue Receipts on such Interest Payment Date there will not be an outstanding balance on the Principal Deficiency Ledger.

Available Principal Receipts include the following:

- (a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date (i) received by the Issuer during the immediately preceding Collection Period (minus (A) an amount equal to the aggregate of all Further Advance Trust Consideration paid by the Issuer in such Collection Period (but excluding from this deduction any Further Advance Trust Consideration paid out on date that is also an Interest Payment Date), (B) an amount equal to the aggregate of all Further Advance Trust Consideration to be paid by the Issuer on that Interest Payment Date but in an aggregate amount not exceeding such Principal Receipts and (C) an amount equal to the aggregate of all amounts paid by way of consideration for the Issuer's beneficial interest in any Additional Loans which have been transferred to the Issuer pursuant to the terms of the Originator Trust Deed (other than in relation to the beneficial interest in any commitments under a Tranching Loan, which shall be funded directly from amounts standing to the credit of the Tranching Loans Prefunding Ledger) in such Collection Period (but excluding from this deduction any such amounts which are paid out on a date which is also an Interest Payment Date)) and (ii) received by the Issuer from the Originator or an EFG Delegate during the immediately preceding Collection Period in respect of any re-acquisitions or acquisitions of the beneficial interest in Loans that were re-acquired by the Originator or an EFG Delegate pursuant to the Originator Trust Deed;
- (b) the amounts (if any) calculated on that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Ledger and/or the Class Z VFN Principal Deficiency Ledger is reduced;
- (c) any amounts deemed to be Available Principal Receipts in accordance with paragraph (i) of the Pre-Enforcement Revenue Priority of Payments;
- (d) amounts released from the Retained Principal Ledger following the occurrence of an Early Amortisation Event or a Note Event of Default;
- (e) following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 5.9(c);
- (f) (in respect of the first Interest Payment Date only) the amount paid into the Transaction Account on the Closing Date from the excess of the proceeds of the Notes (excluding the proceeds of the Class Z VFN used to establish the Cash Reserve Fund and the Tranching Loans Prefunding Ledger and to pay the initial expenses of the Issuer incurred in connection with the issue of the Notes on the Closing Date) over the Initial Consideration;

less

- (g) any amounts utilised to pay a Revenue Deficiency pursuant to paragraph (h) of the definition of Available Revenue Receipts.

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:	Pre-Enforcement Principal Priority of Payments:	Post-Enforcement Priority of Payments:
<p>(a) Amounts due in respect of the fees, costs and expenses of the Note Trustee and the Security Trustee on a <i>pro rata</i> and <i>pari passu</i> basis;</p>	<p>(a) During the Revolving Period to pay the consideration for the Issuer's beneficial interest in any Additional Loans to be transferred to the Issuer pursuant to the terms of the Originator Trust Deed (other than in relation to the beneficial interest in any commitments under a Tranching Loan, which shall be funded directly from amounts standing to the credit of the Tranching Loans Prefunding Ledger) or if no Loans are available for acquisition by the Issuer on such Interest Payment Date, or if there is an excess after paying such consideration, to make a credit to the Retained</p>	<p>(a) Amounts due in respect of the fees, costs and expenses of the Receiver, the Note Trustee and the Security Trustee on a <i>pro rata</i> and <i>pari passu</i> basis;</p>
<p>(b) Amounts due in respect of the fees, costs and expenses of the Agent Bank, the Paying Agents, the Class Z VFN Registrar, the Corporate Services Provider, the Account Banks, the Cash Manager, and to reimburse legal fees and expenses incurred by the Originator and Originator Trustee in accordance with the Originator Trust Deed on a <i>pro rata</i> and <i>pari passu</i> basis;</p>	<p>(b) Amounts due in respect of the fees, costs and expenses of the Agent Bank, the Paying Agents, the Class Z VFN Registrar, the Corporate Services Provider, the Account Banks, the Cash Manager and to reimburse legal fees and expenses incurred by the Originator and Originator Trustee in accordance with the Originator</p>	<p>(b) Amounts due in respect of the fees, costs and expenses of the Agent Bank, the Paying Agents, the Class Z VFN Registrar, the Corporate Services Provider, the Account Banks, the Cash Manager and to reimburse legal fees and expenses incurred by the Originator and Originator Trustee in accordance with the Originator</p>
<p>(c) Third party expenses of the Issuer for which</p>	<p>(c) Third party expenses of the Issuer for which</p>	<p>(c) Third party expenses of the Issuer for which</p>

	payment has not been provided elsewhere;		Principal Ledger;	Trust Deed on a <i>pro rata</i> and <i>pari passu</i> basis;	
(d)	Amounts due in respect of the Servicing Fees, Back-Up Servicer Facilitator, any Back-Up Servicer, any Servicing Delegate and any Portfolio Agent, on a <i>pro rata</i> and <i>pari passu</i> basis;	(b)	Following the earlier to occur of (i) the Scheduled Maturity Date and (ii) an Early Amortisation Event, principal amounts due on the Class A Notes until the Class A Notes are fully repaid;	(c)	Amounts due in respect of the Servicing Fees, Back-Up Servicer Facilitator, any Back-Up Servicer, any Servicing Delegate and any Portfolio Agent;
(e)	Interest due on the Class A Notes;	(c)	Amounts to be repaid to the Guarantor in respect of Guaranteed Amounts paid by the Guarantor under the Guarantee; and	(d)	Interest and principal amounts due on the Class A Notes;
(f)	Issuer Profit Amount;			(e)	Amounts to be repaid to the Guarantor in respect of Guaranteed Amounts paid under the Guarantee;
(g)	Amounts to be credited to the Class A Principal Deficiency Ledger;	(d)	Principal amounts due on the Class Z VFN.		
(h)	Prior to the earlier to occur of (i) the Scheduled Maturity Date and (ii) an Early Amortisation Event, to fund the Cash Reserve Fund up to the Cash Reserve Required Balance;			(f)	Amounts due in respect of principal and interest on the Class Z VFN;
				(g)	Issuer Profit Amount; and
(i)	Following the earlier to occur of (i) the Scheduled Maturity Date and (ii) an Early Amortisation Event, any remaining			(h)	Deferred Consideration.

amounts to be applied as Available Principal Receipts until the Class A Notes have been fully repaid;

- (j) Amounts to be repaid to the Guarantor in respect of Guaranteed Amounts paid by the Guarantor under the Guarantee;
- (k) Upon repayment of any amount due to the Guarantor, amounts to be credited to the Class Z VFN Principal Deficiency Ledger;
- (l) Interest due on the Class Z VFN
- (m) If such Interest Payment Date falls within a Determination Period, then the excess (if any) to the Transaction Account; and
- (n) Deferred Consideration payable to the Originator.

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

- availability of the **Cash Reserve Fund**, which will be maintained on the Transaction Account and funded on the Closing Date by the Class Z VFN up to the Cash Reserve Required Balance from a portion of the

proceeds of the Class Z VFN Holder's subscription of the Class Z VFN. Monies standing to the credit of the Cash Reserve Fund will be used as Available Revenue Receipts on each Interest Payment Date. After the First Trust Date, the Cash Reserve Fund will, prior to the occurrence of an Early Amortisation Event or the Scheduled Maturity Date, be replenished up to the Cash Reserve Required Balance on each Interest Payment Date from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments (see section "*Credit Structure – Cash Reserve Fund and Cash Reserve Ledger*" for further details);

- a Principal Deficiency Ledger will be established for each Class of Notes to record Losses on the Portfolio as allocated against each Class of Notes in reverse sequential order. Available Revenue Receipts will be applied in accordance with the relevant Priority of Payment to make up the relevant Principal Deficiency Ledger in sequential order (see section "*Credit Structure – Principal Deficiency Ledgers*" for further details);
- the application in certain circumstances of Principal Receipts to provide for any Revenue Deficiency in the Available Revenue Receipts (see section "*Credit Structure – Use of Principal Receipts to pay Revenue Deficiency*" for further details); and.
- the availability of the Guarantee to support (i) payments of interest on the Class A Notes, and (ii) payment of the Class A Required Redemption Amount on the earlier to occur of (x) the Scheduled Maturity Date and (y) a Note Event of Default.

Issuer Bank Accounts

The Issuer will enter into a bank account agreement dated the Closing Date (the **EFGPB Bank Account Agreement**) with EFGPB, pursuant to which the Issuer will open an account with EFGPB, as Account Bank (the **EFGPB Bank Account**).

The Issuer will also enter into a bank account agreement dated the Closing Date (the **Transaction Account Agreement**) and, together with the EFGPB Bank Account Agreement, the **Bank Account Agreements**) with BNPP London, as Transaction Account Bank, pursuant to which the Issuer will open the main transaction account (the **Transaction Account**).

The EFGPB Bank Account, the Transaction Account and any additional accounts or replacement accounts to be established by the Issuer pursuant to the Transaction Account Agreement and the EFGPB Bank Account Agreement (including, without limitation, any custody account) are referred to herein as the **Issuer Bank Accounts**.

Collections of revenue and principal in respect of the Loans in the Portfolio are received by the Originator in its client collection accounts. The Originator is obliged to transfer collections in respect of the Loans in the Portfolio to the EFGPB Bank Account from the collection accounts on a daily basis. EFGPB will transfer all monies standing to the credit of the EFGPB Bank Account to the Transaction Account on a weekly basis, on each Friday of the week in which such amounts are received and on the last day of each Collection Period (or, in

each case, if such day is not a Business Day, the immediately preceding Business Day) (the **Cash Sweep Date**).

Monies may also be transferred from the Transaction Account on any Quarterly Pool Date to pay the Further Advance Trust Consideration in respect of any Further Advance, on a Further Tranche Trust Date (from the Tranching Loans Prefunding Reserve) to acquire the beneficial interest in a Further Tranche and on any Additional Trust Date to pay the consideration for the acquisition of the beneficial interest in Additional Loans and their Related Security comprised in an Additional Portfolio on any Additional Trust Date.

Cash Management

Pursuant to the Cash Management Agreement, the Cash Manager will agree to provide certain cash management and other services to the Issuer. The Cash Manager's principal function will be effecting payments to and from the Transaction Account. In addition, the Cash Manager will:

- (a) provide the Issuer, the Security Trustee, the Originator, the Originator Trustee, the Class A Noteholders and the Rating Agencies with a quarterly investor report (the **Investor Report**) setting out certain aggregated loan data in relation to the Portfolio 1 Business Day prior to each Interest Payment Date (and make such Investor Report available to Bloomberg and on the following website: <http://gctabsreporting.bnpparibas.com/index.jsp>);
- (b) operate the Issuer Bank Accounts and ensure that payments are made into and from such accounts in accordance with the Cash Management Agreement, the Bank Account Agreements, the Issuer Deed of Charge and any other relevant Transaction Documents, provided that nothing shall require the Cash Manager to make funds available to the Issuer to enable such payments to be made other than as expressly required by the provisions of the Cash Management Agreement;
- (c) calculate the Available Revenue Receipts and Available Principal Receipts of the Issuer;
- (d) 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;
- (e) if required by the Security Trustee, apply, or cause to be applied, Available Revenue Receipts and Available Principal Receipts in accordance with the Post-Enforcement Priority of Payments;
- (f) record credits to, and debits from, the Cash Reserve Fund Ledger, the Revenue Ledger, the Issuer Profit Ledger, the Principal Deficiency Ledger, the Principal Ledger, the Retained Principal Ledger and the Tranching Loans Prefunding Ledger as and when required;
- (g) make payments of the consideration for a Further Advance or for further tranches advanced under a Tranching Loan to the Originator;
- (h) make a drawing under the Class Z VFN as required, including, without

limitation, any drawing required to fund the Further Advance Trust Consideration; and

- (i) make any determinations and calculations in respect of the Reconciliation Amount, if necessary.

TRANSACTION OVERVIEW - TRIGGERS TABLES

Rating Triggers Table

<u>Transaction Party</u>	<u>Required Ratings</u>	<u>Contractual requirements on occurrence of breach of ratings trigger include the following:</u>
Transaction Account Bank	Long-term, unsecured, unguaranteed and unsubordinated debt obligations rated at least A2 by Moody's (or, P1 if a short-term rating is assigned by Moody's) (or (i) such other lower rating which is consistent with the then current rating methodology of Moody's or (ii) such other lower rating that the Cash Manager certifies in writing to the Note Trustee and the Security Trustee would not have an adverse effect on the ratings of the Class A Notes or (iii) such other lower rating as the Note Trustee may (but shall not be obliged to) agree.	The Issuer with the assistance of the Cash Manager will be required (within 20 Business Days) to arrange for the transfer (at its own cost) of the Transaction Account and any other account opened under the Transaction Account Agreement to an appropriately rated bank or financial institution on substantially similar terms to those set out in the Transaction Account Agreement in order to maintain the then current ratings of the Class A Notes unless the Transaction Account Bank has arranged a guarantee of its obligations by a suitably rated third party. Any termination of the appointment of the Transaction Account Bank will not occur until a replacement has been appointed.
Originator (in relation to its servicing role)	The Guarantor ceases to have long-term unsecured unguaranteed and unsubordinated debt obligations rated by Moody's of at least Baa3 (or (i) such other lower rating which is consistent with the then current rating methodology of Moody's or (ii) such other lower rating that the Cash Manager certifies in writing to the Note Trustee and the Security Trustee would not have an adverse effect on the ratings of the Class A Notes or (iii) such other lower rating as the Note Trustee may (but shall not be obliged to) agree (such ratings, the Guarantor Requisite Ratings).	The Issuer will be required to appoint a Back-Up Servicer which has the requisite ratings. The Originator (unless Moody's and/or, as the context may require, DBRS, as applicable, confirms that the current ratings of the Class A Notes will not be adversely affected) will also be required to (A) deliver to the Issuer details of (x) the names and addresses of the Borrowers with Loans then in the Portfolio and (y) the names and addresses of the guarantors of such Borrowers (where applicable), which may be provided in a document stored upon electronic media and a draft letter of notice to such Borrowers (and, as applicable, such guarantors) of the declaration of the Originator Trusts over the Loans and their Related Security to the Issuer; and (B) deliver an update of such information to the same parties on

Transaction Party	Required Ratings	Contractual requirements on occurrence of breach of ratings trigger include the following:
Cash Manager	<p>Long-term, unsecured, unguaranteed and unsubordinated debt obligations rated at least Baa3 by Moody's (or (i) such other lower rating which is consistent with the then current rating methodology of Moody's or (ii) such other lower rating that the Cash Manager certifies in writing to the Issuer and the Security Trustee would not have an adverse effect on the ratings of the Class A Notes or (iii) such other lower rating as the Issuer and the Security Trustee may (but shall not be obliged to) agree.</p>	<p>a quarterly basis thereafter. An agent with the requisite registrations, notifications, licences, authorities (if any) and security measures to receive and maintain such information on behalf of the Originator or Issuer, as applicable, shall be appointed by the Originator and the Issuer.</p> <p>The Back-Up Servicer will be appointed by the Issuer within 40 Business Days of the Guarantor losing the Guarantor Requisite Ratings, with assistance from the Back-Up Servicer Facilitator (using its best efforts), and actual assumption of the relevant services will occur on a Servicing Termination Event, where notice to terminate has been delivered.</p>
		<p>The Cash Manager will use reasonable efforts to enter into a replacement cash management agreement with a suitably experienced third party acceptable to the Issuer (with the prior written consent of the Security Trustee) which has the requisite ratings within 40 Business Days of the Cash Manager ceasing to be assigned such ratings.</p>

Non-Rating Triggers Table

Nature of Trigger	Description of Trigger	Contractual requirements on occurrence of breach of ratings trigger include the following:
<p>Servicing Termination Event</p> <p>See the section entitled "<i>Summary of the Transaction documents – Originator Trust Deed</i>" for further information.</p>	<p>The occurrence of any of the following:</p> <p>(a) the Originator (in its servicing capacity) defaults in the payment on the due date of any payment due and payable by it under the relevant provisions of the Originator Trust Deed and such default continues unremedied for a period of 30 Business Days after the earlier of (i) the Originator becoming aware of such default and (ii) receipt by the Originator of written notice from the Issuer or the Security Trustee, as the case may be, requiring the same to be remedied;</p> <p>(b) the Originator (in its servicing capacity) defaults in the performance or observance of any of its other covenants and obligations under the Originator Trust Deed, which failure in the reasonable opinion of the Issuer (prior to the delivery of a Note Acceleration Notice) or the reasonable opinion of the Security Trustee acting on the instructions of the Note Trustee (after the delivery of a Note Acceleration Notice) is materially prejudicial to the interests of the Noteholders, and the Originator does not remedy that failure within 40 Business Days after the earlier of (i) the Originator becoming aware of the failure and (ii) receipt by the Originator of written notice from the Issuer, the Originator Trustee or the Security Trustee, as the case may be, specifying the</p>	<p>Following the occurrence of Servicing Termination Event the Issuer may either (x) appoint a new servicer which will, subject to the terms of the Originator Power of Attorney, service the Loans in the Portfolio in the name of EFG Private Bank Limited, or (y) require the Originator to appoint a Servicing Delegate in accordance with the terms of the Originator Trust Deed.</p>

Contractual requirements on occurrence of breach of ratings trigger include the following:

Nature of Trigger	Description of Trigger
(c)	particulars of the Originator's non-compliance and requiring the same to be remedied; provided however, that where the relevant default occurs as a result of a default by any person to whom the Originator has sub-contracted or delegated part of its obligations under the Originator Trust Deed, such default shall not constitute a Servicing Termination Event if within 40 Business Days of the occurrence of such default the Originator either procures the remedy of such default or terminates the relevant sub-contracting or delegation arrangements and indemnifies the Issuer and the Security Trustee against the consequences of such default; an Insolvency Event occurs in relation to the Originator (whilst the Originator continues in its servicing capacity).

TRANSACTION OVERVIEW - FEES

The following table sets out the on-going fees to be paid by the Issuer to the transaction parties.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing fees	0.25 per cent. per annum (inclusive of VAT, if any) on the aggregate Current Balance of the Loans in the Portfolio as determined on the preceding Calculation Date	Ahead of all outstanding Notes	Quarterly in arrears on each Interest Payment Date
Other fees and expenses of the Issuer (which shall include the Cash Management Fee)	Estimated at £100,000 each year (exclusive of VAT)	Ahead of all outstanding Notes	Quarterly in arrears on each Interest Payment Date
Expenses related to the admission to trading of the Notes	Estimated at £4,000 (exclusive of any applicable VAT)		On or about the Closing Date

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

RISK RETENTION

Even though the Originator is of the view that, due to the presence of the Guarantee, for purposes of the risk retention rules outlined below, the transaction described in this Prospectus may not strictly fall within the definition of "securitisation", the Originator will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with the text of each of Article 405 of Regulation (EU) No.575/2013, referred to as the Capital Requirements Regulation (**Article 405**) and Article 51 of the AIFMR (**Article 51**). As at the Closing Date, such interest will be comprised of an interest in the first loss tranche as required by Article 405 and Article 51. Such retention requirement will be satisfied by EFG Finance (Guernsey) Limited holding the Class Z VFN. Any change to the manner in which such interest is held will be notified to the Note Trustee and the Noteholders. The Originator's assessment may change over time and investors must form their own view.

For a description of the information to be made available after the Closing Date by the Originator (as part of its servicing obligations under the Originator Trust Deed) or by the Cash Manager (on the Issuer's behalf), please see the summary in relation to the Investor Reports set out in "*Summary of the Key Transaction Documents – Cash Management Agreement*". Further information in respect of individual loan level data may be obtained in such manner as the Originator may determine. In addition, the Cash Manager will make the Investor Report available on the following website: <http://gctabsreporting.bnpparibas.com/index.jsp> and on Bloomberg.

The Originator has provided a corresponding undertaking to the Joint Lead Managers in the Subscription Agreement with respect to (i) the provision of such investor information specified in the paragraph above and (ii) the interest to be retained by EFG Finance (Guernsey) Limited holding the Class Z VFN.

Each prospective investor is required independently to assess and determine the sufficiency of the information described above, in this Prospectus and which may otherwise be made available to investors generally for the purposes of complying with each of Article 405 and Article 51 and none of the Issuer, the Originator or any Joint Lead Manager makes any representation that such information is sufficient in all circumstances for such purposes. In addition each prospective investor should ensure that they comply with the implementing provisions in respect of Article 405 and the CRR and Article 51 and the AIFMR in their relevant jurisdiction. Prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

For further information please refer to the risk factor entitled "*Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*".

SUMMARY OF THE KEY TRANSACTION DOCUMENTS

Originator Trust Deed

Initial Portfolio

Under the Originator Trust Deed, on the First Trust Date the Issuer will pay the Initial Trust Consideration to the Originator and in exchange the Originator will declare a trust (an **Originator Trust** in favour of the Issuer over a portfolio of English residential mortgage loans and their Related Security (together, the **Loans**).

The Loans and their Related Security and all monies derived therefrom from time to time over which the trust will be declared in favour of the Issuer on the First Trust Date are referred to herein as the **Initial Portfolio**.

The declaration of trust over the Initial Portfolio on the First Trust Date is subject to the condition that no Power of Attorney Event or Early Amortisation Event has occurred which is continuing as at the First Trust Date.

The consideration due to the Originator in respect of the acquisition of the beneficial interest in the Initial Portfolio will consist of:

- (a) an amount equal to the Current Balance of the Loans in the Initial Portfolio as at the close of business on the Business Day immediately preceding the First Trust Date (the **Initial Trust Consideration**); and
- (b) a covenant by the Issuer to pay any Deferred Consideration.

Additional Portfolios

Under the Originator Trust Deed, during the Revolving Period the Originator will from time to time offer to the Issuer the opportunity to acquire additional mortgage loans and their Related Security (**Additional Loans** and each an **Additional Loan**). Such acquisitions may be offered on a quarterly basis during the Revolving Period. If the Issuer acquires the beneficial interest in such Loans, the Issuer will use *first* amounts standing to the credit of the Retained Principal Ledger (such amounts to be used on a first in, first out basis) and *second* principal proceeds received from the Loans since the previous Interest Payment Date standing to the credit of the Principal Ledger, to acquire such beneficial interest. Each date on which the Issuer acquires the beneficial interest in Additional Loans shall be referred to as an **Additional Trust Date** (and each of the Initial Trust Date, and any Additional Trust Date shall be referred to as a **Trust Date**). To the extent the Issuer does not have enough Principal Receipts to pay for such beneficial interest in the Additional Loans offered, then it shall draw additional amounts from the Class Z VFN Holder under the Class Z VFN to pay the acquisition price. If the Class Z VFN Holder does not provide the requisite funds, then the Issuer shall not acquire the relevant beneficial interest in such Additional Loans offered by the Originator at that time.

The Loans and Related Security and all monies derived therefrom from time to time over which the trust will be declared in favour of the Issuer on an Additional Trust Date are referred to herein as an **Additional Portfolio**.

The consideration due to the Originator in respect of the acquisition of the beneficial interest in the Additional Portfolio will consist of:

- (a) an amount equal to the Current Balance of the Loans in the relevant Additional Portfolio as at the close of business on the Business Day immediately preceding the Additional Trust Date (the **Additional Trust Consideration**); and

- (b) a covenant by the Issuer to pay any Deferred Consideration.

Deferred Consideration

In relation to the acquisition of the Initial Portfolio and any Additional Portfolios, the Deferred Consideration will be paid in accordance with the Pre-Enforcement Revenue Priority of Payments set out in the section headed "*Cashflows — Application of Available Revenue Receipts prior to the occurrence of a Note Event of Default*" below.

Deferred Consideration means the consideration due and payable to the Originator pursuant to the Originator Trust Deed in respect of the acquisition of the beneficial interest in the Portfolio, which shall be an amount equal to the amount remaining after (as applicable):

- (a) payments of amounts under items (a) to (m) inclusive of the Pre-Enforcement Revenue Priority of Payments on each Interest Payment Date; or
- (b) payments of amounts under items (a) to (g) inclusive of the Post-Enforcement Priority of Payments.

Consideration means the Initial Trust Consideration or (as applicable) the Additional Trust Consideration, and the Deferred Consideration.

Title to the Mortgages, Registration and Notifications

Legal title to the Loans and Related Security is held by the Originator Trustee on trust for the Issuer. Notice of the declaration of trust over the Loans and their Related Security in favour of the Issuer will not be given to any underlying Borrower until the occurrence of a Notification Event.

Notification of such interest will occur on or before the 20th Business Day after the earliest to occur of the following:

- (a) notification being required (i) by law or an order of a court of competent jurisdiction or (ii) by a regulatory authority which has jurisdiction over the Originator; or
- (b) the security under the Issuer Deed of Charge or any material part of that security being, in the opinion of the Security Trustee, in jeopardy and the Security Trustee being required by the Note Trustee (on behalf of the Class A Noteholders) so long as any Class A Notes are outstanding or the other Secured Creditors if no Class A Notes are then outstanding to take the action specified by such Class A Noteholders or other Secured Creditors (as applicable) to reduce that jeopardy; or
- (c) the Originator Trustee calling for notification by serving notice in writing to that effect on the Issuer and the Security Trustee; or
- (d) the occurrence of Insolvency Event with respect to the Originator,

(each of the events set out in paragraphs (a) to (d) inclusive being a **Notification Event**).

The title deeds and customer files relating to the Portfolio are currently held by or to the order of the Originator. The Originator will undertake that all the title deeds and customer files relating to the Portfolio which are at any time in its possession or under its control or held to its order will be held to the order of the Issuer or as the Issuer directs.

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 Originator contained in the Originator Trust Deed.

Representations and Warranties

The Originator will represent and warrant to the Issuer and the Security Trustee in the Originator Trust Deed on the terms of the Loan Warranties (as defined below) in each case subject to certain additional amendments and conditions as set out in the Originator Trust Deed:

- (a) in respect of each Loan and its Related Security in the Initial Portfolio, as at the First Trust Date;
- (b) in respect of each Additional Loan and its Related Security in any Additional Portfolio, as at the Additional Trust Date;
- (c) in relation to each Further Tranche (and any new Related Security, if applicable) over which it has declared a trust, on the relevant Further Tranche Trust Date;
- (d) in relation to any Further Advance (and any new Related Security, if applicable), on the relevant Further Advance Trust Date; and
- (e) in relation to each Loan which is subject to a Product Switch, on the relevant Product Switch Date.

If any Loan Warranty is breached in respect of a Loan in the Initial Portfolio, as at the First Trust Date, or in the case of an Additional Portfolio, as at the Additional Trust Date, or in the case of a Further Tranche, as at the Further Tranche Trust Date, or in the case of a Further Advance, as at the Further Advance Trust Date, or in the case of a Loan subject to a Product Switch, as at the Product Switch Date, such Loan will be re-acquired by the Originator (or, as applicable, an EFG Delegate) in accordance with the provisions of the Originator Trust Deed. (See "*Re-acquisition by the Originator*" below for more details).

The Originator will give for the benefit of the Issuer and the Security Trustee the following representations and warranties with respect to the Loans in the Portfolio (the **Loan Warranties**):

Loans

- (a) The particulars of the Loans set out in the Portfolio Notice are true, complete and accurate in all material respects.
- (b) Each Loan was originated by the Originator in the ordinary course of business and was denominated in pounds Sterling upon origination.
- (c) No Loan has a Current Balance of more than £7,750,000.
- (d) Prior to the making of each Initial Advance and each Further Advance, the Lending Criteria and all preconditions to the making of any Initial Advance or, as applicable, any Further Advance were satisfied in all material respects subject only to such exceptions and waivers as made on a case by case basis as would be acceptable to a Reasonable, Prudent Mortgage Lender.
- (e) In relation to any Loan subject to a Further Advance or a Product Switch, the loan identifier is the same pre- and post- the completion of the Further Advance or Product Switch.
- (f) The Lending Criteria are consistent with the criteria that would be used by a Reasonable, Prudent Mortgage Lender.
- (g) Each Loan was made and its Related Security was taken or received substantially on the terms of the Standard Documentation without any material variation thereto 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.

- (h) Each Loan requires the payment of interest on a periodic basis.
- (i) Either (A) at least one payment under each Loan has been paid by the relevant Borrower or (B) if a Borrower has not made at least one such payment under the relevant Loan, such Borrower has made at least one payment under a prior loan made by the Originator.
- (j) Each Loan and its Related Security constitute valid and binding obligations of the Borrower enforceable and non-cancellable except that enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the court's discretion in relation to equitable remedies.
- (k) Each Loan has been entered into by the Originator and the relevant Borrower in accordance with all applicable laws to the extent that failure to comply with those laws would have a material adverse effect on the enforceability or collectability of that Loan or its Related Security,
- (l) The rate of interest under each Loan is charged in accordance with the Standard Documentation, subject to the terms of any offer letter in relation thereto.
- (m) Where an agreement for any Loan is in whole or in part a regulated agreement or consumer credit agreement (as defined in section 8 of the Consumer Credit Act 1974 (as amended, extended or re-enacted from time to time) (the **CCA**)), the procedures and requirements set out in the CCA have been complied with in all material respects.
- (n) Each Loan had an original term of between one year and five years.
- (o) No Loan has a maturity date falling later than 2022;
- (p) The Loans and their Related Security do not contain any restriction on transfer which would be breached by, and no formal approvals, consents or authorisations (other than such as have been obtained or effected) are required in connection with, the creation of the Originator Trust and the execution of the Originator Power of Attorney as contemplated by the Originator Trust Deed.
- (q) The Originator has not knowingly waived or acquiesced to any breach of any of its rights in respect of a Loan and its Related Security other than waivers or acquiescence as made on case by case basis as would be acceptable to a Reasonable, Prudent Mortgage Lender.
- (r) No Loan is in Arrears.
- (s) So far as the Originator is aware, no Borrower is in material breach of any obligation owed in respect of the relevant Loan.
- (t) No Loan is a Self-certified Loan, Offset Loan, Right to Buy Loan, Shared Ownership Loan or Shared Equity Loan.
- (u) To the best of the Originator's knowledge, no Borrower was subject to a petition in bankruptcy, receiving order in bankruptcy, deed of arrangement, any receivership, administration, liquidation or similar insolvency procedures as of the date on which such Borrower executed the relevant Mortgage.
- (v) No Borrower, mortgagor, or, if applicable, guarantor in relation to a Loan is an employee or director of the Originator.
- (w) Each Loan granted to a corporate Borrower (which shall include special purpose vehicles) is guaranteed by an individual or individuals or corporate or trust entities associated with such persons.

- (x) No Borrower is required to withhold or deduct amounts for or on account of tax or taxes on payments in respect of the Loans.
- (y) Where a Loan has been taken out for the purposes of construction or renovation, such construction or renovation has been completed and a valuation or a confirmation of completion to the standard of work indicated by the valuer in their assumptions to any report provided has been obtained.
- (z) Where more than one loan is secured by a Mortgage or Mortgages over a residential Property to be included in an Originator Trust, all such loans are subject to the Originator Trusts.
- (aa) No Loan is denominated in a currency other than pounds Sterling or contains an option by which the Borrower is entitled to convert the Loan into a currency other than pounds Sterling.

Mortgages

- (a) Subject in certain appropriate cases to the completion of an application for registration at the Land Registry which has already been made to the Land Registry (i) the whole of the Current Balance on each Loan and all interest amounts, costs and expenses payable in respect of that Loan are secured by a Mortgage or Mortgages over a residential Property and (ii) each Mortgage constitutes a valid and subsisting first charge by way of legal mortgage or charge. In cases where applications for registrations at the Land Registry have been made and are outstanding, the Originator Trustee is not aware of any notice or any other matter that would prevent such registration being completed.
- (b) The Borrower has good and marketable title to the relevant Property (subject to registration of the title at the Land Registry) free from any encumbrance (except the Mortgage and any subsequent ranking mortgage or standard security) which would materially adversely affect such title and, without limiting the foregoing, in the case of a leasehold Property any requisite consent of the landlord to or notice to the landlord of, the creation of the Related Security has been obtained or given.

The Properties

- (a) All of the Properties are in England.
- (b) Each Property is either freehold or leasehold.
- (c) Save for children of Borrowers and children of someone living with the Borrower (including in each case, children under the age of 25 who are in full-time education), every person who, at the date upon which a Mortgage over Property situated in England was granted, had attained the age of 18 and who had been notified to the Originator as being in or about to be in actual occupation of the relevant Property, is either named as a Borrower or has signed an Occupier's Charge in the form of the pro forma contained in the Standard Documentation which was applicable at the time the Mortgage was executed.
- (d) As far as the Originator is aware, no Property has been let by the Borrower otherwise than by way of:
 - (i) an assured shorthold tenancy which meets the requirements of section 19A or section 20 of the Housing Act 1988;
 - (ii) an assured tenancy; or
 - (iii) any other tenancy which does not give the tenant security of tenure beyond the contractual expiry of the tenancy,

in each case which meets the Originator's Policy in connection with lettings to non-owners.

- (e) Each Loan is secured primarily over a Property which is a residential property.

Valuers' and Solicitors' Reports

- (a) Prior to the granting of each Mortgage, the Originator received a Valuation Report from a Valuer on the relevant Property (or such other form of valuation as would be acceptable to a Reasonable, Prudent Mortgage Lender), the contents of which were such as would be acceptable to a Reasonable, Prudent Mortgage Lender.
- (b) Prior to the taking of each Mortgage (other than a remortgage), the Originator:
 - (i) instructed its solicitor or licensed conveyancer to carry out an investigation of title to the relevant Property and to undertake other searches, investigations, enquiries and other actions on behalf of the Originator in accordance with the instructions which the Originator issued to the relevant solicitor or licensed conveyancer, which instructions are (x) consistent with the Originator's standard practice and (y) would be acceptable to a Reasonable, Prudent Mortgage Lender; and
 - (ii) received a Certificate of Title from the solicitor or licensed conveyancer referred to in paragraph (i) relating to such Property and the results thereof were such as would be acceptable to a Reasonable, Prudent Mortgage Lender.

Buildings Insurance

As far as the Originator is aware, at origination, each Property was adequately insured under:

- (a) a buildings insurance policy arranged by the Borrower in accordance with the relevant Mortgage Conditions; or
- (b) in the case of a leasehold property, a buildings insurance policy arranged by the relevant landlord or property management company or association.

The Originator's Title

- (a) Immediately prior to the purchase of any Loan and the Related Security by the Issuer, and subject to registration or recording at the Land Registry, the Originator has good title to, and is the absolute unencumbered legal and beneficial owner of, all property, interests, rights and benefits in relation to the Loans and Related Security agreed to be sold and/or assigned and/or held on trust by the Originator to or for the Issuer pursuant to the Originator Trust Deed, free and clear of all Security Interests, adverse claims, assignments and equities (including, without limitation, rights of set-off or counterclaim), subject to the Originator Trust Deed and the Borrower's equity of redemption and the Originator is not in breach of any covenant or warranty implied by reason of its declaring a trust over the Portfolio with full title guarantee.
- (b) As far as the Originator is aware, all steps necessary to perfect the Originator's title to the Loans and the Related Security were duly taken at the appropriate time or are in the process of being taken, in each case (where relevant) within any applicable priority periods or time limits for registration with all due diligence and without undue delay.
- (c) The Loan Files relating to each of the Loans and their Related Security are held by, or are under the control of the Originator.

- (d) Neither the entry by the Originator into the Originator Trust Deed nor any transfer, assignment, assignation or creation of trust contemplated by the Originator Trust Deed affects or will adversely affect any of the Loans and their Related Security.

Interest Rates payable under the Loans

- (a) Each Loan in the Portfolio is either a Floating Rate Loan or a Fixed Rate Loan.

Regulation

- (a) In respect of any Mortgages entered into on or after 31 October 2004, the Originator was authorised by and had permission from the Appropriate Regulator for entering into Regulated Mortgage Contracts as lender at the time that it entered into each such Mortgage and continues to be so authorised and hold such permission.
- (b) The Originator is authorised by and had permission from the Appropriate Regulator for conducting any other regulated activities (as set out in the FSMA (Regulated Activities) Order 2001, as amended (the Order)) in respect of a Regulated Mortgage Contract (as defined in Article 61(3)(a) of the Order in respect of the Mortgages).
- (c) The Originator has complied in all material respects with all applicable regulatory requirements in respect of the Mortgages, in particular, without limitation, the provisions of MCOB.
- (d) Each officer or employee of the Originator in any capacity which involves a controlled function (as defined in the Appropriate Regulator's Rules) or involves the supervision of any person or persons so engaged is and was at all relevant times a validly registered approved person in accordance with the Appropriate Regulator's Rules.
- (e) The Originator has created and maintained all records in respect of the Mortgages in accordance with the Appropriate Regulator's Rules and any other regulatory requirement.
- (f) The Originator has not altered the terms of any letter of offer accepted by a Borrower relating to a Loan or otherwise changed any of the terms and conditions relating to any Loan other than in accordance with the terms and conditions of the letter of offer relating to a Loan as accepted by the applicable Borrower or other than as requested by a Borrower.

General

- (a) The Originator has, since the making of each Loan, kept or procured the keeping of adequate and proper accounts, books and records as are necessary to show all material transactions, payments, receipts, proceedings and notices relating to such Loan; such accounts, books and records are up-to-date in all material respects and in the possession of the Originator or held to its order.
- (b) Neither the Originator nor as far as the Originator is aware any of its agents has received written notice of any litigation or claim calling into question in any material way the title of the Originator to the Loans or Related Security or which (if adversely determined) might reasonably be expected to have a material adverse effect on the value of the Portfolio.
- (c) There are no governmental authorisations, approvals, licences or consents required as appropriate for the Originator to enter into or to perform its obligations under the Originator Trust Deed or to render the Originator Trust Deed legal, valid, binding, enforceable and admissible in evidence in a court in England which have not been obtained.

- (d) So far as the Originator is aware having made all reasonable enquiries, Borrowers are not or funds provided by Borrowers do not comprise and are not generated:
- (i) from any country, person, group, undertaking or entity that appears on an of the Office of Foreign Assets Control (**OFAC**) list of Specially Designated Nationals and Blocked Persons; the Consolidated List of Financial Sanction Targets in the United Kingdom issued by Her Majesty's Treasury (**HMT**) and The Consolidated List established and maintained by the 1267 Security Council Committee of the United Nations with respect to Al-Qaida, Usama bin Laden and other individuals, groups, undertakings and entitles associate with them; and/or
 - (ii) from any person, group, undertaking or entity that is subject to sanctions or restrictive measures by the European Union (**EU**); and/or
 - (iii) in contravention of any other sanctions regime imposed by the OFAC, HMT or the EU or the Direction Generale du Tresor et de la Politique Economique of the Republic of France.
- (e) Neither the Loans nor the Related Security constitute or include any "stock" or "marketable securities" within the meaning of section 125 of the Finance Act 2003, "chargeable securities" for the purpose of section 99 of the Finance Act 1986 or a "chargeable interest" for the purpose of section 48 of the Finance Act 2003.

Appropriate Regulator means:

- (a) in respect of the period before 1 April 2013, the FSA; and
- (b) in respect of the period on or after 1 April 2013:
 - (i) the FCA; or
 - (ii) the PRA and the FCA;

as applicable.

Appropriate Regulator's Rules means the rules made by the Appropriate Regulator under the FSMA.

Arrears has the meaning given to it in the definition of "Arrears on a Loan".

Arrears on a Loan means the amounts which were due on a previous interest payment date but which remain unpaid for in excess of one calendar month. In making an arrears determination, on a given determination date the Originator notionally applies all payments actually received from the relevant Borrower towards clearance of interest and non-interest payments due on a 'first in, first out' basis. If this calculation determines that interest has not been paid (in full or in part) for in excess of one month then the Loan is considered to be in **Arrears**. The number of months in Arrears is calculated by looking at the number of whole months between the determination date and the date upon which the amounts were due to be paid, but which have not been paid in full, by the relevant Borrower.

Buy to Let Loan means any Loan taken out by Borrowers in relation to the purchase or re-mortgage of properties for letting purposes.

Defaulted Loan means any Loan in relation to which amounts due and payable remain unpaid for more than 90 days.

Fixed Rate Loan means a Loan or any sub-account(s) of such Loan to the extent that and for such time as the interest rate payable by the relevant Borrower on all or part of the outstanding balance does not vary and is fixed for a certain period of time by the Originator.

Floating Rate Loan means a Loan or any sub-account(s) of such Loan to the extent that and for such time as the interest rate payable by the relevant Borrower on all or part of the outstanding balance may vary throughout the life of a loan as a result of movements in an external rate.

Further Advance means, in relation to a Loan, any advance of further money to the relevant Borrower (at the discretion of the Originator) following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance (under the same loan identifier), 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.

Indexed LTV means the ratio of the Current Balance of the relevant Loan divided by the Indexed Valuation of the relevant Property.

Indexed Valuation means the indexed valuation of a Property calculated by applying the most appropriate Land Registry house price index for such Property (either by reference to the London borough or, if outside of London, the County in which the Property is located) from the date of the latest recorded Valuation of the Property to the date of the most recent indexation (undertaken no less frequently than annually).

Loan Agreement means, in relation to a Loan, the loan agreement entered into between the relevant Borrower and the 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*, correspondence between the Borrower and the Originator and including mortgage documentation applicable to the Loan, each letter of offer for that Loan, the Valuation Report (if applicable) and, to that extent available, the solicitor's or licensed conveyancer's certificate of title.

LTV, LTV ratio or loan-to-value ratio means the ratio (expressed as a percentage) of the Current Balance of a Loan to the value of the Property securing that Loan.

Mortgage Conditions means all the terms and conditions applicable to a Loan, including without limitation those set out in the Originator's relevant mortgage conditions booklet and the Originator's relevant general conditions, each as varied from time to time by the relevant Loan Agreement and the relevant Mortgage Deed.

Mortgage Deed means, in respect of any Mortgage, the deed in written form creating that Mortgage.

New Build Loan means a property whose construction date is within 24 months of the mortgage application date.

Offset Loan means a Loan which permits the Borrower to offset the amount of monies standing to the credit of specified savings account(s) against the Current Balance of their Loan for the purposes of reducing the interest bearing balance of their Loan.

Performing Loan means any Loan which is not a Defaulted Loan.

Property Investment Loan means any Loan taken out by the Borrower in relation to the purchase or re-mortgage of Properties held or acquired for investment purposes, including but not limited to Properties which may be subject to refurbishment, application for enhanced planning or enfranchisement, in each case where such strategy is designated to enhance the value and marketability of the Property.

Product Switch Date means, in relation to a Product Switch, the date the relevant Product Switch is made.

Reasonable, Prudent Mortgage Lender means a reasonably prudent residential mortgage lender operating in the private banking sector and lending to borrowers in England, where such borrowers are of the same or similar type as the Borrowers whose Loans are included in the Portfolio.

Right to Buy Loan means a Loan in respect of a Property made in whole or in part to a Borrower for the purpose of enabling that Borrower to exercise his right to buy the relevant Property under the Housing Act 1985 and the Housing Act 1996 (each as amended and updated from time to time).

Self-certified Loan means a Loan where the application was taken on the understanding that evidence of the declared income was unavailable and would not be required in order to underwrite the case.

Shared Equity Loan means a loan in respect of a property where the borrower purchases 100 per cent. of the relevant property but only pays a percentage of the market value with the balance of the purchase monies being provided by an equity sharing lender.

Shared Ownership Loan means a loan in respect of a property where the borrower acquires a percentage of the relevant property and pays rent to a landlord in respect of the remaining interest in the property.

Standard Documentation means the standard mortgage documentation of the Originator, a list of which is set out in the Originator Trust Deed, or any update or replacement therefor as the Originator may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender or as may be required to comply with any applicable law or regulation.

Third Party Buildings Policies means the buildings insurance policies referable to each Property.

Title Deeds means, in relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds and 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.

Unindexed LTV means the ratio of the Current Balance of the relevant Loan divided by the latest recorded valuation of the relevant Property.

Valuation Report means the valuation report or reports for mortgage purposes, in the form of one of the pro forma contained in the Standard Documentation, obtained by the Originator from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable, Prudent Mortgage Lender and which has been approved by the relevant officers of the Originator.

Further Advances, Product Switches and Further Tranches

As used in this Prospectus, **Initial Advance** means all amounts advanced by the Originator to a Borrower under a Loan other than a Further Advance. Subject to the satisfaction of certain conditions described generally below, the Issuer will acquire the beneficial interest in Further Advances.

Further Advances: The Originator shall not make a Further Advance to a Borrower unless (i) it is satisfied that the Issuer will have sufficient moneys (either from Principal Receipts or a drawing under the Class Z VFN) to acquire a beneficial interest in that Further Advance at the Further Advance Trust Consideration amount or (ii) it re-acquires the beneficial interest in the relevant Loan from the Issuer (at its then Current Re-acquisition Value calculated on the Business Day prior to the re-acquisition) and removes such Loan from the Originator Trust. The Issuer shall acquire the beneficial interest in Further Advances from the Originator on the date that the relevant Further Advance is advanced to the relevant Borrowers by the Originator (the

Further Advance Trust Date). From the Further Advance Trust Date, the Originator Trustee will agree to hold all its right, title, benefit and interest on and from the relevant Further Advance Trust Date in the relevant Further Advance on trust absolutely for the Issuer and with and subject to all the trusts, powers and provisions of the Originator Trust Deed.

The Issuer will pay the Originator an amount equal to the principal amount of the relevant Further Advance (the **Further Advance Trust Consideration**) on the Quarterly Pool Date immediately following the Collection Period in which the relevant Further Advance Trust Date occurred by first, using amounts standing to the credit of the Retained Principal Ledger and, if the amounts standing to the credit of the Retained Principal Ledger are insufficient, then secondly, using amounts standing to the credit of the Principal Ledger. Where the Issuer (or the Cash Manager on its behalf) determines that the aggregate of the amounts standing to the credit of the Retained Principal Ledger and the Principal Ledger would not be sufficient to fund such Further Advance Trust Consideration, the Issuer will, prior to the Class Z VFN Commitment Termination Date, make a drawing under the Class Z VFN in an amount equal to the difference between (i) amounts standing to the credit of the Principal Ledger and (ii) the Further Advance Trust Consideration and use such proceeds of the Class Z VFN to fund the purchase of Further Advances under the Loans. If the Issuer is unable to fund the purchase of any Further Advance from funds standing to the credit of the Retained Principal Ledger (and, if insufficient, amounts standing to the credit of the Principal Ledger) and the Class Z VFN Holder fails to advance an amount equal to such shortfall in the Further Advance Trust Consideration to be paid on the Quarterly Pool Date, the Originator must re-acquire (or procure that an EFG Delegate acquires) the beneficial interest in the related Loan and its Related Security and such Loan will be removed from the relevant Originator Trust in accordance with the terms of the Originator Trust Deed. (See *"Re-acquisition by the Originator"* below for more details).

If the Originator re-acquires the beneficial interest in a Loan and removes it from the Originator Trust in order to make a Further Advance to a Borrower, after having made such Further Advance to the relevant Borrower, it may, at its sole option during the Revolving Period, offer the beneficial interest in such Loan back to the Issuer as an Additional Loan if it is satisfied that the Issuer will have sufficient monies for such acquisition.

If it is determined by the Originator, in its servicing capacity (on behalf of the Issuer) or the Originator Trustee or the Cash Manager (on behalf of the Issuer verifying the determinations made by the Originator in relation to the Portfolio Criteria only) on the Quarterly Test Date immediately following the Collection Period in which the relevant Further Advance was made that any of the Portfolio Criteria or the Loan Warranties have not been met as at the Further Advance Trust Date (or such breach was subsequently discovered in respect of such date), then the Originator will have an obligation to remedy such breach within 60 Business Days after receiving written notice of such breach from the Originator, in its servicing capacity (on behalf of the Issuer), the Cash Manager (on behalf of the Issuer) or the Originator Trustee. If such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 60 Business Day period, the Originator (or an EFG Delegate) has an obligation to re-acquire such Loan and its Related Security and such Loan and its Related Security will be removed from the Originator Trust in accordance with the provisions of the Originator Trust Deed. (See *"Re-acquisition by the Originator"* below for more details).

The Originator shall not make an offer to a Borrower for a Further Advance if it would result in the Issuer arranging or advising in respect of, administering (servicing) or entering into a regulated mortgage contract or agreeing to carry on any of these activities or if the Issuer would be required to be authorised under the FSMA to do so.

Product Switches: The Originator may offer a Borrower (and the Borrower may accept), or a Borrower may request, a Product Switch. Any Loan which has been subject to a Product Switch will remain in the Portfolio provided that it continues to satisfy the Portfolio Criteria and the Loan Warranties as at the Product Switch Date. If it is subsequently determined by the Originator, in its servicing capacity (on behalf of the Issuer), the Cash Manager (verifying the determinations made by the Originator in relation to the Portfolio Criteria only

on behalf of the Issuer) or the Originator Trustee, on the Quarterly Test Date immediately following the Collection Period in which the Product Switch was made that any of the Portfolio Criteria or the Loan Warranties have not been complied with on the relevant Product Switch Date (or such breach was subsequently discovered in respect of such date), then the Originator will have an obligation to remedy such breach within 60 Business Days after receiving written notice of such breach from the Originator, in its servicing capacity (on behalf of the Issuer), the Cash Manager (on behalf of the Issuer) or the Originator Trustee. If such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 60-Business Days period, the Originator (or an EFG Delegate)) will be obliged to re-acquire the beneficial interest in such Loan and its Related Security and such Loan and its Related Security will be removed from the Originator Trust. (See "*Re-acquisition by the Originator*" below for more details).

The Originator will be solely responsible for offering and documenting any Product Switch. The Originator shall not make an offer to a Borrower for a Product Switch if it would result in the Issuer arranging or advising in respect of, administering (servicing) or entering into a regulated mortgage contract or agreeing to carry on any of these activities or if the Issuer would be required to be authorised under the FSMA to do so.

Product Switch means any variation in the financial terms and conditions applicable to a Loan and is deemed to include any switch of a Floating Rate Loan to a Fixed Rate Loan but does not include any variation:

- (i) agreed with a Borrower to control or manage arrears on the Loan (so long as such Loan does not have a maturity date later than 2022);
- (ii) in the maturity date of the Loan (unless the maturity date would be extended to a date later than three years before the Final Maturity Date of the Notes in which case such variation will constitute a Product Switch);
- (iii) imposed by statute;
- (iv) in the rate of interest payable (a) as a result of any variation in applicable floating rates or (b) 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 Mortgage otherwise change the interest rate payable; or
- (v) in the frequency with which the interest payable in respect of the Loan is charged.

Tranched Loans: The Portfolio may include Loans which are not fully drawn by the Borrower (each such loan, a **Tranched Loan** and the commitment of the Originator to advance further tranches under such Tranched Loan, the **Tranched Loan Commitment**). The beneficial interest in a Tranched Loan may be acquired by the Issuer provided the terms of such Loan state that the Tranched Loan Commitment will lapse no later than 12 months after the Additional Trust Date on which the beneficial interest in such Tranched Loan was acquired by the Issuer (or, in relation to Tranched Loans included in the Initial Portfolio, the First Trust Date). As a condition to the Issuer agreeing to acquire the beneficial interest in the Tranched Loan, the Class Z VFN holder shall be required to provide funding under the Class Z VFN on the relevant Additional Trust Date in an amount equal to the difference between the drawn amount and the committed amount under the Tranched Loan.

On any date on which Further Tranches are advanced under a Tranched Loan (such date, the **Further Tranche Trust Date**), the Issuer will use amounts standing to the credit of the Tranched Loans Prefunding Reserve to acquire the beneficial interest in the further tranche advanced under the Tranched Loan (each such further tranche, a **Further Tranche**). From the Further Tranche Trust Date, the Originator Trustee will agree to hold all its right, title, benefit and interest on and from the relevant Further Tranche Trust Date in the

relevant Further Tranche on trust absolutely for the Issuer and with and subject to all the trusts, powers and provisions of the Originator Trust Deed

If it is subsequently determined by the Originator, in its servicing capacity (on behalf of the Issuer), the Cash Manager (verifying the determinations made by the Originator in relation to the Portfolio Criteria only on behalf of the Issuer) or the Originator Trustee on the Quarterly Test Date immediately following the Collection Period in which the relevant Further Tranche was advanced, that any of the relevant Portfolio Criteria or the Loan Warranties have not been met on the relevant Further Tranche Trust Date (or such breach was subsequently discovered in respect of such date), then the Originator will have an obligation to remedy such breach within 60 Business Days after receiving written notice of such breach from the Originator, in its servicing capacity (on behalf of the Issuer), the Cash Manager (on behalf of the Issuer) or the Originator Trustee. If such breach is not capable of remedy, or, if capable of remedy, is not remedied within the 60 Business Day period, the Originator (or an EFG Delegate) will be obliged to re-acquire the beneficial interest in purchase such Loan and its Related Security and such Loan and its Related Security will be removed from the Originator Trust. (See "*Re-acquisition by the Originator*" below for more details).

In the event that a Tranched Loan Commitment lapses, the Issuer (or the Cash Manager, on its behalf) shall repay any unutilised portion of the relevant Funded Amount deposited in the Transaction Account directly to the Class Z VFN Holder (by way of redemption of the Class Z VFN in accordance with Condition 7.8 and outside the Priority of Payments) and upon such repayment, a corresponding debit for the amount repaid shall be made to the Tranched Loans Prefunding Ledger.

Re-acquisition by the Originator

Obligations to Re-acquire: The Originator (or an EFG Delegate) shall re-acquire the relevant Loans and their Related Security in the following circumstances:

- (a) *Breach of Loan Warranties or Portfolio Criteria on the First Trust Date.* If it is determined that a Loan in relation to which the Issuer acquired the beneficial interest on the First Trust Date had materially breached any of the Loan Warranties or Portfolio Criteria as at the First Trust Date, and where such breach is either not capable of remedy or has not been remedied by the Originator within 60 Business Days of receiving notice of such breach from the Issuer, then the Issuer shall serve a notice on the Originator (the **Issuer Loan Re-acquisition Notice**) requiring the Originator to re-acquire (or procure that an EFG Delegate re-acquires) the beneficial interest in the relevant Loan over which it has declared a trust in favour of the Issuer absolutely and its Related Security on the Quarterly Pool Date following the receipt by the Originator Trustee of such Issuer Loan Re-acquisition Notice. The re-acquisition price for such Loan shall be equal to its Current Re-acquisition Value calculated on the Business Day prior to the re-acquisition;
- (b) *Insufficient Funds to fund Further Advance.* If the Issuer is unable to fund the purchase of any Further Advance from funds standing to the credit of the Retained Principal Ledger and, if necessary, the Principal Ledger and the Class Z VFN Holder fails to advance an amount equal to such shortfall, then the Issuer shall serve an Issuer Loan Re-acquisition Notice on the Originator requiring the Originator to re-acquire (or procure that an EFG Delegate re-acquires) the beneficial interest in the relevant Loan subject to such Further Advance and over which it has declared a trust in favour of the Issuer absolutely and its Related Security on the Quarterly Pool Date following the period in which such Further Advance was advanced. The re-acquisition price for such Loan shall be equal to its Current Re-acquisition Value calculated on the Business Day prior to the re-acquisition (excluding the amount of the Further Advance); and
- (c) *Breach of the Loan Warranties or Portfolio Criteria in respect of Additional Loans or Loans subject to a Further Advance, Product Switch and/or Further Tranche.* If it is determined that Additional Loans or a Loan subject to a Further Advance, Product Switch or Further Tranche had materially breached

any of the Loan Warranties or Portfolio Criteria on the relevant Additional Trust Date (in relation to Additional Loans), the relevant Further Advance Trust Date (in relation to Further Advances), the relevant Product Switch Date (in relation to Product Switches) or the relevant Further Tranche Trust Date (in relation to Further Tranches) and where such breach is either not capable of remedy or has not been remedied by the Originator within 60 Business Days of receiving notice of such breach from the Issuer, then the Issuer shall serve an Issuer Loan Re-acquisition Notice on the Originator requiring the Originator to re-acquire (or procure that an EFG Delegate re-acquires) the beneficial interest in the relevant Loan over which it has declared a trust in favour of the Issuer absolutely and its Related Security on the Quarterly Pool Date following the receipt by the Originator of such Issuer Loan Re-acquisition Notice. The re-acquisition price for such Loan shall be equal to its Current Re-acquisition Value calculated on the Business Day prior to the re-acquisition (excluding, if applicable, the amount of any Further Advance which has not yet been paid for by the Issuer);

- (d) *The occurrence of a Regulatory Determination.* If a Regulatory Determination is made in relation to a Loan in the Portfolio and the service of a certificate from an authorised signatory of the Originator stating that a determination has been made that any of the events set out in the definition of Regulatory Determination have occurred is made on the Issuer, the Issuer shall serve an Issuer Loan Re-acquisition Notice on the Originator requiring the Originator to re-acquire (or procure that an EFG Delegate re-acquires) the beneficial interest in the relevant Loan over which it has declared a trust in favour of the Issuer absolutely and its Related Security on the Quarterly Pool Date following the receipt by the Originator of such Issuer Loan Re-acquisition Notice. The re-acquisition price for such Loan shall be equal to its Current Re-acquisition Value calculated on the Business Day prior to the re-acquisition; and
- (e) *Upon the receipt by the Originator of a formal objection from a Borrower to any adjustment to the interest margin in relation to the relevant Loan as a result of the Originator's determination that a wider business relationship has not developed with such Borrower.* If the Originator receives a formal objection from a Borrower to any adjustment to the interest margin in relation to the relevant Loan as a result of the Originator's determination that a wider business relationship has not developed with such Borrower, the Originator shall promptly notify the Issuer of such event and the Issuer shall serve an Issuer Loan Re-acquisition Notice on the Originator requiring the Originator to re-acquire (or procure that an EFG Delegate re-acquires) the beneficial interest in the relevant Loan over which it has declared a trust in favour of the Issuer absolutely and its Related Security on the Quarterly Pool Date following the receipt by the Originator of such Issuer Loan Re-acquisition Notice. The re-acquisition price for such Loan shall be equal to its Current Re-acquisition Value calculated on the Business Day prior to the re-acquisition.

Right to re-acquire by the Originator: In accordance with the terms of the Originator Trust Deed, the Originator shall have the right (but not any obligation) to re-acquire (or, at its discretion, designate an EFG Delegate to re-acquire) the entire beneficial interest of the Issuer in the Portfolio (or, in the case of (b) below, the remaining Portfolio):

- (a) upon the occurrence of a Regulatory Change or Accounting Change;
- (b) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Class A Notes is equal to or less than 10% of the aggregate Principal Amount Outstanding of the Class A Notes on the date on which such Class A Notes were issued; or
- (c) upon an offer being made by the Issuer to the Originator as set out below under “--Disposition of the beneficial interest in the Portfolio”.

The Originator (or an EFG Delegate) shall also have the right to offer to re-acquire the Issuer's beneficial interest in the Loans in the Portfolio from time to time and remove such Loans from the relevant Originator Trusts, which offer the Issuer may accept provided that the Optional Re-acquisition Criteria are satisfied.

Disposition of the beneficial interest in the Portfolio

If, 60 Business Days prior to the Scheduled Maturity Date, the Issuer (or the Cash Manager on its behalf) determines that it will not have sufficient funds to redeem in full the Class A Notes and pay all amounts ranking in priority to the Class A Notes on that Scheduled Maturity Date in accordance with the applicable Priority of Payment, the Issuer will attempt to dispose of the beneficial interest in the Portfolio prior to the Scheduled Maturity Date.

Not less than 40 Business Days prior to the Scheduled Maturity Date, the Issuer (or the Cash Manager on the Issuer's behalf) shall offer to the Originator the option to require the Issuer to sell to the Originator (or, at the Originator's discretion, an EFG Delegate) its entire beneficial interest in the Portfolio (in whole and not in part) at a price which is equal to then Current Re-acquisition Value of the Loans in the Portfolio calculated on the Business Day prior to the re-acquisition .

If the Originator or such designated EFG Delegate accepts that offer, it shall be required to pay the Current Re-acquisition Value of the Loans in the Portfolio calculated on the Business Day prior to the re-acquisition to the Issuer not less than 10 Business Days before the Scheduled Maturity Date.

If the Originator or such designated EFG Delegate does not accept the offer by the date which is 15 Business Days before the Scheduled Maturity Date, then the Issuer (or the Cash Manager on the Issuer's behalf) shall appoint a Portfolio Agent to manage the disposition of its beneficial interest in the Portfolio (in whole but not in part) to third parties; provided that the Issuer (or the Cash Manager on the Issuer's behalf) has obtained an opinion from an appropriately qualified and experienced United Kingdom tax adviser confirming that the processes of seeking and accepting offers for the acquisition of the entire beneficial interest in the Portfolio should not cause the Issuer to cease to be taxed in accordance with the Taxation of Securitisation Regulations.

The Issuer may also appoint a Portfolio Agent (provided that the requirements set out in the paragraph above have been satisfied) in the event that (i) a Notice to Pay has been served on the Guarantor for principal due on the Scheduled Maturity Date, (ii) the Guarantor has failed to pay such amount under the Guarantee and (iii) neither the Originator nor an EFG Delegate has acquired the beneficial interest in the Portfolio from the Issuer prior to the Scheduled Maturity Date. In such circumstances, the Issuer shall first offer to the Originator the option to require the Issuer to sell to the Originator (or, at the Originator's discretion, an EFG Delegate) its entire beneficial interest in the Portfolio at a price which is equal to the then Current Re-acquisition Value of the Loans in the Portfolio calculated on the Business Day prior to the re-acquisition. If the Originator or such designated EFG Delegate accepts that offer, it shall be required, not less than 10 Business Days prior to the Interest Payment Date on which the Notes are to be redeemed, to pay to the Issuer the then Current Re-acquisition Value of the Loans in the Portfolio calculated on the Business Day prior to the re-acquisition.

In the event that a Portfolio Agent is appointed and no offers are received by the Portfolio Agent, or if the offer(s) submitted by the Portfolio Agent are unacceptable to the Issuer, the Portfolio Agent shall repeat the procedures to be set out in the applicable agreement pursuant to which the Portfolio Agent is appointed every six months thereafter until (a) an offer acceptable to the Issuer is obtained or (b) the appointment of the Portfolio Agent is terminated.

The Issuer shall use the proceeds of any disposition of its beneficial interest in the Portfolio (together with any Principal Receipts otherwise available to the Issuer) to redeem the Notes, subject to the terms of the applicable Priority of Payments.

The Issuer shall not agree to any disposition of its beneficial interest in the Portfolio for a price less than the Optional Disposition Class A Required Redemption Amount unless (i) together with the amount to be received from the disposition of the Portfolio, it has sufficient funds to redeem the Class A Notes and pay all amounts ranking in priority thereto in accordance with the applicable Priority of Payments, or (ii) it has received from the Guarantor an amount in cash equal to the differential between the amount offered and the Optional Disposition Class A Required Redemption Amount (provided that the Guarantor will not be obliged to pay an amount greater than the Class A Required Redemption Amount); or (iii) the holders of the Class A Notes have directed the Note Trustee to consent to that disposition pursuant to an Extraordinary Resolution.

Accounting Change means a change to the rules relating to deconsolidation of assets and/or entities under generally applicable accounting policies applicable to or applied by the Originator, which in the reasonable opinion of the Originator (acting in good faith) and as certified by the Originator, has the effect that the Portfolio and/or the Issuer is no longer derecognised or deconsolidated under the accounting rules applied by the Originator.

Accounting Change Option means the option of the Originator (or an EFG Delegate) to re-acquire the entire beneficial interest of the Issuer in the Portfolio on any day following the occurrence of an Accounting Change, provided that such option may not be exercised on a date falling less than 10 Business Days prior to an Interest Payment Date.

Optional Disposition Class A Required Redemption Amount means an amount equal to the Principal Amount Outstanding of the Class A Notes on the Scheduled Maturity Date, together with accrued and unpaid interest thereon, and all amounts ranking in priority to the Class A Notes to be paid on the Scheduled Maturity Date in accordance with the applicable Priority of Payment after deducting amounts standing to the credit of or amounts expected to be standing to the credit of the Issuer Bank Accounts as at the relevant Calculation Date.

Optional Re-acquisition Criteria means the following criteria:

- (a) The maximum aggregate Current Balance of all Loans in relation to which the beneficial interest may optionally be re-acquired by the Originator Trustee shall not exceed 5 per cent. of the aggregate Current Balance of all Loans in the Portfolio as at the Closing Date; and
- (b) Any such Loan in relation to which the beneficial interest will be re-acquired will be re-acquired at a price at least equal to its then Current Re-acquisition Value calculated on the Business Day prior to the re-acquisition.

Portfolio Agent means the agent appointed by the Issuer (or the Cash Manager on the Issuer's behalf) in accordance with the Originator Trust Deed to manage the disposition of its beneficial interest in the Portfolio.

Regulatory Change means a change in law or regulation (or the interpretation of the application of thereof) applicable to the Originator that, in the reasonable opinion of the Originator (acting in good faith) and as certified by the Originator, has the effect of materially and adversely affecting the return on capital of the Originator or materially increasing the cost or materially reducing the benefit to the Originator of the transactions contemplated by the Transaction Documents.

Regulatory Change Option means the option of the Originator to re-acquire (or designate an EFG Delegate to re-acquire) the entire beneficial interest of the Issuer in the Portfolio on any day following the occurrence of a Regulatory Change, provided that such option may not be exercised on a date falling less than 10 Business Days prior to an Interest Payment Date.

Regulatory Determination means any determination made by any court of other competent authority or any ombudsman or regulator that:

- (a) any term which relates to the recovery of interest under the Standard Documentation applicable to a Loan and its Related Security is unfair;
- (b) any discretionary interest rate or margin payable under any Loan (subject to any applicable caps, discounts and fixed rates) may not be set by any successors or assigns or assignees of the Originator or those deriving title from it; or
- (c) there has been any breach of or non-observance or non-compliance with any obligation, undertaking, covenant or condition on the part of the Originator relating to the interest payable by or applicable to a Borrower under any Loan.

Portfolio Criteria

On the First Trust Date, the Loans in the Initial Portfolio will be tested by the Originator against the Portfolio Criteria. In addition, in order for any Additional Loan or any Loan which has been the subject of a Further Advance, Product Switch or a Further Tranche to be included in the Portfolio, the **Portfolio Criteria** must be complied with as of each Additional Trust Date, Further Advance Trust Date, Product Switch Date or Further Tranche Trust Date, as applicable. The Portfolio Criteria will be tested by the Originator, in its capacity as servicer, on the Additional Trust Date, Further Advance Trust Date, Product Switch Date or Further Tranche Trust Date, as applicable, and verified by Cash Manager on the Quarterly Test Date immediately following the Collection Period in which such acquisition of an Additional Loan, Further Advance, Product Switch or Further Tranche took place.

The Portfolio Criteria are:

- (a) The aggregate Current Balance of Fixed Rate Loans in the Portfolio does not exceed 5% of the aggregate Current Balance of all Loans in the Portfolio;
- (b) The weighted average original LTV ratio (calculated by dividing Total Debt Advanced by the Original Valuation) of the Loans in the Portfolio does not exceed 60%;
- (c) No additional Loan transferred to the Issuer during the Revolving Period has an original LTV ratio (calculated by dividing Total Debt Advanced by Original Valuation) of greater than 70%;
- (d) The aggregate Current Balance of Loans in the Portfolio with an original LTV ratio (calculated by dividing Total Debt Advanced by the Original Valuation) of greater than 60% and less than or equal to 70% does not exceed 10% of the aggregate Current Balance of all Loans in the Portfolio;
- (e) The aggregate Current Balance of Loans in the Portfolio with an original LTV ratio (calculated by dividing Total Debt Advanced by the Original Valuation) of greater than 50% and less than or equal to 60% does not exceed 75% of the aggregate Current Balance of all Loans in the Portfolio;
- (f) The aggregate Current Balance of any Loan or Loans in the Portfolio made to a single Borrower or to a "group of connected clients" as defined in Article 4 of Regulation EU 575/2013 does not exceed £7,750,000;
- (g) The aggregate Current Balance of Loans in the Portfolio made to the top ten Borrowers (based on the Current Balance of such Borrower's Loan, or where a Borrower has more than one Loan, of such Borrower's loans, in each case which are included in the Portfolio) is not more than £55,000,000;
- (h) No Loan has an Indexed LTV of greater than 70%
- (i) No Loan has an Unindexed LTV greater than 70%;

- (j) For Loans which are Tranched Loans:
- (i) each Tranched Loan must state that the Tranched Loan Commitment will lapse no later than 12 months after the relevant Additional Trust Date or First Trust Date, as applicable;
 - (ii) as at the date that the relevant Tranched Loan becomes subject to an Originator Trust, the Class Z VFN Holder shall have provided funding to the Issuer under the Class Z VFN in an amount equal to the difference between the drawn amount of the relevant Tranched Loan and the committed amount under that Tranched Loan (each, a **Funded Amount**); and
 - (iii) each Funded Amount shall be deposited by the Issuer into the Transaction Account (with a corresponding credit made to the Tranched Loans Prefunding Ledger) for application by the Issuer in acquiring the beneficial interest in the relevant Further Tranche(s) advanced under the relevant Tranched Loan after the First Trust Date or the relevant Additional Trust Date, as the case may be.
- (k) Following any Additional Loan being transferred to the Issuer, the Loans in the Portfolio generate a weighted average yield of at least LIBOR for three month deposits in sterling (calculated on an average basis over the immediately preceding Collection Period) plus 1.80%.

Original Valuation means the property valuation at the time of the latest advance.

Total Debt Advanced means the total amount of debt outstanding immediately following the last advance.

Undertakings of the Originator and Originator Trustee

The Originator and Originator Trustee will each undertake to the Issuer and the Security Trustee that, until the Issuer's obligations under the Notes and the Transaction Documents are discharged pursuant to the Issuer Deed of Charge, amongst other things, the Originator and the Originator Trustee, respectively:

- (a) shall each preserve and maintain its corporate existence and maintain its status as an authorised institution under FSMA;
- (b) shall, on each Trust Date, electronically identify as such in its systems that the relevant Loans and their Related Security over which a declaration of trust is being declared absolutely in favour of the Issuer are subject to the Originator Trusts and constitute part of the Portfolio;
- (c) shall provide on a timely basis to the Cash Manager such information as the Cash Manager reasonably requests in order for it to comply with its obligations and duties under the Cash Management Agreement;
- (d) shall following a Power of Attorney Event:
 - (i) if so instructed by the Issuer, the Security Trustee or any delegate of any of them, take such action as is necessary to preserve and/or exercise and/or enforce any of the Originator's rights under or pursuant to the Related Security in respect of the Loans included in the Portfolio subject to the Originator Trusts;
 - (ii) if so instructed by the Issuer, the Security Trustee or any delegate of any of them and subject to the terms of the Loans and their Related Security, take such action in relation to the Portfolio and the performance of its duties under the Originator Trust Deed as the Issuer, the Security Trustee or any delegate of any of them may reasonably consider necessary for the protection or enforcement of the rights of the Issuer hereunder (including but not limited

to, notifying the Borrowers of the existence of the trusts created by the Originator Trust Deed); and

- (iii) if so instructed by the Issuer, the Security Trustee or any delegate of any of them and subject to the terms of the Loans and their Related Security, deliver any documentation related to the Loans which is in its possession or control as directed by the Issuer, the Security Trustee against delivery of any confidentiality undertaking required by such documentation in connection with such delivery;
- (e) shall, at all times, perform its obligations in respect of the Originator Trusts under the Originator Trust Deed and the other Transaction Documents to which it is a party;
- (f) shall take all reasonable action to preserve and/or exercise and/or enforce any of its rights and perform and observe its obligations under and pursuant to the Originator Trust Deed and the other Transaction Documents to which it is a party or pursuant to which it derives a benefit;
- (g) shall not do or omit to do any act or thing which would, in the reasonable opinion of the Security Trustee, materially prejudice the interests of the Issuer and/or the Security Trustee in the Loans and their Related Security included in the Portfolio subject to the Originator Trusts;
- (h) shall not charge the mandatory cost rate (as set out in the Mortgage Conditions) for any Loan in the Portfolio;
- (i) shall not transfer or dispose of the Loans and their Related Security subject to the Originator Trusts or deal with any of them in such a way as to confer rights in any of them on any third parties or create any Security Interest over any of the Loans or their Related Security included in the Portfolio subject to the Originator Trusts save in the manner provided in or otherwise contemplated by the Originator Trust Deed or any of the Transaction Documents;
- (j) shall not, without the prior written consent of the Issuer, the Security Trustee or any delegate of any of them, on their behalf, part with possession, custody or control of the Loans or their Related Security subject to the Originator Trusts, other than (A) pursuant to any court order, or any direction of a statutory or governmental agency or other body with whose directions the Originator ordinarily complies, (B) otherwise as is necessary to enforce a claim against a Borrower or (C) otherwise as permitted by the Originator Trust Deed;
- (k) shall promptly notify the Issuer, the Cash Manager (on behalf of the Issuer) and the Security Trustee in writing if it receives written notice of any litigation or claim calling into question in any material way the Originator's, the Originator Trustee's or the Issuer's beneficial interest in or title to any of the Loans or its Related Security comprised in the Portfolio subject to the Originator Trusts or if it becomes aware of any breach of any of the Portfolio Criteria, the Loan Warranties or other obligations under the Originator Trust Deed unless such breach is rectified (where permitted under the Originator Trust Deed) or the beneficial interest in such Loan is re-acquired by or released to the Originator; and
- (l) shall participate or join in any legal proceedings to the extent reasonably necessary to protect, preserve and enforce the Originator's, the Originator Trustee's or the Issuer's or the Security Trustee's title to or interest in any Loan or its Related Security subject to the Originator Trusts provided that the Originator or the Originator Trustee is reimbursed by the Issuer subject to and in accordance with the relevant Priority of Payments under and in accordance with the Transaction Documents, for the reasonable legal expenses and costs (including any Irrecoverable VAT in respect thereof) of such proceedings.

The Originator shall also procure that all Revenue Receipts, Principal Receipts and any other cash amounts whatsoever received by the Originator which are Trust Assets are transferred into the EFGPB Bank Account within one Business Day of receipt thereof.

No retirement of the Originator Trustee

The Originator Trustee shall not, and shall not purport to, retire as the trustee of the Originator Trusts or appoint any additional trustee of the Originator Trusts and shall have no power to retire or appoint any additional trustee under the Trustee Act 1925 or otherwise. The Originator and the Issuer shall not at any time remove or purport to remove or replace the Originator Trustee as trustee of the Originator Trusts.

Termination of the Originator Trusts

Subject to the re-acquisition of the beneficial interest in Loans pursuant to the Originator Trust Deed, the Originator Trusts shall terminate in respect of the Loans subject to the Originator Trusts (if any then remain) upon the earlier to occur of:

- (a) the date on which all amounts due by the Issuer under the Notes and/or the Transaction Documents have been paid in full; and
- (b) the date on which the Issuer's obligations under the Notes and the Transaction Documents are discharged pursuant to the Issuer Deed of Charge,

and, for the avoidance of doubt, from the moment of such termination, the Originator Trustee shall hold the remaining Loans and their Related Security which had been subject to the Originator Trusts upon trust unto itself absolutely, freed and discharged from the Originator Trusts.

Servicing obligations of the Originator under the Originator Trust Deed

Introduction

The Originator will, from the First Trust Date, continue to service the Loans and their Related Security subject to the Originator Trusts.

Servicing Standard

Subject to the terms of the Originator Trust Deed and the Transaction Documents to which it is a party:

- (a) the Originator shall in the ordinary course of its business, acting as a Reasonable, Prudent Mortgage Lender, collect payments from the Borrowers under the Loans and continue to administer such Loans in the same manner and with the standard of skill, care and diligence the Originator applies to its other residential mortgage loans, beneficially owned and administered by it, with a view to the timely collection of all sums due under each such Loan;
- (b) the Originator shall use reasonable efforts to administer and enforce (and exercise its powers and rights and perform its obligations under) the Loans comprised in the Portfolio and their Related Security subject to the Originator Trusts in all material respects in accordance with the policies set out in the Originator Trust Deed (subject to any changes made by the Originator following the First Trust Date and at all times such changes shall be in accordance with the standard of a Reasonable Prudent Mortgage Lender);
- (c) the Originator shall:

- (i) comply with all applicable laws, rules, regulations and orders with respect to servicing and collection of the Loans;
- (ii) exercise or refrain from exercising or enforcing its rights arising in respect of the Loans; and
- (iii) at all times act,

in compliance with the terms of the Loans and the provisions of the Originator Trust Deed and the other Transaction Documents; and

- (d) the Originator will not take any action, or omit to take any action, likely to impair the interests of the Issuer in any of the Trust Assets or the value of any Loan save that (i) any action or omission undertaken in accordance with the standards set out in paragraphs (a), (b) and (c) above shall not breach this paragraph (d) and (ii) it is acknowledged that in taking all steps which would be reasonable to expect a Reasonable, Prudent Mortgage Lender to take to recover all sums due in respect of the Loans including, without limitation, by the institution of proceedings and/or the enforcement of any relevant Loan or its Related Security comprised in the Portfolio that mortgage lenders generally exercise discretion in pursuing their respective enforcement procedures and that the Originator may exercise such discretion as would a Reasonable, Prudent Mortgage Lender in applying its enforcement procedures to any particular defaulting Borrower or taking action as aforesaid, provided that in exercising such discretion the interests of the Issuer in the Portfolio are not materially prejudiced,

and the obligations of the Originator in paragraphs (a) to (d) above shall constitute the **Servicing Standard**.

Originator's Servicing Obligations

In servicing the Loans subject to the Originator Trusts, the Originator:

- (a) will determine from time to time the amount of Losses on the Portfolio;
- (b) will be responsible for monitoring payments falling due in respect of each Loan;
- (c) will calculate the applicable rate of interest in relation to all Loans and shall communicate the same to the Cash Manager;
- (d) will take all steps, subject to the Servicing Standard, to recover all sums due under the Loans in the Portfolio;
- (e) may (subject to the Servicing Standard) prosecute or defend any legal or other proceedings anywhere in the world (and is entitled to be reimbursed for any reasonable costs and expenses (including any Irrecoverable VAT in respect thereof) of such defence out of the Trust Assets, including the proceeds of applicable Loans) if it is satisfied (after obtaining such legal or other advice which it considers appropriate in the circumstances) that it is in the interests of the Issuer to do so;
- (f) will monitor arrangements for insurance required in connection with the Loans from time to time in accordance with its ordinary business procedures, including, without limitation, any applicable block buildings policy; and
- (g) will, on the tenth (10th) Business Day of each February, May, August and November (or, if such day is not a Business Day, the immediately preceding Business Day), deliver to the Issuer, the Security Trustee, the Cash Manager and any other party as the Issuer may direct, a Servicing Report;

Removal or Resignation of the Originator in its servicing role

Upon the occurrence of any of the events specified in paragraphs (a) to (c) below (together the **Servicing Termination Events** and each a **Servicing Termination Event**), the Issuer shall be entitled (with the prior written consent of the Security Trustee) to either (x) appoint a new servicer which will, subject to the terms of the Originator Power of Attorney, service the Loans in the Portfolio in the name of EFG Private Bank Limited (a **Replacement Servicer**), or (y) require the Originator to appoint a Servicing Delegate in accordance with the terms of the Originator Trust Deed (see “*Appointment of a Servicing Delegate*” below) :

- (a) the Originator, in its servicing capacity, defaults in the payment on the due date of any payment due and payable by it under the relevant provisions of the Originator Trust Deed and such default continues unremedied for a period of 30 Business Days after the earlier of (i) the Originator becoming aware of such default and (ii) receipt by the Originator of written notice from the Issuer or the Security Trustee, as the case may be, specifying the particulars of the default and requiring the same to be remedied; or
- (b) the Originator, in its servicing capacity, defaults in the performance or observance of any of its other covenants and obligations under the relevant provisions of the Originator Trust Deed, which failure in the reasonable opinion of the Issuer (prior to the delivery of a Note Acceleration Notice) or the reasonable opinion of the Security Trustee acting on the instructions of the Note Trustee (after the delivery of a Note Acceleration Notice) is materially prejudicial to the interests of the Noteholders, and the Originator does not remedy that failure within 40 Business Days after the earlier of (i) the Originator becoming aware of the failure and (ii) receipt by the Originator of written notice from the Issuer or the Security Trustee, as the case may be, specifying the particulars of the Originator's non-compliance with its servicing obligations (other than those specified in the Originator Trust Deed) and requiring the same to be remedied; provided however, that where the relevant default occurs as a result of a default by any person to whom the Originator has sub-contracted or delegated part of its obligations under the Originator Trust Deed, such default shall not constitute a Servicing Termination Event if within 40 Business Days of the occurrence of such default the Originator either procures the remedy of such default or terminates the relevant sub-contracting or delegation arrangements and indemnifies the Issuer and the Security Trustee against the direct consequences of such default; or
- (c) an Insolvency Event occurs in relation to the Originator (whilst the Originator continues to act in its servicing capacity).

An **Insolvency Event** will occur in relation to the Originator if:

- (a) an order is made or an effective resolution passed for the winding up of the Originator; or
- (b) the Originator ceases or threatens to cease to carry on the whole of its business or stops payment or threatens to stop payment of its debts or is deemed unable to pay its debts within the meaning of section 123(1)(a), (b), (c) or (d) of the Insolvency Act or becomes unable to pay its debts as they fall due or the value of its assets falls to less than the amounts of its liabilities (taking into account, for both these purposes, contingent and prospective liabilities) or otherwise becomes insolvent; or
- (c) proceedings (including, but not limited to, presentation of an application for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) are initiated against the Originator under any applicable liquidation, administration, reorganisation (other than a reorganisation where the Originator is solvent) or other similar laws, save where such proceedings are being contested in good faith; or an administrative or other receiver, administrator or other similar official is appointed in relation to the whole or the substantial part of the undertaking or assets of the Originator or the appointment of an administrator takes effect; or a distress, execution or diligence or other process is

enforced upon the whole or the substantial part of the undertaking or assets of the Originator and in any of the foregoing cases it is not discharged within 15 Business Days; or if the Originator initiates or consents to judicial proceedings relating to itself under any applicable liquidation, administration, insolvency, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness.

Subject to the fulfilment of a number of conditions, the Originator may voluntarily resign by giving not less than 12 months' written notice to, among others, the Security Trustee and the Issuer (or such shorter time as may be agreed between the Originator, the Issuer and the Security Trustee) with a copy to each Rating Agency provided that a replacement servicer (who may be the Back-Up Servicer, if already appointed) has been appointed and enters into a servicing agreement. The Originator shall not be permitted to resign under any other circumstances than those permitted in the Originator Trust Deed.

If the appointment of the Originator in its servicing role is terminated or the Originator resigns from its servicing role, the Originator must deliver the Loan Files relating to the Loans comprised in the Portfolio in its possession to, or at the direction of, the Issuer.

Neither the Note Trustee nor the Security Trustee is obliged to act as servicer in any circumstances.

Appointment of a Servicing Delegate

If so required by the Issuer (with the prior written consent of the Security Trustee), the Originator will delegate the performance of its servicing duties under the Originator Trust Deed to a replacement servicer (who may be the Back-Up Servicer, if already appointed) (the **Servicing Delegate**) upon the occurrence of a Servicing Termination Event.

If the Originator does delegate the performance of its servicing duties under the Originator Trust Deed to a Servicing Delegate, the Originator will not be permitted to terminate in any way the delegation of such servicing duties unless it is required to do so by the Issuer (with the prior written consent of the Security Trustee).

Servicing Fees

Subject to (i) the Priorities of Payment and (ii) the Originator, in its servicing capacity, not having given prior written notice of its waiver of any such fee to the Cash Manager and the Issuer, the Originator, in its servicing capacity, shall be paid, for the performance of its servicing duties and obligations under the Originator Trust Deed, a servicing fee (the **Servicing Fee**) on each Interest Payment Date up to and including the Final Maturity Date (or, if earlier, the date upon which the Notes are to be redeemed in full). The Servicing Fee shall be equal to 0.25% (inclusive of VAT, if any) on the aggregate Current Balance of the Loans in the Portfolio as determined on the last day of the immediately preceding Collection Period.

Upon any delegation of the Originator's servicing role to the Servicing Delegate, the Issuer (or the Cash Manager on the Issuer's behalf) may pay any fees of the Servicing Delegate directly to such Servicing Delegate, in consideration of the Servicing Delegate's performance of the servicing duties and obligations. The Originator shall not have any further claim against the Issuer (or the Cash Manager) to the Servicing Fee if any fees of a Servicing Delegate are paid directly by the Issuer to the Servicing Delegate.

Governing Law

The Originator Trust Deed will be governed by English law.

Back-Up Servicer Facilitator Agreement

On the Closing Date, the Back-Up Servicer Facilitator will be appointed by the Issuer under the terms of the Back-Up Servicer Facilitator Agreement. Under the Back-Up Servicer Facilitator Agreement, the Issuer (or the Cash Manager on its behalf) shall promptly after (and in any event, within 5 Business Days of) the Guarantor Requisite Ratings no longer being satisfied, notify the Back-Up Servicer Facilitator of the same, and the Back-Up Servicer Facilitator agrees to use its best efforts to promptly identify a suitably experienced third party to be appointed by the Issuer within 40 Business Days of the Guarantor losing the Guarantor Requisite Ratings as the back-up servicer who, upon the occurrence of a Servicing Termination Event where notice to terminate has been served, will assume the duties and obligations of the Originator under the Originator Trust Deed.

Such third party servicer will be appointed on the basis that, prior to its assumption of the servicing obligations, it will liaise and co-ordinate with the Originator to establish a transfer plan for the servicing obligations.

The Back-Up Servicer Facilitator Agreement will be governed by English law.

Originator Power of Attorney

Pursuant to the Originator Power of Attorney, the Originator will irrevocably appoint each of the Issuer and (only following the Issuer Security becoming enforceable), the Security Trustee to be the attorney of the Originator, which will enable the Issuer (or the Security Trustee, if applicable) to act in the Originator's name and to do any act, matter or thing which the Issuer or Security Trustee considers necessary or desirable for the protection, preservation or enjoyment of the interest of the Issuer or Security Trustee in the Loans and their Related Security. The powers of the Issuer or Security Trustee under the Originator Power of Attorney broadly include (without limitation) the power:

- (a) to take action to enforce a change of the collection account arrangements in relation to Borrowers whose Loans are in the Portfolio;
- (b) to do every other act or thing which the Originator is obliged to do under the Originator Trust Deed;
- (c) to exercise its rights, powers and discretions under the Loans including the right to fix the rate or rates of interest payable under the Loans in accordance with the terms thereof;
- (d) in the event that the Originator fails to take such timely action as required pursuant to the terms of the Originator Trust Deed, to exercise all the powers of the Originator in relation to such Loans and their Related Security;
- (e) to open, operate, deposit into, withdraw from or close any bank account forming part of the Trust Assets or which would form part of the Trust Assets but for the Originator's failure to observe any of the terms of the Originator Trust Deed;
- (f) to do any act or thing or to execute, sign, seal and deliver any documents, agreement, deed, transfer or conveyance which the Originator shall be required to do in accordance with any obligation or condition to be performed on the part of the Originator in the Originator Trust Deed; and
- (g) to do any action which involves matters fundamental to the constitution of the relevant Originator Trust or allocation of the Trust Assets subject to the relevant Originator Trust.

Guarantee

Guaranteed Amounts

Pursuant to the terms of the Guarantee to be entered into on the Closing Date between the Guarantor and the Note Trustee and agreed and acknowledged by the Issuer, the Guarantor shall irrevocably and unconditionally (subject only to the service of a Notice to Pay) guarantee to the Note Trustee, for the benefit of the Class A Noteholders, the due and punctual payment of the following amounts (together, the **Guaranteed Amounts**):

- (i) payment of interest due on the Class A Notes on each Interest Payment Date (including the Scheduled Maturity Date) up to the date on which the Class A Notes are redeemed in full; and
- (ii) the Class A Required Redemption Amount on the earlier to occur of (a) the Scheduled Maturity Date and (b) the occurrence of a Note Event of Default; provided that if an Early Amortisation Event occurs prior to the Scheduled Maturity Date, then the Guarantor shall be required to pay the Class A Required Redemption Amount (if and to the extent any Class A Notes are still outstanding) only on the Scheduled Maturity Date.

Notwithstanding the above, following the occurrence of an Early Amortisation Event, the Guarantor may elect (at its option), upon not less than 20 and not more than 40 Business Days' prior written notice to the Issuer and the Note Trustee, to pay an amount equal to the Class A Required Redemption Amount prior to the Scheduled Maturity Date, and such amount received by the Note Trustee (or, if so directed by the Note Trustee, the Paying Agent) will be applied to redeem the Class A Notes on the next following Interest Payment Date.

The Guarantor shall pay all Guaranteed Amounts to the Note Trustee (or the Paying Agent on its behalf), for application solely in respect of the Class A Notes. For the avoidance of doubt, funds paid by the Guarantor will not be distributed in accordance with the applicable Priorities of Payments.

The Guarantee will be a full recourse unsecured obligation of the Guarantor.

Notice to Pay

The Notice to Pay served by the Note Trustee to the Guarantor will specify the Guaranteed Amount(s) that has become due and payable by the Issuer under the Class A Notes (or will become due and payable by the Issuer under the Class A Notes on the next Interest Payment Date as a result of the Issuer not having sufficient moneys to make that payment on such date) and that such amount remains unpaid (or that the Issuer will not have sufficient moneys to pay such amount when due on the next Interest Payment Date).

Notice to Pay in respect of interest on the Class A Notes. On each Calculation Date, the Cash Manager shall determine if the Issuer will have sufficient Available Revenue Receipts and/or Available Principal Receipts to pay interest due on the Class A Notes on the next following Interest Payment Date. If the Cash Manager determines that the Issuer will not have sufficient funds to pay interest due on the Class A Notes on the next following Interest Payment Date, then the Cash Manager shall promptly notify the Issuer and the Note Trustee thereof, and the Note Trustee shall promptly serve a Notice to Pay on the Guarantor for the amount of the shortfall.

If the Guarantor does not pay the interest due on the Class A Notes on the relevant Interest Payment Date or within the relevant grace period set out in Condition 10.1(a)(i), then (i) such failure to pay shall constitute both a Guarantor Event of Default and a Note Event of Default and (ii) the Class A Notes will be repaid on an

accelerated basis from the Available Revenue Receipts and Available Principal Receipts until redeemed in full.

Notice to Pay in respect of principal due on the Class A Notes on the Scheduled Maturity Date. On the Calculation Date immediately preceding the Scheduled Maturity Date, the Cash Manager shall determine if the Issuer will have sufficient Available Principal Receipts to pay the Class A Required Redemption Amount on the Scheduled Maturity Date. If the Cash Manager determines that that the Issuer will not have sufficient funds to redeem the Class A Notes on the Scheduled Maturity Date, then the Cash Manager shall promptly notify the Issuer and the Note Trustee thereof, and the Note Trustee shall serve a Notice to Pay on the Guarantor for the amount of the shortfall.

If the Guarantor does not pay the Class A Required Redemption Amount on the Scheduled Maturity Date, then the Class A Notes will be repaid on an accelerated basis from Available Revenue Receipts and Available Principal Receipts, until repaid in full, in accordance with the Pre-Enforcement Principal Priority of Payments and the Pre-Enforcement Revenue Priority of Payments. No funds will be applied to redeem the Class Z VFN or other subordinated amounts until the Class A Notes are fully redeemed. After the Scheduled Maturity Date, if the Class A Notes have not been redeemed, the Issuer may take steps to sell the Portfolio to a third party which may include the Originator or an EFG Delegate. See further the section headed "*Summary of the Key Transaction Documents – Originator Trust Deed – Disposition of the beneficial interest in the Portfolio*" above.

The Class A Noteholders will also have an unsecured claim against the Guarantor for the unpaid amount under the Guarantee.

Notice to Pay in respect of the Class A Required Redemption Amount due on the occurrence of a Note Event of Default. Following the occurrence of a Note Event of Default, the Note Trustee shall promptly serve a Notice to Pay on the Guarantor for an amount equal to the Class A Required Redemption Amount.

If the Guarantor does not pay under the Guarantee, then the Issuer Security will be enforceable and the Class A Notes will be repaid on an accelerated basis from available funds, until repaid in full, in accordance with the Post-Enforcement Priority of Payments.

If the Guarantor fails to pay any Guaranteed Amounts under the Guarantee, the Class A Noteholders will also have an unsecured claim against the Guarantor for the unpaid amount under the Guarantee.

Gross-up

All payments of Guaranteed Amounts for application solely in respect of the Class A Notes by or on behalf of the Guarantor under the Guarantee shall be made without withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of Switzerland or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. If any such withholding or deduction is applied in respect of payments made under the Guarantee, subject to the exceptions set forth in the Guarantee, the Guarantor will be obliged to pay an additional amount equal to the amount of that withholding or deduction in accordance with and subject to the terms of the Guarantee.

For the avoidance of doubt, the Guaranteed Payments do not include any amounts on account of any Taxes imposed in respect of the Class A Notes which the Issuer has no obligation to pay under the Conditions of the Notes.

Governing Law

The Guarantee will be governed by Swiss law and will fall within the exclusive jurisdiction of the courts of the city of Zurich, and if permitted, the Commercial Court of the Canton of Zurich.

Issuer Deed of Charge

On the Closing Date, the Issuer will enter into the Issuer Deed of Charge with the Security Trustee.

Security

Under the terms of the Issuer Deed of Charge, the Issuer will provide the Security Trustee with the benefit of, *inter alia*, the following security (the **Issuer Security**) as trustee for itself and for the benefit of the Secured Creditors (including the Noteholders):

- (a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) the Issuer's right, title, interest and benefit in and to the Transaction Documents (subject to any set-off or netting provisions provided therein) (other than the Guarantee, the Note Trust Deed and the Issuer Deed of Charge);
- (b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) the Issuer's interest in the Trust Assets;
- (c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) the Issuer's right, title, interest and benefit to and under insurance policies acquired by the Issuer pursuant to the Originator Trust Deed;
- (d) a charge by way of first fixed charge (which may take effect as a floating charge) over the Issuer's interest in the Issuer Bank Accounts and any other account (including any securities accounts) in which it has an interest and any sums or securities standing to the credit thereof;
- (e) a charge by way of first fixed charge (which may take effect as a floating charge) over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer; and
- (f) a floating charge over all other assets of the Issuer not otherwise subject to a fixed charge or assignment but extending over all of the Issuer's property, assets, rights and revenues (whether or not the subject of fixed charge or assignment as aforesaid).

Authorised Investments means:

- (a) Sterling gilt-edged securities; and/or
- (b) Sterling demand or term deposits, certificates of deposit and short term debt obligations,

provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments (i) have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date or within 90 days, whichever is sooner, (ii) may be broken or demanded by the Issuer (at no cost to the Issuer) on or before the next following Interest Payment Date or within 90 days, whichever is sooner, and (iii) are rated at least P-1 by Moody's (and Aa3 by Moody's if the investments have a long-term rating) and R-1 (middle) by DBRS.

Transaction Documents means the Guarantee, the Note Trust Deed, the Agency Agreement, the EFGPB Bank Account Agreement, the Transaction Account Agreement, the Cash Management Agreement, the Corporate Services Agreement, the Issuer Deed of Charge (and any documents entered into pursuant to the Issuer Deed of Charge, including the Issuer Power of Attorney), the Master Definitions and Construction Schedule, the Originator Trust Deed (and any documents entered into pursuant to the Originator Trust Deed,

including the Originator Power of Attorney), the Back-Up Servicer Facilitator Agreement and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes but, for avoidance of doubt, shall not include the Subscription Agreement.

Secured Creditors means the Security Trustee (and any receiver appointed pursuant to the Issuer Deed of Charge), the Note Trustee, the Noteholders, the Originator (in its separate capacities as Originator and servicer), the Back-Up Servicer Facilitator, the Cash Manager, the EFGPB Account Bank, the Transaction Account Bank, the Corporate Services Provider, the Paying Agents, the Class Z VFN Registrar, the Agent Bank, the Guarantor and any other person who is expressed in the Issuer Deed of Charge or any deed supplemental to the Issuer Deed of Charge to be a secured creditor.

The floating charge created by the Issuer Deed of Charge may "crystallise" and become a fixed charge over the relevant class of assets owned by the Issuer at the time of crystallisation. Crystallisation will occur automatically following the occurrence of specific events set out in the Issuer Deed of Charge, including, among other events, when a Note Event of Default occurs. 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 Issuer Security.

Pre-Enforcement Revenue Priority of Payments and Pre-Enforcement Principal Priority of Payments

Prior to the Note Trustee serving a Note Acceleration Notice on the Issuer pursuant to Condition 10 (*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 — Application of Available Revenue Receipts prior to the occurrence of a Note Event of Default*" and "*Application of Available Principal Receipts prior to the service of a Note Acceleration Notice on the Issuer*" below.

Post-Enforcement Priority of Payments

After the Note Trustee has served a Note Acceleration Notice (which has not been withdrawn) on the Issuer pursuant to Condition 10 (*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) shall apply the monies available in accordance with the Post-Enforcement Priority of Payments defined in "*Cashflows — Distribution of Available Principal Receipts and Available Revenue Receipts following the service of a Note Acceleration Notice on the Issuer*" below.

The Issuer Security will become enforceable following the service of a Note Acceleration Notice on the Issuer pursuant to Condition 10 (*Events of Default*) of the Notes provided that, if the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes (a **Restricted Default**), the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless:

- (a) in the event that the Class A Noteholders have not been repaid in full prior to the occurrence of the Restricted Default, 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 Class A Noteholders (and all persons ranking in priority to the Class A Noteholders as set out in the Post-Enforcement Priority of Payments); or
- (b) if all of the Class A Noteholders have been repaid in full prior to the occurrence of the Restricted Default, 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 Class Z VFN Holder (and all persons ranking in priority thereto); or

- (c) an independent third party (the **Independent Third Party**) appointed by the Issuer (in consultation with the Cash Manager) is of the opinion that the cash flow prospectively receivable by the Issuer will not (or 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 to the Class A Noteholders (and all persons ranking in priority to the Class A Noteholders as set out in the Post-Enforcement Priority of Payments) in the event that the Class A Noteholders have not been repaid in full at the time of the Restricted Default or, if all of the Class A Noteholders have been repaid prior to the occurrence of the Restricted Default, to the Class Z VFN Holder (and all persons ranking in priority thereto), which opinion shall be binding on the Secured Creditors and reached after considering at anytime and from time to time the advice of any financial adviser (or such other professional adviser selected by the Independent Third Party).

The fees and expenses of the Independent Third Party shall be paid by the Issuer.

Governing Law

The Issuer Deed of Charge will be governed by English law.

Note Trust Deed

On or about the Closing Date, the Issuer, the Guarantor, EFG Private Bank Limited, the Security Trustee and the Note Trustee will enter into the Note Trust Deed pursuant to which the Issuer and the Note Trustee will agree that the Notes are subject to the provisions in the Note Trust Deed. The Conditions and the forms of the Notes are constituted by, and set out in, the Note 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 on trust for the Noteholders.

In accordance with the terms of the Note Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Note Trust Deed at the rate and times agreed between the Issuer and the Note Trustee 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 Note Trust Deed and the other Transaction Documents.

Retirement of Note Trustee

The Note Trustee may retire at any time upon giving not less than 40 Business Days' notice in writing to the Issuer without assigning any reason therefor and without being responsible for any costs occasioned by such retirement. The Class A Noteholders may, by Extraordinary Resolution, remove all trustees (but not some only) for the time being who are acting pursuant to the Note Trust Deed and the Issuer Deed of Charge. The retirement of the Note Trustee shall not become effective unless there remains a trustee (being a trust corporation) in office after such retirement or being removed by Extraordinary Resolution of the Class A Noteholders. The Issuer will agree in the Note Trust Deed that, in the event of the sole trustee or the only trustee under the Note Trust Deed giving notice of its retirement, it shall use its best endeavours to procure a new trustee to be appointed as soon as practicable thereafter and if, after 40 Business Days from the date the Note Trustee gives its notice of retirement or Extraordinary Resolution of the Class A Noteholders, 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 Class A Noteholders.

Governing Law

The Note Trust Deed will be governed by English law.

Agency Agreement

On or prior to the Closing Date, the Issuer, the Note Trustee, the Principal Paying Agent, the Agent Bank, the Class Z VFN Registrar and the Security Trustee will enter into the Agency Agreement pursuant to which provision will be made for, among other things, payment of principal and interest in respect of the Notes.

Governing Law

The Agency Agreement will be governed by English law.

Cash Management Agreement

On the Closing Date, the Cash Manager, the Issuer, and the Security Trustee will enter into the Cash Management Agreement.

Cash Management Services to be Provided to the Issuer

Pursuant to the Cash Management Agreement, the Cash Manager will agree to provide certain cash management and other incidental services to the Issuer. The Cash Manager's principal function will be effecting payments to and from the Transaction Account, as the case may be. In addition, the Cash Manager will, *inter alia*:

- (a) provide the Issuer, the Security Trustee, the Originator Trustee, the Class A Noteholders and the Rating Agencies with the Investor Report setting out certain aggregated loan data in relation to the Portfolio 1 Business Day prior to each Interest Payment Date (and make such Investor Report available to Bloomberg and on the following website: <http://gctabsreporting.bnpparibas.com/index.jsp>);
- (b) operate the Issuer Bank Accounts and any additional account(s) and ensure that payments are made into and from such accounts in accordance with the Cash Management Agreement, the Bank Account Agreements, the Issuer Deed of Charge and any other relevant Transaction Documents, provided that nothing shall require the Cash Manager to make funds available to the Issuer to enable such payments to be made other than as expressly required by the provisions of the Cash Management Agreement;
- (c) calculate the Available Revenue Receipts and Available Principal Receipts of the Issuer;
- (d) 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;
- (e) if required by the Security Trustee, apply, or cause to be applied, Available Revenue Receipts and Available Principal Receipts in accordance with the Post-Enforcement Priority of Payments;
- (f) record credits to, and debits from, the Cash Reserve Fund Ledger, the Retained Principal Ledger, the Principal Ledger, the Revenue Ledger, the Issuer Profit Ledger, the Principal Deficiency Ledger and the Tranche Loans Prefunding Ledger, as and when required;
- (g) make payments of the consideration for an Additional Loan, a Further Tranche and a Further Advance to the Originator;
- (h) make a drawing under the Class Z VFN as required, including, without limitation, any drawing required to fund the Further Advance Trust Consideration;

- (i) verify at the end of each Cash Sweep Date (defined below), against the balance of the EFGPB Bank Account, the Revenue Ledger and Principal Ledger, that amounts standing to the credit of the EFGPB Bank Account have been transferred to the Transaction Account (and recorded on the Revenue Ledger or the Principal Ledger, as the case may be, accordingly) on that Cash Sweep Date. In the event that such transfer has not been effected, the Cash Manager shall direct the EFGPB Account Bank to transfer amounts standing to the credit of the EFGPB Bank Account to the Transaction Account, and record all such receipts to the credit of the Revenue Ledger or the Principal Ledger, as the case may be, in each case on the immediately following Business Day;
- (j) verify on behalf of the Issuer on the Quarterly Test Date immediately following the Collection Period in which an Additional Loan, Further Advance, Product Switch or Further Tranche was acquired, the determination made by the Originator, in its capacity as servicer, as to the applicability of the Portfolio Criteria to such Additional Loan, Further Advance, Product Switch or Further Tranche on the relevant Additional Trust Date, Further Advance Trust Date, Product Switch Date or Further Tranche Trust Date, as applicable; and
- (k) make any determinations and calculations in respect of any Reconciliation Amount, if necessary.

In addition, the Cash Manager will or, in respect of paragraph (c) below, may:

- (a) maintain the following ledgers (the **Ledgers**), in each case on the Transaction Account, on behalf of the Issuer:
 - (i) the **Principal Ledger**, which will record all Principal Receipts received by the Issuer and the distribution of the 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 all Revenue Receipts received by the Issuer and distribution of the same in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);
 - (iii) the **Cash Reserve Fund Ledger** which will record (i) all amounts credited to the Cash Reserve Fund (the **Cash Reserve Fund**) from the proceeds of the Class Z VFN Holder's funding of the Class Z VFN and thereafter from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and (ii) as a debit, withdrawals from the Cash Reserve Fund on each Interest Payment Date (see "*Credit Structure — (2) Cash Reserve Fund and Cash Reserve Fund Ledger*" below);
 - (iv) the **Retained Principal Ledger** which will record (i) as a credit, all amounts credited to the Retained Principal Fund (the **Retained Principal Fund**) on each Interest Payment Date in accordance with the Pre-Enforcement Principal Priority of Payments and (ii) as a debit, all amounts withdrawn from the Retained Principal Fund to acquire the beneficial interest in any Additional Loans or Further Advances (see — "*Credit Structure — (4) Retained Principal Fund and Retained Principal Fund Ledger*" below);
 - (v) the **Principal Deficiency Ledger** (comprising two sub-ledgers) which shall record on the Class A Principal Deficiency Ledger and the Class Z VFN Principal Deficiency Ledger (as the case may be) (i) as a debit deficiencies arising from Losses on the Portfolio and Principal Receipts used to pay a Revenue Deficiency and (ii) as a credit Available Revenue Receipts applied pursuant to items (g) and (k) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon be applied as Available Principal Receipts) (see "*Credit Structure — (6) Principal Deficiency Ledgers*" below);

- (vi) the **Tranched Loans Prefunding Ledger** which will record (i) as a credit, funds provided by the Class Z VFN Holder and deposited in the Tranched Loans Prefunding Reserve (the **Tranched Loans Prefunding Reserve**) held on the Transaction Account on the acquisition by the Issuer of the beneficial interest in Tranched Loans, and (ii) as a debit, amounts used by the Issuer to acquire Further Tranches advanced under Tranched Loans and amounts repaid to the Class Z VFN Holder if a Borrower does not draw a Further Tranche under a Tranched Loan prior to the expiry of 12 months from the date that the Issuer acquires a beneficial interest in that Tranched Loan. Amounts standing to the credit of the Tranched Loans Prefunding Reserve are to be applied by the Issuer solely to acquire the beneficial interest in any Further Tranches (see "*Credit Structure — (5) Tranched Loans Prefunding Reserve and Tranched Loans Prefunding Ledger*" below); and
 - (vii) the **Issuer Profit Ledger** which shall record as a credit the Issuer Profit Amount retained by the Issuer as profit in accordance with the relevant Priority of Payments;
- (b) calculate on each Calculation Date the amount of Available Revenue Receipts and Available Principal Receipts to be applied on the relevant Interest Payment Date; and
 - (c) in the name of the Issuer and in consultation with the Originator, invest monies standing to the credit of an Issuer Bank Account in Authorised Investments, provided that (i) any costs properly and reasonably incurred in making and changing Authorised Investments will be reimbursed to the Cash Manager by the Issuer, and (ii) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Issuer Bank Account(s) from which the monies to invest in Authorised Investments were originally drawn.

Issuer Profit Amount means an amount equal to £300 as at each Interest Payment Date (£1,200 per annum).

Investor Reports

Under the Cash Management Agreement, with the assistance of the Originator, the Cash Manager will agree, to prepare and deliver, on a quarterly basis 1 Business Day prior to each Interest Payment Date, the Investor Report addressed to the Issuer, the Security Trustee, the Originator Trustee and the Rating Agencies setting out the payments into and out of each of the Issuer Bank Accounts and payments to other third parties.

The Investor Report will be posted on the following website: <http://gctabsreporting.bnpparibas.com/index.jsp>, on or about each Interest Payment Date. The website and the contents thereof do not form part of this Prospectus.

In addition, the Cash Manager will make the Investor Report available to Bloomberg.

Remuneration of Cash Manager

The Cash Manager will be paid a fee (inclusive of any VAT) for its cash management services under the Cash Management Agreement quarterly in arrears on each Interest Payment Date of such amount and on such terms as may be agreed between the Issuer and the Cash Manager. The fee is payable quarterly in arrears on each Interest Payment Date in the manner contemplated by and in accordance with 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

In certain circumstances the Issuer and the Security Trustee will each have the right to terminate the appointment of the Cash Manager and to appoint a substitute (the identity of which will be subject to the Security Trustee's written approval). Any substitute cash manager will have substantially the same rights and obligations as the Cash Manager (although the fee payable to the substitute cash manager may be higher).

The Cash Management Agreement provides that on the Cash Manager ceasing to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by Moody's of at least Baa3 (or (i) such other lower rating which is consistent with the then current rating methodology of Moody's or (ii) such other lower rating that the Cash Manager certifies in writing to the Issuer and the Security Trustee would not have an adverse effect on the ratings of the Class A Notes or (iii) such other lower rating as the Security Trustee may (but shall not be obliged to) agree, the Cash Manager will use reasonable efforts to enter into a replacement cash management with a suitably experienced third party acceptable to the Issuer (with the prior written consent of the Security Trustee) within 40 Business Days of the Cash Manager ceasing to be assigned such ratings.

Liability of the Cash Manager

The Cash Manager will indemnify each of the Issuer and the Security Trustee on an after-tax basis for any loss, liability, claim, expense or damage suffered or incurred by it in respect of the negligence, fraud or wilful default of the Cash Manager in carrying out its functions as Cash Manager under, or as a result of the gross negligence, fraud or wilful default of the Cash Manager in carrying out its functions as Cash Manager under the Cash Management Agreement or such other Transaction Documents to which the Cash Manager is a party (in its capacity as such).

Governing Law

The Cash Management Agreement will be governed by English law.

EFGPB Bank Account Agreement

Pursuant to the terms of a bank account agreement to be entered into on the Closing Date among the Issuer, EFGPB, in its separate capacities as Originator, Originator Trustee and EFGPB Account Bank, the Cash Manager and the Security Trustee, the Issuer will maintain an account (the **EFGPB Bank Account**) with EFGPB, as Account Bank, which will be operated in accordance with the Cash Management Agreement and the Issuer Deed of Charge.

All amounts received from Borrowers in respect of Loans in the Portfolio will be transferred by the Originator to the EFGPB Bank Account from the Originator's collection client accounts on or prior to the Business Day following receipt of such amounts. Amounts standing to the credit of the EFGPB Bank Account will be transferred by EFGPB to the Transaction Account on a weekly basis, on each Friday of the week in which such amounts are received and on the last day of each Collection Period (or, in each case, if such day is not a Business Day, the immediately preceding Business Day) (the **Cash Sweep Date**).

The EFGPB Bank Account Agreement may be terminated in certain circumstances by the Issuer with the assistance of the Cash Manager (with the consent of the Security Trustee), including following the occurrence of an insolvency event in respect of the EFGPB Account Bank), or following default by the EFGPB Account Bank, in the performance of its obligations under the EFGPB Bank Account Agreement which continues unremedied for a period of 20 Business Days after receiving notice or becoming aware of such default.

Governing Law

The EFGPB Bank Account Agreement will be governed by English law.

Transaction Account Agreement

Pursuant to the terms of the Transaction Account Agreement entered into on the Closing Date among the Issuer, the Originator, the Originator Trustee, the Transaction Account Bank, the Cash Manager and the Security Trustee, the Issuer will maintain a Transaction Account (the **Transaction Account**) with the Transaction Account Bank, which will be operated in accordance with the Cash Management Agreement and the Issuer Deed of Charge. The Issuer may also establish additional accounts (including, without limitation, custody accounts) with the Transaction Account Bank under the Transaction Account Agreement.

Amounts will be deposited in the Transaction Account on or around each Cash Sweep Date and such deposit amounts will be credited to the Revenue Ledger or the Principal Ledger, as the case may be, pursuant to the Cash Management Agreement. On each Interest Payment Date, amounts standing to the credit of the Transaction Account will be applied by the Cash Manager pursuant to the Cash Management Agreement and in accordance with the Priorities of Payments described below under "*Cashflows*".

If at any time the long-term or short-term (if applicable) unsecured, unsubordinated and unguaranteed debt obligation ratings of the Transaction Account Bank are downgraded below the Account Bank Rating (as defined below), the Issuer (or the Cash Manager on the Issuer's behalf) will be required (within 20 Business Days) to arrange for the transfer (at its own cost) of the Issuer Bank Accounts to an appropriately rated bank or financial institution on substantially similar terms to those set out in the Transaction Account Agreement in order to maintain the ratings of the Notes at their then current ratings unless the Account Bank has arranged a guarantee of its obligations by a suitably rated third party.

Account Bank Rating means long-term, unsecured, unguaranteed and unsubordinated debt obligations rated at least A2 by Moody's (or, P1 if a short-term rating is assigned by Moody's) (or (i) such other lower rating which is consistent with the then current rating methodology of Moody's or (ii) such other lower rating that the Cash Manager certifies in writing to the Note Trustee and the Security Trustee would not have an adverse effect on the ratings of the Class A Notes or (iii) such other lower rating as the Note Trustee may (but shall not be obliged to) agree.

The Transaction Account Agreement may be terminated in other circumstances by the Issuer with the assistance of the Cash Manager (with the consent of the Security Trustee) including the occurrence of an insolvency event in respect of the Transaction Account Bank or default by the Transaction Account Bank in the performance of its obligations under the Transaction Account Agreement which continues unremedied for a period of 20 Business Days after receiving notice or becoming aware of such default.

The Transaction Account Agreement will be governed by English law.

The Corporate Services Agreement

On or prior to the Closing Date, the Issuer, the Share Trustee, the Security Trustee, the Corporate Services Provider and EFGPB will enter into the Corporate Services Agreement pursuant to which the Corporate Services Provider will provide the Issuer and Holdings with certain corporate and administrative functions against the payment of a fee. Such services include, *inter alia*, the performance of all general book-keeping, secretarial, registrar and company administration services for the Issuer and Holdings (including the provision of directors), the providing of the directors with information in connection with the Issuer and Holdings and the arrangement for the convening of shareholders' and directors' meetings.

Governing Law

The Corporate Services Agreement will be governed by English law.

CREDIT STRUCTURE

Other than in circumstances where the Guarantee is called upon, the Notes are obligations of the Issuer only. The Notes are not obligations of, or the responsibility of, or guaranteed by, any of the Originator, any Joint Lead Manager, the Cash Manager, the Account Banks, the Principal Paying Agent, any company in the same group of companies as any such entities or any other party to the Transaction Documents, except that payments on the Class A Notes will be guaranteed by the Guarantor as described herein. 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 Originator, any Joint Lead Manager, the Cash Manager, the Account Banks, the Principal Paying Agent or by any other person other than the Issuer and, if the Guarantee is called upon, the Guarantor.

The structure of the credit support arrangements may be summarised as follows:

1. Credit Support for the Notes provided by Available Revenue Receipts

It is anticipated that, during the life of the Notes, the interest payable by Borrowers on the Loans will, assuming that all of the Loans are fully performing, be sufficient so that the Available Revenue Receipts will be sufficient to pay the amounts payable under items (a) to (n) (inclusive) of the Pre-Enforcement Revenue Priority of Payments. The actual amount of any Deferred Consideration payable under item (n) of 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 (as to which, see "*Risk Factors - Interest Rate Risk for the Notes*" below) and the performance of the Portfolio.

Available Revenue Receipts may be applied (after making payments or provisions 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.

To the extent that the amount of Available Revenue Receipts on each Interest Payment Date exceeds the aggregate of the payments and provisions required to be met under items (a) to (g) (inclusive) of the Pre-Enforcement Revenue Priority of Payments, such excess is available to replenish and increase the Cash Reserve Fund up to and including an amount equal to the Cash Reserve Required Balance.

2. Cash Reserve Fund and Cash Reserve Fund Ledger

On the Closing Date, the Issuer will establish a fund called the **Cash Reserve Fund** to provide credit enhancement for the Class A Notes. On the Closing Date, the Cash Reserve Fund will be funded in the amount of the Cash Reserve Required Balance from part of the proceeds of the Class Z VFN Holder's subscription of the Class Z VFN. After the Closing Date, the Cash Reserve Fund will (prior to the occurrence of an Early Amortisation Event or the Scheduled Maturity Date) be funded up to the Cash Reserve Required Balance from Available Revenue Receipts and will be replenished from Available Revenue Receipts in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments on each Interest Payment Date.

The Cash Reserve Fund will be deposited in the Transaction Account (with a corresponding credit being made to the Cash Reserve Fund Ledger). The Issuer may invest the amounts standing to the credit of the Transaction Account in Authorised Investments. For more information about the application of the amounts standing to the credit of the Cash Reserve Fund, see the section "*Cashflows – Application of Monies Released from the Cash Reserve Fund*" below.

The Cash Manager will maintain the Cash Reserve Fund Ledger pursuant to the Cash Management Agreement to record the balance from time to time of the Cash Reserve Fund.

The **Cash Reserve Required Balance** will be an amount equal to £8,554,661.12 (being an amount equal to 2.30% of the aggregate Current Balance of the Portfolio as at the Closing Date).

On any Interest Payment Date on which the Class A Notes are fully repaid or otherwise redeemed in full, the Cash Reserve Required Balance will be reduced to zero and any amounts held in the Cash Reserve Fund will form part of Available Revenue Receipts and will be applied in accordance with the Pre-Enforcement Priority of Payments.

3. Use of Principal Receipts to pay Revenue Deficiency

On each Calculation Date, the Cash Manager will calculate whether the aggregate of items (a) to (f) less (g) of the Available Revenue Receipts is insufficient to pay items (a) to (e) of the Pre-Enforcement Revenue Priority of Payments. If there is a deficit (the **Revenue Deficiency**), then the Issuer (or the Cash Manager on its behalf) shall pay or provide for that Revenue Deficiency by the application of amounts standing to the credit of the Principal Ledger, if any, and the Cash Manager shall make a corresponding entry in the relevant Principal Deficiency Ledger, as described in "*Principal Deficiency Ledgers*" below as well as making a debit in the Principal Ledger. Any such entry and debit shall be made and taken into account prior to the application of Available Principal Receipts on the relevant Interest Payment Date. For more information about the application of Principal Receipts to pay a Revenue Deficiency, see the section "*Cashflows – Applications of Principal Receipts to Revenue Deficiency*".

4. Retained Principal Fund and Retained Principal Ledger

On each Interest Payment Date during the Revolving Period, the Issuer will (to the extent such amounts are not used to acquire the beneficial interest in Additional Loans during the immediately preceding Collection Period) credit the Retained Principal Fund with the Available Principal Receipts and make a corresponding credit to the Retained Principal Ledger. Amounts standing to the credit of the Retained Principal Fund will be used (on a first in, first out basis) on each Additional Trust Date or Further Advance Trust Date to acquire the beneficial interest in Additional Loans, if so offered by the Originator, or Further Advances (as applicable). If any amount deposited in the Retained Principal Fund has not been withdrawn within 12 months of the date of deposit, an Early Amortisation Event will occur, the Revolving Period will end, and all amounts standing to the credit of the Retained Principal Fund will be available to the Issuer as Available Principal Receipts to apply in accordance with the Pre-Enforcement Principal Priority of Payments or the Post-Enforcement Priority of Payments, as applicable, on the next following Interest Payment Date. For more information about the application of the amounts standing to the credit of the Retained Principal Fund, see the section "*Cashflows – Applications of Monies standing to the credit of the Retained Principal Ledger*".

5. Tranched Loans Prefunding Reserve Fund and Tranched Loans Prefunding Ledger

If the Issuer acquires a Tranched Loan (either as part of the Initial Portfolio or during the Revolving Period), the Class Z VFN Holder shall be required to provide funding under the Class Z VFN in an amount equal to the difference between the drawn amount and the committed amount under the Tranched Loan. Such funds shall be deposited by the Issuer on the Tranched Loans Prefunding Reserve held in the Transaction Account (with a corresponding credit made to the Tranched Loans Prefunding Ledger). If the Tranched Loan Commitment lapses, the amounts credited to the Tranched Loan Prefunding Ledger in relation to such Loan will be returned to the Class Z VFN Holder (by way of redemption of the Class Z VFN in accordance with Condition 7.9) (and, for the avoidance of doubt, will not form part of Available Principal Receipts for the Issuer to distribute on the relevant Interest Payment Date).

6. Principal Deficiency Ledgers

A Principal Deficiency Ledger, comprising two sub ledgers, known as the **Class A Principal Deficiency Ledger** and the **Class Z VFN Principal Deficiency Ledger** (each, a **Principal Deficiency Ledger** and, together, the **Principal Deficiency Ledgers**), will be established on the Closing Date in order to record any Losses on the Portfolio as allocated against each of the Classes of Notes referenced above and/or the application of Principal Receipts to pay any Revenue Deficiency on an Interest Payment Date to fund senior expenses and interest payments on the Class A Notes. Losses or debits recorded on the Class A Principal Deficiency Ledger shall be recorded in respect of the Class A Notes. Losses or debits recorded on the Class Z VFN Principal Deficiency Ledger shall be recorded in respect of the Class Z VFN.

The application of any Principal Receipts to meet any Losses on the Portfolio will be recorded as a debit:

- (a) first, to the Class Z VFN Principal Deficiency Ledger up to a maximum of the Class Z VFN Principal Deficiency Limit; ; and
- (b) second, *pro rata* and *pari passu* to the Class A Principal Deficiency Ledger.

Losses means, in respect of any Calculation Date, the amount (if any) determined in good faith by the Originator (in its servicing capacity) as being the outstanding principal balance due in respect of all Defaulted Loans after the Originator (in its servicing capacity) has determined that it will not or is unlikely to recover the full outstanding principal balance of such Defaulted Loan. Losses will be calculated after applying any recoveries from any source to outstanding principal and interest amounts due and payable on the relevant Loan.

Class Z VFN Principal Deficiency Limit means the Principal Amount Outstanding of the Class Z VFN used to fund the Current Balance (calculated as at such corresponding funding date) of the Loans.

Amounts allocated to each Principal Deficiency Ledger shall be reduced to the extent of Available Revenue Receipts available for such purpose on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments. Such amounts will be applied in repayment of principal as Available Principal Receipts in accordance with the Pre-Enforcement Principal Priority of Payments.

7. Available Receipts

To the extent that the Available Revenue Receipts and Available Principal Receipts are sufficient on any Calculation Date, they shall be paid on the immediately following Interest Payment Date to the persons entitled thereto (or a relevant provision made) in accordance with the Pre-Enforcement Revenue Priority of Payments or the Pre-Enforcement Principal Priority of Payments, as applicable. It is not intended that any surplus will be accumulated in the Issuer (although this does not include the Issuer Profit Amount which the Issuer expects to generate each accounting period as its profit in respect of the business of the Issuer, amounts standing to the credit of the Cash Reserve Fund Ledger).

If, on any Interest Payment Date whilst there are Class A Notes outstanding, the Issuer has insufficient Available Revenue Receipts to pay the interest otherwise due on the Class Z VFN then the Issuer will be entitled under Condition 16 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. Such deferral will not constitute a Note Event of Default. If there are no Class A Notes then outstanding, the Issuer will not be entitled to defer payments of interest in respect of the Class Z VFN.

Failure to pay interest on the Class A Notes within any applicable grace period in accordance with the Conditions shall constitute a Note Event of Default (unless the Guarantor has paid Guaranteed Amounts

when due and payable under the Guarantee) which may result in the Security Trustee enforcing the Issuer Security.

CASHFLOWS

Definition of Revenue Receipts

Revenue Receipts means (a) payments of interest and other fees due from time to time under the Loans (including Early Repayment Fees and any Arrears of Interest) and other amounts received by the Issuer in respect of the Loans other than Principal Receipts, (b) recoveries of interest from defaulting Borrowers under Loans being enforced and (c) recoveries of any amounts (including any interest and principal amounts) from defaulting Borrowers under Loans in respect of which enforcement procedures have been completed if such recoveries are identifiable by the Originator Trustee as pertaining to a Loan in the Portfolio.

Definition of Available Revenue Receipts

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

- (a) Revenue Receipts received during the immediately preceding Collection Period, or if in a Determination Period, Calculated Revenue Receipts, in each case, excluding an amount equal to any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date;
- (b) interest payable to the Issuer on the Issuer Bank Accounts and income from any Authorised Investments in each case received during the immediately preceding Collection Period;
- (c) other net income of the Issuer received during the immediately preceding Collection Period (excluding any Principal Receipts);
- (d) amounts standing to the credit of the Cash Reserve Fund as at the last day of the immediately preceding Collection Period;
- (e) amounts credited to the Transaction Account on the immediately preceding Interest Payment Date in accordance with paragraph (m) of the Pre-Acceleration Revenue Priority of Payments
- (f) following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 5.9(c);

less:

- (g) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies, which properly belong to third parties (including the Originator) such as (but not limited to):
 - payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;
 - amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;
 - payments by the Borrower of any fees (including Early Repayment Fees) and other charges which are due to the Originator; and
 - 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 or the Originator,

(together the **Third Party Amounts**). Third Party Amounts may be deducted by the Cash Manager on a daily basis from the Issuer Bank Accounts to make payment to the persons entitled thereto except where such payments have already been provided for elsewhere;

plus:

- (h) if a Revenue Deficiency occurs such that the aggregate of items (a) to (f) less (g) above is insufficient to pay or provide for interest due on the Class A Notes or amounts ranking in priority thereto in the Pre-Enforcement Revenue Priority of Payments, Available Principal Receipts in an aggregate amount sufficient to cover such Revenue Deficiency; and
- (i) any Further Class Z VFN Funding provided (or to be provided prior to the forthcoming Interest Payment Date) by the Class Z VFN Holder in order to ensure that following the application of Available Revenue Receipts on such Interest Payment Date there will not be an outstanding balance on the Principal Deficiency Ledger.

As used in this Prospectus:

Accrued Interest means in respect of a Loan as at any date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the periodic payment date in respect of that Borrower's Loan immediately preceding the relevant date to (but excluding) the relevant date;

Appointee means any attorney, manager, agent, delegate, nominee, Receiver, receiver and manager, custodian or other person properly appointed by the Note Trustee under the Note Trust Deed or the Security Trustee under the Issuer Deed of Charge (as applicable) to discharge any of its functions;

Arrears of Interest means as at any date in respect of any Loan, the aggregate of all interest (other than Accrued Interest) on that Loan which is currently due and payable and unpaid on that date;

Early Repayment Fee means any fee (other than a Redemption Fee) which a Borrower is required to pay in the event that such Borrower repays all or any part of the relevant Loan before a specified date in the Mortgage Conditions;

Early Repayment Fee Receipts means an amount equal to sums received by the Issuer from time to time in respect of Early Repayment Fees; and

Redemption Fee means the standard redemption fee charged to the Borrower by the Originator where the Borrower makes a repayment of the full outstanding principal of a Loan on the maturity date of such Loan.

Application of Monies Released from the Cash Reserve Fund

Prior to service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the Cash Reserve Fund Ledger as at the end of the immediately preceding Collection Period will be applied on each Interest Payment Date as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments. Following service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the Cash Reserve Fund Ledger will be applied in accordance with the Post-Enforcement Priority of Payments.

Application of Principal Receipts to pay Revenue Deficiency

Prior to service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the Retained Principal Ledger and the Principal Ledger as at the end of the immediately preceding Collection Period may be applied on each Interest Payment Date to make payments to items (a) to (e) of the Pre-Enforcement

Revenue Priority of Payments in an amount equal to the Revenue Deficiency on such Interest Payment Date.

If any amounts are applied from the Retained Principal Ledger and the Principal Ledger to pay or provide for a Revenue Deficiency on any Interest Payment Date, the Issuer (or the Cash Manager on its behalf) will make a corresponding entry in the relevant Principal Deficiency Ledger.

Following service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the Principal Ledger will be applied in accordance with the Post-Enforcement Priority of Payments.

Application of amounts standing to the credit of the Retained Principal Ledger

Prior to service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the Retained Principal Ledger as at any Additional Trust Date (in relation to an Additional Portfolio) or any Further Advance Trust Date (in relation to any Further Advances) may be applied by the Issuer, on a first in, first out basis, to acquire a beneficial interest in Additional Loans (if so offered by the Originator from time to time) or the beneficial interest in any Further Advances.

If any amount standing to the credit of the Retained Principal Ledger has not been withdrawn within 12 months of the date of deposit, an Early Amortisation Event will occur and the Revolving Period shall end. Following the occurrence of an Early Amortisation Event, amounts standing to the credit of the Retained Principal Ledger shall be applied in accordance with the Pre-Enforcement Principal Priority of Payments or, as applicable, the Post Enforcement Priority of Payments.

Following service of a Note Acceleration Notice on the Issuer, monies standing to the credit of the Retained Principal Ledger will be applied in accordance with the Post-Enforcement Priority of Payments.

Application of funds standing to the credit of the Tranched Loans Prefunding Ledger

Monies standing to the credit of the Tranched Loans Prefunding Ledger will not form part of the Available Principal Receipts and will not be distributed in accordance with the Priorities of Payment. Funds standing to the credit of the Tranched Loans Prefunding Ledger shall be applied by the Issuer solely to acquire a beneficial interest in further tranches advanced under Tranched Loans after the Additional Trust Date on which the beneficial interest in such Tranche Loan was acquired by the Issuer.

If the Tranche Loan Commitment lapses, the amounts credited to the Tranche Loan Prefunding Ledger in relation to such Loan will be returned to the Class Z VFN Holder (by way of redemption of the Class Z VFN in accordance with Condition 7.8) (and, for the avoidance of doubt, will not form part of Available Principal Receipts for the Issuer to distribute on the relevant Interest Payment Date).

Application of Monies following redemption of the Notes in full

On any Optional Redemption Date (which is not an Interest Payment Date) on which the Notes are repaid or provided for in full, the Issuer (or the Cash Manager on its behalf) may, or if directed by the Originator Trustee, shall, apply all amounts standing to the credit of any Issuer Bank Account of the Issuer to repay any liabilities of the Issuer and to discharge all other amounts required to be paid by the Issuer in accordance with the order of priority set out in the Post-Enforcement Priority of Payments.

Application of Available Revenue Receipts prior to the occurrence of a Note Event of Default

On each relevant Interest Payment Date prior to the occurrence of a Note Event of Default, the Issuer (or the Cash Manager on its behalf), 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*, to pay (or provide for any amounts) in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) any fees, costs, charges, liabilities, expenses and all other amounts then due or to become due and payable to the Note Trustee and any Appointee prior to the immediately succeeding Interest Payment Date under the provisions of the Note Trust Deed and the other Transaction Documents together with (if payable) value added tax (**VAT**) thereon as provided therein; and
 - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable or to become due and payable to the Security Trustee and any Appointee prior to the immediately succeeding Interest Payment Date under the provisions of the Issuer Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;
- (b) *second*, to pay (or provide for any amounts), in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable or to become due and payable to the Agent Bank and the Paying Agents prior to the immediately succeeding Interest Payment Date under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (ii) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to the Corporate Services Provider prior to the immediately succeeding Interest Period under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;
 - (iii) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to the Class Z VFN Registrar prior to the immediately succeeding Interest Period under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (iv) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to the EFGPB Account Bank prior to the immediately succeeding Interest Payment Date under the provisions of the EFGPB Bank Account Agreement, together with (if applicable) VAT thereon as provided therein;
 - (v) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to the Cash Manager prior to the immediately succeeding Interest Payment Date under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;
 - (vi) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to the Transaction Account Bank prior to the immediately succeeding Interest Payment Date under the provisions of the Transaction Account Agreement, together with VAT (if payable) thereon as provided therein; and
 - (vii) any amounts then due and payable by way of reimbursement to the Originator and Originator Trustee of reasonable legal expenses and costs (including any Irrecoverable VAT in respect thereof) incurred by the Originator and Originator Trustee as a result of legal proceedings participated in or joined by the Originator and Originator Trustee in accordance with the Originator Trust Deed which were necessary to protect, preserve and enforce the

Originator's, Originator Trustee's or the Issuer's or the Security Trustee's title to or interest in any Loan or its Related Security subject to the Originator Trusts;

- (c) *third*, in or towards satisfaction of any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer prior to the immediately following Interest Payment Date and any amounts required to pay or discharge any liability of the Issuer for corporation tax on any income or chargeable gain of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (f) below);
- (d) *fourth*, to pay (or provide for any amounts) in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any Servicing Fees then due and payable or to become due and payable to the Originator prior to the immediately succeeding Interest Period pursuant to the Originator Trust Deed , together with VAT (if payable) thereon as provided therein;
 - (ii) any fees, costs, charges, liabilities and expenses (other than Servicing Fees) then due and payable or to become due and payable to any Back-Up Servicer prior to the immediately succeeding Interest Period under the provisions of any Back-Up Servicing Agreement, together with VAT (if payable) thereon as provided therein;
 - (iii) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to any Servicing Delegate prior to the immediately succeeding Interest Period, together with VAT (if payable) thereon;
 - (iv) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to the Back-Up Servicer Facilitator prior to the immediately succeeding Interest Period under the provisions of the Back-Up Servicer Facilitator Agreement, together with (if payable) VAT thereon as provided therein; and
 - (v) if and when appointed, any fees, costs, charges, liabilities and expenses then due and payable to any Portfolio Agent appointed pursuant to the Originator Trust Deed, together with (if payable) VAT thereon as provided therein;
- (e) *fifth*, to pay, *pro rata* and *pari passu* according to the respective outstanding amounts thereof, interest due and payable on the Class A Notes;
- (f) *sixth*, to pay the Issuer the Issuer Profit Amount to be retained by the Issuer as profit in respect of the business of the Issuer;
- (g) *seventh*, to credit (so long as any Class A Notes will remain outstanding following such Interest Payment Date) the Class A Principal Deficiency Ledger in an amount sufficient to arrive to a balance of zero (any such amounts to be applied in repayment of principal as Available Principal Receipts);
- (h) *eighth*, prior to the earlier to occur of (i) the Scheduled Maturity Date and (ii) an Early Amortisation Event, to credit the Cash Reserve Fund Ledger up to the Cash Reserve Required Balance;
- (i) *ninth*, following to the earlier to occur of (i) the Scheduled Maturity Date and (ii) an Early Amortisation Event, any remaining amounts to be applied as Available Principal Receipts until the Class A Notes have been fully redeemed;
- (j) *tenth*, to repay any Guaranteed Amounts paid by the Guarantor under the Guarantee;

- (k) *eleventh*, (so long as the Class Z VFN remains outstanding following such Interest Payment Date), upon repayment of any amount due to the Guarantor, to credit the Class Z VFN Principal Deficiency Ledger in an amount sufficient to arrive to a balance of zero (any such amounts to be applied in repayment of principal as Available Principal Receipts);
- (l) *twelfth*, to provide for amounts due on the relevant Interest Payment Date to pay interest (including any Deferred Interest) due and payable on the Class Z VFN according to the respective Principal Amount Outstanding thereof;
- (m) *thirteenth*, (so long as any Class A Notes will remain outstanding following such Interest Payment Date), if such Interest Payment Date falls within a Determination Period, then the excess (if any) to the Transaction Account to be applied as Available Revenue Receipts on the next following Interest Payment Date; and
- (n) *fourteenth*, to pay remaining amounts to the Originator as Deferred Consideration pursuant to the Originator Trust Deed.

Definition of Principal Receipts

Principal Receipts means (a) principal repayments under the Loans, (b) net recoveries of principal from defaulting Borrowers under Loans being enforced (including the net proceeds of sale of the relevant Property), (c) any payment pursuant to any insurance policy in respect of a Mortgaged Property in connection with a Loan in the Portfolio and (d) the proceeds of the re-acquisition of the beneficial interest in any Loan by the Originator (or an EFG Delegate) or the acquisition of the beneficial interest in any Loan by a third party from the Issuer pursuant to the Originator Trust Deed (other than any amount representing Accrued Interest) but, for the avoidance of doubt, excludes any payments made by the Guarantor under the Guarantee.

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 or, if in a Determination Period, any Calculated Principal Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date (i) received by the Issuer during the immediately preceding Collection Period (minus (A) an amount equal to the aggregate of all Further Advance Trust Consideration paid by the Issuer in such Collection Period (but excluding from this deduction any Further Advance Trust Consideration paid out on a date that is also an Interest Payment Date), (B) an amount equal to the aggregate of all Further Advance Trust Consideration to be paid by the Issuer on that Interest Payment Date but in an aggregate amount not exceeding such Principal Receipts and (C) an amount equal to the aggregate of all amounts paid by way of consideration for the Issuer's beneficial interest in any Additional Loans which have been transferred to the Issuer pursuant to the terms of the Originator Trust Deed (other than in relation to the beneficial interest in any commitments under a Tranched Loan, which shall be funded directly from amounts standing to the credit of the Tranched Loans Prefunding Ledger) in such Collection Period (but excluding from this deduction any such amounts which are paid out on a date which is also an Interest Payment Date)) and (ii) received by the Issuer from the Originator or an EFG Delegate during the immediately preceding Collection Period in respect of any re-acquisitions or acquisitions of the beneficial interest in Loans that were re-acquired by the Originator or an EFG Delegate pursuant to the Originator Trust Deed;

- (b) the amounts (if any) calculated on that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Ledger and/or the Class Z VFN Principal Deficiency Ledger is reduced;
 - (c) any amounts deemed to be Available Principal Receipts in accordance with paragraph (i) of the Pre-Enforcement Revenue Priority of Payments;
 - (d) amounts released from the Retained Principal Ledger following the occurrence of an Early Amortisation Event or a Note Event of Default;
 - (e) following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 5.9(c);
 - (f) (in respect of the first Interest Payment Date only) the amount paid into the Transaction Account on the Closing Date from the excess of the proceeds of the Notes (excluding the proceeds of the Class Z VFN used to establish the Cash Reserve Fund and the Tranched Loans Prefunding Ledger and to pay the initial expenses of the Issuer incurred in connection with the issue of the Notes on the Closing Date) over the Initial Consideration;
- less*
- (g) any amounts utilised to pay a Revenue Deficiency pursuant to paragraph (h) of the definition of Available Revenue Receipts.

Application of Available Principal Receipts Prior to the occurrence of a Note Event of Default

Prior to the occurrence of a Note Event of Default, the Issuer (or the Cash Manager on its behalf) 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 higher priority have been paid in full):

- (a) *first*, during the Revolving Period, to pay the consideration for the Issuer's beneficial interest in any Additional Loans to be transferred to the Issuer pursuant to the terms of the Originator Trust Deed (other than in relation to the beneficial interest in any commitments under a Tranched Loan, which shall be funded directly from amounts standing to the credit of the Tranched Loans Prefunding Ledger) or if no Loans are available for acquisition by the Issuer on such Interest Payment Date or if there is an excess after paying such consideration, to make a credit to the Retained Principal Ledger;
- (b) *second*, following the earlier to occur of (i) the Scheduled Maturity Date and (ii) an Early Amortisation Event, in or towards repayment of the principal amounts outstanding on the Class A Notes until the Class A Notes are fully repaid;
- (c) *third*, amounts to be repaid to the Guarantor in respect of Guaranteed Amounts paid by the Guarantor under the Guarantee; and
- (d) *fourth*, in or towards repayment of the principal amounts outstanding on the Class Z VFN until the Principal Amount Outstanding of the subscription under the Class Z VFN used to fund the Current Balance of the Loans has been reduced to zero.

Distribution of Available Principal Receipts and Available Revenue Receipts following the occurrence of a Note Event of Default

Following the service of a Note Acceleration Notice (which has not been revoked) on the Issuer, the Security Trustee (or the Cash Manager on its behalf) or a Receiver will apply amounts received or recovered following the service of a Note Acceleration Notice on the Issuer (including, for the avoidance of doubt, on enforcement of the Issuer Security) other than any amounts standing to the credit of the Issuer Profit Ledger or any Issuer Profit Amount (which such amounts shall be used by the Issuer in or towards satisfaction of any amounts due and payable by the Issuer to third parties (and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period) 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 on any income or chargeable gain of the Issuer (which such amounts shall be used for such purpose), 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*, to pay (or provide for any amounts) in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Note Trustee and any Appointee under the provisions of the Note Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and
 - (ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Security Trustee, any Receiver appointed by the Security Trustee and any Appointee under the provisions of the Issuer Deed of Charge and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;

- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable to the Agent Bank and the Paying Agents under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;
 - (ii) 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 (if payable) VAT thereon as provided therein;
 - (iii) any fees, costs, charges, liabilities and expenses then due and payable to the Class Z VFN Registrar under the provisions of the Agency Agreement together with (if payable) VAT thereon as provided therein;
 - (iv) any fees, costs, charges, liabilities and expenses then due and payable to the EFGPB Account Bank under the provisions of the EFGPB Bank Account Agreement, together with (if payable) VAT thereon as provided therein;
 - (v) any fees, costs, charges, liabilities and expenses then due and payable to the Cash Manager under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;

- (vi) any fees, costs, charges, liabilities and expenses then due and payable to the Transaction Account Bank under the provisions of the Transaction Account Agreement, together with VAT (if payable) thereon as provided therein; and
 - (vii) any amounts then due and payable by way of reimbursement to the Originator and Originator Trustee of reasonable legal expenses and costs (including any Irrecoverable VAT in respect thereof) incurred by the Originator and Originator Trustee as a result of legal proceedings participated in or joined by the Originator and Originator Trustee in accordance with the Originator Trust Deed which were reasonably necessary to protect, preserve and enforce the Originator's, Originator Trustee's or the Issuer's or the Security Trustee's title to or interest in any Loan or its Related Security subject to the Originator Trusts;
- (c) *third*, to pay, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) any Servicing Fees then due and payable to the Originator appointed pursuant to the Originator Trust Deed, together with VAT (if payable) thereon as provided therein;
 - (ii) any fees, costs, charges, liabilities and expenses (other than Servicing Fees) then due and payable to any Back-Up Servicer under the provisions of any Back-Up Servicing Agreement, together with VAT (if payable) thereon as provided therein;
 - (iii) any fees, costs, charges, liabilities and expenses then due and payable or to become due and payable to any Servicing Delegate prior to the immediately succeeding Interest Period, together with VAT (if payable) thereon;
 - (iv) any fees, costs, charges, liabilities and expenses then due and payable to the Back-Up Servicer Facilitator under the provisions of the Back-Up Servicer Facilitator Agreement, together with (if payable) VAT thereon as provided therein; and
 - (v) if and when appointed, any fees, costs, charges, liabilities and expenses then due and payable to any Portfolio Agent appointed pursuant to the Originator Trust Deed, together with (if payable) VAT thereon as provided therein;
- (d) *fourth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof any interest and principal due and payable on the Class A Notes, until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;
- (e) *fifth*, to repay any Guaranteed Amounts to the Guarantor paid by the Guarantor under the Guarantee;
- (f) *sixth*, to pay according to the respective outstanding amounts thereof any interest and principal due and payable on the Class Z VFN until the Principal Amount Outstanding on the Class Z VFN has been reduced to zero;
- (g) *seventh*, to pay the Issuer the Issuer Profit Amount to be retained by the Issuer as profit in respect of the business of the Issuer; and
- (h) *eighth*, to pay any Deferred Consideration due and payable under the Originator Trust Deed to the Originator.

DESCRIPTION OF THE NOTES IN GLOBAL FORM AND THE VARIABLE FUNDING NOTES

General

The Class A Notes, as at the Closing Date, will initially be represented by a Temporary Global Note. All capitalised terms not defined in this paragraph shall be as defined in the Conditions of the Notes.

The Temporary Global Note will be deposited on or about the Closing Date on behalf of the subscribers for the Class A Notes with a Common Safekeeper for both Euroclear and Clearstream, Luxembourg (together, the **Clearing Systems**). Upon deposit of the Temporary Global Note, the Clearing Systems will credit each subscriber of Notes with the principal amount of Class A Notes equal to the aggregate principal amount thereof for which the subscriber will have subscribed and paid. Interests in the Temporary Global Note are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests recorded in the records of the Clearing Systems in a Permanent Global Note.

For so long as the Class A Notes are represented by a Global Note and the Clearing Systems so permit, the Class A Notes will be tradeable only in the minimum authorised denomination of £100,000 and integral multiples of £1,000 in excess thereof.

Payments on the Global Note

Payments in respect of principal, premium (if any) and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal, premium or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers which reflect such customers' interest in the Notes) and such records shall be prima facie evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered pro rata in the records of the relevant Clearing Systems but any failure to make such entries shall not affect the discharge referred to above.

Payments will be made, in respect of the Global Notes, by credit or transfer to an account in sterling maintained by the payee with a bank in London.

Payments in respect of principal, premium (if any) and interest on the Global Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

A holder shall be entitled to present a Global Note for payment only on a Presentation Date and shall not, except as provided in Condition 5 (*Interest*), be entitled to any further interest or other payment if a Presentation Date is after the due date.

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 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 depository and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of Noteholders or if a Noteholder desires to give instructions or to take any action that a Noteholder is entitled to give or take under the Note Trust Deed or the Issuer Deed of Charge, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the participants 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 the 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 or to the order of the Common Safekeeper and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. The redemption price payable in connection with the redemption 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. Any redemptions of the Global Note in part 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.

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 "*Description of the Notes in global form and the Variable Funding Notes — General*" above.

Issuance of Definitive Notes

If, while any of the Notes are represented by a Permanent Global Note, (a) either of the Clearing Systems is 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 does in fact do so 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 such Notes in definitive form, then the Issuer will issue Definitive Notes in exchange for such Permanent Global Note (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event. The Conditions and the Transaction Documents will be amended in such manner as the Note Trustee and the Security Trustee require to take account of the issue of Definitive Notes.

Any Notes issued in definitive form will be issued in definitive bearer form in the denominations set out in the Conditions and will be subject to the provisions set forth under "*Transfers and Transfer Restrictions*" above.

Reports

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices, reports and other communications received relating to the Issuer, each Global Note or the Book-Entry Interests. In addition, so long as the Notes are admitted to the Irish Stock Exchange's Official List and trading on its Main Securities Market, any notice may also be published in accordance with the relevant rules and regulations of the Irish Stock Exchange (which includes delivering a copy of such notice to the Irish Stock Exchange). See also Condition 15 (*Notice to Noteholders*) of the Notes.

Variable Funding Notes

The Class Z VFN will be issued in dematerialised registered form and no certificate evidencing entitlement to the Class Z VFN will be issued. The Issuer will also maintain a register, to be kept on the Issuer's behalf by the Class Z VFN Registrar, in which the Class Z VFN will be registered in the name of the Class Z VFN Holder. Transfers of the Class Z VFN may be made only through the register maintained by the Issuer and are subject to the transfer restrictions set out in Condition 2.2 (*Title*).

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions (the **Conditions** of the Notes and any reference to a **Condition** shall be construed accordingly) of the Notes in the form (subject to amendment) in which they will be set out in the Note Trust Deed (as defined below).*

1. GENERAL

The £266,300,000 class A asset backed floating rate Notes due November 2030 (the **Class A Notes**) and the £135,000,000 variable funded note due November 2030 (the **Class Z VFN** and, together with the Class A Notes, the **Notes**), in each case of Chestnut Financing PLC (the **Issuer**) are constituted by a trust deed (the **Note Trust Deed**) dated on or about 28 May 2014 (the **Closing Date**) and made among the Issuer, EFG Private Bank Limited the Guarantor and BNP Paribas Trust Corporation UK 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 or the Class Z VFN, as the case may be, or to the respective holders thereof, in each case except where the context otherwise requires.

The security for the Notes is constituted by and pursuant to a deed of charge (the **Issuer Deed of Charge**) dated on the Closing Date and made between, *inter alios*, the Issuer and BNP Paribas Trust Corporation UK Limited as trustee for the Secured Creditors (in such capacity, the **Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) dated on the Closing Date and made between the Issuer, the Note Trustee, BNP Paribas Securities Services, Luxembourg 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 Agents**), BNP Paribas Securities Services, Luxembourg Branch as Class Z VFN registrar (in such capacity, the **Class Z VFN Registrar**) and BNP Paribas Securities Services, Luxembourg 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.

Pursuant to, and subject to the terms of, the Guarantee, the Guarantor has irrevocably and unconditionally (subject only to the service of a Notice to Pay) guaranteed the payment of the Guaranteed Amounts. If an Early Amortisation Event occurs prior to the Scheduled Maturity Date, then the Guarantor shall be required to pay principal amounts due on the Class A Notes (if and to the extent any Class A Notes are still outstanding) only on the Scheduled Maturity Date. Notwithstanding the previous sentence, the Guarantor may elect (at its option) upon the occurrence of an Early Amortisation Event, to pay an amount equal to the Class A Required Redemption Amount to the Issuer prior to the Scheduled Maturity Date, and any such amount received by the Note Trustee (or, if so directed by the Note Trustee, the Paying Agent) will be applied to redeem the Class A Notes on the next following Interest Payment Date.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Issuer Deed of Charge, the Agency Agreement and the master definitions and construction schedule entered into by, *inter alios*, the Issuer, the Note Trustee and the Security Trustee on the Closing Date (the **Master Definitions and Construction Schedule**) and the other Transaction Documents (as defined therein).

Copies of the Note Trust Deed, the Issuer Deed of Charge, the Agency Agreement, the Guarantee, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection and collection during normal business hours at the specified office for the time being of each of the Paying Agents. 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.

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. These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

2. FORM, DENOMINATION AND TITLE

2.1 *Form and Denomination*

The Class A Notes are initially represented by a temporary global note (each, a **Temporary Global Note**) in bearer form in the aggregate principal amount on issue of £266,300,000 for the Class A Notes. Each Temporary Global Note has been deposited on behalf of the subscribers of the Class A Notes with a common safekeeper (the **Common Safekeeper**) for Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and Euroclear Bank S.A/N.V. (**Euroclear** and together with Clearstream, Luxembourg, the **Clearing Systems**) on the Closing Date. Upon deposit of the Temporary Global Notes, the Clearing Systems credited each subscriber of Class A Notes with the principal amount of Class A Notes equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in the Temporary Global Notes are exchangeable on and after the date which is 40 days after the Closing Date, upon certification of non-U.S. beneficial ownership by the relevant Noteholder, for interests in a permanent global note (a **Permanent Global Note**) representing the Class A Notes (the expressions **Global Notes** and **Global Note** meaning the relevant Temporary Global Note or the relevant Permanent Global Note, as the context may require). The Permanent Global Notes have also been deposited with the Common Safekeeper for the Clearing Systems.

Interests in a Global Note will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

The Class Z VFN will be in dematerialised registered form.

For so long as the Class A Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, the Class A Notes shall be tradable only in the minimum nominal amount of £100,000 and higher integral multiples of £1,000, notwithstanding that no Definitive Notes (as defined below) will be issued with a denomination above £199,000.

A Permanent Global Note will be exchanged for Class A Notes in definitive form (such exchanged Global Note, the **Definitive Notes**) (free of charge to the persons entitled to them) 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 (and do so cease to do business), 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 any of the Class A Notes which would not be required were such Class A Notes in definitive form.

If Definitive Notes are issued in respect of Class A Notes originally represented by a Global Note, the beneficial interests represented by the relevant Global Note shall be exchanged by the Issuer for the relevant Class of Notes in definitive form. The aggregate principal amount of the Definitive Notes shall be equal to the Principal Amount Outstanding 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 Note Trust Deed and the Global Note.

Definitive Notes (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons, principal coupons and, if necessary, talons attached.

Definitive Notes, if issued, will only be printed and issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Definitive Notes will be issued with a denomination above £199,000.

The Class Z VFN has a minimum denomination of £100,000 and may be issued and redeemed in integrals of £1,000. No certificate evidencing entitlement to the Class Z VFN will be issued. The Class Z VFN will be in dematerialised registered form.

The Class Z VFN will be issued on the Closing Date with a nominal principal amount of £135,000,000 and a Principal Amount Outstanding of which £114,197,000 will be subscribed for on the Closing Date. So long as the Class A Notes are outstanding, the Principal Amount Outstanding of the Class Z VFN shall not fall below 5 per cent. of the aggregate Current Balance of the Loans as at the Closing Date. If a further funding is made in respect of any of the Class Z VFN, the Class Z VFN Registrar shall record such increase in the Principal Amount Outstanding of the Class Z VFN in the register for the Class Z VFN (the **Class Z VFN Register**).

References to **Notes** in these Conditions shall include the Global Notes, the Class Z VFN and the Definitive Notes.

For the purposes of these Conditions, **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 these Conditions) and remain available for payment against presentation of the relevant Notes;
- (c) those Notes which have been cancelled in accordance with Condition 7.12 (*Cancellation*) of the Notes;
- (d) those Notes which have become void or in respect of which claims have become prescribed, in each case under Condition 9 (*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 14 (*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 Instrument) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 14 (*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 Class A Notes or for the Class A Notes 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, an Extraordinary Resolution in writing or an Ordinary Resolution in writing as envisaged by paragraph 1 of Schedule 4 to the Note 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 10.1 and Schedule 4 to the Note Trust Deed, Conditions 10 (*Events of Default*) and 11 (*Enforcement*) of the Notes;
- (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 (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer, the Originator, any holding company of any of them or any other Subsidiary of either such holding company, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding, except, in the case of the Originator, any holding company of the Originator or any other Subsidiary of such holding company (the **Relevant Persons**) where all of the Notes of any Class are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Class of Notes (the **Relevant Class of Notes**) shall be deemed to remain outstanding except that, if there is any other Class of Notes ranking pari passu with, or junior to, the Relevant Class of Notes and one or more Relevant Persons are not the beneficial owners of all the Notes of such Class, then the Relevant Class of Notes shall be deemed not to remain outstanding;

2.2 Title

Title to the Global Notes or Definitive Notes shall pass by delivery.

Title to a Class Z VFN shall only pass by and upon registration of the transfer in the Class Z VFN Register provided that no transferee shall be registered as a new Class Z VFN Holder unless such transferee has certified to, *inter alios*, the Class Z VFN Registrar that it is (A) a person falling within paragraph 3 of Schedule 2A to the Insolvency Act 1986, and (B) independent of the Issuer within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006.

Noteholders means (i) the Class A Noteholders and (ii) the person(s) in whose name a Class Z VFN is registered in the Class Z VFN Register (or in the case of joint holders, the first named thereof).

Class A Noteholders means holders of the Class A Notes;

Class Z VFN Holder means holders of the Class Z VFN.

3. STATUS AND RELATIONSHIP BETWEEN THE NOTES, SECURITY AND THE GUARANTEE

3.1 *Status and relationship between the Notes*

- (a) The Class A Notes constitute direct, secured and (subject to the limited recourse provision in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class A Notes will rank *pari passu* and *pro rata* without any preference or priority among themselves as to payments of principal and interest.
- (b) The Class Z VFN constitutes direct, secured and (subject as provided in Condition 16 (*Subordination by Deferral*)) and the limited recourse provisions in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class Z VFN rank junior to the Class A Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class Z VFN Holder will be subordinated to the interests of the Class A Noteholders (so long as any Class A Notes remain outstanding).
- (c) The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise) but requiring the Note Trustee in any such case to have regard only to the interests of the Class A Noteholders if, in the Note Trustee's opinion, there is a conflict between the interests of the Class A Noteholders and those of the Class Z VFN Holder.

As long as the Notes are outstanding but subject to Condition 12.4, the Security Trustee shall not have regard to the interests of the other Secured Creditors.

- (d) The Note Trust Deed and the Issuer Deed of Charge contain provisions limiting the powers of the Class Z VFN Holder to request or direct the Note Trustee or the Security Trustee to take any action according to the effect thereof on the interests of the Class A Noteholders.
- (e) Except in certain circumstances set out in the Note Trust Deed and the Issuer Deed of Charge, there is no such limitation on the powers of the Class A Noteholders, the exercise of which will be binding on the Class Z VFN Holder.

3.2 *Security*

- (a) The security constituted by or pursuant to the Issuer Deed of Charge is granted to the Security Trustee for it to hold on trust for the Noteholders and the other Secured Creditors, upon and subject to the terms and conditions of the Issuer Deed of Charge.
- (b) The Noteholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Issuer Deed of Charge, upon and subject to the terms and conditions of the Issuer Deed of Charge.

3.3 *The Guarantee*

- (a) The payment of the Guaranteed Amounts in respect of the Class A Notes has been unconditionally and irrevocably guaranteed by the Guarantor. However, the Guarantor shall have no obligation under the Guarantee to pay any Guaranteed Amounts until the service of a Notice to Pay by the Note Trustee on the Guarantor. The obligations of the Guarantor are direct, unconditional, unsubordinated and unsecured obligations of the Guarantor (subject to service of a Notice to Pay).

- (b) Any payment made by the Guarantor under the Guarantee shall discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Class A Notes except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Note Trustee or the Class A Noteholders.
- (c) For the avoidance of doubt, the Guaranteed Amounts do not include any amounts on account of any Taxes imposed in respect of the Class A Notes which the Issuer has no obligation to pay under these Conditions.
- (d) All payments of Guaranteed Amounts for application solely in respect of the Class A Notes by or on behalf of the Guarantor under the Guarantee shall be made without withholding or deduction for or on account of any present or future tax, duty, assessment or governmental charge of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of Switzerland or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. If any such withholding or deduction is applied in respect of payments made under the Guarantee, subject to the exceptions set forth in the Guarantee, the Guarantor will be obliged to pay an additional amount equal to the amount of that withholding or deduction in accordance with and subject to the terms of the Guarantee.

4. COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under 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 undertaking;
- (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) **Disposal of assets:** transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertakings or any interest, estate, right, title or benefit therein;
- (d) **Equitable 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;
- (e) **Dividends or distributions:** 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 Priorities 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;
- (f) **Indebtedness:** incur any financial indebtedness or give any guarantee in respect of any financial indebtedness or of any other obligation of any person;
- (g) **Merger:** consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (h) **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 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;

- (i) **Bank accounts:** have an interest in any bank account other than the Issuer Bank Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;
- (j) **US 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;
- (k) **Corporation tax:** prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Taxation of Securitisation Companies Regulations 2006; or
- (l) **VAT:** apply to become part of any group 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) with any other company or group of companies, 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.

5. INTEREST

5.1 *Interest Accrual*

Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date. Each Note (or, in the case of the redemption of part only of a Class A Note, that part only of such Class A Note) will cease to bear interest from and including the due date for redemption unless, upon due presentation in accordance with Condition 6 (*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 Note Trust Deed. If a Notice to Pay is served on the Guarantor, the Guarantor shall pay Guaranteed Amounts in equivalent amounts to those described above under the Guarantee on the dates such payments are due to be made.

5.2 *Interest Payment Dates*

Interest on the Notes will be payable quarterly in arrears on the 25th day of February, May, August and November in each year or, if such day is not a Business Day, on the immediately succeeding Business Day (each such date being an **Interest Payment Date**). The first Interest Payment Date will be the Interest Payment Date falling in August 2014.

In these Conditions, **Interest Period** shall mean the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (except in the case of the first Interest Period for the Notes, where it shall mean the period from (and including) the Closing Date to (but excluding) the Interest Payment Date in August 2014).

5.3 *Rate of Interest*

- (a) The rate of interest payable from time to time in respect of each class of the Notes (each a **Rate of Interest** and together the **Rates of Interest**) will be determined on the basis of the following provisions:

- (i) the Agent Bank will determine the Relevant Screen Rate as at or about 11.00 a.m. (London time) on the Interest Determination Date (as defined below) in question. If the Relevant Screen Rate is unavailable, the Agent Bank will request the principal London office of each of the Reference Banks to provide the Agent Bank with its offered quotation to leading banks for three-month Sterling deposits (or, in respect of the first Interest Period for the Notes, the linear interpolation of LIBOR for two and three month deposit in Sterling) in the London interbank market as at or about 11.00 a.m. (London time) on the relevant Interest Determination Date. The Rates of Interest for the relevant Interest Period shall be the aggregate of (A) the Relevant Margin and (B) the Relevant Screen Rate (or, if the Relevant Screen Rate is unavailable, the arithmetic mean of such offered quotations for three-month Sterling deposits (rounded upwards, if necessary, to five decimal places)); and
- (ii) if, on any Interest Determination Date, the Relevant Screen Rate is unavailable and only two or three of the Reference Banks provide offered quotations, the Rates of Interest for the relevant Interest Period shall be determined in accordance with the provisions of subparagraph (A) above on the basis of the offered quotations of those Reference Banks providing such quotations. If, on any such Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such an offered quotation, the Agent Bank shall forthwith consult with the Issuer for the purposes of agreeing two banks (or, where one only of the Reference Banks provided such a quotation, one additional bank) to provide such a quotation or quotations to the Agent Bank and the Rates of Interest for the Interest Period in question shall be determined, as aforesaid, on the basis of the offered quotations of such banks as so agreed (or, as the case may be, the offered quotations of such bank as so agreed and the relevant Reference Bank). If no such bank or banks is or are so agreed or such bank or banks as so agreed does or do not provide such a quotation or quotations, then the Rates of Interest for the relevant Interest Period shall be the Rates of Interest in effect for the last preceding Interest Period to which subparagraph (A) shall have applied but taking account of any change in the Relevant Margin.

There will be no minimum or maximum Rate of Interest.

- (b) The margin on the Class A Notes changes from (and including) the Interest Payment Date falling in November 2017 (the **Step-Up Date**).
- (c) In these Conditions (except where otherwise defined), the expression:
 - (i) **Business Day** means a day (other than a Saturday or a Sunday) on which banks are generally open for business in London, Luxembourg and Zurich;
 - (ii) **LIBOR** means the London Interbank Offered Rate;
 - (iii) **Reference Banks** means the principal London office of each of five major banks engaged in the London interbank market selected by the Agent Bank with the approval of the Issuer, provided that, once a Reference Bank has been selected by the Agent Bank, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such;
 - (iv) **Relevant Margin** means in respect of each Class of the Notes the following per cent. per annum:
 - (A) in respect of the Class A Notes, prior to the Step-Up Date 0.75 per cent. per annum and on and after the Step-Up Date 1.125 per cent. per annum (the **Class A Margin**); and

- (B) in respect of the Class Z VFN, 5.50 per cent. per annum (the **Class Z VFN Margin**);
- (v) **Relevant Screen Rate** means the arithmetic mean of offered quotations for three-month Sterling deposits (or, with respect to the first Interest Period the rate which represents the linear interpolation of LIBOR for two and three month deposits in Sterling) in the London interbank market displayed on the Reuters Screen page LIBOR01; and
- (vi) **Interest Determination Date** means the first day of the Interest Period for which the rate will apply.

5.4 Determination of Rates of Interest and Interest Amounts

The Agent Bank shall, as soon as practicable after (a) 11.00 a.m. (London time) on each Interest Determination Date but in no event later than the third Business Day thereafter, determine the amount (the **Interest Amounts**) in respect of the Notes, payable in respect of interest on the Principal Amount Outstanding of each Class of the Notes for the relevant Interest Period.

The Interest Amounts shall be determined by applying the relevant Rate of Interest to such Principal Amount Outstanding, multiplying the sum by the actual number of days in the Interest Period concerned divided by 365 (or, if any portion of the Interest Period concerned falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period concerned falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period concerned falling in a non-leap year divided by 365) and rounding the resulting figure downwards to the nearest penny.

5.5 Publication of Rates of Interest and Interest Amounts

The Agent Bank shall cause the Rates of Interest and the Interest Amounts for each Interest Period and each Interest Payment Date to be notified to the Issuer, the Guarantor, the Cash Manager, the Note Trustee, the Class Z VFN 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 15 (*Notice to Noteholders*) as soon as possible after their determination and in no event later than the second Business Day thereafter. The 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.

5.6 Determination by the Note Trustee

The Note Trustee may, without liability therefor, if the Agent Bank defaults at any time in its obligation to determine the Rates of Interest and Interest Amounts in accordance with the above provisions and the Note Trustee has been notified of this default by the Cash Manager, determine or cause to be determined the Rates of Interest and Interest Amounts, the Rates of Interest at such rates as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and the Sterling Interest Amounts in the manner provided in Condition 5.4 (*Determination of Rates of Interest and Interest Amounts*). In each case, the Note Trustee may, at the expense of the Issuer, employ an expert to make the determination and any such determination shall be deemed to be determinations made by the Agent Bank.

5.7 Notifications, etc. 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 5, whether by the Reference Banks (or any of them), the Agent Bank, the Cash Manager or the Note Trustee, will (in the absence of wilful default, gross negligence, or fraud) be binding on the Issuer, the Cash Manager, the Note

Trustee, the Agent Bank, the Class Z VFN Registrar, the Paying Agents, the Guarantor 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 Reference Banks (or any of them), the Cash Manager, the Agent Bank, the Class Z VFN Registrar or, if applicable, the Note Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 5.

5.8 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 and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank. 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 Rates of Interest and the Interest Amounts for any Interest Period, the Issuer shall, 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. Subject to the detailed provisions of the Agency Agreement, the Agent Bank may not resign its duties or be removed without a successor having been appointed.

5.9 Determinations and Reconciliation

- (a) In the event that the Cash Manager does not receive any Servicing Report due during a Collection Period (each such period, a **Determination Period**), then the Cash Manager may use the Servicing Reports in respect of the three most recent Collection Periods for which all relevant Servicing Reports are available (or, where there are not at least three such previous Collection Periods, any previous such Collection Periods) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in this Condition 5.9 (*Determinations and Reconciliation*). If and when the Cash Manager ultimately receives all Servicing Reports relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Condition 5.9(c). Any (i) calculations properly done on the basis of such estimates in accordance with Conditions 5.9(b) and/or 5.9(c); (ii) payments made under any of the Notes and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such reconciliation calculations, each in accordance with Condition 5.9(b) and/or 5.9(c), shall (in any case) be deemed to be done, in accordance with the provisions of the Transaction Documents and will in themselves not lead to a Note Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.
- (b) In respect of any Determination Period the Cash Manager shall:
- (i) determine the Interest Determination Ratio by reference to the three most recent Collection Periods in respect of which all relevant Servicing Reports are available (or, where there are not at least three such previous Collection Periods, any previous such Collection Periods);
 - (ii) calculate the Revenue Receipts for such Determination Period as the product of (i) the Interest Determination Ratio and (ii) 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 (i) 1 minus the Interest Determination Ratio and (ii) all collections received by the Issuer during such Determination Period (the **Calculated Principal Receipts**).
- (c) Following any Determination Period, upon receipt by the Cash Manager of all Servicing Reports in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in

accordance with Condition 5.9(b)(i) above to the actual collections set out in the Servicing Reports by allocating the Reconciliation Amount as follows:

- (i) If the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (i) the absolute value of the Reconciliation Amount and (ii) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger);
- (ii) If the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (i) the absolute value of the Reconciliation Amount and (ii) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Collection Period in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Trustee of such Reconciliation Amount.

- (d) In this Condition, the expression:

Interest Determination Ratio means (i) the aggregate Revenue Receipts calculated in the three preceding Collection Periods for which all relevant Servicing Reports are available (or where there are not at least three previous such Collection Periods, the relevant previous Collection Periods used by the Cash Manager pursuant to Condition 5.9(b)(i) above) divided by (ii) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Collection Periods;

Reconciliation Amount means in respect of any Collection Period which is a Determination Period, (i) the actual Principal Receipts as determined in accordance with the available Servicing Reports, less (ii) the Calculated Principal Receipts in respect of such Collection Period, plus (iii) any Reconciliation Amount not applied in previous Collection Periods; and

Servicing Report means a quarterly report to be provided by the Originator on or prior to the 8th Business Day of each February, May, August and November in each year, detailing certain aggregate loan data in relation to the Portfolio, including the Loss Ratio and the Cumulative Net Default Ratio, necessary to produce the Investor Report.

6. PAYMENTS

6.1 *Payment of Interest and Principal*

Payments in respect of principal, premium (if any) and interest in respect of any Global Note will be made only against presentation of such Global Note to or to the order of the Principal Paying Agent (or the Class Z VFN Registrar in respect of the Class Z VFN) or such other Paying Agent as shall have been notified to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*) for such purpose, subject, in the case of any Temporary Global Note, to certification of non-US beneficial ownership as provided in such Temporary Global Note. Each payment of principal, premium or interest made in respect of a Global Note will be recorded by the Clearing Systems in their records (which records are the records each relevant Clearing System holds for its customers and reflect such customers' interest in the Notes) and such records shall be *prima facie* evidence that the payment in question has been made. No person appearing from time to time in the records of either of the Clearing Systems as the holder of a Note shall have any claim directly against the Issuer in respect of payments due on such Note whilst such Note is represented by a Global Note and the Issuer shall be discharged by payment of the relevant amount to the bearer of the relevant Global Note. The Issuer shall procure that each payment shall be entered *pro rata* in the records of the

relevant Clearing System but any failure to make such entries shall not affect the discharge referred to above.

Payments will be made in respect of the Notes by credit or transfer to an account in Sterling maintained by the payee with a bank in London.

6.2 *Laws and Regulations*

Payments of principal and interest in respect of the Notes are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction and (ii) 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 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. Noteholders will not be charged commissions or expenses on payments

6.3 *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 5.1 (*Interest Accrual*) and Conditions 5.3(a) and 5.3(b) (*Rate of Interest*) will be paid, in respect of a Global Note, as described in Condition 6.1 (*Payment of Interest and Principal*) above and, in respect of any Definitive Note, in accordance with this Condition 6.

6.4 *Change of Paying Agents*

Subject to the detailed provisions of the Agency Agreement, 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 Class Z VFN Registrar and to appoint additional or other agents provided that:

- (a) there will at all times be a person appointed to perform the obligations of the Principal Paying Agent;
- (b) there will at all times be at least one Paying Agent (who may be the Principal Paying Agent) having its specified office in such place as may be required by the rules and regulations of the relevant stock exchange and competent authority; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Except where otherwise provided in the Note Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 20 Business Days and no less than 10 Business Days of any change in or addition to the Paying Agents or the Class Z VFN Registrar or their specified offices to be given to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*) and will notify the Rating Agencies of such change or addition.

6.5 *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 in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. In this Condition 6.5, 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.

6.6 Partial Payment

If the Class Z VFN Registrar (in respect of the Class Z VFN) makes a partial payment in respect of the Class Z VFN, the Class Z VFN Registrar will, in respect of the Class Z VFN, annotate the Class Z VFN Register, indicating the amount and date of such payment.

6.7 Payment of Interest

If interest is not paid in respect of the Class Z VFN on the date when due and payable (other than because the due date is not a Presentation Date (as defined in Condition 6.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the Noteholder with Condition 6.1 (*Payment of Interest and Principal*) or where interest is deferred in accordance with Condition 16 (Subordination by Deferral), then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Class Z VFN until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with Condition 15 (*Notice to Noteholders*).

7. REDEMPTION

7.1 Redemption at Final Maturity

Unless previously redeemed in full or purchased and cancelled as provided below, the Issuer will redeem:

- (a) the Class A Notes at their respective Principal Amounts Outstanding on the Final Maturity Date; and
- (b) the Class Z VFN at its Principal Amount Outstanding on the Final Maturity Date.

7.2 Redemption on the Scheduled Maturity Date

Unless previously redeemed in full or purchased and cancelled as provided below, the Issuer will redeem:

- (a) the Class A Notes at their respective Principal Amounts Outstanding on the Scheduled Maturity Date; and
- (b) the Class Z VFN at its Principal Amount Outstanding on the Final Maturity Date.

7.3 Mandatory Redemption following the Scheduled Maturity Date

- (a) Each Note shall, subject to Condition 7.5 (*Optional Redemption of the Class A Notes in Full*) and 7.6 (*Optional Redemption of the Class A Notes for Taxation or Other Reasons*), be redeemed on each Interest Payment Date commencing on the Scheduled Maturity Date and ending on the Final Maturity Date but prior to the service of a Note Acceleration Notice in an amount equal to (i) the Available Principal Receipts and Available Revenue Receipts available for such purpose, subject, in each case, to the order of priority set out in the Pre-Enforcement Principal Priority of Payments and, as applicable, the Pre-Enforcement Revenue Priority of Payments; or (ii) amounts (if any) paid by the Guarantor to the Note Trustee (or the Paying Agent on its behalf) for the purpose of redeeming the Class A Notes.
- (b) With respect to each Class of 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 principal repayment due on the Interest Payment Date next following such Calculation Date, (ii) the Principal Amount Outstanding of each such Class of Note and (iii) in relation to the Class A Notes only, the fraction expressed as a decimal to the sixth point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (ii) above) and the denominator, in the case of that Note, is the Principal Amount Outstanding of that Note on the Closing Date and the Pool

Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

- (c) The Issuer will cause each determination of a principal repayment, Principal Amount Outstanding and, in the case of the Class A Notes only, Pool Factor to be notified by not less than two Business Days prior to the relevant Interest Payment Date to the Guarantor, the Note Trustee, the Security Trustee, the Paying Agents and the Agent Bank and (for so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Irish Stock Exchange) the Irish Stock Exchange, and will immediately cause notice of each such determination to be given in accordance with Condition 15 (*Notice to Noteholders*) by not later than two Business Days prior to the relevant Interest Payment Date. If no principal repayment is due to be made on the Class A Notes on any Interest Payment Date a notice to this effect will be given to the relevant Noteholders.

7.4 *Mandatory Redemption following the occurrence of an Early Amortisation Event*

- (a) If an Early Amortisation Event has occurred or will occur on the next following Interest Payment Date (as determined by the Cash Manager on the relevant Calculation Date), each Note shall, subject to Condition subject to Condition 7.5 (*Optional Redemption of the Class A Notes in Full*) and 7.6 (*Optional Redemption of the Class A Notes for Taxation or Other Reasons*), be redeemed on each Interest Payment Date, commencing on the Interest Payment Date immediately succeeding the Calculation Date and ending on the Final Maturity Date but prior to the service of a Note Acceleration Notice in an amount equal to (i) the Available Principal Receipts and Available Revenue Receipts available for such purpose, subject, in each case, to the order of priority set out in the Pre-Enforcement Principal Priority of Payments and, as applicable, the Pre-Enforcement Revenue Priority of Payments; or (ii) amounts (if any) paid by the Guarantor to the Note Trustee (or the Paying Agent on its behalf) for the purpose of redeeming the Class A Notes.
- (b) With respect to each Class of 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 principal repayment due on the Interest Payment Date next following such Calculation Date, (ii) the Principal Amount Outstanding of each such Class of Note and (iii) in relation to the Class A Notes only, the Pool Factor, of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (ii) above) and the denominator, in the case of that Note, is the Principal Amount Outstanding of that Note on the Closing Date and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.
- (c) The Issuer will cause each determination of a principal repayment, Principal Amount Outstanding and, in the case of the Class A Notes only, Pool Factor to be notified by not less than two Business Days prior to the relevant Interest Payment Date to the Guarantor, the Note Trustee, the Security Trustee, the Paying Agents and the Agent Bank and (for so long as the Notes are listed on the Official List of the Irish Stock Exchange and admitted to trading on the Irish Stock Exchange) the Irish Stock Exchange, and will immediately cause notice of each such determination to be given in accordance with Condition 15 (*Notice to Noteholders*) by 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 relevant Noteholders.

7.5 Optional Redemption of the Class A Notes in Full

- (a) On giving not more than 40 nor less than 5 Business Days' notice to (i) the Class A Noteholders in accordance with Condition 15 (*Notice to Noteholders*), (ii) the Note Trustee and (iii) the Guarantor, the Issuer may redeem, on any Optional Redemption Date, all (but not some only) of the Class A Notes on such Optional Redemption Date provided that:
- (i) on or prior to the Interest Payment Date on which such notice expires (the **Optional Redemption Date**), no Note Acceleration Notice has been served;
 - (ii) the Issuer has, immediately prior to giving such notice, certified to the Note Trustee that it will have the Class A Required Redemption Amount on the relevant Optional Redemption Date (such certification to be provided by way of certificate signed by two directors of the Issuer) (and for the avoidance of doubt, the order of priority shall be as set out in the Pre-Enforcement Priority of Payments); and
 - (iii) the Optional Redemption Date is any Interest Payment Date on which the aggregate Principal Amount Outstanding of all the Class A Notes is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes on the Closing Date.
- (b) Any Class A Note redeemed pursuant to Condition 7.5(a) will be redeemed at an amount equal to the Principal Amount Outstanding of the Class A Notes to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the Class A Notes up to, but excluding, the Optional Redemption Date.

7.6 Optional Redemption of the Class A Notes for Taxation or Other Reasons

If 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 of principal or interest on any Class A Notes (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Class A Notes) 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, then the Issuer shall, if the same would avoid the effect of such relevant event, 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 Class A Notes and the Note Trust Deed, provided that the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the Class A Noteholders (and in making such determination, the Note Trustee may rely, without further investigation or inquiry, on confirmation from the Rating Agencies that such substitution will not have an adverse effect on the then current rating of the Class A Notes).

If the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described in the paragraph 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 40 nor less than 30 Business Days' notice to the Note Trustee and the Class A Noteholders in accordance with Condition 15 (*Notice to Noteholders*), redeem all (but not some only) of the Class A 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 (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee (a) a certificate signed by two directors of the Issuer (i) stating that one or more of the

circumstances referred to above prevail(s), (ii) setting out details of such circumstances and (iii) 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 (b) 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 have or will become obliged to deduct or withhold amounts as a result of such change. The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in the paragraph immediately above, in which event they shall be conclusive and binding on the all Noteholders and the Secured Creditors.

The Issuer may only redeem the Class A 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 Class A Notes as aforesaid and any amounts required under the Pre-Enforcement Revenue Priority of Payments to be paid in priority to or *pari passu* with the Class A Notes outstanding in accordance with the Conditions, such certification to be provided by way of a certificate signed by two directors of the Issuer.

7.7 *Mandatory Redemption of the Notes following the exercise of the Regulatory Change Option or the Accounting Change Option by the Originator*

- (a) If either a Regulatory Change or an Accounting Change occurs and the Originator exercises the Regulatory Change Option or the Accounting Change Option, the Issuer will give not more than 40 nor less than 5 Business Days' notice to (i) the Noteholders in accordance with Condition 15 (*Notice to Noteholders*), (ii) the Note Trustee and (iii) the Guarantor, and the Notes will be redeemed at their Principal Amount Outstanding on the Interest Payment Date immediately following the exercise of such option by the Originator, 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 to be paid in priority to or *pari passu* with the Class A Notes and the Class Z VFN on such Interest Payment Date (such certification to be provided by way of certificate signed by two directors of the Issuer) (and for the avoidance of doubt, the order of priority shall be as set out in the Pre-Enforcement Priority of Payments).
- (b) Any Note redeemed pursuant to Condition 7.7(a) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to, but excluding, the relevant Interest Payment Date.

7.8 *Redemption of the Class Z VFN following the lapse of a Tranched Loan Commitment*

- (a) If the Issuer has purchased a Tranched Loan and the Tranched Loan Commitment in relation to such Tranched Loan has lapsed, the Issuer will on the Interest Payment Date immediately following the lapse of such Tranched Loan Commitment redeem the Class Z VFN in an amount equal to the Further Class Z VFN Funding advanced by the Class Z VFN Holder to the Issuer upon the acquisition by the Issuer of the beneficial interest in such Tranched Loan.
- (b) The funds for the redemption set out in paragraph (a) above shall be withdrawn directly from the Tranched Loans Prefunding Reserve and shall not be paid in accordance with the Priority of Payments on the relevant Interest Payment Date.

7.9 *Principal Amount Outstanding*

The **Principal Amount Outstanding**:

- (a) in respect of the Class A Notes on any date shall be their original principal amount of £266,300,000 less the aggregate amount of all principal payments in respect of such Class A Notes which have been made since the Closing Date; and
- (b) in respect of the Class Z VFN shall be, as at a particular day (the **Reference Date**), the total principal amount of all drawings under the Class Z VFN on and since the Closing Date less the aggregate amount of all principal payments in respect of such Class Z VFN which have been made since the Closing Date and not later than the Reference Date (such amounts to be notified in writing by the Class Z VFN Registrar to the Principal Paying Agent and any other Paying Agents).

7.10 Notice of Redemption

Any such notice as is referred to in Condition 7.5 (*Optional Redemption of the Class A Notes in Full*), Condition 7.6 (*Optional Redemption of the Class A Notes for Taxation or Other Reasons*) or Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of the Regulatory Change Option or the Accounting Change Option by the Originator*) 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 7.5 (*Optional Redemption of the Class A Notes in Full*), Condition 7.6 (*Optional Redemption of the Class A Notes for Taxation or Other Reasons*) or Condition 7.7 (*Mandatory Redemption of the Notes following the exercise of the Regulatory Change Option or the Accounting Change Option by the Originator*) may be relied on by the Note Trustee without further investigation and, if so relied on, shall be conclusive and binding on the Noteholders.

7.11 No Purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

7.12 Cancellation

All Notes (other than the Class Z VFN) redeemed in full will be cancelled upon redemption and may not be resold or re-issued.

On each Interest Payment Date on which the Class Z VFN is redeemed pursuant to Conditions 7.1, 7.2, 7.3, 7.4, 7.7 and 7.8, the Class Z VFN Registrar shall cancel the Class Z VFN in an amount equal to such mandatory redemption, thereby reducing the nominal principal amount of the Class Z VFN by an amount equal to such mandatory redemption.

Each Class Z VFN will be cancelled when redeemed in full after the Class Z VFN Commitment Termination Date and may not be resold or re-issued once cancelled.

8. 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, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law or by agreement of the Issuer (or any Paying Agent or the Class Z VFN Registrar) under the provisions of section 1471(b) of the Code or otherwise imposed pursuant to sections 1471 to 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. In that event the Issuer or, as the case may be, the relevant Paying Agent or the Class Z VFN Registrar 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, the Class Z VFN Registrar 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.

9. PRESCRIPTION

Claims in respect of principal and interest on the Notes will be prescribed after 10 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 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 Noteholders in accordance with Condition 15 (*Notice to Noteholders*).

10. EVENTS OF DEFAULT

10.1 *Note Events of Default in respect of Class A Notes*

The Note Trustee at its absolute discretion may, and if so directed by an Ordinary Resolution of the Class A Noteholders, shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction) give (i) a notice (a **Note Acceleration Notice**) to the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Note Trust Deed, and (ii) give a Notice to Pay to the Guarantor that the Guarantor is required to pay the Class A Required Redemption Amount under the Guarantee on the occurrence of any of the following events (each, a **Note Event of Default**):

- (a) if default is made in the payment of any principal or interest due in respect of the Class A Notes and the default continues for a period of (i) 5 Business Days in the case of principal or (ii) 7 Business Days in the case of interest, provided that such payments have not been made by the Guarantor under the Guarantee within such grace periods; or
- (b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or any Transaction Document to which it is a party, which failure in the opinion of the Note Trustee is materially prejudicial to the Class A Noteholders and (except in any case where the Note Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 20 Business Days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) 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 previously approved in writing by the Note Trustee or by Extraordinary Resolution of the Class A Noteholders; or
- (d) if the Issuer ceases or threatens to cease to carry on the whole or (in the opinion of the Note Trustee) a part of its business representing at least 40% of its gross revenue as recorded in its most recently published accounts, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Class A Noteholders, or 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 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
- (e) if (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application to the court for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) or an administration

order is granted or the appointment of an administrator takes effect or an administrative or other receiver, manager or other similar official is appointed, in relation to the Issuer or in relation to the whole or any part of the undertaking or assets of the Issuer or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Issuer, or a distress, diligence, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the Issuer and (ii) in the case of any such possession or any such last-mentioned process, unless initiated by the Issuer, is not discharged or otherwise ceases to apply within 30 days; or

- (f) 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 Note Events of Default in respect of Class Z VFN

This Condition 10.2 (*Note Events of Default in respect of Class Z VFN*) shall not apply as long as any Class A Note remains outstanding. Subject thereto, for so long as any Class Z VFN is outstanding, the Note Trustee shall if so directed by the sole Class Z VFN Holder or holders of all the Class Z VFN (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction) give a Note Acceleration Notice to the Issuer upon the occurrence of any of the following events (each, a **Note Event of Default**):

- (a) if default is made in the payment of any principal or interest due in respect of the Class Z VFN and the default continues for a period of 5 Business Days in the case of principal or 7 Business Days in the case of interest; or
- (b) if any of the Events of Default referred to in Condition 10.1(b) to 10.1(f) (*Note Events of Default in respect of Class A Notes*) occurs with references, where applicable, to the Class A Noteholders being read as to the Class Z VFN Holder.

10.3 Guarantor Events of Default

- (a) The Note Trustee at its absolute discretion may, and if so directed by an Ordinary Resolution of the Class A Noteholders shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction) give (i) a notice (a **Guarantor Event of Default Notice**) to the Issuer and the Guarantor that any of the following events has occurred (each, a **Guarantor Event of Default**):
 - (i) subject to service of a Notice to Pay on the Guarantor, the Guarantor fails to make the requisite payment due in respect of the Class A Notes and the default continues for a period of (i) 5 Business Days in the case of principal or (ii) 7 Business Days in the case of interest;
 - (ii) the material breach of any representation or warranty given by the Guarantor under the Note Trust Deed and (except in any case where the Note Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the continuation of such failure for a period of 20 Business Days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Guarantor of notice requiring the same to be remedied;

- (iii) any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Guarantor, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Ordinary Resolution of the Class A Noteholders;
 - (iv) the Guarantor ceases or threatens to cease to carry on the whole or a part of its business representing at least 40% of its gross revenue as recorded in its most recently published accounts, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Ordinary Resolution of the Class A Noteholders, or the Guarantor 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 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;
 - (v) if (i) proceedings are initiated against the Guarantor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application to the court for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) or an administration order is granted or the appointment of an administrator takes effect or an administrative or other receiver, manager or other similar official is appointed, in relation to the Guarantor or in relation to the whole or any part of the undertaking or assets of the Guarantor or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Guarantor, or a distress, diligence, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the Guarantor and (ii) in the case of any such possession or any such last-mentioned process, unless initiated by the Guarantor, is not discharged or otherwise ceases to apply within 30 days provided, however, that, with respect to Swiss law proceedings, only the following shall constitute a Guarantor Event of Default: (i) the adjudication of bankruptcy (*Konkurseröffnung*) pursuant to article 171, 189 or 191 of the Swiss Federal Debt Enforcement and Bankruptcy Act (**DEBA**), (ii) an application by the relevant company for, or the granting of, a provisional or definitive stay of execution (*provisorische oder definitive Nachlassstundung*) pursuant to article 293 et seq. DEBA, (iii) the ordering of restructuring proceedings (*Sanierungsverfahren*) pursuant to article 28 to 32 Swiss Federal Act on Banks and Savings Institutions (**FBA**), and/or (iv) the ordering of liquidation proceedings (Liquidation) pursuant to article 33 to 37g FBA. It is understood and agreed that any relevant steps under (x) mere debt collection proceedings (*Betreibungsverfahren*) pursuant to article 38 et seq. DEBA, (y) proceedings in connection with a freezing order (*Arrestverfahren*) pursuant to article 271 et seq. of the DEBA, (z) protective measures (*Schutzmassnahmen*) pursuant to article 26 FBA do not constitute a Guarantor Event of Default;
 - (vi) if the Guarantor (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);
 - (vii) The Guarantor repudiates the Guarantee or the provisions of the Guarantee become illegal under applicable law.
- (b) Following the occurrence of a Guarantor Event of Default:

- (i) if prior to the Scheduled Maturity Date and if the Guarantor Event of Default relates to an event under Condition 10.3(a)(i), a Note Event of Default will occur;
- (ii) if prior to the Scheduled Maturity Date and if the Guarantor Event of Default relates to an event under Conditions 10.3(a)(ii) to (vii) inclusive, an Early Amortisation Event will occur, if one has not occurred already; and
- (iii) if on or after the Scheduled Maturity Date, the Class A Notes will be redeemed in accordance with Condition 7.3 from Available Revenue Receipts and Available Principal Receipts in accordance with the applicable Priority of Payments.

10.4 General

Upon the service of a Note Acceleration Notice by the Note Trustee in accordance with Conditions 10.1 (*Note Events of Default in respect of Class A Notes*) or Condition 10.2 (*Note Events of Default in respect of Class Z VFN*) above, all the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Note Trust Deed.

11. ENFORCEMENT

11.1 General

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes or the Note Trust Deed (including these Conditions) or (in the case of the Security Trustee) the Issuer 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 a Note Acceleration Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Issuer Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

- (a) subject in all cases to restrictions contained in the Note Trust Deed and the Issuer Deed of Charge to protect the interests of any higher ranking class or classes of Noteholders (including the provisions set out in Clause 10 and Schedule 4 of the Note Trust Deed), it shall have been so directed by an Ordinary Resolution of the Class A Noteholders or, if there are no Class A Notes then outstanding, the holders of all the Class Z VFN; and
- (b) in all cases, it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

11.2 Preservation of Assets

If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (i) 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 Class A Noteholders (and all persons ranking in priority to the Class A Noteholders) or, once all of the Class A Noteholders have been repaid, to the Class Z VFN Holder (and all persons ranking in priority thereto), or (ii) 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 cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Class A

Noteholders (and all persons ranking in priority to the Class A Noteholders) or, once all of the Class A Noteholders have been repaid, to the Class Z VFN Holder (and all persons ranking in priority thereto)). The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer.

11.3 Limitations on Enforcement

No Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge.

11.4 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 the subject of any security created under the Issuer Deed of Charge (the **Charged Assets**). If:

- (i) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;
- (ii) 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 Issuer Deed of Charge; and
- (iii) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Issuer Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any), interest),

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any), interest in respect of the Notes) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

11.5 No action by Noteholders or any other Secured Creditor

Only the Note Trustee or the Security Trustee may pursue the remedies available under the general law or under the Note Trust Deed or the Issuer Deed of Charge to enforce the Issuer Security or any other Transaction Document to which the Note Trustee or the Security Trustee is a party and no Noteholder or other Secured Creditor shall be entitled to proceed directly against the Issuer to enforce the Issuer Security or pursue remedies available under or enforce any Transaction Document to which the Note Trustee or the Security Trustee is a party unless a Note Acceleration Notice shall have been served (which has not been withdrawn) or the Security Trustee having become bound to take any steps or proceedings to enforce the said Security pursuant to this Deed, fails to do so within thirty (30) days of becoming so bound and that failure is continuing (in which case, each of such Noteholders and Secured Creditors shall be entitled to take any such steps and proceedings as it shall deem necessary (other than the presentation of a petition for the winding up of, or for an administration order in respect of, the Issuer or the filing of documents with the court or the service of a notice of intention to appoint an administrator in relation to the Issuer).

12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

12.1 The Note Trust Deed contains provisions for convening meetings of the Noteholders 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.

12.2 An Ordinary Resolution and an Extraordinary Resolution (other than in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of the relevant affected Classes of Notes and subject to the more detailed provisions of the Note Trust Deed) passed at any meeting of the Class A Noteholders shall be binding on the Class Z VFN Holder irrespective of the effect upon it, subject to Condition 12.3 (*Quorum*). Ordinary Resolutions are sufficient other than in respect of matters where the Note Trust Deed or these Conditions indicate that an Extraordinary Resolution is required.

12.3 Quorum

(a) Subject as provided below, the quorum at any meeting of Class A Noteholders 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 the Class A Notes, or, at any adjourned meeting, one or more persons being or representing a Class A Noteholder, whatever the aggregate Principal Amount Outstanding of the Class A Notes then outstanding held or represented by it or them.

(b) Subject to the more detailed provisions set out in the Note Trust Deed, the quorum at any meeting of the Class A Noteholders for passing an Extraordinary Resolution to (i) sanction a modification of the date of maturity of any Notes, (ii) sanction a modification of the date of payment of principal or interest in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, (iii) sanction a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes, (iv) alter the currency in which payments under the Notes are to be made (v) alter the quorum or majority required in relation to this exception, (vi) sanction any scheme or proposal or substitution for the sale, conversion or cancellation of the Notes or (vii) alter any of the provisions contained in this exception (each a **Basic Terms Modification**) shall be one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one-quarter of the aggregate Principal Amount Outstanding of the Notes of such Class then outstanding and any Extraordinary Resolution in respect of such a modification shall only be effective if duly passed at a meeting of the Class A Noteholders.

The Note Trust Deed and the Issuer Deed of Charge contain similar provisions in relation to directions in writing from the Noteholders upon which the Note Trustee or, as the case may be, the Security Trustee is bound to act.

12.4 Other than in respect of a Basic Terms Modification, the Note Trustee or, as the case may be, the Security Trustee, may agree with the Issuer and any other parties but without the consent of the Noteholders or the other Secured Creditors (but, in the case of the Security Trustee only, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document):

- (a) to any modification, or to any waiver or authorisation of any breach or proposed breach, of these Conditions or any of the Transaction Documents which, in the opinion of the Note Trustee is not materially prejudicial to the interests of the Noteholders of any Class; or
- (b) to any modification to these Conditions or any of the Transaction Documents which, in the opinion of the Note Trustee or, as the case may be, the Security Trustee, is of a formal, minor or technical nature or to correct a manifest error.

- 12.5** The Note Trustee may also, without the consent or sanction of the Noteholders or the other Secured Creditors, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Noteholders of any Class, waive or authorise any breach or proposed breach or determine that a Note Event of Default shall not, or shall not subject to specified conditions, be treated as such provided that the Note Trustee shall not exercise any power conferred on it in contravention of any express direction given by Extraordinary Resolution or by a direction under Condition 10 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.
- 12.6** Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless 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 15 (*Notice to Noteholders*).
- 12.7** Any modification to the Transaction Documents shall be notified by the Issuer in writing to the Rating Agencies.
- 12.8** In connection with any such substitution of principal debtor referred to in Condition 7.6 (*Optional Redemption of the Class A Notes for Taxation or Other Reasons*), the Note Trustee and the Security Trustee may also agree, without the consent of the Noteholders 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 and the Security Trustee be materially prejudicial to the interests of the Noteholders.
- 12.9** In determining whether a proposed action will not be materially prejudicial to the Noteholders or any Class thereof, the Note Trustee may in its absolute discretion, 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 rating of the Class A Notes. It is agreed and acknowledged by the Note Trustee and the Security 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. In being entitled to take into account that each of the Rating Agencies have confirmed that the then current rating of the Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee and the Security Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders or any other person or create any legal relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Noteholders or any other person whether by way of contract or otherwise.
- 12.10** Where, in connection with the exercise or performance by the Note Trustee of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to herein), the Note Trustee is required to have regard to the interests of the Noteholders of any Class or Classes, it shall have regard to the general interests of the Noteholders of such Class or Classes as a Class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (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 (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 shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer, the Note Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

12.11 Extraordinary Resolution means in respect of the Class A Noteholders:

- (a) a resolution passed at a meeting duly convened and held in accordance with the Note Trust Deed and these Conditions by a majority consisting of not less than three-quarters of the votes cast; or
- (b) (i) a resolution in writing signed by or on behalf of the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the Class A Notes then outstanding 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 Class A Noteholders (a **Written Resolution**), or (ii) where the Class A Notes are held on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Note Trustee (as the case may be) given by way of electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-quarters in aggregate Principal Amount Outstanding of the Class A Notes then outstanding (**Electronic Consent**).

A Written Resolution and/or an Electronic Consent, shall, in each case, for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of Class A Notes duly convened and held. Such a Written Resolution and/or Electronic Consent will be binding on all holders of Class A Notes whether or not they participated in such Written Resolution and/or Electronic Consent.

12.12 Issuer Substitution Condition

The Note Trustee may concur, with the Issuer, 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 Note 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 Note Trust Deed and the Notes and in respect of the other Secured Obligations, provided that the conditions set out in the Note 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 4 (*Covenants*). In the case of a substitution pursuant to this Condition 12.12, the Note Trustee may in its absolute discretion agree, without the consent of the Noteholders, to a change in law governing the Notes 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.

13. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Note Trust Deed and the Issuer 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 Issuer Security, unless indemnified and/or secured and/or prefunded to their satisfaction.

The Note Trust Deed and the Issuer 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.

14. REPLACEMENT OF NOTES

If any Class A Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Principal Paying Agent. Replacement of any mutilated, defaced, lost, stolen or destroyed Class A 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 Class A Note must be surrendered before a new one will be issued.

15. NOTICE TO NOTEHOLDERS

15.1 *Publication of Notice*

- (a) Subject to paragraphs (b) and (c) below, all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of the Irish Stock Exchange (which includes delivering a copy of such notice to the Irish Stock Exchange) and any such notice will be deemed to have been given on the date sent to the Irish Stock Exchange. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Note Trustee may approve. The holders of any coupons will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.
- (b) Whilst the Class A Notes are represented by a Global Note, notices to Class A 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 Class A Noteholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.
- (c) In respect of the Class Z VFN, notices to the Class Z VFN Holder will be sent to it by the Issuer to the fax number or email address notified to the Issuer from time to time in writing.

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 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.

16. SUBORDINATION BY DEFERRAL

16.1 *Interest*

- (a) If, on any Interest Payment Date whilst any of the Class A Notes remain outstanding prior to the service of a Note Acceleration Notice, the Issuer has insufficient funds to make payment in full of all amounts of interest (which shall, for the purposes of this Condition 16, include any interest previously deferred under this Condition 16.1 and any accrued Additional Interest thereon) payable in respect of the Class Z VFN 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 in respect of the Class Z VFN (unless there are no Class A Notes then outstanding) to the extent only of any insufficiency of funds (only after having

paid or provided for all amounts specified as having a higher priority in the Pre-Enforcement Revenue Priority of Payments than interest payable in respect of the Class Z VFN.

- (b) Any interest deferred in respect of the Class Z VFN under this Condition 16.1 shall be referred to as **Deferred Interest**.

16.2 General

Any amounts of Deferred Interest in respect of the Class Z VFN shall accrue interest (**Additional Interest**) at the same rate and on the same basis as scheduled interest in respect of the corresponding Class of Notes, but shall not be capitalised. 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 16.1 (*Interest*) applies) or on such earlier date as the Class Z VFN becomes due and repayable in full in accordance with these Conditions.

16.3 Notification

As soon as practicable after becoming aware but no later than 5 Business Days prior to any Interest Payment Date that any part of a payment of interest on the Class Z VFN will be deferred or that a payment previously deferred will be made in accordance with this Condition 16, the Issuer will give notice thereof to the Class Z VFN Holder in accordance with Condition 15 (*Notice to Noteholders*). Any deferral of interest in accordance with this Condition 16 will not constitute a Note Event of Default. The provisions of this Condition 16 shall cease to apply on the Final Maturity Date, or any earlier date on which the Notes are redeemed in full or required to be redeemed in full at which time all deferred interest and accrued Additional Interest thereon shall become due and payable.

17. INCREASING THE PRINCIPAL AMOUNT OUTSTANDING OF THE CLASS Z VFN AND ADJUSTING THE MAXIMUM CLASS Z VFN AMOUNT

17.1 Class Z VFN

- (a) If the Issuer (or the Cash Manager on behalf of the Issuer) receives a notice from the Originator prior to the Class Z VFN Commitment Termination Date notifying the Issuer (i) that a Further Advance has been made in respect of which there are insufficient funds standing to the credit of the Retained Principal Ledger and the Principal Ledger to fund the purchase of the Further Advance Trust Consideration and of the amount of the Further Advance Trust Consideration and/or such shortfall which is insufficiently funded by amounts standing to the credit of the Retained Principal Ledger and the Principal Ledger, (ii) that amounts standing to the credit of the Cash Reserve Fund are less than the Cash Reserve Required Balance and/or (iii) that during the Revolving Period, the Issuer has acquired the beneficial interest in a Tranched Loan and that an amount is required to be deposited in the Tranched Loans Prefunding Reserve equal to the difference between the drawn amount and the committed amount under the Tranched Loan, and/or (iv) that as of a Calculation Date the Cash Manager has determined that there would be an outstanding balance on the Principal Deficiency Ledger following the application of Available Revenue Receipts on the next following Interest Payment Date, the Issuer (or the Cash Manager on its behalf) shall notify (by serving a Notice of Increase) the holder of the Class Z VFN (the **Class Z VFN Holder**) requesting that such Class Z VFN Holder further fund the Class Z VFN on the next following Quarterly Pool Date or other Business Day specified in the Notice of Increase in an amount equal to the lower of:
- (i) (A) in respect of (i) above, the Further Advance Trust Consideration less amounts standing to the credit of the Retained Principal Ledger and the Principal Ledger available to pay such Further Advance Trust Consideration; or

- (B) in respect of (ii) above, the Cash Reserve Required Balance less all amounts standing to the credit of the Cash Reserve Fund ; or
 - (C) in respect of (iii) above, the amount required to be deposited in the Tranched Loans Prefunding Ledger equal to the difference between the drawn amount and the committed amount under the Tranched Loan; or
 - (D) in respect of (iv) above, the amount required such that after the application of Available Principal Receipts and Available Revenue Receipts on the relevant Interest Payment Date, there would be no outstanding balance on the Principal Deficiency Ledger; and
- (ii) the Maximum Class Z VFN Amount less the current Principal Amount Outstanding of the Class Z VFN (taking into account any predicted or forecast reductions to the Principal Amount Outstanding of the Class Z VFN on the following Interest Payment Date).
- (b) The Class Z VFN Holder, upon receipt of such a notice from the Issuer or the Cash Manager (on behalf of the Issuer) prior to the Class Z VFN Commitment Termination Date requesting that the relevant Class Z VFN Holder further fund the Class Z VFN, shall notify the Issuer that the relevant Class Z VFN Holder is prepared to make such further funding (the **Further Class Z VFN Funding**)), provided the relevant Class Z VFN Holder shall not be obliged to make any such further funding unless and until such time as the Issuer has complied with the requirements of Condition 17.1(d) below.
- (c) The proceeds of the Further Class Z VFN Funding shall be applied by the Issuer to fund (i) the Further Advance Trust Consideration, (ii) the Cash Reserve Fund up to and including an amount equal to the Cash Reserve Required Balance; (iii) any amount required to be deposited in the Tranched Loans Prefunding Reserve; or (iv) to add to Available Revenue Receipts on any Interest Payment Date such that after the application of Available Revenue Receipts on such Interest Payment Date, there will be no balance outstanding on the Principal Deficiency Ledger.
- (d) The Class Z VFN Holder shall advance the amount of such Further Class Z VFN Funding to the Issuer for value on the relevant Quarterly Pool Date or other Business Day specified in the Notice of Increase, if the following conditions are satisfied:
- (i) not later than 2.00 p.m. four Business Days prior to the proposed date for the making of such Further Class Z VFN Funding (or such lesser time as may be agreed by the Class Z VFN Holder, provided that in the case of Condition 17.1(a)(i)(D) the relevant amount shall be provided by the Class Z VFN Holder prior to the relevant Interest Payment Date), the relevant Class Z VFN Holder has received from the Issuer a completed and irrevocable Notice of Increase therefor, receipt of which shall oblige the relevant Class Z VFN Holder to accept the amount of the Further Class Z VFN Funding therein requested on the date therein stated upon the terms and subject to the conditions contained therein;
 - (ii) as a result of the making of such Further Class Z VFN Funding, the aggregate amount plus all Further Class Z VFN Funding made in respect of the Class Z VFN (provided no reference shall be made in respect of any principal amount due on the relevant Class Z VFN which has already been repaid) would not exceed the Maximum Class Z VFN Amount;
 - (iii) either:
 - (A) the Issuer confirms in the Notice of Increase that no Note Event of Default has occurred or will occur as a result of the Further Class Z VFN Funding; or

- (B) the relevant Class Z VFN Holder agrees in writing (notwithstanding any matter mentioned at (iii)(A) above 17.1(d)(iii)(A) to make such Further Class Z VFN Funding available; and
- (iv) the proposed date of such Further Class Z VFN Funding falls on a Business Day prior to the Class Z VFN Commitment Termination Date.

In this Condition, the expression:

Maximum Class Z VFN Amount for the Class Z VFN shall be £135,000,000 or such other amount as may be agreed from time to time by the Issuer and the Class Z VFN Holder, and notified to the Note Trustee.

Notice of Increase means a notice, substantially in the form set out in the Note Trust Deed.

18. GOVERNING LAW

The Note Trust Deed, the Issuer Deed of Charge, the Notes and these Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law.

19. 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.

20. RATING AGENCY CONFIRMATIONS

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 and (i) (A) one Rating Agency (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 20 Business 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) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts, then such condition to receive a Rating Agency Confirmation or response from each Ratings 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 Security Trustee a certificate signed by two directors certifying and confirming that each of the events in subparagraph (i) (A) or (B) and (ii) has occurred following the delivery by or on behalf of the Issuer of a written request to each Rating Agency.

21. NO USE OF PROCEEDS IN SWITZERLAND

The net proceeds of the issuance of the Notes will be applied by the Issuer outside Switzerland unless use in Switzerland is permitted under the Swiss taxation laws in force from time to time without payments in respect of the Notes becoming subject to withholding or deduction for Swiss withholding tax as a consequence of such use of proceeds in Switzerland.

USE OF PROCEEDS

The Issuer will use the net proceeds of the issue of the Class A Notes to pay a portion of the Initial Trust Consideration payable by the Issuer for the beneficial interest in the Loans and their Related Security comprised in the Initial Portfolio, in accordance with the terms of the Originator Trust Deed.

The Issuer will use the gross proceeds of the issue of the Class Z VFN to fund (i) to the extent that the proceeds of the Class A Notes are insufficient to pay the Initial Trust Consideration on the First Trust Date, the remaining portion of the Initial Trust Consideration for the Initial Portfolio, (ii) the establishment of the Cash Reserve Fund on the First Trust Date, (iii) a credit to the Tranche Loans Prefunding Ledger on the First Trust Date in relation to the Tranche Loans in the Initial Portfolio and (iv) initial expenses of the Issuer incurred in connection with the issue of the Notes on the First Trust Date.

RATINGS

The Class A Notes, on issue, are expected to be assigned the following ratings by DBRS and Moody's. The Class Z VFN is not rated. A credit 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 organisation if, in its judgement, circumstances (including, without limitation, a reduction in the credit rating of the Transaction Account Bank in the future) so warrant.

Class of Notes	DBRS	Moody's
Class A Notes	AAA (sf)	Aaa (sf)
Class Z VFN	Not rated	Not rated

As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the European Union and is registered under the CRA Regulation. As such each of the Rating Agencies is included on the list of credit rating agencies published by the European Securities and Markets Authority on its website (at www.esma.europa.eu/page/list-registered-and-certified-CRAs). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 31 March 2014 (registered number 8968863) as a public limited company under the Companies Act 2006 (as amended). The registered office of the Issuer is 35 Great St. Helen's, London EC3A 6AP. The telephone number of the Issuer's registered office is +44 (0)20 7398 6300. The issued share capital of the Issuer comprises 50,000 ordinary shares of £1.00 each, 49,999 of which are partly-paid up in cash as to 0.25p each and one of which is fully paid up to £1.00. All of the shares of the Issuer are beneficially owned by Holdings (see "Holdings" below).

The Issuer has been established as a special purpose vehicle or entity for the purposes of issuing asset backed securities. The Issuer has no subsidiaries. The Originator Trustee does not own directly or indirectly any of the share capital of Holdings or the Issuer. The Issuer was established solely for the purpose of issuing the Notes. The activities of the Issuer will be restricted by its Memorandum and Articles of Association and the Transaction Documents and will be limited to the issues of the Notes, the exercise of related rights and powers and other activities referred to herein or reasonably incidental thereto.

Under the Companies Act 2006 (as amended), the Issuer's governing documents may be altered by a special resolution of shareholders.

In accordance with the Corporate Services Agreement, the Corporate Services Provider will provide to the Issuer certain directors (under certain circumstances), a registered and administrative office, the arrangement of meetings of directors and shareholders and procure the service of a company secretary and also provide or procure certain financial services. No other remuneration is paid by the Issuer to or in respect of any director or officer of the Issuer for acting as such.

The Issuer, since its incorporation, has not commenced operations other than those incidental to its registration as a public company under the Companies Act 2006 (as amended) and to the proposed issues of the Notes and 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 has not prepared financial statements up to the date of this Prospectus. The Issuer, as necessary, has made a notification under the Data Protection Act 1998. The accounting reference date of the Issuer is 31 December and the first statutory accounts of the Issuer will be drawn up to 31 December 2014.

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

Directors

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

Name	Business Address	Business Occupation
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
SFM Directors (No.2) Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
Paul Michael Conroy	Leconfield House, Curzon Street, London W1J 5JB	Accountant

The directors of SFM Directors Limited and SFM Directors (No.2) Limited and their principal activities are as follows:

Name	Business Address	Principal Activities
Jonathan Keighley	35 Great St. Helen's, London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's, London EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's, London EC3A 6AP	Director, Company Secretary
Claudia Wallace	35 Great St. Helen's, London EC3A 6AP	Director
J-P Nowacki	35 Great St. Helen's, London EC3A 6AP	Director
Vinoy Nursiah	35 Great St. Helen's, London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's, London EC3A 6AP	Director
Susan Abrahams	35 Great St. Helen's, London EC3A 6AP	Director

The company secretary of the Issuer is SFM Corporate Services Limited whose principal office is at 35 Great St. Helen's, London EC3A 6AP. The Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees) as at the date of this Prospectus.

HOLDINGS

Introduction

Holdings was incorporated in England and Wales on 31 March 2014 (registered number 089688751) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 35 Great St Helen's, London EC3A 6AP. The issued share capital of Holdings comprises one ordinary share of £1.00. SFM Corporate Services Limited (the **Share Trustee**) holds the entire beneficial interest in the issued share under a discretionary trust for discretionary purposes. Holdings holds the entire beneficial interest in the issued share capital of the Issuer.

Neither the Originator Trustee nor any company connected with the Originator Trustee can direct the Share Trustee and none of such companies has any control, direct or indirect, over Holdings or 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
SFM Directors Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
SFM Directors (No.2) Limited	35 Great St. Helen's, London EC3A 6AP	Corporate Director
Susan Iris Abrahams	35 Great St. Helen's, London EC3A 6AP	Director

The directors of SFM Directors Limited and SFM Directors (No.2) Limited and their principal activities are as follows:

Name	Business Address	Principal Activities
Jonathan Keighley	35 Great St. Helen's. London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's. London EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's. London EC3A 6AP	Director, Company Secretary
Claudia Wallace	35 Great St. Helen's. London EC3A 6AP	Director
J-P Nowacki	35 Great St. Helen's. London	Director

Name	Business Address	Principal Activities
	EC3A 6AP	
Vinoy Nursiah	35 Great St. Helen's. London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's. London EC3A 6AP	Director
Susan Abrahams	35 Great St. Helen's. London EC3A 6AP	Director

The company secretary of Holdings is SFM Corporate Services Limited whose principal office is at 35 Great St. Helen's. London EC3A 6AP.

The accounting reference date of Holdings is 31 December and the first statutory accounts of Holdings will be drawn up to 31 December 2014.

Holdings has no employees.

THE ORIGINATOR

EFG Private Bank Limited (the **Bank**) provides banking services, secured credit facilities, investment advisory services, financial planning and trust and corporate solutions to private banking clients. The Bank's private bankers are integral to the delivery of services to clients. Banking services include the provision of current accounts, credit cards, and deposit accounts. The provision of secured credit is a central element of the Bank's client offering. The Bank provides finance solutions for periods of up to five years generally and lends predominantly against residential real estate in the greater London area.

The Bank was established in 1989 and became a wholly-owned subsidiary of EFG International AG in 2005. As at 31 December 2013, the Bank had total assets of £2.1 billion and employed 333 staff. The Bank is authorised by the PRA and regulated by the PRA and the FCA.

In connection with the transaction described herein, the Bank will act in separate capacities as Originator, servicer, Originator Trustee and Account Bank.

THE GUARANTOR

Overview

EFG International AG (the **Guarantor** or **EFG International**) is the holding company of EFG International Group (the **EFG Group**), an international private banking and asset management group based in Zurich. The Guarantor has been listed according to the Main Standard of SIX since 2005. As at 31 December 2013 it had a market capitalisation of CHF 1.9 billion.

EFG International AG is a company incorporated with limited liability under the laws of Switzerland with registered number CHE-112.512.247. Its registered and principal office is located at Bleicherweg 8, CH-8001 Zurich, Switzerland, and its telephone number is +41 44 226 1850. EFG International was incorporated as a corporation (*Aktiengesellschaft*) with unlimited duration according to article 620 et seq. of the Swiss Code of Obligations under the name “EFG International” on 8 September 2005 and changed its name to “EFG International AG” on 7 May 2008.

The EFG Group provides a wide range of financial services and products including private banking, asset management, financial advisory, trust administration, securities brokerage and other personal financial services primarily to high net worth individuals as well as to institutional investors.

The EFG Group operates in around 30 locations with 13 booking centres and had approximately 2,000 employees as at the date of this Prospectus.

As at the date of this Prospectus, the long-term and short-term (as applicable) unsecured, unsubordinated and unguaranteed ratings of EFG International are A3/stable by Moody's and A/stable by Fitch and F1. 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 organisation.

The rights of the Guarantor's shareholders are contained in the articles of association of the Guarantor and the Guarantor will be managed in accordance with those articles and internal regulations and with the provisions of any applicable law and regulation.

Significant Shareholders

EFG International's largest shareholder is EFG Bank European Financial Group SA, based in Geneva, which held 55.82% of EFG International's share capital as at 31 December 2013.

Principal Activities

The EFG Group's private banking business is centred around Client Relationship Officers (“**CROs**”) who work under its brand, supervision and responsibility, but advise clients in selecting suitable investment products and services for their clients' portfolios, albeit within the EFG Group's compliance, risk management, product approval and control framework. The EFG Group imposes no internal geographic or customer segment restrictions and the EFG Group's management does not re-allocate clients among CROs without mutual agreement.

The EFG Group hires CROs with relevant private banking experience, who have a portfolio of client relationships which they manage and can transfer to EFG International. As a result, the EFG Group has assembled a group of client-focused private bankers with a proven track record of building profitable private client relationships.

Each CRO operates as a separate profit centre and is paid a competitive base salary that corresponds to typical base salaries paid in the private banking market plus a contractually agreed bonus amounting to 15–

20% of his or her “net contribution” (the difference between revenues attributable to the CRO and the direct costs attributable to the CRO). The EFG Group closely monitors the performance of its CROs, from both a financial and a legal/compliance and risk management point of view, and expects them to meet defined performance thresholds. Credit decisions are taken by an independent credit committee.

Principal Services

The EFG Group offers clients a range of investment solutions, margin loans and brokerage and trading services, as well as ancillary services, including time deposits and fiduciary placements, current accounts, custody services, foreign exchange execution services and trust services. The EFG Group offers both in-house products and products developed by other institutions. The EFG Group’s in-house products include structured products, long only funds and fund of hedge funds.

Investment Advisory Services

Clients served by the EFG Group’s CROs have both discretionary and non-discretionary portfolios. The substantial majority of EFG International’s AuM (comprising custodised securities, fiduciary placements, deposits, client loans, funds, mutual funds under management, third party custodised assets managed by the EFG Group, third party funds administered by the EFG Group and structured notes which are structured and managed by the EFG Group) are in non-discretionary portfolios. The AuMs in non-discretionary portfolios are analysed and monitored by professional investment counsellors, who provide bespoke investment advice in cooperation with CROs to clients, with the client making the ultimate investment decisions.

The EFG Group advises its clients on individual equity and debt securities, as well as conventional funds, hedge funds and structured investment products. CROs have the discretion to recommend both in-house and third party investment products to clients, and do not receive non-market financial incentives to refer clients to in-house products nor do they have any sales targets or budgets. In order to ensure that the third party products recommended by CROs are suitable, a global product approval process has been implemented, which established guidelines for third-party products, which CROs may recommend to clients. They may also request that management approve new products if they believe those products are appropriate to a particular client’s or group of clients’ needs.

Issued Share Capital

As at 31 December 2013 EFG International had fully paid and issued share capital of CHF 73,938,520 comprising 147,877,040 registered shares with a nominal value of CHF 0.50 each. Its registered shares are listed and traded pursuant to the Main Standard on SIX since 2005.

Authorised Capital

As at 31 December 2013 EFG International had authorised capital in the amount of CHF 25,000,000, representing 50,000,000 shares with a nominal value of CHF 0.50 each.

Conditional Capital

As at 31 December 2013 EFG International had a conditional capital in the amount of CHF 1,678,980, representing 3,357,960 shares with a nominal value of CHF 0.50 each. In 2013 the Group started issuing its conditional share capital to provide registered shares for exercised restricted stock units to Group employees.

Board of Directors

As of the date of this Prospectus, the Board of Directors of EFG International currently comprises ten members all of whom are non-executive directors.

No member of the Board has held a management position in EFG International or any of the EFG Group companies over the last three years, except for Robert Yin Chiu. No director (neither as individual nor as representative of a third party) has any significant business connection with EFG International or any of its subsidiaries.

There are no potential conflicts of interest between any duties of the directors and their private interests and/or other duties.

The table below sets out the name and position held on the Board for each of the current members of the Board.

Name	Position held on the Board
Jean Pierre Cuoni	Chairman
Hugh Napier Matthews	Vice-Chairman
Niccolò H. Burki	Member
Emmanuel Leonard Bussetil	Member
Erwin Richard Caduff	Member
Michael Norland Higgin	Member
Spiro J. Latsis	Member
Freiherr Bernd-A. von Maltzan	Member
Périclès Petalas	Member
Robert Yin Chiu	Member
Karl Daniel Zuberbühler	Member

For the purposes of this Prospectus, the business address of each member of the Board is EFG International's registered office Bleicherweg 8, CH-8001 Zurich, Switzerland.

Litigation Proceedings

EFG International was recently served with an unexpected judgment by the Commercial Court of the Canton of Zurich for an amount of EUR 21.5 million relating to a case – disclosed as a contingent liability in EFG International's annual report for the financial year ended 2013 – involving fraudulently approved contracts, EFG International has appealed this judgment to the Federal Court and is pursuing discussions regarding insurance coverage. However, a provision for the full amount relating to these proceedings will be included in EFG International's financial statements for the period ending 30 June 2014.

The delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Guarantor or the EFG Group since the date hereof or that the information contained or referenced herein is correct as of any time subsequent to its date.

THE NOTE TRUSTEE AND SECURITY TRUSTEE

BNP Paribas Trust Corporation UK Limited has been appointed as the Note Trustee and the Security Trustee under the Transaction Documents. BNP Paribas Trust Corporation UK Limited is incorporated under the Companies Act 1985 having limited liability and is registered with the Companies House of England and Wales with company number 04042668. It has its registered office at 55 Moorgate, London EC2R 6PA, United Kingdom.

This description of the Note Trustee and Security Trustee does not purport to be a summary of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Transaction Documents. The delivery of this Prospectus does not imply that there has been no change in the affairs of the Note Trustee and the Security Trustee since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

THE CASH MANAGER AND TRANSACTION ACCOUNT BANK

BNP Paribas Securities Services, a wholly-owned subsidiary of the BNP Paribas Group, is a leading global custodian and securities services provider backed by the strength of a universal bank. It provides integrated solutions to all participants in the investment cycle including the buy-side, sell-side, corporates and issuers.

Covering over 100 markets, with its own offices in 34 countries, the BNP Paribas network is one of the most extensive in the industry. It brings together local insight and a global network to enable clients to maximize their market and investment opportunities worldwide.

Key figures as of 31 December 2013: USD 8,055 billion assets under custody, USD 1,442 billion assets under administration, 7,067 administered funds and 8,225 employees.

BNP Paribas Securities Services, London Branch will act as Transaction Account Bank.

BNP Paribas Securities Services, Luxembourg Branch will act as Cash Manager, Principal Paying Agent, Class Z VFN Registrar and Agent Bank.

THE CORPORATE SERVICES PROVIDER AND BACK-UP SERVICER FACILITATOR

Structured Finance Management Limited (registered number 03853947), having its principal address at 35 Great St. Helen's, London EC3A 6AP will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement.

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

The Corporate Services Provider will be entitled to terminate its appointment under the Corporate Services Agreement on 20 Business Days' written notice to the Issuer, the Security Trustee and each other party to the Corporate Services Agreement, provided that a substitute corporate services provider has been appointed on substantially the same terms as those set out in the Corporate Services Agreement.

The Issuer or, following delivery of a Note Acceleration Notice, the Security Trustee may terminate the appointment of the Corporate Services Provider on 20 Business Days' written notice so long as a substitute corporate services provider has been appointed on substantially the same terms as those set out in the Corporate Services Agreement.

In addition, the appointment of the Corporate Services Provider may be terminated immediately upon notice in writing given by the Issuer or, following delivery of a Note Acceleration Notice, the Security Trustee, if the Corporate Services Provider breaches its obligations under the terms of the Corporate Services Agreement and/or certain insolvency related events occur in relation to the Corporate Services Provider.

Structured Finance Management Limited will also be appointed as Back-Up Servicer Facilitator pursuant to the Back-Up Servicer Facilitator Agreement (see the section entitled "*Summary of the Key Transaction Documents – Back-Up Servicer Facilitator Agreement*" for further information).

THE LOANS

The Portfolio

Introduction

The following is a description of some of the characteristics of the Loans originated by the Originator and comprised in the Cut-Off Date Portfolio including details of loan types, the underwriting process, lending criteria and selected statistical information.

The Originator will select the Loans for transfer into the Portfolio using a system containing defined data on each of the qualifying loans in the Originator's overall portfolio of loans available for selection. This system allows the setting of exclusion criteria corresponding to, *inter alia*, relevant Loan Warranties that the Originator makes in the Originator Trust Deed in relation to the Loans (see "*Originator Trust Deed – Representations and Warranties*"). This system also allows a limit to be set on some criteria. Once the criteria have been determined, the system identifies all loans owned by the Originator that are consistent with the criteria. From this subset, loans are selected at random until the target balance for Loans has been reached, or the subset has been exhausted. After a pool of Loans is selected in this way, the constituent Loans are monitored to ensure their compliance with the Loan Warranties on the Closing Date.

Unless otherwise indicated, the description that follows relates to types of loans that have been or could be transferred to the Issuer as part of the Portfolio as at the Closing Date.

Any Loans in which the beneficial interest is acquired by the Issuer on the First Trust Date will be selected from the Cut-Off Date Portfolio. In addition, the Originator may offer a Borrower under a Loan comprised in the Portfolio, or a Borrower may request, a Product Switch. If this occurs the Loan which is subject to a Product Switch may not be offered on standard mortgage conditions and may have originated according to different Lending Criteria. All Product Switches will be required to comply with the Portfolio Criteria set out in the Originator Trust Deed on their Product Switch Date. The material warranties in the Originator Trust Deed to be given as at the First Trust Date and the Portfolio Criteria and Loan Warranties which must be met on each Product Switch Date are described in this Prospectus. See "*Summary of the Key Transaction Documents – Originator Trust Deed*" above.

Characteristics of the Loans

(1) Repayment terms

Loans may combine one or more of the features listed in this section. Overpayments are allowed on all products, within certain limits. See "*Characteristics of the Loans – (4) – Overpayments*" and "*Characteristics of the Loans – (7) Further Tranches*" below.

Loans are repayable on one of the following bases:

Repayment Loan: the Borrower makes periodic 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;

Interest-only Loan: the Borrower makes periodic payments of interest but not of principal so that when the Loan matures, the entire principal amount of the Loan is still outstanding and is payable in one lump sum; or

a combination of both these options.

In the case of either Repayment Loans or Interest-only Loans, the required accrued rate of interest on the Loans will vary from time to time as a result of changes in interest rates.

For Interest-only Loans, because the principal is repaid in a lump sum at the maturity of the loan, the Borrower is recommended to have a credible repayment strategy in place 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, usually without payment of any Early Repayment Charges (as described in "*Characteristics of the Loans – (3) Early Repayment Charges*" below). 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).

Interest on the Loans is debited to the Borrower's current account with the Originator and various methods are available for Borrowers to credit funds to their current accounts with the Originator, including:

- direct account credit
- internal transfer
- inward transfer of funds (including by way of direct debit instruction or standing order from another bank or building society account)

(2) Interest payments and interest rate setting

Interest on the Loans is charged on one of the following bases and the Originator is able to combine these to suit the requirements of the Borrower:

Floating Rate Loans, which comprise between 90% and 100% of all Loans in the Portfolio, are loans which are subject to an agreed margin over the London Inter Bank Offered Rate ("LIBOR") rate for the currency of drawing, normally sterling, and for a relevant LIBOR period, normally 3 months. The relevant LIBOR rate is quoted daily. The Borrower may request, and it is at the Originator's discretion to agree, a different LIBOR period.

Fixed Rate Loans are loans which are subject to a fixed rate of interest (inclusive of margin) for a specified period of time, usually for 2, 3 or 5 years.

All loans originated by the Originator provide for interest to be calculated on a daily basis. The interest calculated at the end of each day on the outstanding balance of the loan is debited to the Borrower's current account at the end of the then current interest period (but where an interest period exceeds three months, interest is payable quarterly in arrears and on the last day of such interest period). Consequently any payment of principal by the Borrower will immediately reduce the Borrower's balance on which interest will be calculated the following day.

(3) Early Repayment Charges

Although unusual the Borrower may be required to pay an early repayment charge (an **Early Repayment Charge**) if certain events occur during a pre-determined period and the Loan Agreement states that the Borrower is liable for Early Repayment Charges and the Originator has not waived or revised its policy with regards the payment of Early Repayment Charges. These events include a full or partial unscheduled repayment of principal, or an agreement between the Originator and the Borrower to switch to a different mortgage product. If all or part of the principal owed by the Borrower, other than any scheduled principal payments, is repaid before the end of the pre-determined period or the Borrower switches to another product, the Borrower may be liable to pay to the Originator a repayment fee based on the amount repaid or switched to another product. If the Borrower has more than one product attached to the mortgage loan, the Borrower may choose under which product the principal should be allocated.

If the Borrower repays its mortgage during an Early Repayment Charge period to move house, the Borrower may not be required to pay the charge if the Borrower takes out a new loan for the new home with the Originator, subject to certain qualifying criteria.

Most Loans do not include any provisions for the payment of an Early Repayment Charge by the Borrower.

(4) Overpayments

Overpayments – Overpayments are allowed on all products, although an Early Repayment Charge may be payable (as described in "*Characteristics of the Loans – (3) Early Repayment Charges*" above). Borrowers may make lump sum payments at any time.

Since interest is calculated on a daily basis, if Borrowers pay more than the scheduled periodic payment, the balance on their mortgage loan will be reduced. The Originator will charge interest on the reduced balance, which reduces the amount of interest the Borrower must pay.

(5) Further Advances

If a Borrower wishes to take out a further loan secured by the same mortgage the Borrower is required to make a further advance application and the Originator will use the lending criteria applicable to further advances at that time in determining whether to approve the application. The original mortgage is expressed to cover all amounts due under the relevant loan which would cover any Further Advances. (See "*Summary of the Key Transaction Documents – Further Advances, Product Switches and Further Tranches*").

Some Loans in the Portfolio may have Further Advances made on them prior to their being transferred to the Issuer on the Closing Date.

If a Loan is subject to a Further Advance having been transferred to the Issuer, the Originator (or an EFG Delegate) will be required to re-acquire the Loan and its Related Security from the Issuer to the extent that the Issuer does not have sufficient funds from the Principal Ledger or from a drawing under the Class Z VFN to fund the purchase of such Further Advance.

See "*Summary of the Key Transaction Documents – Further Advances, Product Switches and Further Tranches*").

(6) Product Switches

From time to time, Borrowers may request or the Originator may send an offer of a variation in the financial terms and conditions applicable to the Borrower's loan. In limited circumstances, if a Loan is subject to a Product Switch as a result of a variation, then the Originator (or an EFG Delegate) may be required to repurchase the Loan or Loans and their Related Security from the Issuer. (See "*Summary of the Key Transaction Documents – Further Advances, Product Switches and Further Tranches*").

(7) Further Tranches

The Portfolio may include Loans which are not fully drawn by the Borrower. The beneficial interest in a Tranching Loan may be acquired by the Issuer (either on the First Trust Date or during the Revolving Period) provided the terms of such Loan state that the commitment of the Originator to advance the fully committed amount will lapse no later than 12 months after the Additional Trust Date on which the beneficial interest in such Tranching Loan was acquired by the Issuer (or in relation to Tranching Loans included in the Initial Portfolio, the First Trust Date). As a condition to the Issuer agreeing to acquire the beneficial interest in the Tranching Loan, the Class Z VFN holder shall be required to provide funding under the Class Z VFN in an amount equal to the difference between the drawn amount and the committed amount under the Tranching

Loan. (See "*Summary of the Key Transaction Documents – Further Advances, Product Switches and Further Tranches*").

Interest Rate Review

In respect of Floating Rate Loans, the terms and conditions of the Loans provide that the interest element of a Borrower's payments in respect of their mortgage will be linked to the relevant LIBOR rate applicable to the Loan on the first day of each interest period, irrespective of any LIBOR rate changes during such period. At the end of each interest period, the rate of interest applicable to the Loan will be reset to reflect the agreed margin over the relevant LIBOR rate for the next interest period and currency.

Origination channels

The Originator currently derives the majority of its mortgage-lending business via existing customers, introductions by existing customers or through a network of intermediaries throughout the United Kingdom (except for certain loan related features, such as Further Advances, which are originated directly by the Originator).

Once an application for a mortgage loan is received from a prospective new customer (through whichever origination channel) it is processed by the channel staff and the Originator's Credit Department. The details of the application are entered into the Originator's relevant computer system, and arrangements are made to obtain such references and/or other proof of income, valuation, survey or other evidence of value (if any and as appropriate) that may be required by the Originator under its lending policy. A mortgage offer may then be issued to the prospective new customer and instructions are despatched to the relevant solicitor or licensed conveyancer to investigate title and issue a report on the same to the Originator. Once a satisfactory certificate of title and valuation has been received (if appropriate) and no other matters in relation to the application are outstanding, mortgage funds can be released to the solicitor or licensed conveyancer.

The Originator is subject to the FSMA, MCOB (and other rules under the FSMA) and the Financial Ombudsman Service (which is a statutory scheme under the FSMA).

Underwriting

The underwriting approach of the Originator has changed over time. Loans in the Portfolio may have been originated in accordance with different underwriting criteria from those set out here, depending on their date of origination. The Originator currently adopts a tailored personal approach to lending assessment. This assessment is made with reference to a number of components including:

- (a) affordability: calculation of an individualised lending amount that reflects the applicant's income net of tax, credit commitments and assumed living expenses, which vary according to income, number of applicants and dependants. However some older Loans in the Portfolio will not take specific account of credit commitments and assumed living expenses;
- (b) credit policy: assessment of credit risk will take into consideration the Originator's credit policies from time to time including general lending criteria and additional credit criteria specific to residential property lending;
- (c) wealth: calculation of an individualised lending amount that reflects the applicant's assets and liabilities, such knowledge of a customer's wealth being through extensive due diligence and independent verification to the extent necessary to support the credit assessment;
- (d) LTV: calculation of an individualised lending amount is restricted by conservative typical guideline LTV Ratios of between 50% - 60%. However up to 10% of the aggregate current balance of all Loans in the Portfolio may have higher LTV Ratios of up to 70%; and

- (e) relationship: assessment of credit risk will factor in the length of an existing relationship with a customer (in a credit capacity or otherwise) and the wider business relationship which the Originator has or is expected to have with the Borrower in terms of deposits, investment management, custody or administrative services.

The lending process is supported by a structure which requires almost all loans to be agreed by a quorum, voting unanimously, of Credit Committee members of the Originator (**Credit Committee**).

There is a Delegated Lending Mandate (**DLM**) structure for smaller loans which meet certain pre-determined quality criteria, where such loans can be approved by two senior individuals with appropriate experience in loan underwriting, but typically DLM approvals account for less than 10% of all loan approvals. It is possible that some of the smaller Loans in the Portfolio may have been approved under the DLM. Mortgage underwriting decisions under DLM, are subject to internal monitoring by the Credit Committee in order to ensure the Originator's procedures and policies regarding underwriting are being followed by staff.

Loans are not approved under any automated or credit scoring process, and thus there is no systemic ability to override an automated credit decision.

Lending Criteria

On the Closing Date, the Originator will represent that each Loan being transferred to the Issuer was originated according to the lending criteria of the Originator at the time the Loan was offered (the **Lending Criteria**), in all material respects, subject only to exceptions made on a case-by-case basis as would be acceptable to a Reasonable, Prudent Mortgage Lender. Policy and risk appetite varies in line with a number of internal and external factors, in particular expectations of the housing market and wider economy and the Originator retains the right to revise its lending criteria from time to time, so the criteria applicable to any Additional Loans or any Loans which are the subject of a Further Advance, Product Switch or a Further Tranche may not be the same as those currently used or used at the time of the Initial Advance in relation to such Loan.

The summary below and in this Prospectus reflects the lending criteria applied for originations between 2003 and the date of this Prospectus. The Originator's current policy reflects the recent uncertainty of the economy and in certain areas is more conservative than under historic lending criteria.

(1) *Type of property*

Properties may be either freehold or leasehold. In the case of leasehold properties, there must be at least 60 years remaining on the lease on inception of the mortgage unless the remaining lease term is consistent with similar local properties and the remaining length of the lease is taken into account in the valuation. The property must be used or approved for use as a residential dwelling, although second homes, holiday homes and residential investment properties are considered. Properties must be of good quality, in sound structural condition and in a reasonable state of repair. House boats, mobile homes, and any property on which buildings insurance cannot be arranged are not acceptable. All persons who are (or are to be) legal owners of the property on completion must be named as either Borrower or guarantor of a Borrower (where applicable) under the Loan.

All properties have been valued by a valuer approved by the Originator and taken from the Originator's approved panel. Further Advances may (but will not in all circumstances) have been assessed using a further full valuation of the property, or at least by reference to an updated desktop valuation of the property. HPI Statistics or other evidence, including the relevant Borrower's estimate of value, are not measures which are accepted by the Originator.

A Loan or series of Loans to a single Borrower may be secured on one or more properties which meet the Originator's eligibility criteria, but where a series of Loans are made to a single Borrower all security will be held on a fully cross collateralised basis.

(2) Term of loan

The minimum term of a loan is generally one year for new loans. The maximum term for residential loans is generally 5 years. A repayment period for a Further Advance that would extend beyond the term of the original advance may also be accepted at the Originator's discretion. However, Further Advances may only be transferred to the Issuer subject to the Portfolio Criteria being met on the relevant Further Advance Trust Date.

(3) Details of applicant

All Borrowers must be aged 18 or over and the mortgage term must normally end before the Borrower reaches 75. If the Originator determines the Borrower will not be able to afford the mortgage into retirement, the application will be declined.

All Borrowers must be first approved as customers of the Originator which will undertake extensive due diligence, know your Customer, Source of Wealth and Anti Money Laundering investigations into the customer.

(4) Loan-to-value (or LTV) ratio

Normally, the maximum original LTV ratio of loans in the Portfolio would be 67%. Where fees were added to the loan, the total amount lent would have to remain within the specified LTV limit.

The LTV Ratio which the Originator applies to a property is governed by internal policy guidelines which consider the location and value of the property concerned. In general terms the less prime the location the lower the LTV Ratio. Within each general area of location, the higher the value of the property the lower the LTV Ratio. Further adjustment may be made by Credit Committee to the LTV Ratio depending on the condition of the property and other factors affecting the overall assessed credit risk represented by the transaction.

When the Originator makes a loan on a property which requires repairs, the property is either valued on a "when done" basis and the loan retained until works have been completed, or if the property is acceptable security in its existing condition, it may be valued on that basis and the loan released prior to works commencing.

(5) Credit history

The current policy is as follows:

Credit search:

A credit search is carried out in respect of all new customers with a bureau of the Originator's choice at a level of the Originator's choice, as part of the due diligence undertaken before approval of that person as a customer.

A bankruptcy search is carried out in respect of all legal owners of a property when the property is initially charged to the Originator as security for a loan.

Existing lender's reference:

Any reference must satisfy the Originator that the account has been properly conducted and that no history of material arrears exists.

(6) Bank reference/Proof of income

Subject to certain exceptions applied by the Originator acting as a Reasonable, Prudent Mortgage Lender in accordance with the Originator's practice and procedures from time to time, the Originator will seek and review satisfactory bank statements and references from existing or previous lenders. Additionally, under the current policy, the Originator may require applicants to produce tax returns or other appropriate documentation to prove income received. Sometimes a reference or confirmation of income and/or wealth from a qualified accountant will be obtained.

(7) Scorecard

Under the current policy, the Originator does not use any automated credit scoring or scorecard model. All lending decisions are taken under a tailored, individual approach with approval by Credit Committee or under the DLM.

Changes to the underwriting policies and the Lending Criteria

The Originator's underwriting policies and Lending Criteria were and are subject to change within the Originator's sole discretion. Loans were and are originated in some cases by way of exception to the lending criteria where the Originator determined that the exception would have been acceptable to a Reasonable Prudent Mortgage Lender. Further Advances, Product Switches and Further Tranches that are originated under Lending Criteria that are different from the criteria set out here may be transferred to the Issuer.

Insurance policies

(1) Insurance on the property

Each mortgaged property is required to be insured with buildings insurance. The property may be insured by the Originator at the expense of the Borrower or, the insurance may be purchased by the Borrower or (in the case of leasehold property) by a landlord or by a property management company. If the Originator becomes aware that no adequate insurance is in place, it has the power to arrange insurance on the property and charge the premiums for this to the Borrower's mortgage account.

Whilst it is a condition of the Mortgage Deed in relation to each Loan that the mortgagor insures all Mortgaged Property, the Originator does not as a matter of course monitor whether each property remains insured for so long as the Loan is outstanding.

Subject as set out above, the Originator itself only insures a property once it has repossessed the property from a defaulting Borrower. See "*Insurance Policies – (3) Properties in possession cover*" below.

(2) Borrower-arranged buildings insurance

The Originator requires that a Borrower maintains home insurance for the duration of the mortgage but the Originator does not verify if such insurance is in place at the time when the mortgage commences.

(3) Properties in possession cover

When a mortgaged property is taken into possession by the Originator, the Originator takes the necessary actions to ensure that appropriate insurance cover is provided on the property. The Originator may claim under this policy for any damage occurring to the property while in the Originator's possession.

(4) Title and Search insurance

Search insurance is obtained in some instances on remortgage cases, in these instances a solicitor does not undertake a local search.

Title insurance is obtained in respect of certain limited title defects (e.g. restrictive covenants, absence of rights of way) from all solicitors on new mortgages and remortgages. An investigation of title is always undertaken and insurance obtained if an investigation of title has taken place and a defect discovered.

Arrears policy

The Originator identifies a Loan as being in Arrears when the amounts which were due on a previous interest payment date remain unpaid for in excess of one calendar month.

The Originator will attempt to contact the Borrower initially by telephone, email or by letter to advise the Borrower of the Arrears. Further efforts to contact the Borrower will be made at appropriate intervals if such payments remain unpaid. The Originator may, at its discretion, upon establishing the Borrower's circumstances offer options specifically tailored to return the account to order. These options may include temporary excess approval, loan modification or temporary concessionary payment. Where a satisfactory arrangement cannot be reached or maintained, possession proceedings may be instigated to enable the Originator to enforce its security.

Governing law

Each of the Loans and the Related Security is governed by English law.

Compliance with the CRD

EFG Private Bank Limited is a credit institution and as such is bound by the requirements of the CRD. The policies and procedures of EFG Private Bank Limited in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation are in compliance with the requirements of the CRD.

The requirements of the CRD broadly include the following:

- (a) that the granting of credit shall be based on sound and well-defined criteria and that the process for approving, amending, renewing and re-financing credits shall be clearly established (as to which, please see the information set out earlier in this section of this Prospectus);
- (b) that effective systems are in place to administer and monitor the various credit-risk bearing portfolios and exposures (as to which we note that the Portfolio will be serviced in line with the usual servicing procedures of the Originator – please see further the section of this Prospectus headed “*Summary of the Key Transaction Documents – Originator Trust Deed*”);
- (c) that the diversification of credit portfolios shall be adequate given the relevant credit institution’s target market and overall credit strategy (as to which, in relation to the Portfolio, please see the section of this Prospectus headed “*Characteristics of the Portfolio*”);
- (d) to have in place written policies and procedures in relation to risk mitigation techniques (as to which, please see the information set out earlier in this section of this Prospectus).

CHARACTERISTICS OF THE PORTFOLIO

The statistical and other information contained in this Prospectus has largely been compiled by reference to certain Loans in a portfolio as at the Cut-Off Date (the **Cut-Off Date Portfolio**). The Cut-Off Date Portfolio will consist of 271 Loans originated by the Originator between 4 December 2008 and 13 February 2014 and secured over properties located in England. The Current Balance of the Cut-Off Date Portfolio is £396,143,004.64. As at the date of this Prospectus the Current Balance of the Portfolio (including the full approved balance of any Tranching Loans in the Portfolio) is £371,941,787.84. Columns may not add up to 100 per cent. due to rounding. A Loan will be removed from the Cut-Off Date Portfolio if in the period from (and including) the Cut-Off Date up to (but excluding) the Closing Date such Loan is repaid in full or if such Loan does not comply with the Loan Warranties on the Closing Date. Except as otherwise indicated, these tables have been prepared using the Current Balance as at the Cut-Off Date, which includes all principal of the Loans in the Portfolio. In this section:

Mortgage Accounts means the totality of the relevant loans granted by the Originator secured on the same Property or Properties and their related Security; and

Sub-Accounts means the individual relevant loans granted by the Originator secured on the same Property or Properties and their related Security.

Summary of the Cut-Off Date Portfolio

The table below gives an outline of certain features of the Cut-Off Date Portfolio.

Total balance	£396,143,004.64
Average drawn balance (per Loan)	£1,461,782.30
Average drawn balance (per Borrower)	£1,650,595.85
Maximum balance	£7,745,000
Weighted average drawn LTV (current loan/original value)	50.71%
Weighted average interest rate	2.98%
Weighted average original term to maturity	46.88 months
Weighted average seasoning	21.68 months
Weighted average remaining term to maturity	27.79 months
Key region of property location	London Prime Central (56.54%) Other London (26.66%) Home Counties (9.42%)
Number of Borrowers	240
Number of Loans	271
Number of separate drawings	287

Current Balances as at the Cut-Off Date – per Borrower

The following table shows the range of Mortgage Account Current Balances (including arrangement fees, legal fees and valuation fees (to the extent that they have been capitalised within each Loan and not separately paid by the Borrower) and incorporating all Loans secured on the same Property or Properties) as at the Cut-Off Date per Borrower in the Cut-Off Date Portfolio.

Range of Original Balances (£)	Aggregate Current Balance	% of Total	Number of Borrowers	% of Total
>= 400,000.00 and < 1,000,001.00	£65,663,779.61	16.58%	90	37.50%
>= 1,000,001.00 and < 2,500,001.00	£171,954,093.94	43.41%	106	44.17%
>= 2,500,001.00 and < 5,000,001.00	£138,165,131.09	34.88%	41	17.08%
>= 5,000,001.00 and < 7,500,001.00	£12,615,000.00	3.18%	2	0.83%
>= 7,500,001.00 and < 8,000,001.00	£7,745,000.00	1.96%	1	0.42%
Total	£396,143,004.64	100.00%	240	100.00%

The maximum, minimum and average Current Balance of the Loans as of the Cut-Off Date per Borrower is £7,745,000.00, £475,000.00 and £1,650,595.85, respectively.

Current Balances as at the Cut-Off Date – per Loan

The following table shows the range of Mortgage Account Current Balances (including arrangement fees, legal fees and valuation fees (to the extent that they have been capitalised within each Loan and not separately paid by the Borrower) and incorporating all Loans secured on the same Property or Properties) as at the Cut-Off Date per Loan in the Cut-Off Date Portfolio.

Range of Original Balances (£)	Aggregate Current Balance	% of Total	Number of Loans	% of Total
>= 0 and < 400,001.00	£2,709,314.56	0.68%	12	4.43%
>= 400,000.00 and < 1,000,001.00	£78,956,211.61	19.93%	110	40.59%
>= 1,000,001.00 and < 2,500,001.00	£178,690,577.35	45.11%	111	40.96%
>= 2,500,001.00 and < 5,000,001.00	£115,426,901.12	29.14%	35	12.92%
>= 5,000,001.00 and < 7,500,001.00	£12,615,000.00	3.18%	2	0.74%
>= 7,500,001.00 and < 8,000,001.00	£7,745,000.00	1.96%	1	0.37%
Total	£396,143,004.64	100.00%	271	100.00%

The maximum, minimum and average Current Balance of the Loans as of the Cut-Off Date per Loan is £7,745,000.00, £110,000.00 and £1,461,782.30, respectively.

Current Unindexed Loan to Value Ratios

The following table shows the range of LTV Ratios, which express the outstanding balance of the aggregate of Loans (including arrangement fees, legal fees and valuation fees) in the Mortgage Accounts (which incorporate all Loans secured on the same Property or Properties) as at the Cut-Off Date divided by the relative weighted value of the Property or Properties securing the Loans in the Mortgage Account as at that date. The Originator may have revalued some of the mortgaged properties since the date of the origination of the related Loan, particularly where additional lending has been applied for or advanced, and in certain product switch and re-arrangement application cases (where such case is completed or not). In these cases the original valuation may have been updated with a more recent valuation. Where a more recent valuation has been obtained, the revised valuation has been used in formulating this data.

Range of Unindexed LTV Ratios	Aggregate Current Balance	% of Total	Number of Borrowers	% of Total
>= 0.00% < 20.00%	£1,385,000.00	0.35%	2	0.83%
>= 20.00% and < 30.00%	£25,811,739.38	6.52%	18	7.50%
>= 30.00% and < 40.00%	£35,940,844.63	9.07%	27	11.25%
>= 40.00% and < 50.00%	£96,887,226.31	24.46%	53	22.08%
>= 50.00% and < 60.00%	£219,334,224.66	55.37%	129	53.75%
>= 60.00% and < 70.00%	£16,783,969.66	4.24%	11	4.58%
Totals	£396,143,004.64	100.00%	240	100.00%

The weighted average current Loan to Value Ratio as at the Cut-Off Date of the Loans in the Cut-Off Date Portfolio is 50.71 per cent.

Current Indexed Loan to Value Ratios

The following table shows the range of LTV Ratios, which express the outstanding balance of the aggregate of Loans (including arrangement fees, legal fees and valuation fees) in the Mortgage Accounts (which incorporate all Loans secured on the same Property or Properties) as at the Cut-Off Date divided by the relative indexed valuation of the Property or Properties securing the Loans in the Mortgage Account as at that date.

Current Range of Indexed LTV Ratios*	Aggregate Current Balance	% of Total	Number of Borrowers	% of Total
>= 0.00% < 20.00%	£ 8,611,235.75	2.17%	8	3.33%
>= 20.00% and < 30.00%	£34,018,015.94	8.59%	27	11.25%
>= 30.00% and < 40.00%	£61,343,901.90	15.49%	38	15.83%
>= 40.00% and < 50.00%	£181,649,182.85	45.85%	99	41.25%
>= 50.00% and < 60.00%	£102,185,898.46	25.80%	64	26.67%
>= 60.00% and < 70.00%	£8,334,769.74	2.10%	4	1.67%
Totals	£396,143,004.64	100.00%	240	100.00%

* Most recent property valuation was indexed using the most appropriate Land Registry house price index for such Property (either by reference to the London borough or, if outside of London, the County in which the Property is located) from the date of the latest recorded Valuation of the Property to the date of the most recent indexation exercise, (January 2014)

The weighted average current indexed Loan to Value Ratio as at the Cut-Off Date of the Loans in the Cut-Off Date Portfolio is 44.56 per cent.

Geographical Distribution

The following table shows the distribution of Properties securing the Loans as at the Cut-Off Date.

Region	Aggregate value of Properties	% of Total	Number of Properties	% of Total
London Prime Central	£208,650,000.00	25.14%	76	21.97%
London Prime W Central	£120,485,347.00	14.52%	52	15.03%
London Prime N Central	£117,999,000.00	14.22%	42	12.14%
London Prime S Central	£22,100,000.00	2.66%	11	3.18%
London City	£1,820,000.00	0.22%	2	0.58%
London West End Other	£1,075,000.00	0.13%	2	0.58%
London West	£44,046,000.00	5.31%	21	6.07%
London South West	£89,090,000.00	10.73%	27	7.80%
London North West	£27,305,000.00	3.29%	23	6.65%
London North	£44,160,000.00	5.32%	15	4.34%
London South East	£12,175,000.00	1.47%	7	2.02%
London East	£1,600,000.00	0.19%	1	0.29%
Home Counties	£78,210,000.00	9.42%	27	7.80%
Southern England	£33,968,000.00	4.09%	26	7.51%
Eastern England	£250,000.00	0.03%	1	0.29%
Western England	£18,590,000.00	2.24%	8	2.31%
Midlands	£8,454,500.00	1.02%	5	1.45%
Grand Total	£829,977,847.00	100.00%	346	100.00%

Seasoning of Loans

The following table shows the number of months since the date of origination of the initial Loan. The ages of the Loans in this table have been taken as at the Cut-Off Date and are calculated with respect to the initial advance.

Seasoning (months)	Aggregate Current Balance	% of Total	Number of Loans	% of Total
>= 0.00 < 12.01	£116,058,455.49	29.30%	81	29.89%
>= 12.01 and < 24.01	£154,750,532.03	39.06%	93	34.32%
>= 24.01 and < 36.01	£81,496,715.45	20.57%	60	22.14%
>= 36.01 and < 48.01	£9,741,724.46	2.46%	13	4.80%
>= 48.01 and < 60.01	£32,271,577.21	8.15%	22	8.12%
>= 60.01 and < 72.01	£1,824,000.00	0.46%	2	0.74%
Totals	£396,143,004.64	100.00%	271	100.00%

The maximum, minimum and weighted average seasoning of Loans in the Cut-Off Date Portfolio as at the Cut-Off Date is 63.00, 1.00 and 21.68 months, respectively.

Remaining Term to Maturity of Loans

The following table shows the number of remaining months of the term of the Loans as at the Cut-Off Date and are calculated with respect to the current maturity date of each Loan.

Months to Maturity	Aggregate Current Balance	% of Total	Number of Loans	% of Total
>= 0.00 < 12.01	£121,526,727.08	30.68%	70	25.83%
>= 12.01 and < 24.01	£47,640,057.16	12.03%	42	15.50%
>= 24.01 and < 36.01	£86,870,266.11	21.93%	56	20.66%
>= 36.01 and < 48.01	£87,063,768.54	21.98%	62	22.88%
>= 48.01 and < 60.01	£53,042,185.75	13.39%	41	15.13%
Totals	£396,143,004.64	100.00%	271	100.00%

The maximum, minimum and weighted average remaining term of the Loans in the Cut-Off Date Portfolio as at the Cut-Off Date is 60.00, 3.00 and 27.79 months, respectively.

Purpose of Loan

The following table shows whether the purpose of the initial Loan in a Mortgage Account on origination was to finance the purchase of a new Property or to remortgage a Property already owned by the borrower.

Use of Proceeds	Aggregate Current Balance	% of Total	Number of Loans	% of Total
Purchase for owner occupation	£77,395,638.11	19.54%	58	21.40%
Purchase for investment	£110,979,247.21	28.01%	85	31.37%
Equity Release/Further Advance	£93,243,773.12	23.54%	59	21.77%
Remortgage another lender	£114,524,346.20	28.91%	69	25.46%
Totals	£396,143,004.64	100.00%	271	100.00%

As at the Cut-Off Date, the average balance of Loans used to finance the purchase of a new Property was £1,317,307 and the average balance of Loans used to remortgage a Property already owned by the borrower was £1,623,188.

Repayment Terms

The following table shows the repayment terms (separated out by product type) for the Loans in a Mortgage Account as at the Cut-Off Date.

Repayment Terms and Product Type	Aggregate Current Balance	% of Total	Number of Loans	% of Total
Interest-Only	£390,121,848.48	98.48%	268	98.89%
Repayment	£6,021,156.16	1.52%	3	1.11%
Totals	£396,143,004.64	100.00%	271	100.00%

As at the Cut-Off Date, the average balance of interest-only Loans and capital repayment Loans in the Cut-Off Date Portfolio is £1,455,679 and £2,007,052 respectively.

Product Types

The following table shows the distribution of loan rate types as at the Cut-Off Date.

Product Type	Aggregate Current Balance	% of Total	Number of Sub-Accounts	% of Total
Floating Rate Loans	£394,678,004.64	99.63%	286	99.65%
Fixed Rate Loans	£1,465,000.00	0.37%	1	0.35%
Totals	£396,143,004.64	100.00%	287	100.00%

As at the Cut-Off Date, the average balance of Fixed Rate Loans and Floating Rate Loans in the Cut-Off Date Portfolio is £1,465,000 and £1,379,993, respectively.

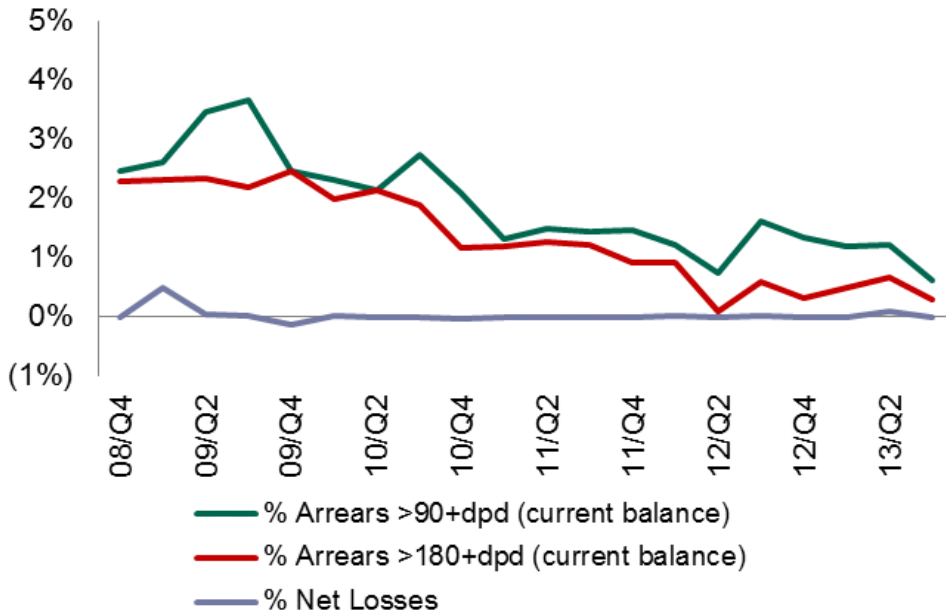
Variable Interest Rate Loans

Variable Interest Rates	Aggregate Current Balance	% of Total	Number of Sub-Accounts	% of Total
>= 0.00% < 2.00%	£850,833.13	0.21%	4	1.39%
>= 2.00% and < 2.25%	£11,305,503.63	2.85%	8	2.79%
>= 2.25% and < 2.50%	£14,364,724.60	3.63%	10	3.48%
>= 2.50% and < 2.75%	£68,218,879.07	17.22%	48	16.72%
>= 2.75% and < 3.00%	£70,878,698.15	17.89%	62	21.60%
>= 3.00% and < 3.25%	£105,043,430.00	26.52%	75	26.13%
>= 3.25% and < 3.50%	£74,128,671.34	18.71%	52	18.12%
>= 3.50% and < 3.75%	£27,825,168.60	7.02%	17	5.92%
>= 3.75% and < 4.00%	£992,496.56	0.25%	2	0.70%
>= 4.00% and < 5.00%	£21,069,599.56	5.32%	8	2.79%
Fixed	£1,465,000.00	0.37%	1	0.35%
Totals	£396,143,004.64	100.00%	287	100.00%

The maximum, minimum and weighted average variable interest payable in respect of the Floating Rate Loans in the Cut-Off Date Portfolio as at the Cut-Off Date is 4.52 per cent., 0.65 per cent. and 2.98 per cent., respectively.

HISTORICAL DATA IN RELATION TO THE DEFAULTS AND LOSS EXPERIENCE OF THE ORIGINATOR

The following graph shows arrears and losses since the fourth quarter of 2008 suffered on loans originated by the Originator. The term "dpd" refers to the number of days past a due date in relation to a payment due from a borrower.



The following graph shows net losses since the fourth quarter of 2008 suffered on loans originated by the Originator.



PRIME CENTRAL LONDON HOUSE PRICE INDEX

The following table shows the Knight Frank Prime Central London residential property index. Information contained in this Prospectus in respect of the Knight Frank Prime Central London residential property index has been reproduced from information licensed to the Originator by Knight Frank.

The Knight Frank Prime Central London Index, established in 1976, covers the prime central London residential marketplace. The index is based on a repeat valuation methodology that tracks capital values of prime central London residential property. "Prime central London" is defined in the index as covering: Belgravia, Chelsea, Hyde Park, Islington, Kensington, Knightsbridge, Marylebone, Mayfair, Notting Hill, St John's Wood, South Kensington, Riverside and City & Fringe. "Prime London" comprises all areas in prime central London, as well as Battersea, Canary Wharf, Fulham, Hampstead, Richmond, Wandsworth & Clapham, Wapping and Wimbledon.

"Riverside" covers the Thames riverfront from Battersea Bridge in the west running east to include London's South Bank.

"The City Fringe" encompasses the half-mile fringe surrounding most of the City including Clerkenwell and Farringdon in the west and Shoreditch and Whitechapel in the east.

The repeat valuation method relates to a representative group of properties located in the area of each Knight Frank office. The group of properties rotates every month within a wider overall basket that remains the same.

The Issuer confirms that all information in this Prospectus in relation to the Knight Frank Prime Central London residential property index has been accurately reproduced and that, so far as it is aware and is able to ascertain from information provided by Knight Frank, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Note, however, that the Issuer has not participated in the preparation of that information nor made any enquiry with respect to that information. Neither the Issuer nor Knight Frank makes any representation as to the accuracy of the information or has any liability whatsoever to you in connection with that information. Anyone relying on the information does so at their own risk.

Date	KF PCL Index	12 month % change	6 month % change	3 month % change	1 month % change
Jun-76	100.0				
Jun-77	120.0	+20.0%			
Jun-78	160.0	+33.3%			
Jun-79	230.0	+43.8%			
Jun-80	295.1	+28.3%			
Jun-81	335.1	+13.6%			
Jun-82	350.2	+4.5%			
Jun-83	370.2	+5.7%			
Jun-84	470.3	+27.0%			
Jun-85	600.3	+27.7%			
Jun-86	675.4	+12.5%			
Jun-87	735.4	+8.9%			
Jun-88	932.7	+26.8%			
Jun-89	995.9	+6.8%			

Jun-90	890.2	-10.6%			
Jun-91	826.9	-7.1%			
Jun-92	788.8	-4.6%			
Jun-93	879.7	+11.5%			
Jun-94	966.5	+9.9%			
Dec-94	992.9		+2.7%		
Jun-95	1,010.9	+4.6%	+1.8%		
Dec-95	1,039.1	+4.7%	+2.8%		
Jun-96	1,110.6	+9.9%	+6.9%		
Dec-96	1,222.2	+17.6%	+10.1%		
Jun-97	1,387.9	+25.0%	+13.6%		
Dec-97	1,463.8	+19.8%	+5.5%		
Mar-98	1,502.9			+2.7%	
Jun-98	1,541.9	+11.1%	+5.3%	+2.6%	
Sep-98	1,583.4	+5.4%	+5.4%	+2.7%	
Dec-98	1,625.0	+11.0%	+5.4%	+2.6%	
Mar-99	1,687.7	+12.3%	+6.6%	+3.9%	
Jun-99	1,750.5	+13.5%	+7.7%	+3.7%	
Sep-99	1,850.1	+16.8%	+9.6%	+5.7%	
Dec-99	1,949.7	+20.0%	+11.4%	+5.4%	
Mar-00	2,051.7	+21.6%	+10.9%	+5.2%	
Jun-00	2,153.6	+23.0%	+10.5%	+5.0%	
Sep-00	2,190.1	+18.4%	+6.7%	+1.7%	
Dec-00	2,226.6	+14.2%	+3.4%	+1.7%	
Mar-01	2,357.9	+14.9%	+7.7%	+5.9%	
Jun-01	2,427.0	+12.7%	+9.0%	+2.9%	
Sep-01	2,448.4	+11.8%	+3.8%	+0.9%	
Dec-01	2,507.1	+12.6%	+3.3%	+2.4%	
Mar-02	2,594.9	+10.0%	+6.0%	+3.5%	
Jun-02	2,710.9	+11.7%	+8.1%	+4.5%	
Sep-02	2,708.2	+10.6%	+4.4%	-0.1%	
Dec-02	2,624.9	+4.7%	-3.2%	-3.1%	
Mar-03	2,543.6	-2.0%	-6.1%	-3.1%	
Jun-03	2,466.9	-9.0%	-6.0%	-3.0%	
Sep-03	2,540.0	-6.2%	-0.1%	+3.0%	
Dec-03	2,575.1	-1.9%	+4.4%	+1.4%	
Jan-04	2,592.7				+0.7%
Feb-04	2,624.3				+1.2%
Mar-04	2,638.6	+3.7%	+3.9%	+2.5%	+0.5%
Apr-04	2,647.1			+2.1%	+0.3%
May-04	2,668.3			+1.7%	+0.8%
Jun-04	2,669.4	+8.2%	+3.7%	+1.2%	+0.0%
Jul-04	2,669.4		+3.0%	+0.8%	+0.0%
Aug-04	2,672.5		+1.8%	+0.1%	+0.1%
Sep-04	2,664.9	+4.9%	+1.0%	-0.2%	-0.3%
Oct-04	2,651.4		+0.1%	-0.7%	-0.5%

Nov-04	2,633.4		-1.4%	-1.5%	-0.7%
Dec-04	2,631.5	+2.1%	-1.5%	-1.3%	-0.1%
Jan-05	2,632.7	+1.4%	-1.5%	-0.8%	+0.0%
Feb-05	2,643.1	+0.6%	-1.2%	+0.3%	+0.4%
Mar-05	2,662.9	+0.9%	-0.1%	+1.2%	+0.8%
Apr-05	2,686.6	+1.5%	+1.3%	+2.0%	+0.9%
May-05	2,704.7	+1.4%	+2.7%	+2.3%	+0.7%
Jun-05	2,729.3	+2.2%	+3.7%	+2.5%	+0.9%
Jul-05	2,734.6	+2.4%	+3.9%	+1.8%	+0.2%
Aug-05	2,745.5	+2.7%	+3.9%	+1.5%	+0.4%
Sep-05	2,753.5	+3.3%	+3.4%	+0.9%	+0.3%
Oct-05	2,782.7	+5.0%	+3.6%	+1.8%	+1.1%
Nov-05	2,819.1	+7.0%	+4.2%	+2.7%	+1.3%
Dec-05	2,847.7	+8.2%	+4.3%	+3.4%	+1.0%
Jan-06	2,890.3	+9.8%	+5.7%	+3.9%	+1.5%
Feb-06	2,952.6	+11.7%	+7.5%	+4.7%	+2.2%
Mar-06	3,022.2	+13.5%	+9.8%	+6.1%	+2.4%
Apr-06	3,081.9	+14.7%	+10.8%	+6.6%	+2.0%
May-06	3,153.1	+16.6%	+11.8%	+6.8%	+2.3%
Jun-06	3,215.2	+17.8%	+12.9%	+6.4%	+2.0%
Jul-06	3,296.3	+20.5%	+14.0%	+7.0%	+2.5%
Aug-06	3,328.4	+21.2%	+12.7%	+5.6%	+1.0%
Sep-06	3,401.7	+23.5%	+12.6%	+5.8%	+2.2%
Oct-06	3,473.3	+24.8%	+12.7%	+5.4%	+2.1%
Nov-06	3,568.8	+26.6%	+13.2%	+7.2%	+2.7%
Dec-06	3,664.6	+28.7%	+14.0%	+7.7%	+2.7%
Jan-07	3,774.3	+30.6%	+14.5%	+8.7%	+3.0%
Feb-07	3,871.2	+31.1%	+16.3%	+8.5%	+2.6%
Mar-07	3,984.1	+31.8%	+17.1%	+8.7%	+2.9%
Apr-07	4,092.7	+32.8%	+17.8%	+8.4%	+2.7%
May-07	4,192.7	+33.0%	+17.5%	+8.3%	+2.4%
Jun-07	4,324.3	+34.5%	+18.0%	+8.5%	+3.1%
Jul-07	4,494.9	+36.4%	+19.1%	+9.8%	+3.9%
Aug-07	4,588.4	+37.9%	+18.5%	+9.4%	+2.1%
Sep-07	4,644.5	+36.5%	+16.6%	+7.4%	+1.2%
Oct-07	4,656.7	+34.1%	+13.8%	+3.6%	+0.3%
Nov-07	4,662.5	+30.6%	+11.2%	+1.6%	+0.1%
Dec-07	4,711.2	+28.6%	+8.9%	+1.4%	+1.0%
Jan-08	4,764.4	+26.2%	+6.0%	+2.3%	+1.1%
Feb-08	4,792.4	+23.8%	+4.4%	+2.8%	+0.6%
Mar-08	4,796.6	+20.4%	+3.3%	+1.8%	+0.1%
Apr-08	4,739.7	+15.8%	+1.8%	-0.5%	-1.2%
May-08	4,660.2	+11.2%	-0.1%	-2.8%	-1.7%
Jun-08	4,577.3	+5.8%	-2.8%	-4.6%	-1.8%
Jul-08	4,491.4	-0.1%	-5.7%	-5.2%	-1.9%
Aug-08	4,414.5	-3.8%	-7.9%	-5.3%	-1.7%

Sep-08	4,321.3	-7.0%	-9.9%	-5.6%	-2.1%
Oct-08	4,152.6	-10.8%	-12.4%	-7.5%	-3.9%
Nov-08	4,003.2	-14.1%	-14.1%	-9.3%	-3.6%
Dec-08	3,914.6	-16.9%	-14.5%	-9.4%	-2.2%
Jan-09	3,769.5	-20.9%	-16.1%	-9.2%	-3.7%
Feb-09	3,713.3	-22.5%	-15.9%	-7.2%	-1.5%
Mar-09	3,652.2	-23.9%	-15.5%	-6.7%	-1.6%
Apr-09	3,666.3	-22.6%	-11.7%	-2.7%	+0.4%
May-09	3,725.9	-20.0%	-6.9%	+0.3%	+1.6%
Jun-09	3,789.0	-17.2%	-3.2%	+3.7%	+1.7%
Jul-09	3,846.5	-14.4%	+2.0%	+4.9%	+1.5%
Aug-09	3,886.3	-12.0%	+4.7%	+4.3%	+1.0%
Sep-09	3,937.7	-8.9%	+7.8%	+3.9%	+1.3%
Oct-09	4,020.0	-3.2%	+9.6%	+4.5%	+2.1%
Nov-09	4,067.2	+1.6%	+9.2%	+4.7%	+1.2%
Dec-09	4,154.6	+6.1%	+9.6%	+5.5%	+2.1%
Jan-10	4,201.2	+11.5%	+9.2%	+4.5%	+1.1%
Feb-10	4,334.8	+16.7%	+11.5%	+6.6%	+3.2%
Mar-10	4,367.0	+19.6%	+10.9%	+5.1%	+0.7%
Apr-10	4,425.7	+20.7%	+10.1%	+5.3%	+1.3%
May-10	4,487.7	+20.4%	+10.3%	+3.5%	+1.4%
Jun-10	4,526.4	+19.5%	+9.0%	+3.7%	+0.9%
Jul-10	4,506.0	+17.1%	+7.3%	+1.8%	-0.5%
Aug-10	4,503.9	+15.9%	+3.9%	+0.4%	-0.0%
Sep-10	4,496.1	+14.2%	+3.0%	-0.7%	-0.2%
Oct-10	4,485.7	+11.6%	+1.4%	-0.4%	-0.2%
Nov-10	4,524.3	+11.2%	+0.8%	+0.5%	+0.9%
Dec-10	4,583.9	+10.3%	+1.3%	+2.0%	+1.3%
Jan-11	4,633.7	+10.3%	+2.8%	+3.3%	+1.1%
Feb-11	4,679.7	+8.0%	+3.9%	+3.4%	+1.0%
Mar-11	4,742.5	+8.6%	+5.5%	+3.5%	+1.3%
Apr-11	4,790.8	+8.2%	+6.8%	+3.4%	+1.0%
May-11	4,856.9	+8.2%	+7.4%	+3.8%	+1.4%
Jun-11	4,902.7	+8.3%	+7.0%	+3.4%	+0.9%
Jul-11	4,937.0	+9.6%	+6.5%	+3.1%	+0.7%
Aug-11	4,979.1	+10.5%	+6.4%	+2.5%	+0.9%
Sep-11	5,010.9	+11.4%	+5.7%	+2.2%	+0.6%
Oct-11	5,047.2	+12.5%	+5.4%	+2.2%	+0.7%
Nov-11	5,095.2	+12.6%	+4.9%	+2.3%	+1.0%
Dec-11	5,138.3	+12.1%	+4.8%	+2.5%	+0.8%
Jan-12	5,185.5	+11.9%	+5.0%	+2.7%	+0.9%
Feb-12	5,222.0	+11.6%	+4.9%	+2.5%	+0.7%
Mar-12	5,278.9	+11.3%	+5.3%	+2.7%	+1.1%
Apr-12	5,338.2	+11.4%	+5.8%	+2.9%	+1.1%
May-12	5,378.1	+10.7%	+5.6%	+3.0%	+0.7%
Jun-12	5,419.1	+10.5%	+5.5%	+2.7%	+0.8%

Jul-12	5,444.2	+10.3%	+5.0%	+2.0%	+0.5%
Aug-12	5,473.0	+9.9%	+4.8%	+1.8%	+0.5%
Sep-12	5,510.0	+10.0%	+4.4%	+1.7%	+0.7%
Oct-12	5,554.6	+10.1%	+4.1%	+2.0%	+0.8%
Nov-12	5,576.7	+9.4%	+3.7%	+1.9%	+0.4%
Dec-12	5,587.2	+8.7%	+3.1%	+1.4%	+0.2%
Jan-13	5,607.1	+8.1%	+3.0%	+0.9%	+0.4%
Feb-13	5,659.2	+8.4%	+3.4%	+1.5%	+0.9%
Mar-13	5,707.9	+8.1%	+3.6%	+2.2%	+0.9%
Apr-13	5,748.6	+7.7%	+3.5%	+2.5%	+0.7%
May-13	5,781.3	+7.5%	+3.7%	+2.2%	+0.6%
Jun-13	5,807.1	+7.2%	+3.9%	+1.7%	+0.4%
Jul-13	5,836.2	+7.2%	+4.1%	+1.5%	+0.5%
Aug-13	5,868.4	+7.2%	+3.7%	+1.5%	+0.6%
Sep-13	5,908.3	+7.2%	+3.5%	+1.7%	+0.7%
Oct-13	5,955.5	+7.2%	+3.6%	+2.0%	+0.8%
Nov-13	5,969.0	+7.0%	+3.2%	+1.7%	+0.2%
Dec-13	6,017.9	+7.7%	+3.6%	+1.9%	+0.8%
Jan-14	6,043.6	+7.8%	+3.6%	+1.5%	+0.4%
Feb-14	6,083.4	+7.5%	+3.7%	+1.9%	+0.7%

ESTIMATED WEIGHTED AVERAGE LIVES OF THE CLASS A NOTES

The estimated weighted average lives of the Class A 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 Class A Notes can be made based on certain assumptions. For example, based on the assumptions that:

- (a) the Issuer redeems the Class A Notes in accordance with Condition 7.2 on the Scheduled Maturity Date, in the first scenario, or the Issuer does not redeem the Notes on the Scheduled Maturity Date, in the second scenario;
- (b) the Loans are subject to a constant annual rate of prepayment (taking into account unscheduled principal redemptions only) of between 0 per cent. and 35 per cent. per annum as shown on the table below;
- (c) the assets of the Issuer are not sold by the Security Trustee except as may be necessary to enable the Issuer to realise sufficient funds to exercise its option to redeem the Notes in accordance with Condition 7.5;
- (d) no Note Acceleration Notice has been served on the Issuer and no Note Event of Default has occurred;
- (e) no Early Amortisation Event has occurred;
- (f) no Borrowers are offered and accept different mortgage products or Further Advances by the Originator or any of its subsidiaries and the Originator is not required to re-acquire any Loan (including any Further Advance thereon since the Closing Date) in accordance with the Originator Trust Deed;
- (g) the Issuer Security is not enforced;
- (h) the Mortgages are subject to a 0 per cent. constant annual default rate;
- (i) the Portfolio characteristics as well as its weighted average maturity and its redemption profile at the Scheduled Maturity Date will have similar characteristics as at the Cut-Off Date; and
- (j) the estimated weighted average life is calculated based on the Cut-Off Date Portfolio.

	Assuming redemption and payment under the Guarantee (if necessary) on Scheduled Maturity Date	Assuming no redemption on the Scheduled Maturity Date and any payment due under the Guarantee is not made by the Guarantor
	Possible Average Life of Class A Notes (years)	Possible Average Life of Class A Notes (years)
0%	3.25	4.60
5%	3.25	4.43
10%	3.25	4.28
15%	3.25	4.15

	Assuming redemption and payment under the Guarantee (if necessary) on Scheduled Maturity Date	Assuming no redemption on the Scheduled Maturity Date and any payment due under the Guarantee is not made by the Guarantor
	Possible Average Life of Class A Notes (years)	Possible Average Life of Class A Notes (years)
20%	3.25	4.04
25%	3.25	3.94
30%	3.25	3.86
35%	3.25	3.78

Assumption (a) (in relation to the Issuer redeeming the Class A Notes on the Scheduled Maturity Date) in accordance with Condition 7.5 reflects the current intention of the Issuer but no assurance can be given that such assumption will occur as described.

Assumption (b) is stated as an average annualised repayment rate as the repayment rate for one Interest Period may be substantially different from that for another. The constant repayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant repayment rates.

Assumptions (b) to (j) (inclusive) relate to circumstances which are not predictable.

The weighted average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic. They must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of the average lives estimated above, see "*Risk Factors – Risk Factors relating to the Issuer – Considerations relating to yield, prepayments, mandatory redemption and optional redemption*", above.

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 in the United Kingdom relating only to the United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Each prospective purchaser is urged to consult its own tax advisers about the tax consequences under its circumstances of purchasing, holding and selling the Notes under the laws of the United Kingdom, its political subdivisions and any other jurisdiction in which the prospective purchaser may be subject to tax.

In this summary references to "Notes" and "Noteholder" excludes the Class Z VFN and the Class Z VFN Holder. The Class Z VFN Holder is urged to consult its own tax advisers about the tax consequences under its circumstances of purchasing, holding and selling the Class Z VFN under the laws of the United Kingdom, its political subdivisions and any other jurisdiction in which the Class Z VFN Holder may be subject to tax.

Payment of Interest on the Notes

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 securities, carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange is a recognised stock exchange for such purposes. Therefore, the Notes will be treated as so listed if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Main Market of the Irish Stock Exchange. Provided, therefore, that the Notes are securities, carry a right to interest and are and remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.). 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).

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest (including the amount payable on the redemption of a deeply discounted security); and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

HMRC has indicated that it will not use its information-gathering power on interest to obtain information about amounts payable on the redemption of deeply discounted securities which are paid before 6 April 2014. In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

EU SAVINGS DIRECTIVE

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Sections 1471 through 1474 of the U.S. Internal Revenue Code (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning on 1 July 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than on and after 1 January 2017.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FFI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FFI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FFI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the **US-UK IGA**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FFI pursuant to the US-UK IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes or being subject to FATCA Withholding on payments it receives because none of these payments should be from sources within the United States. There can be no assurance, however, that the Issuer will be treated as a Reporting FFI.

While the Class A Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payments received by the clearing systems.

However, it is possible that FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding and the party responsible for withholding is unable to determine that the payments are from sources outside the United States. FATCA also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Class A Notes are discharged once it has paid the common safekeeper for the clearing systems (as registered holder of the Class A Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the clearing systems and custodians or intermediaries.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

EFG Finance (Guernsey) Limited, as purchaser of the Class Z VFN, and BNP Paribas and UBS Limited (UBS Limited together with BNP Paribas, the **Joint Lead Managers**) have, pursuant to a subscription agreement dated on or about 23 May 2014 between the Originator, the Joint Lead Managers and the Issuer (the **Subscription Agreement**), agreed with the Issuer (subject to certain conditions) to (in the case of the Joint Lead Managers) subscribe and pay, or procure subscriptions for, and in the case of EFG Finance (Guernsey) Limited, subscribe and pay for:

(A) in the case of the Joint Lead Managers:

£266,300,000 of the Class A Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class A Notes; and

(B) in the case of EFG Finance (Guernsey) Limited:

£135,000,000 (of which £114,197,000 shall be subscribed for as at the Closing Date) of the Class Z VFN at the issue price of 100 per cent. of the aggregate principal amount of the Class Z VFN as at the Closing Date.

The Subscription Agreement entitles the Joint Lead Managers to terminate their obligations thereunder in certain circumstances prior to payment of the purchase price of the Notes.

Each of the Originator and the Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities and to pay certain costs and expenses in connection with the offer and sale of the Class A Notes.

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.

Pursuant to the Subscription Agreement, the Originator has covenanted that it (or a permitted affiliate) will retain a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 405 of the CRR and Article 51 of AIFMR.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within 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 registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S.

Each of the Joint Lead Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Class A Notes (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the closing date within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each affiliate or other dealer (if any) to which it sells Class A Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. See "*Transfer Restrictions and Investor Representations*", below.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each of the Joint Lead Managers and the Originator has represented to 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 any invitation or inducement to engage in any activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Each of the Joint Lead Managers and the Originator has acknowledged that, save for the Issuer having obtained the approval of the Prospectus as a prospectus in accordance with Part VI of FSMA and having applied for the admission of the Notes to the Official List of the Irish Stock Exchange and admission of the Notes to trading on the Irish Stock Exchange, no further action has been or will be taken in any jurisdiction by the Joint Lead Managers or the Originator 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.

Switzerland

This Prospectus is not an issue prospectus pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus pursuant to articles 27 et seq. of the Listing Rules of the SIX Swiss Exchange and may not comply with the information standards required thereunder. Accordingly, the Notes will not be listed on any Swiss stock exchange and may not be offered to the public in or from Switzerland, but only to a selected and limited circle of "qualified investors" within the meaning of article 10(3) of the Swiss Federal Act on Collective Investment Schemes who do not subscribe to the Notes with a view to distribution.

General

No action has been taken by the Issuer, the Originator or the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Joint Lead Managers and the Originator has undertaken that it will not, directly or indirectly, offer or sell any Notes 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.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

Offers and Sales by the Joint Lead Managers

The Notes (including interests therein represented by a Global Note, a Definitive Note or a Book-Entry Interest) have not been and will not be registered under the Securities Act or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to such registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

Investor Representations and Restrictions on Resale

Each purchaser (other than the Joint Lead Managers and/or the Class Z VFN Holder) of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

- (a) the Notes have not been and will not be registered under the Securities Act and such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. person and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S or (ii) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States; provided, that the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control;
- (b) unless the relevant legend set out below has been removed from the Notes such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (a) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;
- (c) the Issuer, the Joint Lead Managers, the Class Z VFN Registrar and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

The Notes bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW, 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) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION

REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES."

Additional representations and restrictions applicable to a Class Z VFN

Any holder of a Class Z VFN may only make a transfer of the whole of its Class Z VFN or create or grant any encumbrance in respect of such Class Z VFN if all of the following conditions are satisfied:

- (a) the holder of such Class Z VFN making such transfer or subjecting the Class Z VFN to such encumbrance shall be solely responsible for any costs, expenses or taxes which are incurred by the Issuer, the holder of such Class Z VFN or any other person in relation to such transfer or encumbrance;
- (b) the person to which such transfer is to be made falls within paragraph 3 of Schedule 2A of the Insolvency Act; and
- (c) the transferee of such Class Z VFN is independent of the Issuer (within the meaning of regulation 2(1) of the Taxation of Securitisation Companies Regulations 2006).

Because of the foregoing restrictions, purchasers of Notes are advised to consult appropriate legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

GENERAL INFORMATION

1. It is expected that the admission of the Notes to the Official List of the Irish Stock Exchange and the admission of the Notes to trading on the Irish Stock Exchange's Main Securities Market will be granted on or around 28 May 2014. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
2. Neither the Issuer nor Holdings has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holdings respectively is aware), since 31 March 2014 (being the date of incorporation of the Issuer and Holdings) which may have, or have had since such date, significant effects upon the financial position or profitability of the Issuer or Holdings (as the case may be).
3. Except as set out in the Guarantor's audited consolidated financial statements for the financial year ended 31 December 2013 and under the section "*The Guarantor – Litigation Proceedings*", the Guarantor has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Guarantor is aware) in the past 12 months which may have, or have had in the recent past, significant effects on upon the financial position or profitability of the Guarantor or the EFG Group.
4. The auditors of the Issuer are PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales. No statutory or non-statutory accounts within the meaning of Section 434 and 435 of the Companies Act 2006 (as amended) in respect of any financial year of the Issuer have been prepared. So long as any of the Notes are admitted to trading on the Irish Stock Exchange's Main Securities 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 Guarantor are PricewaterhouseCoopers SA with registered office at Avenue Giuseppe-Motta 50 in 1202 Geneva, Switzerland. PricewaterhouseCoopers SA is a member of the Swiss Institute of Certified Accountants and Tax Experts and has audited, without qualification, the Guarantor's consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the financial years ended 31 December 2012 and 31 December 2013. So long as any of the Notes are admitted to trading on the Irish Stock Exchange's Main Securities Market, the most recently published audited annual consolidated financial statements of the Guarantor from time to time shall be available at the specified office of the Principal Paying Agent in London.
6. Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.
7. Since 31 March 2014 (being the date of incorporation of the Issuer and Holdings), there has been (a) no material adverse change in the financial position or prospects of the Issuer or Holdings and (b) no significant change in the financial or trading position of the Issuer or Holdings.
8. Except as set out in the Guarantor's audited consolidated financial statements for the financial year ended 31 December 2013 and under the section "*The Guarantor – Litigation Proceedings*", there has been (a) no material adverse change in the financial position or prospects of the Guarantor or the EFG Group and (b) no significant change in the financial or trading position of the Guarantor or the EFG Group since 31 December 2013 (being the date of the last audited consolidated financial

statements of the Guarantor).

9. The issue of the Notes was authorised pursuant to a resolution of the Board of Directors of the Issuer passed on 21 May 2014.
10. The Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and Common Code:

Class of Notes	ISIN	Common Code
Class A Notes	XS1071397704	107139770

11. From the date of this Prospectus and for so long as the Notes are listed on the Irish Stock Exchange's Main Securities Market, copies of the following documents (in both electronic and hard copy format) may be inspected and copies of such documents may be taken at the registered office of the Paying Agents during usual business hours, on any weekday (public holidays excepted):
- (a) the Memorandum and Articles of Association of each of the Issuer and Holdings;
 - (b) copies of the following documents:
 - (i) the Agency Agreement;
 - (ii) the Issuer Deed of Charge;
 - (iii) the Cash Management Agreement;
 - (iv) the Guarantee;
 - (v) the Master Definitions and Construction Schedule;
 - (vi) the Originator Trust Deed;
 - (vii) the Originator Power of Attorney
 - (viii) the Corporate Services Agreement;
 - (ix) the EFGPB Bank Account Agreement;
 - (x) the Transaction Account Agreement;
 - (xi) the Back-Up Servicer Facilitator Agreement and
 - (xii) the Note Trust Deed.

From the date of this Prospectus and for so long as the Notes are listed on the Irish Stock Exchange's Main Securities Market, copies of the Memorandum and Articles of Association of the Guarantor (in both electronic and hard copy format) may be inspected at the registered office of the Guarantor during usual business hours or on the website of EFG International AG at <http://www.efginternational.com>.

12. The Cash Manager on behalf of the Issuer will publish the quarterly Investor Report detailing, *inter alia*, certain aggregated loan data in relation to the Portfolio. Such Investor Reports will be published on the following website at <http://gctabsreporting.bnpparibas.com/index/jsp>. The website and the contents thereof do not form part of this Prospectus. Investor Reports will also be made available to

the Originator Trustee and the Rating Agencies. In addition, the Cash Manager will make the Investor Report available to Bloomberg. Other than as outlined above, the Issuer does not intend to provide post-issuance transaction information regarding the Notes or the Loans.

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. However, 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. Consequently investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.
14. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on its Main Securities Market for the purposes of the Prospectus Directive.

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Registered Office of the Issuer

Chestnut Financing PLC

35 Great St. Helen's
London EC3A 6AP

ORIGINATOR, SERVICER, ORIGINATOR TRUSTEE AND ACCOUNT BANK

EFG Private Bank Limited
Leconfield House, Curzon Street
London W1J 5JB

GUARANTOR

EFG International AG
Bleicherweg 8
8001 Zürich

JOINT LEAD MANAGERS

BNP Paribas, London Branch

10 Harewood Avenue
London NW1 6AA

UBS Limited

1 Finsbury Avenue
London EC2M 2PP

**CASH MANAGER, CLASS Z VFN REGISTRAR,
AGENT BANK AND PRINCIPAL PAYING AGENT**

**BNP Paribas, Securities Services, Luxembourg
Branch**

33, Rue de Gasperich
L-5826 Hesperange
Luxembourg

LISTING AGENT

Arthur Cox Listing Services Limited

Earlsfort Centre
Earlsfort Terrace
Dublin 2, Ireland

NOTE TRUSTEE AND SECURITY TRUSTEE

BNP Paribas Trust Corporation UK Limited

55 Moorgate
London
EC2R 6PA

TRANSACTION ACCOUNT BANK

BNP Paribas Securities Services, London Branch

55 Moorgate
London
EC2R 6PA

LEGAL ADVISERS TO THE JOINT LEAD MANAGERS

(as to English law)

Allen & Overy LLP

One Bishops Square
London E1 6AD

LEGAL ADVISERS TO EFG PRIVATE BANK IN ITS VARIOUS CAPACITIES AND THE GUARANTOR

(as to English law)

K&L Gates LLP

One New Change
London EC4M 9AF

LEGAL ADVISERS TO THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

(as to English law)

Baker & McKenzie LLP

100 New Bridge Street
London EC4V 6JA

LEGAL ADVISERS TO THE GUARANTOR

(as to Swiss law)
Niederer Kraft & Frey Ltd
Bahnhofstrasse 13
CH-8001 Zurich
Switzerland

**LEGAL ADVISERS TO THE JOINT LEAD
MANAGERS**

(as to Swiss law)
Homburger AG
Prime Tower
Hardstrasse 201
CH-8005 Zurich
Switzerland