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 WITHIN THAT SECTION.

IMPORTANT NOTICES

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

IMPORTANT: You must read the following before continuing. The following applies to the draft prospectus attached to this electronic transmission (the "**Prospectus**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND, SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES 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 REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THE NOTES OFFERED AND SOLD BY THE ISSUER AND THE BENEFICIAL INTERESTS HEREIN MAY NOT BE PURCHASED BY, OR TRANSFERRED TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL DISTRIBUTION OF THE NOTES, BY ITS ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES).

THIS PROSPECTUS IS A PROSPECTUS FOR THE PURPOSES OF ARTICLE 6(3) OF EU REGULATION 2017/1129 AND ANY IMPLEMENTING LEGISLATION OR RULES RELATING THERETO. COPIES OF THE FINAL PROSPECTUS WILL, FOLLOWING PUBLICATION, BE AVAILABLE FROM THE REGISTERED OFFICE OF MARKETPLACE ORIGINATED CONSUMER ASSETS 2019-1 PLC (THE "**ISSUER**") SPECIFIED AT THE END OF THIS PROSPECTUS AND THE WEBSITE OF THE CENTRAL BANK OF IRELAND AND THE IRISH STOCK EXCHANGE PLC TRADING AS EURONEXT DUBLIN.

THE PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THE PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED AND YOU MAY NOT, NOR ARE YOU AUTHORISED TO, DELIVER THE PROSPECTUS TO ANY OTHER PERSON. IN ORDER TO BE ELIGIBLE TO VIEW THE PROSPECTUS OR MAKE AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES, INVESTORS MUST (I) NOT BE U.S. PERSONS (AS DEFINED IN REGULATION S). THE PROSPECTUS IS BEING SENT AT YOUR REQUEST AND BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (A) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE NOT, NOR ARE YOU ACTING FOR THE ACCOUNT OF, A U.S. PERSON (WITHIN THE MEANING OF (I) REGULATION S UNDER THE SECURITIES ACT) AND (II) THE U.S. RISK RETENTION RULES) AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS E-MAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR THE DISTRICT OF COLUMBIA AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLE 49(2) (A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005 OR A CERTIFIED HIGH NET WORTH INDIVIDUAL WITHIN ARTICLE 48 OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005. (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS PROSPECTUS RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

The Prospectus is only being provided to you at your request as a general explanation of the structure of the transaction described therein and is not intended to constitute or form part of an offer to sell or an invitation or solicitation of an offer to sell the Notes described therein, nor shall it (or any part of it), or the fact of its distribution, form the basis of or be relied on in connection with any contract therefor.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the managers or any affiliate of the managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the managers or such affiliate on behalf of the Issuer in such jurisdiction.

This document has been sent to you in the belief that you are (a) a person of the kind described in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set out in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer and (b) a person to whom the Prospectus can be sent lawfully in accordance with all other applicable securities laws. If this is not the case then you must return this Prospectus immediately.

The document has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arranger, the Joint Lead Managers, the Issuer or the Transaction Parties (as defined in the Prospectus) or any person who controls any such person or any director, officer, employee or agent of any such person (or

affiliate of any such person) accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer and Deutsche Bank AG, London Branch.

MARKETPLACE ORIGINATED CONSUMER ASSETS 2019-1 PLC

(*incorporated with limited liability in England and Wales under number 12292077*

Note Class	Initial Principal Amount (GBP)	Issue Price	Reference Rate	Relevant Margin	Pre-acceleration Redemption Profile	Final Maturity Date	Ratings (DBRS/ Fitch)
A1	113,900,000	100%	Compounded Daily SONIA	0.85% p.a.	Prior to the Sequential Amortisation Trigger Event, *pro-rata* redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption.	December 2028	AAA/AAA
A2	50,000,000	100%	1 month LIBOR	0.81% p.a.	Prior to the Sequential Amortisation Trigger Event, *pro-rata* redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption.	December 2028	AAA/AAA
B	24,400,000	100%	Compounded Daily SONIA	1.55% p.a.	Prior to the Sequential Amortisation Trigger Event, *pro-rata* redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption.	December 2028	AA/AA-
C	18,300,000	100%	Compounded Daily SONIA	2.00% p.a.	Prior to the Sequential Amortisation Trigger Event, *pro-rata* redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption.	December 2028	A(high)/A-
D	13,400,000	100%	Compounded Daily SONIA	2.50% p.a.	Prior to the Sequential Amortisation Trigger Event, *pro-rata* redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption.	December 2028	A(low)/BBB
E	11,000,000	100%	Compounded Daily SONIA	3.10% p.a.	Prior to the Sequential Amortisation Trigger Event, *pro-rata* redemption, and on and following the Sequential	December 2028	BBB(high)/BB+

Note Class	Initial Principal Amount (GBP)	Issue Price	Reference Rate	Relevant Margin	Pre-acceleration Redemption Profile	Final Maturity Date	Ratings (DBRS/ Fitch)
					Amortisation Trigger Event, sequential pass through redemption.		
F	8,500,000	100%	Compounded Daily SONIA	3.60% p.a.	Prior to the Sequential Amortisation Trigger Event, *pro-rata* redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption.	December 2028	BBB(low)/BB-
Z1	5,200,000	64.41%	NA	Principal only	Following the Sequential Amortisation Trigger Event, sequential pass through redemption out of principal.	December 2028	Unrated
Z2	9,186,000	120.15%	N/A	Variable interest amount	Following the Sequential Amortisation Trigger Event, sequential pass through redemption.	December 2028	Unrated

The date of this document is 17 December 2019.

Arranger

Deutsche Bank AG, London Branch

Joint Lead Managers

Deutsche Bank AG, London Branch **Standard Chartered Bank**

Closing Date	On or around 18 December 2019, or such later date agreed between the Issuer and the Arranger and notified to Zopa.
Stand-alone/programme issuance	Stand-alone issuance.
Underlying Assets.....	The Issuer will make payments on the Notes from, among other things, payments of principal and interest on a portfolio of loans advanced by Zopa through the Zopa Platform and sold to London Bay Loans Warehouse 1 Limited (the "**Seller**") (the "**Loan Portfolio**") which will be purchased by the Issuer (i) on the Closing Date and (ii) subject to the satisfaction of the Additional Loan Conditions, on any Business Day following the Closing Date to (and including) the Final Additional Loan Purchase Date. Please refer to the section entitled "*The Loan Portfolio*" for further information.
Cashflows	Citibank, N.A. London Branch has agreed to act as Cash Manager and Calculation Agent and as Principal Paying Agent in respect of the Transaction. Please refer to the section entitled "*Cashflows and Cash Management*" for further information.
Credit Enhancement	• Subordination of junior ranking Notes;

- except in the case of the Class Z Notes, the Cash Reserve Account; and
- excess Available Interest Proceeds.

Please refer to sections entitled "*Key Structural Features"* and "*Cashflows and Cash Management*" for further information.

Liquidity Support..... • in respect of the Class A Notes and the Class B Notes only, the Liquidity Reserve Account;

- In respect of the Rated Notes only, the Cash Reserve Account; and
- Application of amounts otherwise constituting Available Principal Proceeds as Available Interest Proceeds.

Please refer to the sections entitled "*Key Structural Features"* and "*Cashflows and Cash Management*" for further information.

Redemption Provisions on the Notes..... Information on any optional and mandatory redemption of the Notes is detailed in the section entitled "*Overview of the Terms and Conditions of the Notes*" and is set out in full in Condition 8 (*Redemption*).

Benchmarks..... Interest payable under the Notes (other than the Class Z Notes and the Class A2 Notes) are calculated by reference to SONIA. As at the date of this Prospectus, the administrator of SONIA is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**").

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the Bank of England is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Amounts payable on the Class A2 Notes are calculated by reference to LIBOR, which is provided by ICE Benchmark Administration Limited. As at the date of this Prospectus, ICE Benchmark Administration Limited appears on ESMA's register of administrators and benchmarks under Article 36 of the Benchmarks Regulation.

Credit Rating Agencies..... DBRS Ratings Limited ("**DBRS**") and Fitch Ratings Limited ("**Fitch**" and together with DBRS, the "**Rating Agencies**").

As of the date hereof, each of DBRS and Fitch is established in the European Union and registered under Regulation (EC) No 1060/2009, as amended, of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA 3 Regulation**").

As such, each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at www.esma.europa.eu/page/list-registered-and-certified-CRAs) in accordance with the CRA 3 Regulations. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus. Please refer to the section entitled "*Certain Regulatory*

Disclosures – Credit Rating Agency Regulation" for further information.

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 3 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 3 Regulation and such registration is not refused.

Credit Ratings ..... Ratings are expected to be assigned to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (the "**Rated Notes**") as set out above on or before the Closing Date. The Class Z Notes will not be rated.

The ratings reflect the views of the Rating Agencies and are based on the Purchased Loan Assets and the structural features of the Transaction.

The ratings to be assigned on the Closing Date by the Rating Agencies address, (a) in the case of DBRS, the risk of default, being the risk that the Issuer will fail to satisfy its financial obligations according to the terms under which the Rated Notes have been issued, and (b) the likelihood of: (i) timely payment of interest due to Noteholders in relation to the Class A Notes on each Note Payment Date and ultimate payment of interest due to Noteholders in relation to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes; and (ii) full payment of principal due to Noteholders by a date that is not later than the Final Maturity Date.

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

Listings ..... This document has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the official list (the "**Official List**") and to trading on its regulated market. References in this document to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on Euronext Dublin's regulated market. To the extent required, a copy of this document will be filed with the Companies Registration Office in Ireland.

STS Securitisation ..... The Transaction is intended to qualify as a simple, transparent and standardised ("**STS**") securitisation within the meaning of article 18 of the Securitisation Regulation.

Within 15 Business Days of the Closing Date, it is intended that the Retention Holders, as originators, will jointly submit a notification to the European Securities and Markets Association ("**ESMA**") and the Commission de Surveillance du Secteur Financier ("**CSSF**") in accordance with Article 27 of the Securitisation Regulation that the requirements of Articles 19 to 22 of the Securitisation Regulation have been satisfied with respect to the Transaction (the "**STS Notification**"), such notification to be included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation. It is expected that the STS Notification will be available on the ESMA STS Register website (https://www.esma.europa.eu/policy-activities/securitisation/simpletransparent-and-standardised-stssecuritisation) (or its successor website) (the "**ESMA STS Register website**"). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

The STS status of the Notes is not static and investors should verify the current status on the ESMA STS Register website, which will be updated where the Notes are no longer considered to be STS following a decision of competent authorities or a notification by the Retention Holders.

The Retention Holders have used the services of Prime Collateralised Securities (PCS) UK Limited ("**PCS**"), as a verification agent authorised under article 28 of the Securitisation Regulation in connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare an assessment of compliance of the Notes with the relevant provisions of Article 243 of the CRR and, in respect of the Class A1 Notes, Article 13 of the LCR Regulation (together with the STS Verification, the "**STS Assessment**"). It is expected that the STS Assessment prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verification-transactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Transaction does or continues to qualify as an STS securitisation under the Securitisation Regulation on the Closing Date nor at any point in time in the future.** None of the Issuer, the Retention Holders, the Arranger, the Joint Lead Managers, Zopa or any other party to the Transaction Documents makes any representation or accepts any liability for the Transaction to qualify as an STS securitisation under the Securitisation Regulation on the Closing Date nor at any point in time in the future. For further information please refer to: "*Risk Factors – Regulatory, taxation and legal risks – Qualifying as an STS Securitisation under the Securitisation Regulation*".

Obligations ..... The Notes will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity. The Notes will not be obligations of any Transaction Party other than the Issuer.

Retention Undertaking..... M&G Specialty Finance (Luxembourg) No.1 S.à r.l.and Prudential Loan Investments 1 S.à r.l. (each a "**Retention Holder**" and, together, the "**Retention Holders**"), jointly acting as "originators" for the purposes of Article 2(3) of the Securitisation Regulation will, for the life of the Transaction, retain a cumulative material net economic interest of not less than five (5) per cent. in the

	securitisation in accordance with Article 6(1) of Regulation (EU) No. 2017/2402 (together with any regulatory and implementing technical standards supplementing such regulation from time to time and official guidance related thereto, the "**Securitisation Regulation**". As at the Closing Date, such interest will take the form of a first loss tranche in accordance with Article 6(3)(d) of the Securitisation Regulation comprising the Class Z Notes having a Principal Amount Outstanding of not less than five (5) per cent. of the Aggregate Collateral Principal Balance (the "**Minimum Retained Amount**"), as required by Article 6(1) of the Securitisation Regulation (taking into account on the Closing Date the maximum nominal value of the Loan Assets that the Issuer can hold at any time from (and including) the Closing Date to (and including) the Final Additional Purchase Date. Each Retention Holder will subscribe for and hold 50 per cent. of the Minimum Retained Amount (being, in each case, a *pro rata* holding by reference to the Aggregate Collateral Principal Balance of the Purchased Loan Assets in respect of which they respectively act as originator (their "**Origination Percentage**"). Each Retention Holder will severally covenant to hold its Origination Percentage of the Minimum Retained Amount (and will not provide any representation, warranty, covenant or other assurance as to the holding by the other Retention Holder of its own Origination Percentage of the Minimum Retained Amount). Any change to the manner in which such interest is held will be notified to the Noteholders in the Investor Reports and in accordance with the provisions of Article 7 of the Securitisation Regulation. Please refer to the sections entitled "*Certain Regulatory Disclosures*" and "*Subscription and Sale*" for further information. The transaction described herein is not structured to comply with the U.S. Risk Retention Rules, and no party to the transaction intends to retain at least 5 per cent. of the credit risk of the securitized assets for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the U.S. Risk Retention Rules). See "*Some Important Legal and Regulatory Considerations – U.S. Risk Retention Rules*."
Volcker Rule.....	The Issuer is of the view that it is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof should not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the Volcker Rule).
Withholding tax	No gross-up of any payments to the Noteholders in respect of amounts deducted from or withheld for or on account of Tax in relation to the Notes is required of the Issuer.

RESPONSIBILITY FOR INFORMATION

The information contained in this Prospectus was obtained from the Issuer and other sources, but no assurance is or can be given by the Arranger, the Joint Lead Managers, the Trustee, the Principal Paying Agent, the Issuer Account Bank, Zopa, the Back-Up Servicer, the Cash Manager and Calculation Agent, the Registrar, the Retention Holders or anyone (save as outlined below) other than the Issuer as to the adequacy, accuracy or completeness of such information and this Prospectus does not constitute and shall not be construed as any representation or warranty by the Arranger, the Joint Lead Managers or the Trustee or anyone (save as outlined below) other than the Issuer as to the adequacy, accuracy or completeness of such information contained herein. None of the Arranger, the Joint Lead Managers or the Trustee or anyone other than the Issuer has independently verified any of the information contained herein (financial, legal or otherwise) and in making an investment decision, investors must rely on their own examination of the terms of this Prospectus, including the merits and risks involved. Delivery of this Prospectus to any person other than the prospective investor and those persons, if any, retained to advise such prospective investor with respect to the possible offer and sale of the Notes is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Notes is strictly prohibited. A prospective investor shall not be entitled to, and must not rely on, this Prospectus unless it was furnished to such prospective investor directly by the Issuer, the Arranger and the Joint Lead Managers.

The Issuer accepts responsibility for the information contained in this document. To the best of the Issuer's knowledge, the information contained in this document is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Where third party information has been used in this Prospectus, the source of such information has been identified. In the case of the presented statistical information, similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Where information has been sourced from a third party, such publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed. As far as the Issuer is aware and able to ascertain from the information published by such third party sources, such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by such third party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

London Bay Loans Warehouse 1 Limited (the "**Seller**") accepts responsibility for the information set out in the section entitled "*The Seller*". To the best of the knowledge and belief of the Seller (having taken all reasonable care to ensure that such is the case), the information contained in such section is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, expressed or implied, is made, and no responsibility or liability is accepted by the Seller as to the accuracy or completeness of any information contained in this Prospectus (other than the section referred to above) or any other information supplied in connection with the Notes or their distribution.

M&G Specialty Finance (Luxembourg) No. 1 S.à r.l. and Prudential Loan Investments 1 S.à r.l., (each, a "**Retention Holder**" and, together, the "**Retention Holders**", severally to the extent of their *pro rata* share of the Class Z Notes, and, in addition, in the case of M&G Specialty Finance (Luxembourg) No.1 S.à r.l (the "**Reporting Agent**") accept responsibility for the information set out in the section entitled "*The Retention Holders and the Reporting Agent*" and the sub-section "*Verification of Data*" in the section "*The Loan Portfolio*". To the best of the knowledge of each of the Retention Holders , the information contained in such sections is in accordance with the facts and such sections make no omission likely to affect its import. No representation, warranty or undertaking, expressed or implied, is made, and no responsibility or liability is accepted by each Retention Holder as to the accuracy or completeness of any information contained in this document (other than the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Zopa Limited ("**Zopa**" and/or the "**Platform Servicer**") accepts responsibility for the information set out in the sections entitled "*Zopa Limited*", "*The Platform Servicer and the Servicing Procedures*", "*The Loan Portfolio*" (other than the sub-sections "*The Loan Portfolio – Origination – Warehouse Loan Sale and Purchase Agreement*", "- *Loan Portfolio Selection*", *"Verification of Data*") and "*Certain Transaction Documents – Servicing Agreement*". To the best of Zopa's knowledge, the information contained in such sections is in accordance with the facts and such sections make no omission likely to affect its import. No representation, warranty or undertaking, expressed or implied, is made, and no responsibility or liability is accepted by Zopa as

to the accuracy or completeness of any information contained in this document (other than the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Citibank, N.A. London Branch (the "**Cash Manager and Calculation Agent**", the "**Issuer Account Bank**" and the "**Principal Paying Agent**") and Citigroup Global Markets Europe AG (the "**Registrar**") accept responsibility for the information set out in the section entitled "*The Cash Manager and Calculation Agent, the Issuer Account Bank, the Principal Paying Agent and the Registrar*". To the best of the knowledge of Citibank, N.A. London Branch and Citigroup Global Markets Europe AG the information contained in such sections is in accordance with the facts and such sections make no omission likely to affect its import. No representation, warranty or undertaking, expressed or implied, is made, and no responsibility or liability is accepted by Citibank, N.A. London Branch and Citigroup Global Markets Europe AG as to the accuracy or completeness of any information contained in this document (other than the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Target Servicing Limited (the "**Back-Up Servicer**") accepts responsibility for the information set out in the sections entitled "*The Back-Up Servicer*" and "*Certain Transaction Documents – Back-Up Servicing Agreement*". To the best of the knowledge of the Back-Up Servicer , the information contained in such sections is in accordance with the facts and such sections make no omission likely to affect its import. No representation, warranty or undertaking, expressed or implied, is made, and no responsibility or liability is accepted by the Back-Up Servicer as to the accuracy or completeness of any information contained in this document (other than the sections referred to above) or any other information supplied in connection with the Notes or their distribution.

Natwest Markets Plc in its capacity as the Interest Rate Hedge Counterparty (the "**Interest Rate Hedge Counterparty**") has provided and accepts responsibility for the information set out in the sections entitled "*The Interest Rate Hedge Counterparty*" and "*Certain Transaction Documents – Interest Rate Hedge Agreement*". To the best of the knowledge of the Interest Rate Hedge Counterparty, the information contained in such sections is in accordance with the facts and such sections make no omission likely to affect its import. No representation, warranty or undertaking, expressed or implied, is made, and no responsibility or liability is accepted by the Interest Rate Hedge Counterparty as to the accuracy or completeness of any information contained in this document (other than the section referred to above) or any other information supplied in connection with the Notes or their distribution.

DISCLAIMER

Except as otherwise stated above, none of the Arranger, the Joint Lead Managers, the Principal Paying Agent, the Cash Manager and Calculation Agent, the Issuer Account Bank, the Registrar, the Seller, each Retention Holder, the Reporting Agent, Zopa, or the Trustee makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or part thereof or any other information provided by the Issuer in connection with the Notes. Except as otherwise stated above, none of the Arranger, the Joint Lead Managers, the Principal Paying Agent, the Issuer Account Bank, the Cash Manager and Calculation Agent, the Registrar, the Seller, each Retention Holder, the Reporting Agent, Zopa, or the Trustee accepts any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the Notes. Each potential purchaser of Notes should determine the relevance of the information contained in this Prospectus or part hereof and the purchase of Notes should be based upon such investigation as each purchaser deems necessary. Except as otherwise stated above, none of the Arranger, the Joint Lead Managers, the Principal Paying Agent, the Cash Manager and Calculation Agent, the Issuer Account Bank, the Registrar, the Seller, each Retention Holder, the Reporting Agent, Zopa, or the Trustee undertakes or shall undertake to review the financial condition or affairs of the Issuer nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger, the Joint Lead Managers, the Principal Paying Agent, the Cash Manager and Calculation Agent, the Issuer Account Bank, the Registrar, the Seller, each Retention Holder, the Reporting Agent, Zopa, or the Trustee.

The information on the Transaction Documents contained in this Prospectus are an overview of the material terms of such Transaction Documents. The overviews do not purport to be complete and are subject to the provisions of the respective Transaction Documents. See further the sections entitled "*Certain Transaction Documents*", "*Listing and General Information*" and "*Terms and Conditions of the Notes*".

OFFER/INVITATION/DISTRIBUTION RESTRICTIONS

This Prospectus does not constitute an invitation to the public within the meaning of the Irish Companies Act 2014 as amended (the "**Companies Act**") to subscribe for any Notes.

The distribution of this document, or any part thereof, and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by any Transaction Party that this document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, save for obtaining the approval of this document as a prospectus for the purposes of Article 6(3) of the Prospectus Regulation by the Central Bank (it being understood that such approval alone will not permit a public offering of the Notes), no action will be taken by any Transaction Party which would permit a public offering of the Notes or distribution of this document 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 under circumstances that will result in compliance with all Applicable Laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and Deutsche Bank AG, London Branch, as the Arranger (the "**Arranger**") and a Joint Lead Manager (a "**Joint Lead Manager**") and Standard Chartered Bank, as a Joint Lead Manager (a "**Joint Lead Manager**", together with Deutsche Bank AG, London Branch, the "**Joint Lead Managers**"), to inform themselves about and to observe any such restriction. For a further description of certain restrictions on offers and sales of the Notes and distribution of this Prospectus (or any part hereof), see the section entitled "*Subscription and Sale*" below.

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

UNITED STATES DISTRIBUTION RESTRICTIONS

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THEREFORE MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE, LOCAL OR FEDERAL SECURITIES LAWS. ACCORDINGLY, THE NOTES WILL ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO PERSONS OTHER THAN U.S. PERSONS (AS DEFINED IN AND PURSUANT TO REGULATION S). FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON RESALES OR TRANSFERS, SEE THE SECTION ENTITLED "*TRANSFER RESTRICTIONS*".

THE NOTES MAY NOT BE PURCHASED BY, OR TRANSFERRED TO OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSON THAT IS A RISK RETENTION U.S. PERSON. PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. PURCHASERS OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL DISTRIBUTION OF THE NOTES, BY THEIR ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT EACH PURCHASER (1) IS NOT A RISK RETENTION U.S. PERSON, (2) IS ACQUIRING SUCH NOTE OR BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES). PLEASE REFER TO THE SECTION ENTITLED "*SOME IMPORTANT LEGAL AND REGULATORY CONSIDERATIONS - U.S. RISK RETENTION RULES*" FOR MORE DETAILS.

THE TRANSACTION DESCRIBED HEREIN IS NOT STRUCTURED TO COMPLY WITH THE U.S. RISK RETENTION RULES. THE SELLER, AS THE SPONSOR UNDER THE U.S. RISK RETENTION RULES, DOES NOT INTEND TO RETAIN AT LEAST 5 PER CENT. OF THE CREDIT RISK OF THE NOTES FOR THE PURPOSES OF COMPLIANCE WITH THE U.S. RISK RETENTION RULES INSTEAD, IT IS INTENDED THAT THE SELLER RELY ON AN EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES REGARDING NON-U.S. TRANSACTIONS. SEE "SOME IMPORTANT LEGAL AND REGULATORY CONSIDERATIONS - U.S. RISK RETENTION RULES".

EACH PURCHASER OF THE NOTES WILL BE DEEMED BY ITS ACCEPTANCE OF SUCH NOTES TO HAVE MADE CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS INTENDED TO RESTRICT THE RESALE OR OTHER TRANSFER OF THE NOTES AS SET OUT IN THE SUBSCRIPTION AGREEMENT AND DESCRIBED IN THIS PROSPECTUS AND, IN CONNECTION THEREWITH, MAY BE REQUIRED TO PROVIDE CONFIRMATION OF ITS COMPLIANCE WITH SUCH RESALE AND OTHER TRANSFER RESTRICTIONS IN CERTAIN CASES. SEE "TRANSFER RESTRICTIONS".

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA ("**EEA**"). FOR THESE PURPOSES, A "RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "**MIFID II**") OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II, OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS REGULATION). CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

SOLELY FOR THE PURPOSES OF EACH MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A "**DISTRIBUTOR**") SHOULD TAKE INTO CONSIDERATION THE MANUFACTURERS' TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURERS' TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

STS SECURITISATION

The Transaction is intended to qualify as a simple, transparent and standardised securitisation within the meaning of article 18 of the Securitisation Regulation. Within 15 Business Days of the Closing Date, it is intended that the Retention Holders, as originators, will jointly submit a notification to the European Securities and Markets Association ("**ESMA**") in accordance with Article 27 of the Securitisation Regulation that the requirements of Articles 19 to 22 of the Securitisation Regulation have been satisfied with respect to the Transaction (the "**STS Notification**"), such notification to be included in the list published by ESMA referred to in Article 27(5) of the Securitisation Regulation. It is expected that the STS Notification will be available on the website of ESMA (https://www.esma.europa.eu/policy-activities/securitisation/simpletransparent-and-standardised-stssecuritisation). For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus. The Retention Holders have used the service of Prime Collateralised Securities (PCS) UK Limited ("**PCS**"), as a verification agent authorised under article 28 of the Securitisation Regulation in

connection with an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation (the "**STS Verification**") and to prepare an assessment of compliance of the Notes with the relevant provisions of Article 243 of the CRR and, in respect of the Class A1 Notes, Article 13 of the LCR Regulation (together with the STS Verification, the "**STS Assessment**"). It is expected that the STS Assessment prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verificationtransactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. **No assurance can be provided that the Transaction does or continues to qualify as an STS securitisation under the Securitisation Regulation on the Closing Date nor at any point in time in the future.** None of the Issuer, the Retention Holders, the Arranger, the Joint Lead Managers or any other party to the Transaction Documents makes any representation or accepts any liability for the Transaction to qualify as an STS securitisation under the Securitisation Regulation on the Closing Date nor at any point in time in the future. For further information please refer to: "*Risk Factors – Regulatory, taxation and legal risks – Qualifying as an STS Securitisation under the Securitisation Regulation*".

UNAUTHORISED INFORMATION

Save in respect of the Marketing Information, no person has been authorised to give any information or to make any representation other than as contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Arranger, the Joint Lead Managers or the Transaction Parties. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date. For the avoidance of doubt, the Marketing Information and the contents thereof do not form part of this Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Prospectus or any part hereof and any offering of the Notes in certain jurisdictions may be restricted by law. No action has been taken by the Issuer, the Arranger or the Joint Lead Managers other than as set out in the section entitled "*Listing and General Information*" on page 247 of this Prospectus that would permit a public offer of the Notes in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part hereof nor any other prospectus, form of application, advertisement or other offering material may be issued, distributed or published in any country or jurisdiction (including the United Kingdom and Ireland), except in circumstances that will result in compliance with Applicable Laws, orders, rules and regulations.

Neither the Arranger, the Joint Lead Managers nor the Transaction Parties 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.

INFORMATION AS TO PLACEMENT

The Notes will be represented by Global Notes which are expected to be deposited with a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking *société anonyme* ("**Clearstream, Luxembourg**") and registered in the name of a nominee of the Common Safekeeper on the Closing Date.

The Notes are intended upon issue to be held in a manner which will allow the European System of Central Banks (as the term is used in the Governing Council of the European Central Bank) ("**Eurosystem**") eligibility. This means that the Notes are intended to be deposited with one of Euroclear and/or Clearstream, Luxembourg (each an "**ICSD**" and together the "**ICSDs**") as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that any of the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (the "**ECB**") being satisfied that all Eurosystem eligibility has been met (and, for the avoidance of doubt, such Eurosystem eligibility is not, as at the Closing Date, expected to be satisfied by any Notes that give rise to rights to principal and/or interest that are subordinated to the rights of holders of any other Notes).

CURRENCIES

In this Prospectus, unless otherwise specified, references to "**Euro**", "**euro**", "**€**" and "**EUR**" are to the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty on the European Union, as amended from time to time and references to "**Sterling**", "**pound**", "**£**" and "**GBP**" are to the lawful currency of the United Kingdom.`

FORWARD-LOOKING STATEMENTS AND STATISTICAL INFORMATION

Certain matters contained in this Prospectus are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Purchased Loan Assets, and reflect significant assumptions and subjective judgments by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes. This Prospectus also contains certain tables and other statistical analyses (the "**Statistical Information**"). Numerous assumptions have been used in preparing the Statistical Information, which may or may not be reflected in the material. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, or as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions or as legal, tax, financial or accounting advice. The average life of or the potential yields on any security cannot be predicted, because the actual rate of repayment on the underlying assets, as well as a number of other relevant factors, cannot be determined. No assurance can be given that the assumptions on which the possible average lives of or yields on the securities are made will prove to be realistic. None of the Arranger, the Joint Lead Managers or the Transaction Parties has attempted to verify any forward-looking statements or Statistical Information, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements or Statistical Information. None of the Arranger, the Joint Lead Managers or the Transaction Parties assumes any obligation to update these forward-looking statements or Statistical Information or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements or Statistical Information, as applicable.

IRISH REGULATORY POSITION

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

RETENTION REQUIREMENTS

Each Retention Holder will severally represent and undertake to acquire and hold its Origination Percentage of the Minimum Retained Amount on the terms set out in the Master Framework Agreement.

Each prospective investor in the Notes is required to independently assess and determine whether the information provided herein and in any reports provided to investors in relation to this transaction are sufficient to comply with Securitisation Regulation or any other regulatory requirement. Notwithstanding anything to the contrary herein, none of the Arranger, the Joint Lead Managers or the Transaction Parties, their respective Affiliates, corporate officers or professional advisers or any other person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose and no such person shall have any liability to any prospective investor or any other person with respect to the insufficiency of such information or any failure of the transactions contemplated hereby to satisfy the Securitisation Regulation or any other applicable legal, regulatory or other requirements. Each prospective investor in the Notes who is subject to the Securitisation Regulation or any other regulatory requirement should consult with its own legal, accounting, regulatory and other advisers and/or its national regulator to determine whether, and to what extent, such information is sufficient for such purposes and any other requirements of which it is uncertain. See further the sections entitled "*Some Important Legal and Regulatory Considerations - Regulatory Initiatives"*, *"Some Important Legal and Regulatory Considerations – EU Risk Retention and Due Diligence Requirements"*, "*Certain Regulatory Disclosures*" and "*The Retention Holders*".

NO STABILISATION

In connection with the issue of the Notes, no stabilisation will take place and neither the Arranger nor the Joint Lead Managers will be acting as stabilising managers in respect of the Notes.

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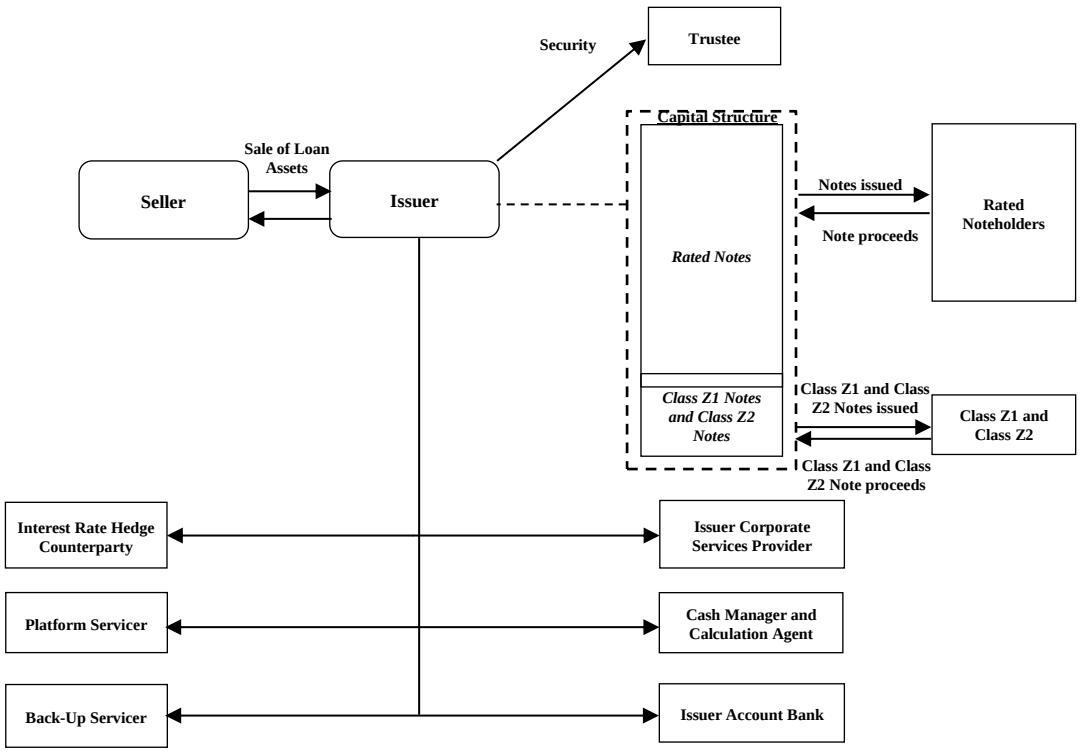
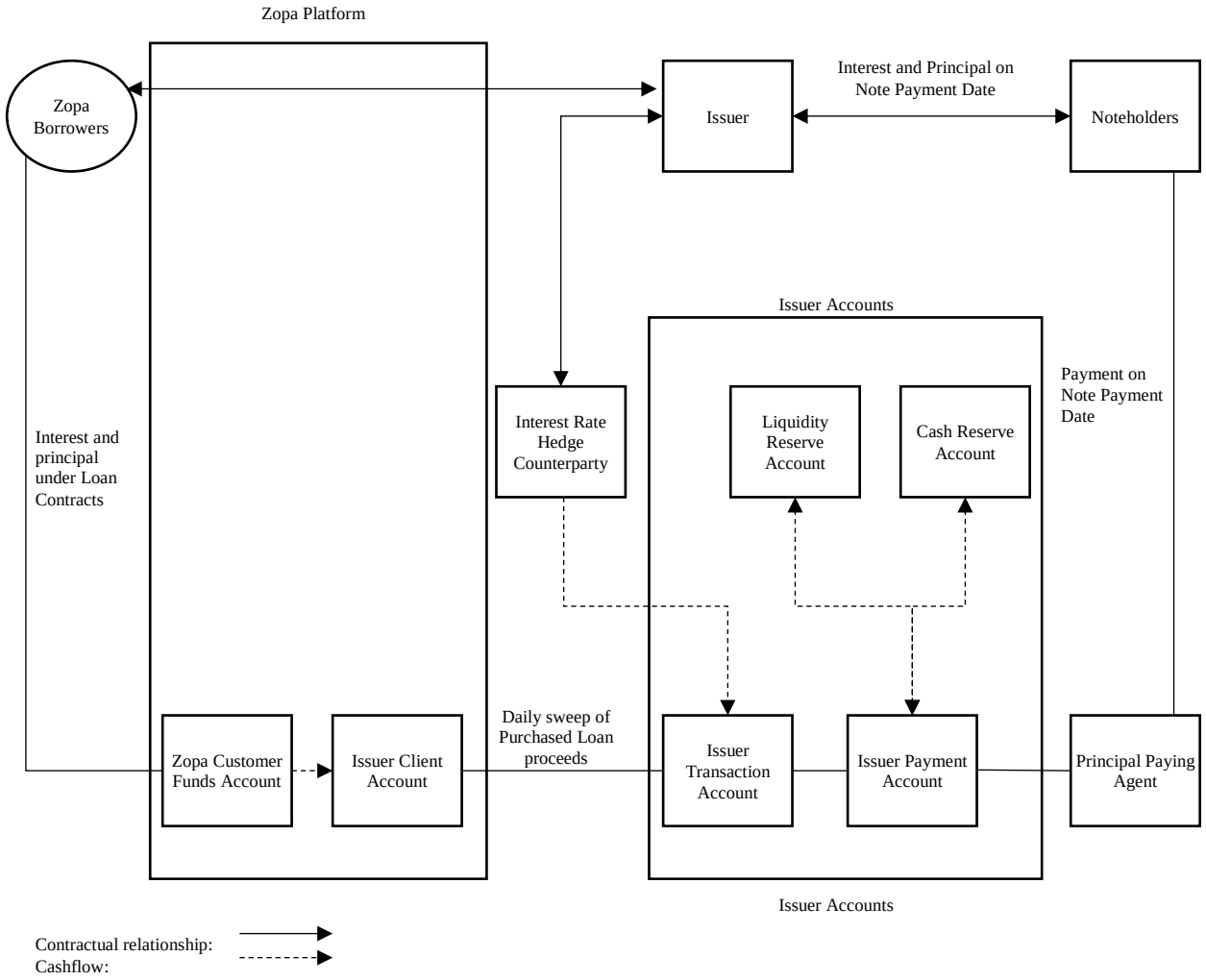
OVERVIEW

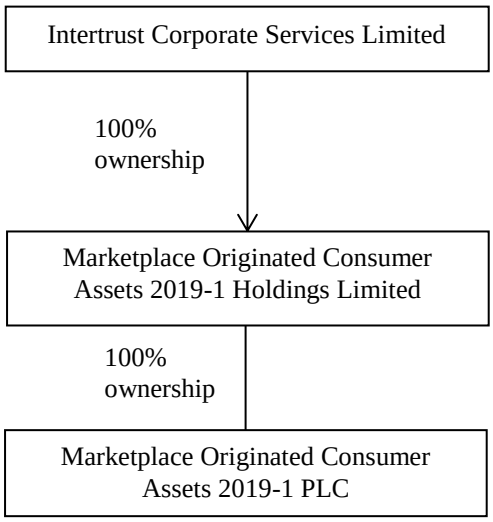
DIAGRAMMATIC OVERVIEW OF THE TRANSACTION AT ISSUE



DIAGRAMMATIC OVERVIEW OF ONGOING CASH FLOW



DIAGRAMMATIC OVERVIEW OF THE OWNERSHIP STRUCTURE



The diagram above illustrates the ownership structure of the Issuer, a special purpose company, that will be party to the Transaction, as follows:

- The Issuer is wholly owned by Marketplace Originated Consumer Assets 2019-1 Holdings Limited ("**HoldCo**").
- The entire issued share capital of HoldCo is held on trust by Intertrust Corporate Services Limited under the terms of a declaration of trust for discretionary purposes for the benefit of certain beneficiaries (the "**Share Trustee**").

TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed/ Further Information
Back-Up Servicer	Target Servicing Limited	Target House, Cowbridge Road East, Cardiff CF11 9AU	Back-Up Servicing Agreement See further the section entitled *"Certain Transaction Documents – Back-Up Servicing Agreement"*
Cash Manager and Calculation Agent	Citibank, N.A. London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Cash Management and Calculation Agency Agreement. See further the sections entitled "*Overview of Credit Structure and Cashflow", "Cashflows and Cash Management"* and *"Certain Transaction Documents – Cash Management and Calculation Agency Agreement"*
Custodian	Citibank, N.A. London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5BL	Custodial Services Agreement
HoldCo	Marketplace Originated Consumer Assets 2019-1 Holdings Limited	35 Great St. Helen's, London EC3A 6AP	N/A
Interest Rate Hedge Counterparty	NatWest Markets Plc	250 Bishopsgate, London EC2M 4AA United Kingdom	Interest Rate Hedge Agreement See further the section entitled *"Certain Transaction Document – Interest Rate Hedge Agreement"*
Issuer	Marketplace Originated Consumer Assets 2019-1 PLC	35 Great St. Helen's, London EC3A 6AP	N/A

Party	Name	Address	Document under which appointed/ Further Information
Issuer Account Bank	Citibank, N.A. London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Account Bank Agreement See further the section entitled "*Certain Transaction Documents – Account Bank Agreement*"
Issuer Corporate Services Provider	Intertrust Management Limited	35 Great St. Helen's, London EC3A 6AP	Issuer Corporate Services Agreement
Listing Agent	Matheson	70 Sir John Rogerson's Quay, Dublin 2	N/A
Listing Authority and Stock Exchange	Euronext Dublin	28 Anglesea Street, Dublin 2, Ireland	N/A
Platform Servicer	Zopa Limited	1st Floor, Cottons Centre, Tooley Street, London, SE1 2QG	Servicing Agreement See further the section entitled "*The Platform Servicer and Servicing Procedures*" and "*Certain Transaction Documents – Servicing Agreement*"
Principal Paying Agent	Citibank, N.A. London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Principal Paying Agency Agreement See further the section entitled "*Certain Transaction Documents – Principal Paying Agency Agreement*"
Retention Holder and Reporting Agent	M&G Specialty Finance (Luxembourg) No. 1 S.à r.l.	51 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg	In its capacity as Retention Holder: See further the section entitled "*Certain Regulatory Disclosures*" and "*Subscription and Sale*" In its capacity as Reporting Agent: Reporting Agency Agreement See further the section entitled "*Certain*

Party	Name	Address	Document under which appointed/ Further Information
			Transaction Documents – Reporting Agency Agreement"
Retention Holder	Prudential Loan Investments 1 S.à r.l.	1 rue Hildegard von Bingen, 1282, Luxembourg, Grand Duchy of Luxembourg	In its capacity as Retention Holder: See further the section entitled "*Certain Regulatory Disclosures*" and "*Subscription and Sale*"
Seller	London Bay Loans Warehouse 1 Limited	35 Great St. Helen's, London EC3A 6AP	Loan Sale and Purchase Agreement See further the section entitled "*Certain Transaction Documents – Loan Sale and Purchase Agreement*"
Share Trustee	Intertrust Corporate Services Limited	35 Great St. Helen's, London EC3A 6AP	Share Trust Deed
Trustee	Citibank, N.A. London Branch	Citigroup Centre, Canada Square, Canary Wharf, London E14 5BL	Trust Deed See further the section entitled "*Certain Transaction Documents – Trust Deed*" Charge and Assignment See further the section entitled "*Certain Transaction Documents – Charge and Assignment*"

TRANSACTION OVERVIEW

The overview below highlights information contained elsewhere in this Prospectus and does not contain all of the information that prospective investors should consider before investing in the Notes. It should be read only as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus.

The Issuer

Marketplace Originated Consumer Assets 2019-1 PLC is a public limited company incorporated under the Laws of England and Wales having its registered office at 35 Great St. Helen's, London EC3A 6AP.

The Issuer has been established as a special purpose vehicle for the purposes of issuing asset backed securities in the Transaction as more particularly described below.

The Transaction

The Issuer will issue the Notes on the Closing Date. The Issuer will apply the net proceeds from the issue of the Class A, Class B, Class C, Class D, Class E, Class F and Class Z Notes to (i) pay the Initial Purchase Price to the Seller in respect of the Loan Portfolio pursuant to the Loan Sale and Purchase Agreement; (ii) make a deposit in an amount equal to the Cash Reserve Required Amount into the Cash Reserve Account; (iii) make a deposit in an amount equal to the Liquidity Reserve Required Amount into the Liquidity Reserve Account; (iv) purchase the SONIA Cap Transaction and the LIBOR Cap Transaction under the Interest Rate Hedge Agreement on the Closing Date; (v) make payments in respect of the fees, costs and expenses in connection with the issuance of the Notes; (vi) make a deposit in an amount equal to the Pre-Funding Reserve which may be applied in purchasing Additional Loans on or prior to the Final Additional Loan Purchase Date; and (vii) make a deposit to the Expenses Reserve Ledger of the Issuer Transaction Account in an amount equal to the Expenses Reserve which may be used by the Issuer to make payments in respect of fees, costs and expenses incurred in connection with the issuance of the Notes and the Transaction as a whole.

The Loan Portfolio will consist of rights under fixed sum credit agreements regulated under the Consumer Credit Act 1974 to individuals resident in the United Kingdom at the time of the initial advance for an initial principal amount per Loan (excluding fees) of not more than £25,000. The Purchased Loan Assets comprising the Loan Portfolio will have been entered into via the online marketplace lending platform operated by Zopa Limited available at the website http://www.zopa.com (the "**Zopa Platform**") and in the ordinary course of Zopa's operation of the Zopa Platform. For further details, see the section entitled "*The Loan Portfolio – The Loan Contracts*".

The Loan Portfolio will represent a pool of assets which will be purchased by the Issuer on the Closing Date and on any Business Day thereafter until the Final Additional Loan Purchase Date. There is no requirement for such Loan Portfolio to be actively managed on a discretionary basis.

The Issuer will use receipts of interest and principal in respect of the Purchased Loan Assets, together with amounts available to it under the Interest Rate Hedge Agreement, to make payments of, among other things, interest and principal due in respect of the Notes. The obligations of the Issuer in respect of the Notes will rank below the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments (see further the section entitled *"Overview of Credit Structure and Cashflow*"). The obligations of the Issuer under the Notes will not be obligations or responsibilities of, or guaranteed by, any other person or entity.

Under the Servicing Agreement, the Platform Servicer will provide services to the Issuer on a day-to-day basis in relation to the Purchased Loan Assets and the Transaction generally including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Purchased Loan Assets, communicating with Zopa Borrowers on behalf of the Issuer, reporting, the implementation of arrears procedures and management of the Issuer Client Account (see further the section entitled "*Overview of the Loan Portfolio and Servicing*").

Pursuant to the Interest Rate Hedge Agreement, the Issuer will hedge a part of the interest rate risk it is exposed to due to the interest the Issuer receives under the Loan Portfolio (being calculated by reference to a fixed rate of interest) and the interest payments the Issuer is obliged to make under the Notes being calculated by reference to SONIA and LIBOR (see further the section entitled "*Overview of Credit Structure and Cashflow*").

Security

The Notes and certain other liabilities of the Issuer will be secured by, among other things, the fixed and floating charges created in favour of the Trustee for and on behalf of the Secured Creditors subject to and under the terms of the Charge and Assignment.

Interest on the Notes

The Issuer shall determine (or shall cause the Cash Manager and Calculation Agent to determine) the Rate of Interest for each Class of Rated Notes and calculate the amount of interest payable on each Class of Rated Notes for the relevant Interest Period by applying the relevant Rate of Interest to the Principal Amount Outstanding of each Class of Rated Notes.

The Class Z1 Notes shall not bear interest.

Each Class Z2 Note shall receive on a pro-rata basis, by way of interest its relative share of the amounts (if any) remaining after the payment of higher ranking items in the Pre-Acceleration Interest Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) (see further the section entitled "*Overview of Credit Structure and Cashflow*").

Redemption of the Notes

On the Final Maturity Date, the Notes are, unless previously redeemed and cancelled, required to be redeemed in full at their Principal Amount Outstanding together with accrued (and unpaid) interest up to but excluding the Final Maturity Date subject to Condition 4 (*Limited Recourse; Non-Petition; Corporate Obligations; Security Mandate*).

On each Note Payment Date prior to delivery of an Enforcement Notice, the Issuer shall apply the Available Principal Proceeds to redeem the Notes to the extent that there are such amounts available to do so in accordance with the Pre-Acceleration Principal Priority of Payments (see further the section entitled "*Overview of Credit Structure and Cashflow*"). If an Event of Default occurs and is continuing, the Trustee may at its discretion, and shall: (a) if so requested in writing by the Noteholders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; or (b) if so directed by the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, (subject, in each case, to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction), deliver an Enforcement Notice to the Issuer, with a copy to each Agent (other than the Issuer Corporate Services Provider), the Seller, the Retention Holders, the Interest Rate Hedge Counterparty and the Rating Agencies, and institute such proceedings and take any other steps as may be required in order to enforce the Security. Upon the delivery of an Enforcement Notice: (i) the Notes of each Class shall become immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with any accrued (and unpaid) interest; (ii) the Security shall become immediately enforceable; and (iii) on each Note Payment Date (or other such date as the Trustee instructs in writing) following the delivery of an Enforcement Notice (or on such other date as the Trustee instructs the Cash Manager and Calculation Agent in writing in accordance with the Transaction Documents), the Cash Manager and Calculation Agent shall cause all amounts standing to the credit of the Issuer Transaction Account and all proceeds (other than amounts representing (A) any Excess Hedge Collateral which shall be returned directly to an Interest Rate Hedge Counterparty (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (B) any Replacement Hedge Premium (only to the extent it is applied directly to pay a Hedge Termination Payment due and payable by the Issuer to the outgoing Interest Rate Hedge Counterparty), (C) any Hedge Tax Credits, which shall be applied directly to an Interest Rate Hedge Counterparty in accordance with the Cash Management and Calculation Agency Agreement, and (D) prior to the designation of an early termination date under an Interest Rate Hedge Agreement and the resulting application of the Hedge Collateral by way of netting or set-off, all Hedge Collateral provided by an Interest Rate Hedge Counterparty to the Issuer pursuant to an Interest Rate Hedge Agreement (and any interest or distributions in respect thereof)) from the enforcement of the Security or otherwise recovered by the Trustee (which shall be held by the Trustee on trust) to be applied in payment, in the amounts required, in accordance with the Post-Acceleration Priority of Payments.

The Issuer may redeem the Notes in whole (but not in part), subject to and in accordance with the Conditions (a) pursuant to the Portfolio Purchase Option or (b) subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option, upon the occurrence of a Regulatory Event, a Tax Event or an Illegality Event. Any such redemption in whole pursuant to Conditions 8.2 (*Mandatory Redemption in whole* –

Portfolio Purchase Option), 8.3 (*Optional Redemption in whole following a Tax Event*), 8.4 (*Optional Redemption in whole upon the occurrence of an Illegality Event*) or 8.5 (*Optional Redemption in whole upon the occurrence of a Regulatory Event*) shall be subject to certain conditions set out therein, including a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Note Payment Date, not subject to the interest of any other person, required to redeem the Rated Notes and meet its payment obligations of a higher priority under the Pre-Acceleration Principal Priority of Payments.

Listing

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market.

Rating

It is a condition to the issue of the Notes that, on the Closing Date:

(a) the Class A1 Notes be assigned a credit rating of (i) AAA by DBRS and (ii) AAA by Fitch;

(b) the Class A2 Notes be assigned a credit rating of (i) AAA by DBRS and (ii) AAA by Fitch;

(c) the Class B Notes be assigned a credit rating of (i) AA by DBRS and (ii) AA- by Fitch;

(d) the Class C Notes be assigned a credit rating of (i) A(high) by DBRS and (ii) A- by Fitch;

(e) the Class D Notes be assigned a credit rating of (i) A(low) by DBRS and (ii) BBB by Fitch;

(f) the Class E Notes be assigned a credit rating of (i) BBB(high) by DBRS and (ii) BB+ by Fitch; and

(g) the Class F Notes be assigned a credit rating of (i) BBB (low) by DBRS and (ii) BB- by Fitch.

The Class Z Notes will not be rated.

Certain Risks

There are certain risks which prospective Noteholders should take into account. These risks are examined in detail in the section entitled "*Risk Factors*" starting at page 50 of this Prospectus and relate to, among other things, the Notes such as (but not limited to) the fact that the obligations of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Purchased Loan Assets and the receipt by it of other funds (including but not limited to the receipt of payments under the Interest Rate Hedge Agreement). Despite certain risk mitigating factors, there remain credit risks, liquidity risks, prepayment risks, maturity risks and interest rate risks relating to the Notes. Moreover, there are certain structural, legal, insolvency, tax and regulatory risks relating to the Purchased Loan Assets and the Notes. Please see the section entitled "*Risk Factors*" for more information.

LOAN PORTFOLIO

Purchase of the Loan Portfolio .....

The Loan Portfolio will consist of fixed sum credit agreements regulated under the Consumer Credit Act 1974 to individuals resident in the United Kingdom at the time of the initial advance. Such loans were for a principal amount (excluding fees) of not more than £25,000 per loan at the time of the initial advance and were or will be made through the Zopa Platform prior to the Final Additional Loan Purchase Date. The Loan Contracts will have been entered into directly between the Zopa Lender and the relevant Zopa Borrower via a standard form of contract provided for on the Zopa Platform.

Pursuant to the Loan Sale and Purchase Agreement, the Issuer will purchase (i) on the Closing Date, the Initial Loan Portfolio at the Initial Purchase Price; and (ii) subject to the satisfaction of the Additional Loan Conditions, on any Business Day thereafter until the Final Additional Loan Purchase Date, the Additional Loans at their respective Additional Loan Purchase Price, in each case from the Seller. All Purchased Loan Assets will be required to have satisfied the Eligibility Criteria and the Loan Warranties as at the Loan Warranty Date (unless stated otherwise).

The Issuer shall procure that Zopa shall notify, as soon as reasonably practicable following the occurrence of a Perfection Trigger Event, each Zopa Borrower of each Purchased Loan Asset of the sale and assignment of such Purchased Loan Asset to the Issuer and of the Issuer's ownership of such Purchased Loan Asset (by identifying the Issuer as the Zopa Lender in respect of such Purchased Loan Asset of such Zopa Borrower).

The Platform Servicer will service the Loan Portfolio on an ongoing basis. Target Servicing Limited will serve as Back-Up Servicer and is required pursuant to the Back-Up Servicing Agreement to be capable of assuming the role of the Platform Servicer on 60 calendar days' notice.

Each Purchased Loan Asset is, or will be, governed by English law.

Purchase Price .....

The Initial Purchase Price payable on the Closing Date by the Issuer in respect of the sale of the Initial Loan Portfolio will be an amount equal to £227,734,000.33. The purchase of the Initial Loan Portfolio will take economic effect as of the Loan Portfolio Cut-Off Date and the Seller will undertake to hold on trust the Purchased Loan Proceeds received in respect of each Purchased Loan Asset for and to the order of the Issuer from the Loan Portfolio Cut-Off Date and transfer such Purchased Loan Proceeds to the Issuer within two (2) Business Days of the Closing Date, or, in the case of In-Flight Loans, within two (2) Business Days of the last In-Flight Transfer Date.

The Additional Loan Purchase Price payable by the Issuer on the date of the acquisition of any Additional Loans will be an amount equal to the Collateral Principal Balance of the relevant Loan as at the Additional Loan Portfolio Cut-Off Date. The purchase of the Additional Loan Portfolio will take economic effect as of the Additional Loan Portfolio Cut-Off Date and the Seller will undertake to hold on trust the Purchased Loan Proceeds received in respect of each Purchased Loan Asset for and to the order of the Issuer from the Additional Loan Portfolio Cut-Off Date and

transfer such Purchased Loan Proceeds to the Issuer within two (2) Business Days of the Final Additional Loan Purchase Date.

Pre-Funding Reserve ..... On the Issue Date, it is expected that the Issuer will credit an amount equal to £17,000,000 to the Pre-Funding Reserve Ledger (the "**Pre-Funding Reserve**"). The Issuer will only be entitled to apply amounts (if any) standing to the credit of the Pre-Funding Reserve in purchasing Additional Loans from time to time following the Closing Date and on any Business Day up to and including the Final Additional Loan Purchase Date, subject to the satisfaction of the applicable Zopa Loan Warranties, the Retention Holder Warranties and the Additional Loan Conditions. The applicable Additional Loan Purchase Price for such Additional Loans shall be funded by applying the Pre-Funding Reserve in an amount equal to the component of that Additional Loan Purchase Price.

Any outstanding balance in the Pre-Funding Reserve Ledger as at the Final Additional Loan Purchase Date (taking into account any debits made on that ledger on such date) will be applied as Available Principal Proceeds on the second Note Payment Date.

Features of Loan Assets..... The following is an overview of certain features of the Provisional Loan Portfolio as at the Provisional Loan Portfolio Cut-Off Date and prospective Noteholders should refer to, and carefully consider, further details in respect of the Purchased Loan Assets set out in the section entitled "*The Loan Portfolio – Provisional Loan Portfolio Stratification Tables*."

Number of Loans:	32,160
Number of Zopa Borrowers:	32,066
Aggregate Initial Collateral Principal Balance:	£246,948,494.00
Aggregate Collateral Principal Balance:	£224,675,130.32
Average Collateral Principal Balance:	£6,986.17
Weighted average contractual interest rate:	8.95 *per cent.*
Weighted average seasoning:	4.60 months
Weighted average original term:	48.83 months
Weighted average remaining term:	44.22 months
Top 1 Zopa Borrower percentage (expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio):	0.01 *per cent.*
Top 3 Zopa Borrower percentage (expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio):	0.04 *per cent.*
Top 5 Zopa Borrower percentage (expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio):	0.06 *per cent.*

	Top 10 Zopa Borrower percentage (expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio):	0.12 *per cent.*

Loan Warranties ..... (i) Pursuant to the Loan Sale and Purchase Agreement, the Retention Holders will make the Retention Holder Warranties and (ii) pursuant to the Servicing Agreement, Zopa will make the Zopa Loan Warranties, in each case, regarding the Purchased Loan Assets to the Issuer on the Loan Warranty Date (together, the "**Loan Warranties**"), including but not limited to the following:

(a) Zopa will represent and warrant to the Issuer that, among other things as at the Loan Warranty Date (unless stated otherwise in the Eligibility Criteria):

(i) each Loan included in the List of Loans or the Additional List of Loans satisfied the Eligibility Criteria;

(ii) the rights of lenders under any such Loan are equivalent to the rights of lenders under any other Loan Contracts, except to the extent that such rights are limited, restricted, excluded or otherwise affected by Applicable Law, regulation, rules or regulatory guidance;

(iii) no such Loan Contract has been made without pre-contract information complying with section 55(1) of the CCA, or has been improperly executed by the Zopa Borrower for the purposes of sections 61(1), 61A(5), 62(3) or 63(5) of the CCA, so as to be enforceable against the Zopa Borrower only on an order of the court under sections 55(2) or 65(1) of the CCA (other than an order of the court required in relation to a minor defect of a technical nature in the form or procedure of such pre-contract information or in the form or execution of such Loan Contract (i) which defect, for the avoidance of doubt, would not prejudice the rights of the relevant Zopa Borrower and (ii) which order would not be likely to be refused under section 127 of the CCA); and

(b) the Retention Holders will represent and warrant to the Issuer that, among other things as at the Loan Warranty Date (unless otherwise stated) to the best of their knowledge and based on the information contained in the Initial Servicing Report (or, in respect of any Additional Loans, the most recently published Servicing Report):

(i) the information contained in the List of Loans or Additional List of Loans, as applicable offered for sale to the Issuer is complete and accurate in all material respects;

(ii) immediately prior to the sale and assignment of the Seller's beneficial right, title and interest to, in and under certain Loan Assets to the Issuer, the Seller was the equitable owner of such Loan Assets, free and clear of any Security Interest and the Purchased Loan Assets were not encumbered or otherwise in a condition that could be foreseen to adversely affect the enforceability of the true sale and assignment or transfer of the beneficial title with the same legal effect; and

(iii) as at the Closing Date or, in respect an Additional Loan, the Further Purchase Date, the related Zopa Borrower has made at least one scheduled monthly payment under the Loan.

For further information see section entitled "*Certain Transaction Documents – Servicing Agreement — Zopa Loan Warranties*" and "*Certain Transaction Documents – Loan Sale and Purchase Agreement – Retention Holder Warranties*".

Zopa Purchase Obligation……..... Pursuant to the Servicing Agreement, if in relation to any Purchased Loan Asset:

(a) any Fraud Event occurs; or

(b) as at the Loan Warranty Date (unless otherwise stated), any Zopa Loan Warranty was untrue with respect to such Purchased Loan Asset,

then the Issuer, the Retention Holder, or (at any time (x) following the delivery of written notice to Zopa that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee, may deliver a written notice to Zopa requiring Zopa to purchase such Purchased Loan Asset within ten (10) Business Days after the date of such notice for the Remedy Amount (the "**Zopa Purchase Obligation**").

Retention Holder Indemnification Obligation Pursuant to the Loan Sale and Purchase Agreement, as at the Loan Warranty Date (unless otherwise stated), any Retention Holder Warranty was untrue with respect to any Purchased Loan Asset and either:

(a) Zopa has failed to purchase such Purchased Loan Asset in respect of which a Zopa Purchase Obligation has been triggered pursuant to the Servicing Agreement and a Deemed Collection has not been made in respect of such Purchased Loan Asset; or

(b) Zopa is not obliged to purchase such Purchased Loan Asset pursuant to the Servicing Agreement,

then the Issuer or, (at any time (x) following the delivery of written notice to the Seller and the Retention Holders that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee may deliver a written notice to the Retention Holders requiring the Retention Holders to indemnify it within ten (10) Business Days after the date of such notice for the Remedy Amount (the "**Retention Holder Indemnification Obligation**").

Deemed Collections..... If Zopa is unable to purchase an Affected Loan pursuant to the Zopa Purchase Obligation (including if such Affected Loan has never existed, or has ceased to exist such that it is not outstanding on the date on which it is otherwise due to be purchased or repurchased or because Zopa does not have, in full force and effect, the appropriate permissions under FSMA), Zopa shall, on the date it is due to purchase such Affected Loan, deposit a Deemed Collection in respect of such Affected Loan in the Issuer Transaction Account without requiring the transfer of such Affected Loan.

Remedy Amount..... The Remedy Amount means in relation to an Affected Loan, an amount equal to the Collateral Principal Balance of such Affected Loan as of the date of such becoming an Affected Loan plus an amount equal to accrued but unpaid interest in relation to such Affected Loan up to the date on which such Affected Loan is purchased or repurchased in accordance with the Zopa Purchase Obligation or an indemnity amount is due by the Retention Holder pursuant to the Retention Holder Indemnification Obligation, as applicable.

Eligibility Criteria..... A Loan Asset satisfies the Eligibility Criteria if, as at the Loan Warranty Date (unless specifically stated otherwise),

(1) the Loan:

(a) represents the legally valid, binding and, in all material respects (other than in respect of any payment obligations which shall not be qualified by materiality), enforceable obligations of the relevant Zopa Borrower in accordance with its terms, subject to any limitations arising from time to time in effect relating to bankruptcy, insolvency, liquidation or general principles of equity but excluding the effect of any amendments, modifications or other actions taken or omitted to be taken by any Successor Servicer or pursuant to any instruction or direction from the Issuer;

(b) was originated in the ordinary course of Zopa's business and is in compliance with all Applicable Laws and regulations including the CCA, CRA, UTCCR (other than a minor defect of a technical nature in the form or procedure of precontract information or in the form or execution of such Loan Contract (i) which defect, for the avoidance of doubt, would not prejudice the rights of the relevant Zopa Borrower and (ii) which order would not be likely to be refused under section 127 of the CCA) and that no term of the Loan Contract is unfair within the meaning of Part 2 of the CRA or the UTCCR, as applicable;

(c) the date such Loan was originated, has been created, in all material respects, in compliance with the Zopa Principles and Underwriting Guidelines and using the standard documentation which are then applicable in accordance applicable at the time of origination;

(d) is denominated in GBP;

(e) is not an interest only Loan and interest accrues at a fixed rate and the Loan is fully amortizing in equal monthly payments;

(f) is for an amount of no more than £25,000 (or £30,000 including any capitalised fees);

(g) has a maximum term of five (5) years from the date of the initial advance under the Loan Contract;

(h) has a maximum interest rate of 34.95 per cent. per annum;

(i) at the time of origination, is payable by direct debit from the Zopa Borrower's account;

(j) is fully disbursed with no possible or potential future funding obligations;

(k) has not been the subject of a Loan Modification other than a Permitted Loan Modification;

(l) may be assigned to the Issuer pursuant to the Transaction Documents and may be assigned by the Issuer following the occurrence of a Servicing Termination Event or an Enforcement Event without the consent of Zopa or any other party which has not been duly granted;

(m) all Records relating to the Loan Contract are held by or on behalf of the Seller in custody for the benefit of the Issuer;

(n) can be identified by the Seller;

(o) in respect of which legal title is free and clear of any Security Interest; and

(p) at the time of origination, has not been selected under a procedure or in a manner that would adversely prejudice the position of the Issuer relative to that of the Seller;

(2) the Zopa Borrower thereof as at the date the Loan was entered into:

(a) has declared themselves to be resident in the United Kingdom;

(b) to the best of Zopa's knowledge, having made due and careful inquiry, is not insolvent or bankrupt and has not been declared bankrupt in the last 5 years;

(c) was a natural person;

(d) had passed an affordability test in accordance with the Zopa Principles and Zopa's applicable credit guidelines and Underwriting Guidelines;

(e) is not a Borrower in respect of (i) a Defaulted Loan; or (ii) a Delinquent Loan.

SERVICING ARRANGEMENTS

Servicing of the Purchased Loan Assets..... The Platform Servicer will be appointed by the Issuer to service the Loan Portfolio on a day-to-day basis.

The Platform Servicer on behalf of the Issuer, shall:

(a) direct and instruct the Zopa Borrowers to pay Purchased Loan Proceeds and any other amounts in respect of the Purchased Loan Assets (including all direct debits or card payments in respect of such amounts) directly into the Zopa Customer Funds Account or the Issuer Client Account;

(b) ensure that any Purchased Loan Proceeds standing to the credit of the Zopa Customer Funds Account at 5 p.m. on each Business Day, if any, are transferred by 3 p.m. on the next Business Day to the Issuer Client Account;

(c) ensure that Purchased Loan Proceeds that have been received from the Zopa Borrowers into an account other than in accordance with paragraph (a) above are transferred promptly (and in any case on the same Business Day) to the appropriate account;

(d) not transfer funds which do not constitute Purchased Loan Proceeds into the Issuer Client Account or the Issuer Transaction Account. In the event that funds which do not constitute Purchased Loan Proceeds are deposited into the Issuer Client Account or the Issuer Transaction Account (including, but not limited to, duplicate payments made to the Issuer or incorrect payments made by Zopa Borrowers), the Platform Servicer shall immediately notify the Issuer, the Trustee and the Cash Manager and Calculation Agent upon it becoming so aware, and request that such funds be promptly returned to the Platform Servicer in accordance with the Cash Management and Calculation Agency Agreement to the extent that such funds have not been transferred to the Issuer Payment Account and distributed on a Note Payment Date;

(e) ensure that all amounts standing to the credit of the Issuer Client Account at 4 p.m. (London time) on each Business Day, (less the Zopa Loan Servicing Fee due and payable to the Platform Servicer in accordance with the Servicing Agreement) are transferred on the same Business Day to the Issuer Transaction Account and deliver instructions to the Collection Account Bank to make such transfer daily;

(f) ensure that following the In-Flight Transfer Date, all Purchased Loan Assets which were In-Flight Loans and Additional Loans are (i) included in the next Servicing Report (including for the avoidance of doubt any Purchased Loan Assets that were In-Flight Loans which have been repaid in full between the Loan Portfolio Cut-off Date and the In-Flight Transfer Date) and (ii) included in the transfer of amounts standing to the credit of the Issuer Client Account pursuant to paragraph (e) above.

Servicing Fees ..... Calculation of Servicing Fees

(a) Notwithstanding the provisions of Principle 8 (*Fees and Charges*) of the Zopa Principles, where the Platform Servicer is Zopa, it shall be entitled to the Zopa Loan Servicing Fee, being the sole fees payable to Zopa as the Platform Servicer and paid in place of the "Loan Servicing Fee" as defined in the Zopa Principles, being an amount per annum deducted from the Interest Proceeds of each payment made in respect of each Purchased Loan Asset that a Borrower makes when its Loan is not a Delinquent Loan or a Defaulted Loan, such that the annualised interest rate received by the Issuer in respect of such Purchased Loan Asset is equal to the contractual interest rate applicable to such Loan less the applicable Servicing Fee Rate (the "**Zopa Loan Servicing Fee**").

(b) The servicing fee rate is an annual amount applied on a Loan-by-Loan basis to each Loan at the time of its origination, of between 0.25% and 0.46% inclusive and is fixed for the life of the Loan (the "**Servicing Fee Rate**").

(c) Where the Platform Servicer is not Zopa and a Successor Servicer has been appointed, the Successor Servicer shall be entitled to the Loan Servicing Fee from the Successor Servicer Effective Date.

Payment of Servicing Fees

(a) Where Zopa is the Platform Servicer and until the Successor Servicer Effective Date:

(i) the Zopa Loan Servicing Fee shall be deducted by the Platform Servicer from the Interest Proceeds following the transfer of such amounts to the Issuer Client Account; and

(ii) for the avoidance of doubt, no Zopa Loan Servicing Fee will be deducted in respect of any Purchased Loan Asset in a month unless and until the Purchased Loan Proceeds due and payable in such month are actually received from the relevant Zopa Borrower in respect of such Purchased Loan Asset and credited to the Issuer Client Account.

(b) The Loan Servicing Fee payable where Zopa is not the Platform Servicer and a Successor Servicer has been appointed will be payable from the Successor Servicer Effective Date in accordance with the applicable Priority of Payments.

(c) Notwithstanding any other provision of the Servicing Agreement, no Loan Servicing Fee or Zopa Loan Servicing Fee shall be payable by the Issuer in respect of any Purchased Loan Assets for which the Platform Servicer does not provide the Services in accordance with the terms of the Servicing Agreement.

Servicing Termination Events ..... The appointment of the Platform Servicer may be terminated upon the occurrence of any of the following events (each a "**Servicing Termination Event**"):

(a) the Platform Servicer fails to make any payment or deposit required to be made by it under the Servicing Agreement when due and such failure remains unremedied for five (5) Business Days or, where such failure is due to an administrative or

technical error, (7) Business Days since the date on which such administrative or technical error has occurred;

(b) other than as set forth in paragraphs (a), (d) or (f), the Platform Servicer shall fail to observe or perform any term, covenant, undertaking or agreement under the Servicing Agreement in any material respect and such failure shall, if capable of remedy, remain unremedied for 15 calendar days, in each case, after the Platform Servicer obtained knowledge or received notice thereof;

(c) other than as set forth in paragraph (j) below, any representation, warranty, certification or statement made by the Platform Servicer in the Servicing Agreement (or in any report or other document delivered pursuant thereto) shall prove to have been incorrect in any material respect, when made or deemed made and, if capable of remedy, remains unremedied for 15 calendar days after the Platform Servicer obtained knowledge or received notice thereof;

(d) except as otherwise expressly permitted by the Transaction Documents, the Platform Servicer shall repudiate the Servicing Agreement or any material provision therein or assert in writing that the Servicing Agreement or any material provision therein is not in full force and effect;

(e) any Indebtedness of the Platform Servicer exceeding £2,000,000 (i) is not paid when due or within any originally applicable grace period, (ii) becomes due, or capable or being declared due and payable, prior to its stated maturity by reason of an event of default (howsoever described), or (iii) any commitment thereunder is cancelled or suspended by a creditor of the Platform Servicer by reason of an event of default (howsoever described) and such event or circumstance remains unremedied for 15 calendar days;

(f) the Platform Servicer is not collecting Purchased Loan Proceeds pursuant to the Servicing Agreement or the Platform Servicer is not entitled or capable to collect the Purchased Loan Proceeds for practical or legal reasons;

(g) the occurrence of a Material Adverse Effect, pursuant to paragraph (a) of the defined term, with respect to the Platform Servicer;

(h) proceedings are initiated against the Platform Servicer under any Insolvency Law, or a Receiver is appointed in relation to the Platform Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Platform Servicer and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within 15 calendar days of its commencement; or the Platform Servicer is, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any insolvent reorganisation or amalgamation;

(i) (i) a court judgment is entered against the Platform Servicer in an amount greater than £2,000,000 individually; or (ii) one or

more court judgments are made against the Servicer in an amount greater than £2,000,000 in aggregate, and such judgment (or judgments, as applicable) remains not paid or otherwise discharged for 21 days, in each case, unless the Servicer is appealing the judgments in good faith and with a reasonably prospect of success; or

(j) the Platform Servicer ceases to be duly qualified to do business or to have obtained and maintain in effect, and at all times comply with the terms of, all Authorisations and make all notices to or filings or registrations (including, without limitation, authorisations, licences, registrations or notifications required pursuant to the Financial Services and Markets Act 2000, the CCA and the Data Protection Act 2018) required with any Official Body or official thereof or any third party, as required for the due execution and delivery by it of the Servicing Agreement and the performance of any of the Services it is required to provide thereunder,

following which the (i) Issuer with the prior written consent of the Trustee, or (ii) (at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) Trustee may, and shall, promptly if so requested by (A) the Noteholders of at least 75 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes in writing; or (B) by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a "**Platform Servicer Termination Notice**") to the Platform Servicer (with a copy to the Trustee, if applicable, the Back-Up Servicer, the Cash Manager and Calculation Agent and the Rating Agencies), that its appointment shall automatically terminate in accordance with the Servicing Agreement, **provided that** no such notice shall be required upon the occurrence of any Servicing Insolvency Event and the appointment of the Platform Servicer shall automatically terminate upon the appointment of a Successor Servicer in accordance with the Servicing Agreement. The Issuer or, (at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee shall, promptly upon becoming aware of the same, notify the Back-Up Servicer (with a copy to the Trustee, if applicable, and the Cash Manager and Calculation Agent) of such occurrence of any Servicing Insolvency Event. Following the occurrence of a Servicing Termination Event, but prior to the delivery of a Platform Servicer Termination Notice the Issuer or the Trustee (as the case may be) shall, without prejudice to their rights under the Transaction Documents generally, consult with the Retention Holders for a period of five (5) Business Days with respect to the proposed delivery of any such notice.

No Resignation ..... The Platform Servicer may not resign from the obligations and liabilities imposed on it pursuant to the terms of the Servicing Agreement unless:

(a) it becomes unlawful for the Platform Servicer to comply with its duties or obligations under the Servicing Agreement, or

(b) the Platform Servicer has obtained the prior written consent of the Issuer,

provided that no such resignation shall be effective unless and until a Successor Servicer has been appointed pursuant to the Servicing Agreement.

In the absence of a Servicing Termination Event, Noteholders have no right to instruct the Trustee to terminate the appointment of the Platform Servicer (including, for the avoidance of doubt, at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice).

Transition to Successor Servicer ..... Upon the service of a Platform Servicer Termination Notice, or upon the occurrence of any Servicing Insolvency Event, the Issuer shall promptly arrange for the appointment of a successor servicer (which shall be the Back-Up Servicer pursuant to the terms of the Back-Up Servicing Agreement unless such appointment has been terminated or has lapsed in accordance with the same) (the "**Successor Servicer**"). Subject to the paragraph below, the Platform Servicers' rights and obligations under the Servicing Agreement will terminate on the Successor Servicer Effective Date.

Promptly following receipt of the Platform Servicer Termination Notice or upon the occurrence of any Servicing Insolvency Event in respect of it, the Platform Servicer agrees to, among other things:

(a) continue to perform all servicing functions under the Servicing Agreement until the Successor Servicer Effective Date by which time the Successor Servicer has assumed all of the responsibilities of the Platform Servicer pursuant to the Back-Up Servicing Agreement or other relevant Transaction Documents; and

(b) reasonably cooperate with and assist the Successor Servicer in the performance of its responsibilities as Successor Servicer including, subject to Applicable Law, transferring to the Issuer or the Successor Servicer, all Records that relate to the Purchased Loan Assets, **provided that**, to the extent the Platform Servicer are prohibited by Applicable Law from transferring such Records, the Platform Servicer shall (to the extent permitted by Applicable Law and subject to the restrictions contained in any licence with respect thereto), upon the reasonable request of the Issuer or the Successor Servicer, provide a copy of such Records to the Successor Servicer, as applicable.

Subcontracting and Delegation..... The Platform Servicer may subcontract or delegate its duties under the Servicing Agreement to any other person (each such person a "**Sub-Contractor**"), **provided that**:

(a) such subcontracting or delegation would not prevent the Platform Servicer or the Issuer from complying in all material respects with any Law,

(b) the Sub-Contractor has all necessary Authorisations to conduct such duties and, in the case of each Servicer, thereby agrees not to conduct any duties for which it does not have such requisite Authorisations; and

(c) such subcontracting or delegation shall not: (i) give rise to any additional taxation liability of the Issuer which would not have arisen but for such subcontracting or delegation; or (ii) cause any payments to be received by the Issuer to be subject to a withholding or deduction for or on account of tax which the Issuer would not have been subject to had such subcontracting or delegation not taken place.

Notwithstanding any such subcontracting or delegation:

(a) the Platform Servicer shall continue to remain solely liable for the performance its duties and obligations under the Servicing Agreement (whether or not a Sub-Contractor has agreed to perform such duty or obligation);

(b) without limiting the foregoing, any action taken or omitted to be taken by Sub-Contractor shall be deemed to be an act or omission of the Servicer that appointed that Sub-Contractor; and

(c) none of the Issuer, the Trustee or any other person shall have any liability for any costs, charges, fees or expenses payable to or incurred by such Sub-Contractor or arising from the entering into, the continuance or the termination of any such arrangement and shall have no responsibility for monitoring or investigating the suitability of any such Sub-Contractor.

The Platform Servicer shall ensure that the terms of such subcontracting or delegation provide that the appointment of a Sub-Contractor in respect of the Purchased Loan Assets shall, unless the Issuer notifies the Sub-Contractor in writing otherwise, be automatically terminated upon the termination of the Platform Servicer's appointment under the Servicing Agreement.

OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

FULL CAPITAL STRUCTURE OF THE NOTES

	Class A1	**Class A2**	**Class B**	**Class C**	**Class D**	**Class E**	**Class F**	**Class Z1**	**Class Z2**
Currency	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Initial Principal Amount	£113,900,000	£50,000,000	£24,400,000	£18,300,000	£13,400,000	£11,000,000	£8,500,000	£5,200,000	£9,186,000
Note Credit Enhancement	Subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes, the Cash Reserve Account and excess Available Interest Proceeds	Subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes, the Cash Reserve Account and excess Available Interest Proceeds	Subordination of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes, the Cash Reserve Account and excess Available Interest Proceeds	Subordination of the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes, the Cash Reserve Account and excess Available Interest Proceeds	Subordination of the Class E Notes, the Class F Notes and the Class Z Notes, the Cash Reserve Account and excess Available Interest Proceeds	Subordination of the Class F Notes and the Class Z Notes, the Cash Reserve Account and excess Available Interest Proceeds	Subordination of the Class Z Notes, the Cash Reserve Account and excess Available Interest Proceeds	Excess Available Interest Proceeds	Excess Available Interest Proceeds
Reserve Credit Enhancement	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	N/A	N/A
Issue Price	100%	100%	100%	100%	100%	100%	100%	64.41%	120.15%
Interest Reference Rate	Compounded Daily SONIA	1 month LIBOR	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	Compounded Daily SONIA	N/A	N/A
Relevant Margin	0.85%	0.81%	1.55%	2.00%	2.50%	3.10%	3.60%	Principal only	Variable interest amount
Interest Accrual Method	Actual/365L	Actual/365L	Actual/365L	Actual/365L	Actual/365L	Actual/365L	Actual/365L	N/A	N/A
Interest Determination	Each Note Payment Date or, in the case of the First Interest Period, the Closing Date and, in relation to an Interest Period, the related Interest Determination Date means the Interest Determination Date which falls on the first day of							n/a	Each Note Payment Date

	Class A1	**Class A2**	**Class B**	**Class C**	**Class D**	**Class E**	**Class F**	**Class Z1**	**Class Z2**
Date	such Interest Period								or, in the case of the First Interest Period, the Closing Date and, in relation to an Interest Period, the related Interest Determination Date means the Interest Determination Date which falls on the first day of such Interest Period
Interest Determination Date	Each Note Payment Date or, in the case of the First Interest Period, the Closing Date and, in relation to an Interest Period, the related Interest Determination Date means the Interest Determination Date which falls on the first day of such Interest Period							n/a	Each Note Payment Date or, in the case of the First Interest Period, the Closing Date and, in relation to an Interest Period, the related Interest Determination Date means the Interest Determination Date which falls on the first day of such Interest Period
Note Payment Dates	Interest will be payable monthly in arrear on the First Note Payment Date and, thereafter, the 20th day of each calendar month provided that if any Note Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day.								

	Class A1	Class A2	Class B	Class C	Class D	Class E	Class F	Class Z1	Class Z2
Business Day Convention	Following	Following	Following	Following	Following	Following	Following	Following	Following
First Note Payment Date	20 January 2020	20 January 2020	20 January 2020	20 January 2020	20 January 2020	20 January 2020	20 January 2020	20 January 2020	20 January 2020
First Interest Period	The interest period commencing on the Closing Date and ending on (but excluding) the First Note Payment Date.								
Pre-Acceleration Redemption Profile	Prior to the Sequential Amortisation Trigger Event, pro-rata redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption. Subject to and in accordance with the Pre-Acceleration Interest Priority of Payments, if there is a shortfall in any Principal Deficiency Ledger, Available Interest Proceeds may	Prior to the Sequential Amortisation Trigger Event, pro-rata redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption. Subject to and in accordance with the Pre-Acceleration Interest Priority of Payments, if there is a shortfall in any Principal Deficiency Ledger, Available Interest Proceeds may	Prior to the Sequential Amortisation Trigger Event, pro-rata redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption. Subject to and in accordance with the Pre-Acceleration Interest Priority of Payments, if there is a shortfall in any Principal Deficiency Ledger, Available Interest Proceeds may	Prior to the Sequential Amortisation Trigger Event, pro-rata redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption. Subject to and in accordance with the Pre-Acceleration Interest Priority of Payments, if there is a shortfall in any Principal Deficiency Ledger, Available Interest Proceeds may	Prior to the Sequential Amortisation Trigger Event, pro-rata redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption. Subject to and in accordance with the Pre-Acceleration Interest Priority of Payments, if there is a shortfall in any Principal Deficiency Ledger, Available Interest Proceeds may	Prior to the Sequential Amortisation Trigger Event, pro-rata redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption. Subject to and in accordance with the Pre-Acceleration Interest Priority of Payments, if there is a shortfall in any Principal Deficiency Ledger, Available Interest Proceeds may	Prior to the Sequential Amortisation Trigger Event, pro-rata redemption, and on and following the Sequential Amortisation Trigger Event, sequential pass through redemption. Subject to and in accordance with the Pre-Acceleration Interest Priority of Payments, if there is a shortfall in any Principal Deficiency Ledger, Available Interest Proceeds may be applied as Available	Following the Sequential Amortisation Trigger Event, sequential pass through redemption. Subject to and in accordance with the Pre-Acceleration Interest Priority of Payments, if there is a shortfall in any Principal Deficiency Ledger, Available Interest Proceeds may be applied as Available Principal Proceeds in order to cure such shortfall.	Following the Sequential Amortisation Trigger Event, sequential pass through redemption.

	Class A1	**Class A2**	**Class B**	**Class C**	**Class D**	**Class E**	**Class F**	**Class Z1**	**Class Z2**
	be applied as Available Principal Proceeds in order to cure such shortfall.	be applied as Available Principal Proceeds in order to cure such shortfall.	be applied as Available Principal Proceeds in order to cure such shortfall.	be applied as Available Principal Proceeds in order to cure such shortfall.	be applied as Available Principal Proceeds in order to cure such shortfall.	be applied as Available Principal Proceeds in order to cure such shortfall.	Principal Proceeds in order to cure such shortfall.		
Post-Acceleration Redemption Profile	Sequential pass-through redemption by seniority of Notes on each Note Payment Date to the extent of applicable proceeds from the enforcement of the Security or otherwise recovered by the Trustee subject to and in accordance with the Post-Acceleration Priority of Payments.								
Portfolio Purchase Option	20%	20%	20%	20%	20%	20%	20%	20%	n/a
Final Maturity Date	December 2028	December 2028	December 2028	December 2028	December 2028	December 2028	December 2028	December 2028	December 2028
Form of the Notes	Global, registered	Global, registered	Global, registered	Global, registered	Global, registered	Global, registered	Global, registered	Global, registered	Global, registered
Application for Listing	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin
ISIN	XS2083973466	XS2083974274	XS2083974431	XS2083974514	XS2083974860	XS2083975081	XS2083975164	XS2083975321	XS2083975594
Common Code	208397346	208397427	208397443	208397451	208397486	208397508	208397516	208397532	208397559
Clearance/Settlement	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream
Minimum Denomination	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000
Notes Retained by Retention Holders on the Closing Date	0%	0%	0%	0%	0%	0%	100%	100%	100%

Ranking..... The Notes will constitute direct, secured, limited recourse obligations of the Issuer.

Subject to and in accordance with the Conditions and the Trust Deed, the Notes within each Class will rank *pari passu* and rateably without any preference or priority among themselves as to payments of interest and principal at all times, **provided that**:

(a) prior to delivery of an Enforcement Notice, the Issuer's obligation to make payments of interest and principal on each Class of Notes will rank as set out in the Pre-Acceleration Interest Priority of Payments and the Pre-Acceleration Principal Priority of Payments respectively; and

(b) on or following the delivery of an Enforcement Notice, each Class of Notes will rank as set out in the Post-Acceleration Priority of Payments.

Form of Notes..... The Notes of each Class will be represented on issue by beneficial interest in one or more Global Notes in fully registered form, The Notes will be deposited on or about the Closing Date with, and registered in the name of a nominee of a common safekeeper for Euroclear and Clearstream, Luxembourg.

Ownership interests in the Global Notes will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream and their respective participants.

Security..... The Notes are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Charge and Assignment and as described in the Conditions. The Security granted by the Issuer includes:

(a) Assignment

The Issuer, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, by way of first fixed security, pursuant to the Charge and Assignment will assign to and in favour of the Trustee (on behalf of each Secured Creditor), all of its rights, title, interest and benefit, existing now or in the future, in, to, under or in respect of:

(i) the Transaction Documents;

(ii) all Purchased Loan Assets (where such rights are contractual rights other than contractual rights the assignment of which would require the consent of a third party and such consent has not been obtained, **provided that** the Issuer shall use reasonable endeavours to obtain such consent) and any Seller Records relating to the Purchased Loan Assets; and

(iii) any Other Secured Contractual Rights of the Issuer;

including without limitation:

(i) the benefit of all representations, warranties, covenants, undertakings and indemnities under or in respect of each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right;

(ii) all of its rights to receive payment of any amounts which may become payable to it pursuant to, or with respect to, each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right;

(iii) all payments received by it pursuant to, or with respect to, each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right;

(iv) all of its rights to serve notices and/or make demands and/or to take such steps as are required to cause payments to become due and payable with respect to each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right;

(v) all of its rights of action in respect of any breach of the terms of or default in respect of each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right; and

(vi) all of its rights to receive damages, compensation or obtain other relief in respect of, including in respect of any breach the terms of or default in respect of each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right.

(b) Fixed Charges

The Issuer, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, pursuant to the Charge and Assignment will charge in favour of the Trustee (for itself and on behalf of each Secured Creditor) by way of first fixed charge, to the extent not effectively assigned pursuant to the Charge and Assignment, all of its rights, title, interest and benefit, existing now or in the future, in, to, under or in respect of:

(i) the Transaction Documents;

(ii) all Purchased Loan Assets; and

(iii) any Other Secured Contractual Rights,

(in each case, other than any property or assets from time to time or for the time being effectively secured as set out in paragraph (a) (*Assignment*) above).

(c) Accounts

The Issuer, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, pursuant to the Charge and Assignment will charge in favour of the Trustee (on behalf of each Secured Creditor) by way of first fixed charge, all of its rights, title, interest and benefit, existing now or in the future, in, to, under or in respect of:

(i) each Issuer Account (other than any Hedge Collateral Account) and all sums of moneys which may now be or hereafter are from time to time standing to the credit of each Issuer Account (other than any Hedge Collateral Account) and any other bank account and any amounts standing to the credit thereto (other than the Corporate

Benefit Account and any amounts standing to the credit thereto), or book debt in which the Issuer may at any time acquire any right, title, interest or benefit and each debt represented by these, including all interest accrued and other moneys received in respect thereof; and

(ii) each Hedge Collateral Cash Account and all moneys from time to time standing to the credit of each Hedge Collateral Cash Account and the debts represented thereby or, where applicable, all of its contractual rights thereto, **provided that**, in each case, that such security interest is subject to the rights of any Interest Rate Hedge Counterparty to the return of any Hedge Collateral pursuant to the terms of the relevant Interest Rate Hedge Agreement and the Conditions (for the avoidance of doubt, without prejudice to and after giving effect to any close out netting or set-off has taken place),

(in each case, other than any property or assets from time to time or for the time being effectively secured as set out in the preceding paragraphs (*Assignment*) and (*Fixed Charges*)).

(d) Floating Charge

The Issuer, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, pursuant to the Charge and Assignment will charge in favour of the Trustee (on behalf of each Secured Creditor) by way of a first floating charge over the whole of its undertaking and all of its property and assets whatsoever and wheresoever situated, present and future, to the extent that such undertaking and property and assets are not subject to any other security created pursuant to the Charge and Assignment **provided that**, in each case, such security interest: (i) shall not extend to the Corporate Benefit Account and any amounts standing to the credit thereto; and (ii) is subject to the rights of any Interest Rate Hedge Counterparty to the return of Hedge Collateral pursuant to the terms of the relevant Interest Rate Hedge Agreement and the Conditions (for the avoidance of doubt, without prejudice to and after giving effect to any close out netting or set-off has taken place).

(e) Trust

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed or floating charge over, the property, assets, rights and/or benefits described in the Charge and Assignment is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Property**"), the Issuer shall, as continuing security for the payment and discharge of the Secured Obligations, hold the benefit of the Affected Property and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Property (together, the "**Trust Property**") on trust for the Trustee for the benefit of the Secured Creditors and shall:

(i) account to the Trustee for the benefit of the Trustee and the other Secured Creditors for or otherwise apply all sums received in respect of such Trust Property as the

Trustee may direct (**provided that**, subject to the Conditions, if no Event of Default has occurred and is continuing, the Issuer shall be entitled to apply the benefit of such Trust Property and such sums in respect of such Trust Property received by it and held on trust under the Charge and Assignment without prior direction from the Trustee);

(ii) exercise any rights it may have in respect of the Trust Property at the direction of the Trustee; and

(iii) at its own cost take such action and execute such documents as the Trustee may in its sole discretion require.

Some of the other Secured Obligations rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the Post-Acceleration Priority of Payments.

Interest Provisions ..... Each of the Notes (other than the Class Z1 Notes) shall bear interest on its Principal Amount Outstanding.

Interest on the Notes (other than the Class Z1 Notes and the Class A2 Notes) is payable in arrear and by reference to an Interest Period, and shall be payable on each Note Payment Date. Interest on the Notes (other than the Class Z1 Notes and the Class A2 Notes) for the First Interest Period shall be based on a rate determined by reference to Compounded Daily SONIA, as at 11.00 am (London time) on the Interest Determination Date in question.

Interest on the Class A2 Notes is payable in arrear and by reference to an Interest Period, and shall be payable on each Note Payment Date. Interest on the Class A2 Notes for the First Interest Period shall be based on a rate determined by reference to a straight line interpolation of the offered rate for one month and two month Sterling LIBOR .

Each successive Interest Period will commence on (and include) a Note Payment Date and end on (but exclude) the next following Note Payment Date, except for the First Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the First Note Payment Date.

Interest on the Rated Notes will be calculated on the basis of the actual number of days elapsed in an Interest Period and a year of 365 days (or 366 days in the case of any leap year, beginning in 2020).

Interest on the Class Z2 Notes will be paid on each Note Payment Date in an amount equal to the residual amount of Available Interest Proceeds following payment of all other amounts due in accordance with the Pre-Acceleration Interest Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) (see Condition 6 (*Interest*) for further details).

Interest Deferral..... Interest due and payable on the Most Senior Class of Notes will not be deferred. Interest due and payable on a Class of Notes (other than the Most Senior Class of Notes) may be deferred in accordance with Condition 6(c) (*Deferral of Interest*).

Gross-up ..... All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction

for or on account of, any Taxes imposed, levied, collected, withheld or assessed by the Issuer's jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless the Issuer, the Trustee, the Issuer Account Bank or the Principal Paying Agent (as the case may be) are required by law to make any Tax Deduction. In that event, the Issuer, the Trustee, the Issuer Account Bank or the Principal Paying Agent (as the case may be) shall make such payments after such Tax Deduction (including any FATCA Deduction) and shall account to the relevant authorities for the amount so withheld or deducted within the time limits permitted by law.

None of the Issuer, the Trustee, the Issuer Account Bank or the Principal Paying Agent will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction (including any FATCA Deduction).

Redemption of the Notes ..... Principal payments on the Notes may or shall, in certain circumstances, be made in the following circumstances:

(a) mandatory redemption on any Note Payment Date commencing on the First Note Payment Date, from Available Principal Proceeds in accordance with the Pre-Acceleration Principal Priority of Payments (see Condition 8.1 (*Mandatory Repayment*));

(b) mandatory redemption in whole, but not in part, on any Note Payment Date pursuant to the Portfolio Purchase Option, subject to certain conditions (see Condition 8.2 (*Mandatory Redemption in whole – Portfolio Purchase Option*));

(c) optional redemption in whole, but not in part, on any Note Payment Date upon the occurrence of a Tax Event, subject to certain conditions (see Condition 8.3 (*Optional Redemption in whole following a Tax Event*)) (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option);

(d) optional redemption in whole, but not in part, on any Note Payment Date if an Illegality Event has occurred, subject to certain conditions (see Condition 8.4 (*Optional Redemption upon the occurrence of an Illegality Event*)) (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option);

(e) optional redemption in whole, but not in part, on any Note Payment Date if a Regulatory Event has occurred, subject to certain conditions (and mandatory if requested by prescribed Noteholders) (see Condition 8.5 (*Optional Redemption in whole upon the occurrence of a Regulatory Event*)) (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option); and

(f) mandatory redemption in whole, but not in part, on the Final Maturity Date (see Condition 8.6 (*Final Maturity Date*)).

Any Note redeemed pursuant to paragraphs (a) to (f) of 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.

Portfolio Purchase Option..... The Issuer shall if so directed by the Portfolio Option Holder redeem in whole (but not in part) the Notes of each Class at their Principal Amount Outstanding on any Note Payment Date when, on the related Calculation Date, the aggregate of the Principal Amount Outstanding of the Notes (other than the Class Z2 Notes) is equal to or less than 20 *per cent*. of the Principal Amount Outstanding of all of the Notes (other than the Class Z2 Notes) as at the Closing Date (the "**First Optional Redemption Date**") (the "**Portfolio Purchase Option**").

The Portfolio Option Holder may exercise the Portfolio Purchase Option to effect an early redemption of the Notes (i) pursuant to Condition 8.3 (*Optional Redemption in whole following a Tax Event*) provided that any election to exercise the Portfolio Purchase Option in these circumstances must be notified to the Trustee within 20 Business Days of such Tax Event; (ii) pursuant to Condition 8.4 (*Optional redemption in whole upon the occurrence of an Illegality Event*) and (iii) pursuant to Condition 8.5 (*Optional Redemption in whole upon the occurrence of a Regulatory Event*).

The Portfolio Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager and Calculation Agent, the Principal Paying Agent, the Registrar, the Trustee, the Security Trustee, the Seller and each of the Rating Agencies to take effect on the Note Payment Date immediately following the First Optional Redemption Date or such later Calculation Date specified in the exercise notice (or earlier if exercised pursuant to Condition 8.3 (*Optional Redemption in whole following a Tax Event*), Condition 8.4 (*Optional redemption in whole upon the occurrence of an Illegality Event*) or Condition 8.5 (*Optional Redemption in whole upon the occurrence of a Regulatory Event*)) (the "**Portfolio Sale Completion Date**"). The Notes shall be redeemed on the Note Payment Date falling on the same day as, or immediately after, the Portfolio Sale Completion. Date.

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

The purchase price payable by the Portfolio Option Holder in respect of the Portfolio Purchase Option shall be an amount equal to at least the Portfolio Sale Minimum Purchase Price (the "**Portfolio Sale Purchase Price**").

"**Portfolio Sale Minimum Purchase Price**" means the amount required to redeem the Notes (other than the Class Z Notes) together with accrued and unpaid interest thereon and to meet the Issuer's payment obligations of a higher priority under the Post-Acceleration Priority of Payments on the Portfolio Option Exercise Date (taking account of any amounts expected to be held by the Issuer on the Portfolio Option Exercise Date).

Event of Default..... Each of the following events, where relevant, subject to the applicable grace period shall be treated as an "**Event of Default**" in relation to the Notes:

(a) the Issuer fails to pay any amount of interest in respect of the Most Senior Class of Notes within five (5) days following the due date for payment of such interest (**provided that**, for the

avoidance of doubt, a deferral of interest in respect of a Class of Notes (other than the Most Senior Class of Notes) in accordance with Condition 6(c) (*Deferral of Interest*) shall not constitute a default in the payment of such interest for the purposes of Condition 13 (*Events of Default*), and **provided that** it shall not constitute a default in the payment of any amount actually due and payable by the Issuer if, during the continuation of any Servicer Disruption, the Issuer continues to make all payments calculated to be payable by it by the Cash Manager and Calculation Agent); or

(b) the occurrence of an Insolvency Event in respect of the Issuer occurs;

(c) the Security is (except in accordance with the terms of the Transaction Documents), in whole or in part, terminated, released or otherwise ceases to be effective or be legally valid, binding and enforceable obligation of the Issuer; or

(d) the Issuer fails to pay any amounts of principal due under the Notes on the Final Maturity Date.

Enforcement ..... If an Event of Default occurs and is continuing, the Trustee may at its discretion, and shall: (a) if so requested in writing by the Noteholders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; or (b) if so directed by the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, (subject, in each case, to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction), deliver an Enforcement Notice to the Issuer, with a copy to each Agent (other than the Issuer Corporate Services Provider), the Seller, the Retention Holders, the Interest Rate Hedge Counterparty and the Rating Agencies, and institute such proceedings or take any other steps as may be required in order to enforce the Security. See Condition 14 (*Enforcement*).

Listing and Admission to Trading ..... Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market.

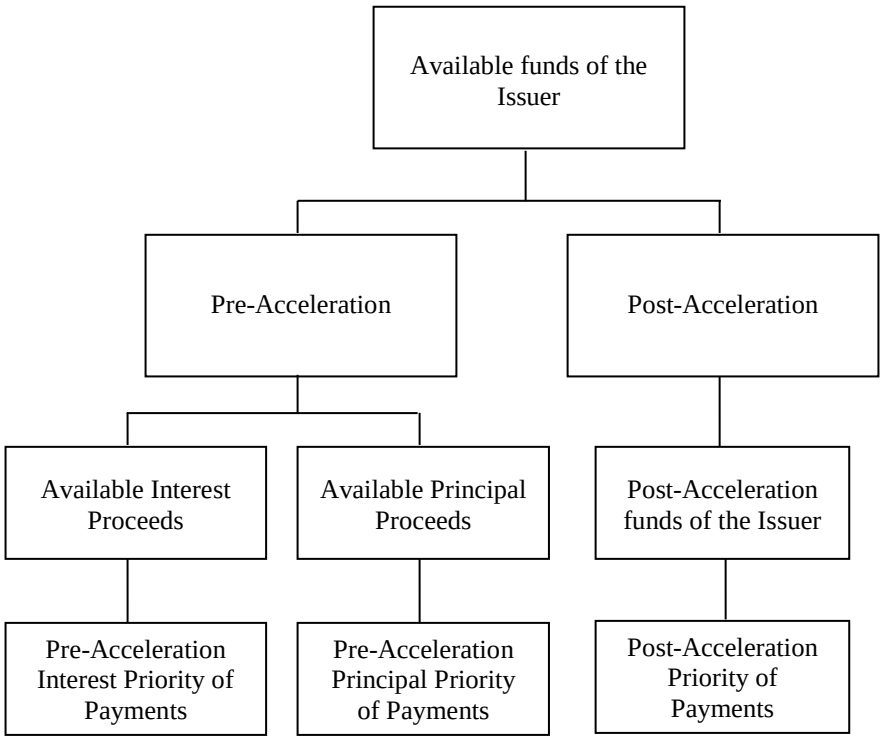
Limited Recourse..... The Notes are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in the Conditions.

Non petition ..... Each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and agrees in the Conditions that they (or any other party acting on their behalf) shall not be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings, or other analogous proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer under the Notes or the Transaction Documents, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in relation to such Transaction Documents. For the avoidance of doubt, nothing in Condition 4 (*Limited Recourse; Non-petition; Corporate Obligations; Security Mandate*) shall prevent the Trustee enforcing the Security constituted by the Charge and Assignment in accordance with its terms, **provided that** in connection with any such enforcement neither the Trustee nor any

	Receiver appointed thereunder shall take any steps or proceedings to procure the winding up or liquidation of the Issuer.
Eurosystem eligibility.....	The Notes are intended upon issue to be held in a manner which will allow the European System of Central Banks (as the term is used in the Governing Council of the European Central Bank) ("**Eurosystem**") eligibility. This means that the Notes are intended to be deposited with one of Euroclear and/or Clearstream, Luxembourg (each an "**ICSD**" and together the "**ICSDs**") as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that any of the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (the "**ECB**") being satisfied that all Eurosystem eligibility has been met (and, for the avoidance of doubt, such Eurosystem eligibility is not, as at the Closing Date, expected to be satisfied by any Notes that give rise to rights to principal and/or interest that are subordinated to the rights of holders of any other Notes).
Governing Law.....	English law.

OVERVIEW OF CREDIT STRUCTURE AND CASHFLOW

Please refer to the sections entitled "*Key Structural Features*" and "*Cashflows and Cash Management*" for further detail in respect of the credit structure and cashflow of the Transaction.



Available Funds of the Issuer ..... The Issuer expects to have Available Interest Proceeds and Available Principal Proceeds for the purposes of making interest and principal payments under the Notes and other payments due under the other Transaction Documents.

Available Interest Proceeds ..... On any Note Payment Date, the following amounts, each calculated as of the immediately preceding Reporting Cut-Off Date:

(a) Interest Proceeds received during the immediately preceding Collection Period after deducting the Zopa Loan Servicing Fee; *plus*

(b) interest paid to the Issuer on the Issuer Accounts during the immediately preceding Collection Period (other than any Hedge Collateral Account); *plus*

(c) amounts received by the Issuer under the Interest Rate Hedge Agreement (other than (i) any early termination amount received by the Issuer under an Interest Rate Hedge Agreement which is to be applied in acquiring a replacement swap or cap, (ii) in respect of the Interest Rate Hedge Agreement, any Excess Hedge Collateral or Hedge Collateral, except to the extent that the value of such Hedge Collateral or part thereof has been applied, pursuant to the provisions of the Interest Rate Hedge Agreement, to reduce the amount that would otherwise be payable by the Interest Rate Hedge Counterparty to the Issuer on early termination of the Interest Rate Hedge Agreement and, to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Hedge Counterparty, such Hedge Collateral is not to be applied in acquiring a replacement swap or cap in which case

such amounts will be included in Available Interest Proceeds, (iii) amounts in respect of Hedge Tax Credits on such Note Payment Date and (iv) any premium the Issuer receives in respect of a replacement Interest Rate Hedge Agreement which is applied in paying an early termination amount due to the outgoing Interest Rate Hedge Counterparty); *plus*

(d) all amounts standing to the credit of the Cash Reserve Account; *plus*

(e) the lesser of (i) an amount equal to any deficiency in the Available Interest Proceeds under paragraphs (a) to (d) above to the amount required to pay a Senior Interest Deficiency and (ii) all amounts standing to the credit of the Liquidity Reserve Account (either amount(s) in sub-paragraphs (i) or (ii) to be transferred to the Issuer Payment Account from the Liquidity Reserve Account and applied as Available Interest Proceeds on such Note Payment Date); *plus*

(f) any deficiency in the Available Interest Proceeds under paragraphs (a) to (e) above required to pay any Remaining Senior Interest Deficiency (such amount to be applied as Available Interest Proceeds from amounts otherwise constituting Available Principal Proceeds), up to an amount equal to the Available Principal Proceeds on such Note Payment Date; *plus*

(g) for the purposes of this paragraph (g) only, after application of the Available Principal Proceeds in accordance with the Pre-Acceleration Principal Priority of Payments on such Note Payment Date, any Available Principal Proceeds remaining after application of the Available Principal Proceeds pursuant to items (a) to (h) of the Pre-Acceleration Principal Priority of Payments; *plus*

(h) on the Final Rated Note Payment Date, any amounts left standing to the credit of the Cash Reserve Account; *plus*

(i) any Liquidity Reserve Excess after the transfer of any amounts from the Liquidity Reserve Account to the Issuer Payment Account in accordance with paragraph (e) above; *plus*

(j) in respect of the second Note Payment Date, an amount (if any) standing to the credit of the Expenses Reserve Ledger on the Calculation Date immediately prior to the second Note Payment Date.

Available Principal Proceeds……On any Note Payment Date, the following amounts, each calculated as of the immediately preceding Reporting Cut-Off Date:

(a) any Principal Proceeds received during the immediately preceding Collection Period; *plus*

(b) in respect of the second Note Payment Date, an amount (if any) standing to the credit of the Pre-Funding Reserve Ledger on the Final Additional Loan Purchase Date; *plus*

(c) the amounts (if any) to be credited to the Principal Deficiency Ledgers pursuant to the Pre-Acceleration Interest Priority of Payments on such Note Payment Date; *less*

(d) an amount equal to the Available Principal Proceeds to be applied as Available Interest Proceeds pursuant to paragraph (f) of the definition thereof on such Note Payment Date.

Pre-Acceleration Interest Priority of Payments…… ..... Prior to the delivery of an Enforcement Notice, and in advance of the application of Available Principal Proceeds in accordance with the Pre-Acceleration Principal Priority of Payments, all Available Interest Proceeds shall be paid on each Note Payment Date in the following order of priority:

(a) *first*, to the payment of taxes owing by the Issuer accrued in respect of the related Interest Period, if any (excluding any tax payable in respect of the Issuer Corporate Benefit and VAT payable in respect of any fees or other amounts payable under this Pre-Acceleration Interest Priority of Payments);

(b) *second*, to the payment of the fees, costs, expenses (including legal fees and expenses) and any other amounts together with any VAT thereon payable to the Trustee or any Appointee by the Issuer pursuant to the Transaction Documents (including, without limitation, any indemnities thereunder);

(c) *third*, to the payment, on a *pro rata* and *pari passu* basis, of:

(i) the Issuer Corporate Benefit; and

(ii) Administrative Expenses of the Issuer (in the order of priority set out in the definition thereof);

(d) *fourth*, in or towards satisfaction of any amounts due and payable to the Interest Rate Hedge Counterparty under the Interest Rate Hedge Agreement, other than Hedge Subordinated Amounts;

(e) *fifth*, to the payment on a *pro rata* and *pari passu* basis to each Class A1 Noteholder their respective Class A1 Interest Amount and Class A2 Noteholder their respective Class A2 Interest Amount;

(f) *sixth*, on a *pro rata* and *pari passu* basis to credit the Class A Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(g) *seventh*, to the payment on a *pro rata* and *pari passu* basis to each Class B Noteholder their respective Class B Interest Amount;

(h) *eighth*, to credit the Class B Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(i) *tenth*, to credit the Liquidity Reserve Account so that the positive balance thereon is equal to the Liquidity Reserve Required Amount;

(j) *eleventh*, to the payment on a *pro rata* and *pari passu* basis to each Class C Noteholder their respective Class C Interest Amount;

(k) *twelfth*, to credit the Class C Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(l) *thirteenth*, to the payment on a *pro rata* and *pari passu* basis to each Class D Noteholder their respective Class D Interest Amount;

(m) *fourteenth*, to credit the Class D Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(n) *fifteenth*, to the payment on a *pro rata* and *pari passu* basis to each Class E Noteholder their respective Class E Interest Amount;

(o) *sixteenth*, to credit the Class E Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(p) *seventeenth*, to the payment on a *pro rata* and *pari passu* basis to each Class F Noteholder their respective Class F Interest Amount;

(q) *eighteenth*, to credit the Class F Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(r) *nineteenth*, to credit the Cash Reserve Account so that the positive balance thereon is equal to the Cash Reserve Required Amount;

(s) *twentieth*, in or towards payment by the Issuer to the Interest Rate Hedge Counterparty of any Hedge Subordinated Amounts then due and payable by the Issuer to the Interest Rate Hedge Counterparty;

(t) *twenty-first*, to credit the Class Z1 Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments); and

(u) *twenty-second*, the remainder, to the payment on a *pro rata* and *pari passu* basis to each Class Z2 Noteholder of the Class Z2 Interest Amount.

Pre-Acceleration Principal Priority of Payments ..... Prior to the delivery of an Enforcement Notice, and following application of Available Interest Proceeds in accordance with the

Pre-Acceleration Interest Priority of Payments, all Available Principal Proceeds shall be paid on each Note Payment Date in the following order of priority:

(a) *first*, to the redemption of the Class A1 Notes and Class A2 Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class A1 Noteholder and Class A2 Noteholder, in an amount equal to the Class A1 Repayment Amount and Class A2 Repayment Amount respectively, and (ii) at any time on or following a Sequential Amortisation Trigger Event, *pro rata* and *pari passu* until the Class A1 Notes and the Class A2 Notes are redeemed in full;

(b) *second*, to the redemption of the Class B Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class B Noteholder, in an amount equal to the Class B Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event, *pro rata* and *pari passu* until the Class B Notes are redeemed in full;

(c) *third*, to the redemption of the Class C Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class C Noteholder, in an amount equal to the Class C Repayment Amount, and (ii) at any time on or follow a Sequential Amortisation Trigger Event, *pro rata* and *pari passu* until the Class C Notes are redeemed in full;

(d) *fourth*, to the redemption of the Class D Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class D Noteholder, in an amount equal to the Class D Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event, *pro rata* and *pari passu* until the Class D Notes are redeemed in full;

(e) *fifth*, to the redemption of the Class E Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class E Noteholder, in an amount equal to the Class E Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event, *pro rata* and *pari passu* until the Class E Notes are redeemed in full;

(f) *sixth*, to the redemption of the Class F Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class F Noteholder, in an amount equal to the Class F Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event, *pro rata* and *pari passu* until the Class F Notes are redeemed in full;

(g) *seventh*, at any time on or following a Sequential Amortisation Trigger Event to the redemption of the Class Z1 Notes, *pro rata* and *pari passu* until the Class Z1 Notes are redeemed in full;

(h) *eighth*, at any time on or following a Sequential Amortisation Trigger Event to the redemption of the Class Z2 Notes, *pro*

rata and *pari passu* until the Class Z2 Notes are redeemed in full; and

(i) *ninth*, the excess (if any) to be applied in accordance with the priority set out in the Pre-Acceleration Interest Priority of Payments.

Post-Acceleration Priority of Payments ..... On each Note Payment Date (or on such other date as the Trustee instructs in writing in accordance with the Transaction Documents) on or following the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent shall cause all amounts standing to the credit of the Issuer Payment Account and all proceeds (other than amounts representing (i) any Excess Hedge Collateral which shall be returned directly to an Interest Rate Hedge Counterparty (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Hedge Premium (only to the extent it is applied directly to pay a Hedge Termination Payment due and payable by the Issuer to the outgoing Interest Rate Hedge Counterparty), (iii) any Hedge Tax Credits, which shall be applied directly to an Interest Rate Hedge Counterparty in accordance with the Cash Management and Calculation Agency Agreement, and (iv) prior to the designation of an early termination date under an Interest Rate Hedge Agreement and the resulting application of the Hedge Collateral by way of netting or set-off, all Hedge Collateral provided by an Interest Rate Hedge Counterparty to the Issuer pursuant to an Interest Rate Hedge Agreement (and any interest or distributions in respect thereof)) from the enforcement of the Security or otherwise recovered by the Trustee (which shall be held by the Trustee on trust) to be applied in payment, in the amounts required, in the following order of priority:

(a) *first*, to the payment of taxes owing by the Issuer accrued in respect of the related Interest Period, if any (excluding any tax payable in respect of the Issuer Corporate Benefit and VAT payable in respect of any fees or other amounts payable under this Post-Acceleration Priority of Payments);

(b) *second*, to the payment of the fees, costs, expenses (including legal fees and expenses) and any other amounts (together with any VAT thereon) payable to the Trustee or any Appointee (and any Receiver appointed by the Trustee under the Charge and Assignment) by the Issuer pursuant to the Transaction Documents (including, without limitation, any indemnities thereunder);

(c) *third*, to the payment, on a *pro rata* and *pari passu* basis, of the following fees and expenses:

(i) the Issuer Corporate Benefit; and

(ii) Administrative Expenses of the Issuer (in the order of priority set out in the definition thereof);

(d) *fourth*, in or towards satisfaction of any amounts due and payable to the Interest Rate Hedge Counterparty under the Interest Rate Hedge Agreement, other than Hedge Subordinated Amounts;

(e) *fifth*, to the payment on a *pro rata* and *pari passu* basis to each Class A1 Noteholder of their respective Class A1 Interest Amount and Class A2 Noteholder of their respective Class A2 Interest Amount;

(f) *sixth*, to the redemption of the Class A1 Notes and Class A2 Notes *pro rata* and *pari passu* until the Class A1 Notes and Class A2 Notes are redeemed in full;

(g) *seventh*, to the payment on a *pro rata* and *pari passu* basis to each Class B Noteholder of their respective Class B Interest Amount;

(h) *eighth*, to the redemption of the Class B Notes *pro rata* and *pari passu* until the Class B Notes are redeemed in full;

(i) *ninth*, to the payment on a *pro rata* and *pari passu* basis to each Class C Noteholder of their respective Class C Interest Amount;

(j) *tenth*, to the redemption of the Class C Notes *pro rata* and *pari passu* until the Class C Notes are redeemed in full;

(k) *eleventh*, to the payment on a *pro rata* and *pari passu* basis to each Class D Noteholder of their respective Class D Interest Amount;

(l) *twelfth*, to the redemption of the Class D Notes *pro rata* and *pari passu* until the Class D Notes are redeemed in full;

(m) *thirteenth*, to the payment on a *pro rata* and *pari passu* basis to each Class E Noteholder of their respective Class E Interest Amount;

(n) *fourteenth*, to the redemption of the Class E Notes *pro rata* and *pari passu* until the Class E Notes are redeemed in full;

(o) *fifteenth*, to the payment on a *pro rata* and *pari passu* basis to each Class F Noteholder of their respective Class F Interest Amount;

(p) *sixteenth*, to the redemption of the Class F Notes *pro rata* and *pari passu* until the Class F Notes are redeemed in full;

(q) *seventeenth*, in or towards payment by the Issuer to the Interest Rate Hedge Counterparty of any Hedge Subordinated Amounts then due and payable by the Issuer to the Interest Rate Hedge Counterparty;

(r) *eighteenth*, to the redemption of the Class Z1 Notes *pro rata* and *pari passu* until the Class Z1 Notes are redeemed in full

(s) *nineteenth*, to the redemption of the Class Z2 Notes *pro rata* and *pari passu* until the Class Z2 Notes are redeemed in full

(t) *twentieth*, to pay any other amounts due and payable by the Issuer to any third party to the extent not provided for elsewhere in the Post-Acceleration Priority of Payments;

(u) *twenty-first*, the remainder, to the payment on a *pro rata* and *pari passu* basis to each Class Z2 Noteholder of the Class Z2 Interest Amount.

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

(a) Credit Support:

- in respect of the Rated Notes only, availability of the Cash Reserve Account, which will be initially funded on the Closing Date in an amount equal to the Cash Reserve Required Amount and will, prior to the delivery of an Enforcement Notice, be replenished from and to the extent of Available Interest Proceeds (subject to the Pre-Acceleration Interest Priority of Payments) up to the Cash Reserve Required Amount on each Note Payment Date. Amounts from the Cash Reserve Account will be applied by the Issuer as Available Interest Proceeds on each Note Payment Date in accordance with the Pre-Acceleration Interest Priority of Payments;

- following a Sequential Amortisation Trigger Event, repayments of principal in respect of junior Classes of Notes will be subordinated to repayment of principal in respect of more senior Classes of Notes, thereby ensuring that available funds are applied to repayment of principal in respect of the Most Senior Class of Notes in priority to repayment of principal in respect of more junior Classes of Notes; and

- Principal Deficiency Ledgers will be established for each Class of Notes (other than the Class Z2 Notes) to record the Default Amounts corresponding to each Class of Notes in reverse Sequential Order and/or the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date. Available Interest Proceeds will be applied in accordance with the relevant Priority of Payments to make up the relevant Principal Deficiency Ledger in Sequential Order;

(b) Liquidity Support:

- in respect of the Class A Notes and Class B Notes only, availability of the Liquidity Reserve Account, which will initially be funded on the Closing Date in an amount equal to the Liquidity Reserve Required Amount and will, prior to the delivery of an Enforcement Notice, be replenished from and to the extent of Available Interest Proceeds (subject to the Pre-Acceleration Interest Priority of Payments) up to the Liquidity Reserve Required Amount. Amounts from the Liquidity Reserve Account may be used by the Issuer to cover any Senior Interest Deficiency pursuant to the Pre-Acceleration Interest Priority of Payments; and

- in respect of the Most Senior Class of Notes only, application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date as set out below;

(c) Pre-Funding Reserve

- availability of the Pre-Funding Reserve (if funded on the Issue Date) to fund the purchase of Additional Loans by the Issuer on any date from and including the Closing Date up to and including the Final Additional Loan Purchase Date; and

(d) Hedging:

- availability of an interest rate hedge provided by the Interest Rate Hedge Counterparty in the form of the following transactions:

  - an interest rate swap to hedge against the possible variance between the fixed rate of interest received by the Issuer on the Purchased Loan Assets and the SONIA-based interest payable in respect of the Rated Notes (other than the Class A2 Notes);

  - an interest rate cap to hedge against the possible variance between the fixed rate of interest received by the Issuer on the Purchased Loan Assets and the SONIA-based interest payable in respect of the Rated Notes (other than the Class A2 Notes); and

  - an interest rate cap to hedge against the possible variance between the fixed rate of interest received by the Issuer on the Purchased Loan Assets and the LIBOR-based interest payable in respect of the Class A2 Notes.

Application of Available Principal Proceeds to pay Remaining Senior Interest Deficiency..... Prior to the delivery of an Enforcement Notice, Available Principal Proceeds may be applied on each Note Payment Date to make payments under the Pre-Acceleration Interest Priority of Payments in an amount equal to any Remaining Senior Interest Deficiency.

If any amounts of Available Principal Proceeds are applied to pay or provide for a Remaining Senior Interest Deficiency on any Note Payment Date, the Issuer (or the Cash Manager and Calculation Agent on its behalf) will make a corresponding entry in the relevant Principal Deficiency Ledger (see further the section entitled "*Key Structural Features – Use of Available Principal Proceeds to fund a Remaining Senior Interest Deficiency*").

Principal Deficiency Ledgers ..... A Principal Deficiency Ledger will be established for each Class of Notes to record Default Amounts arising in the immediately preceding Collection Period in respect of the Purchased Loan Assets and/or the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date.

The application of Default Amounts in respect of the Purchased Loan Assets to the Notes and the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date will be recorded as a debit in reverse Sequential Order as follows:

(a) *first*, to the Class Z1 Principal Deficiency Ledger up to a maximum of the Class Z1 Principal Deficiency Limit;

(b) *second*, to the Class F Principal Deficiency Ledger up to a maximum of the Class F Principal Deficiency Limit;

(c) *third*, to the Class E Principal Deficiency Ledger up to a maximum of the Class E Principal Deficiency Limit;

(d) *fourth*, to the Class D Principal Deficiency Ledger up to a maximum of the Class D Principal Deficiency Limit;

(e) *fifth*, to the Class C Principal Deficiency Ledger up to a maximum of the Class C Principal Deficiency Limit;

(f) *sixth*, to the Class B Principal Deficiency Ledger up to a maximum of the Class B Principal Deficiency Limit; and

(g) *seventh*, on a *pro rata* and *pari passu* basis, to the Class A Principal Deficiency Ledger up to a maximum of the Class A Principal Deficiency Limit.

Bank Accounts and Cash Management ..... Purchased Loan Proceeds are received into the Zopa Customer Funds Account. All Purchased Loan Proceeds standing to the credit of the Zopa Customer Funds Account at 5 p.m. on each Business Day shall be transferred to the Issuer Client Account by 3 p.m. on the next Business Day. All Purchased Loan Proceeds standing to the credit of the Issuer Client Account at 4 p.m. (London time) on each Business Day (less the Zopa Loan Servicing Fee due and payable to the Platform Servicer in accordance with the Servicing Agreement) will be transferred on the same Business Day to the Issuer Transaction Account. Available Interest Proceeds and Available Principal Proceeds standing to credit of the Issuer Transaction Account, the Cash Reserve Account and the Liquidity Reserve Account two (2) Business Days before each Note Payment Date shall be transferred to the Issuer Payment Account to be applied in accordance with the relevant Priority of Payments.

Overview of key Interest Rate Swap terms ..... The Interest Rate Hedge Agreement confirmations have the following key commercial terms:

- <u>SONIA interest rate swap transaction</u>:
  - Notional Amount: £194,700,000.00, amortising in accordance with a fixed notional amount schedule
  - Fixed Amount payer: Issuer
  - Fixed Amount Payment: as specified in the relevant confirmation of the Interest Rate Hedge Agreement
  - Frequency of Initial Interest Rate Swap Payment: monthly
  - Floating Amount payer: Interest Rate Hedge Counterparty
  - Frequency of Floating Amount payment: monthly
  - Floating Rate: Compounded Daily SONIA
  - Floating Rate Day Count Fraction: Act/Act (ICMA)
  - Floating Rate Payer Payment Dates: 20th day of each calendar month in each year, commencing on 20 January 2020, through and including the Termination Date, subject to adjustment in accordance with the Business Day Convention
  - Business Day Convention: Following
- <u>SONIA interest rate cap transaction</u>:
  - Notional Amount: as set out in the notional amount schedule

- Initial Interest Rate Cap Payment payer: Issuer
- Initial Interest Rate Cap Payment: the "Fixed Amount" specified in the relevant confirmation of the Interest Rate Hedge Agreement
- Frequency of Initial Interest Rate Cap Payment: one (1) payment on the Closing Date
- Floating Amount payer: Interest Rate Hedge Counterparty
- Frequency of Floating Amount payment: monthly
- Floating Rate: Compounded Daily SONIA
- Strike Price: 2 *per cent.*
- Floating Rate Day Count Fraction: Act/Act (ICMA)
- Floating Rate Payer Payment Dates: 20th day of each calendar month in each year, commencing on 20 January 2020, through and including the Termination Date, subject to adjustment in accordance with the Business Day Convention
- Business Day Convention: Following

- LIBOR interest rate cap transaction:

- Notional Amount: £50,000,000.00, amortising in accordance with a fixed notional amount schedule
- Initial Interest Rate Cap Payment payer: Issuer
- Initial Interest Rate Cap Payment: the "Fixed Amount" specified in the relevant confirmation of the Interest Rate Hedge Agreement
- Frequency of Initial Interest Rate Cap Payment: one (1) payment on the Closing Date
- Floating Amount payer: Interest Rate Hedge Counterparty
- Frequency of Floating Amount payment: monthly
- Floating Rate: GBP – LIBOR – BBA with a designated maturity of one (1) month
- Strike Price: 2 *per cent.*
- Floating Rate Day Count Fraction: Act/Act (ICMA)
- Floating Rate Payer Payment Dates: 20th day of each calendar month in each year, commencing on 20 January 2020, through and including the Termination Date, subject to adjustment in accordance with the Business Day Convention
- Business Day Convention: Following

OVERVIEW OF RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

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

Convening a Meeting:

Noteholders holding not less than ten (10) per cent. of the Principal Amount Outstanding of a particular Class of Notes may, by written request, require the Issuer and/or Trustee to convene a meeting of Noteholders, subject to (i) certain conditions including minimum notice periods and (ii) the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith, and all Noteholders are entitled to attend and speak at such meeting.

Following an Event of Default:

If an Event of Default occurs and is continuing, the Trustee may at its discretion, and shall:

(a) if so requested in writing by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; or

(b) if so directed by the Noteholders of the Most Senior Class of Notes outstanding acting by way of Extraordinary Resolution,

(subject in each case to being indemnified and/or prefunded and/or secured to its satisfaction) deliver an Enforcement Notice to the Issuer, with a copy to each Agent (other than the Issuer Corporate Services Provider), the Seller, the Retention Holders, the Interest Rate Hedge Counterparty and the Rating Agencies, and institute such proceedings and take any other steps as may be required in order to enforce the Security.

Following receipt of such Enforcement Notice, the Issuer shall give notice, or shall procure that such notice is given, to all Noteholders without undue delay in compliance with Condition 10 (*Notifications*).

Upon the delivery of an Enforcement Notice, the Notes of each Class shall become immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with any accrued (and unpaid) interest.

Noteholders Meeting Provisions:

	Any meeting other than a meeting adjourned for want of quorum	**Meeting previously adjourned for want of quorum**
Notice Period:	21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting).	10 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) of a meeting adjourned through want of quorum.
Quorum:	Two or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes, other than in respect of an Extraordinary Resolution. An Extraordinary Resolution requires one or more persons holding or	For an Ordinary Resolution one or more persons holding or representing more than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes. For an Extraordinary Resolution (other than in respect of a Basic Terms Modification or an Ordinary Resolution or

		representing not less than $66^2/_3$ per cent. of the aggregate Principal Amount Outstanding of the Notes other than in respect of a Basic Terms Modification which requires one or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes.	Extraordinary Resolution of the Class Z Noteholders) one or more persons holding or representing more than 25 per cent. of the aggregate Principal Amount Outstanding of the Notes. For an Ordinary Resolution or Extraordinary Resolution of the Class Z Noteholders, one or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes. For a Basic Terms Modification, one or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes.
	Required majority for Resolutions:	In respect of an Ordinary Resolution, more than 50 per cent. and in respect of an Extraordinary Resolution, not less than $66^2/_3$ per cent other than in respect of a Basic Terms Modification which requires not less than 75 per cent., in each case, by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted.	
	Written Resolution:	In respect of an Ordinary Resolution, more than 50 per cent. and in respect of an Extraordinary Resolution, not less than $66^2/_3$ per cent. other than in respect of a Basic Terms Modification which requires not less than 75 per cent., in each case by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Written Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution.	
Relationship between Classes of Noteholders:	Except where expressly provided otherwise, and at all times subject to the Class Z Notes Entrenched Rights where in the opinion of the Trustee there is a conflict of interest between or among the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes and/or the Class Z2 Notes, the Trustee shall give priority to the interests of (a) the Class A Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders, (b) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders, (c) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders,		

(d) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders over the Class Z Noteholders, (e) the Class E Noteholders over the Class F Noteholders and the Class Z Noteholders, (f) the Class F Noteholders over the Class Z Noteholders and (g) the Class Z1 Noteholders over the Class Z2 Noteholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class given priority as described in this paragraph, each representing less than the majority by principal amount of Notes outstanding of such Class (but subject to them meeting the required threshold for instruction pursuant to the Transaction Documents), the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. Except as expressly provided otherwise by the Trust Deed or any other Transaction Document, the Trustee will act in relation to the Trust Deed or any other Transaction Document upon the directions of the Noteholders of the Most Senior Class of Notes acting by Extraordinary Resolution, subject to being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith, and shall not be obliged to consider the interests of and is exempted from any liability to the Noteholders of any other Class of Notes.

Entitlement to vote: Pursuant to the terms of the Trust Deed, the Notes held or controlled for or by any of Zopa or the Issuer and/or any holding company of Zopa or the Issuer and/or any subsidiary of such holding company, will not be taken into account for the purposes of the right to attend and vote at any meeting of the Noteholders of any Class or any written resolution. Nothing shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative or otherwise connected with the Issuer or such proxies from counting as quorum.

Relationship between Noteholders and other Secured Creditors: So long as any of the Notes of any Class remains Outstanding, the Trustee shall, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Trust Deed except where expressly provided otherwise, have no regard to the interests of any Secured Creditor other than the Noteholders or, at any time, to the interests of any other person and no Secured Creditor shall have any claim against the Trustee for so doing.

Modifications: Notwithstanding the provisions of Condition 15.3 (*Modification*), the Trustee shall be obliged, without any consent or sanction of the Noteholders, or (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or which, as a result of the relevant amendment, would be further contractually subordinated to any other Secured Creditor than would otherwise have been the case prior to such amendment) any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification and subject to the provisions governing the Class Z Notes Entrenched Rights) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents (following the Trustee's review thereof) that the Issuer certifies to the Trustee (upon which certificate the Trustee shall rely absolutely and without enquiry or liability) as being necessary for the purpose of complying with, or implementing or reflecting, (i) any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, as further set out in Condition 15.4 (*Additional Right of Modification*) and (ii) the screen rate or the base rate that then applies in respect of the SONIA Notes, as further detailed in Condition 15.5 (*Additional Right of Modification in relation to the SONIA Reference Rate*) and the Class A2 Notes, as further detailed in Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*).

Basic Terms Modifications:

Each of the following shall constitute a Basic Terms Modification and be required to be passed by an Extraordinary Resolution of each Class of Noteholders:

(a) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;

(b) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated) other than any Benchmark Rate Modification or LIBOR Modification;

(c) the modification of any of the provisions of the Trust Deed or the Conditions which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note;

(d) the adjustment of the outstanding Principal Amount Outstanding of the Notes of a Class of Notes ;

(e) a change in the currency of payment of the Notes of a Class;

(f) any change in the Priority of Payments or of any payment items in the Priority of Payments;

(g) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution or any other provision of the Trust Deed or the Conditions which requires the written consent of the holders of a requisite Principal Amount Outstanding of the Notes of any Class Outstanding;

(h) any modification of any Transaction Document having a material adverse effect on the security over the Charged Property constituted by the Charge and Assignment;

(i) any item requiring approval by Extraordinary Resolution pursuant to the Conditions or any Transaction Document; and

(j) any modification that amends or has the effect of amending the definition of "**Basic Terms Modification**".

For the avoidance of doubt, the approval of a Basic Terms Modification may only be made by Extraordinary Resolution and no Extraordinary Resolution involving a Basic Terms Modification that is passed by Noteholders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of each of the other Classes of Notes affected.

Class Z Notes Entrenched Rights

Notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, the Trustee shall not concur with the Issuer in making any modification or waiver to the Trust Deed, the Conditions, the Notes or the other Transaction Documents which, in the opinion of the Class Z Noteholders is adverse to the interests of the Class Z Noteholders (and whether or not the interests of the Class Z Noteholders align with the interests of the holders of the relevant Class or Classes) (the "**Class Z Notes Entrenched Rights**"), unless the same is authorised or sanctioned by the Class Z Noteholders consenting to such modification or waiver in writing

Provision of Information:	The Cash Manager and Calculation Agent shall make available electronically an Investor Report on or prior to each Note Payment Date containing information in relation to the Rated Notes and the Class Z Notes including, but not limited to, ratings of the Rated Notes, amounts paid by the Issuer pursuant to the relevant Priority of Payments in respect of the relevant Collection Period, required counterparty information and the Retention Holders' holding of the Class Z Notes and notice of any change to the manner in which the Minimum Retained Amount is held in accordance with the Securitisation Regulation. The Investor Report will also contain certain aggregated loan data in relation to the Loan Portfolio. The Investor Reports will be made available electronically (including sending them to Bloomberg) to the Issuer, the Trustee (if requested by the Trustee), Rating Agencies and any other party the Issuer may direct.
Regulatory reporting	The Reporting Agent will (on behalf of the Issuer as reporting entity) on a quarterly basis procure the publication of (i) a report or reports containing the information specified under Article 7(1)(e) of the Securitisation Regulation (the "**Quarterly Investor Report**") and (ii) a report containing certain loan-by-loan information in relation to the Loan Portfolio for the purposes of Article 7(1)(a) of the Securitisation Regulation (the "**Quarterly Loan-by-Loan Report**"). Subject to receipt or knowledge of the relevant information, the Reporting Agent will also (on behalf of the Issuer as reporting entity) co-ordinate the publication, without delay, of any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the Securitisation Regulation. The information referred to above will be made available electronically on the website of EuroABS at https://www.euroabs.com/IH.aspx?d=13075 being a website which the Issuer believes meets the requirements of Article 7(2) of the Securitisation Regulation, or by such other means as are required or as are permitted (and selected by the Issuer) from time to time by the Securitisation Regulation.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

These factors are limited to risks which are specific to (a) the Issuer and/or (b) to the Notes and which the Issuer believes may be material for the purpose of taking an informed investment decision with respect to the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive.

In each category of factors set out below, the Issuer believes that each factor included in each category of factors is material, with the most material in each category (based on the Issuer's assessment of the probability of its occurrence and the expected magnitude of its negative impact) being described first in each category.

Noting the points set out above by the Issuer with respect to its assessment of the level, order of materiality and potential of occurrence of the risks set out below, prospective investors should nevertheless also carefully read the information set out below and read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Risks related to the Notes

Notes obligations of Issuer only

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

Limited source of funds

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 Purchased Loan Proceeds, interest earned on the Issuer Accounts (if any) amounts standing to the credit of the Cash Reserve Account, in the case of the Most Senior Class of Notes only, the Liquidity Reserve Account and amounts received under the Interest Rate Hedge Agreement, if any. Other than the foregoing, the Issuer is not expected to 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. In addition, and as the case may be, negative interest might also be charged by the Issuer Account Bank on funds maintained on the Issuer Accounts. If such funds are insufficient, any such insufficiency will be borne by the Noteholders and the other Secured Creditors, subject to the applicable Priority of Payments. Following enforcement of the Security, there is no guarantee that the Issuer will have sufficient funds to redeem the Notes in full. The Issuer will rely on the Zopa Purchase Obligation in respect of the Zopa Loan Warranties and any Fraud Events, and the Retention Holder Indemnification Obligation in respect of any Retention Holder Warranties, in each case as set out in the Servicing Agreement and the Loan Sale and Purchase Agreement respectively (see further the sections entitled "*Certain Transaction Documents – Loan Sale and Purchase Agreement – Sale of the Loan Portfolio*", "*Certain Transaction Documents – Loan Sale and Purchase Agreement – Retention Holder Warranties*" and "*Certain Transaction Documents – Servicing Agreement – Zopa Loan Warranties*").

Credit enhancement limitations

Credit enhancement for the Notes will be provided by the excess Available Interest Proceeds and, in the case of the Rated Notes, amounts on deposit in the Cash Reserve Account. In addition, following a Sequential Amortisation Trigger Event the Notes will be paid sequentially and therefore, the Class A Notes will benefit from additional credit enhancement provided by subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes. The Class B Notes will benefit from additional credit enhancement provided by the subordination of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes. The Class C Notes will benefit from additional credit enhancement provided by the subordination of the Class D Notes, the Class E Notes, the Class F Notes and the

Class Z Notes. The Class D Notes will benefit from additional credit enhancement provided by the subordination of the Class E Notes, the Class F Notes and the Class Z Notes. The Class E Notes will benefit from additional credit enhancement provided by the subordination of the Class F Notes and Class Z Notes. The Class F Notes will benefit from additional credit enhancement provided by the subordination of the Class Z Notes. Greater than expected losses on the Purchased Loan Assets would have the effect of reducing, and could eliminate, the protection against loss afforded by this credit enhancement. Moreover, each time a Zopa Borrower repays a Purchased Loan Asset, such Purchased Loan Asset will cease to generate interest collections thereby reducing the protection against loss afforded by excess Available Interest Proceeds. For further details, see the section entitled "*Key Structural Features – Credit Enhancement and Liquidity Support*".

Yield and prepayment considerations

The yield to maturity of the Notes of each Class will depend on, among other things, the amount and timing of payment of principal and interest (including prepayments, sale proceeds arising on enforcement of a Purchased Loan Asset and purchases of Purchased Loan Assets required to be made under the Loan Sale and Purchase Agreement) on the Purchased Loan Assets and the price paid by the holders of the Notes of each Class. Such yield may be adversely affected by, amongst other things, a higher or lower than anticipated rate of prepayments on the Purchased Loan Assets.

If the conditions for the purchase of Additional Loans by the Issuer are not met (or if such conditions are met, however the Seller decides not to sell the Additional Loans), then the Issuer will not be able to purchase such Additional Loans on any date up to the Final Additional Loan Purchase Date, which may result in (i) amounts standing to the credit of the Pre-Funding Reserve Ledger instead being applied pro rata in redemption of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes on the second Note Payment Date.

The rate of prepayment of Purchased Loan Assets may be influenced by a wide variety of economic, social and other factors, including prevailing interest rates, the availability of alternative financing programmes and local and regional economic conditions. Subject to the terms and conditions of the Purchased Loan Assets, a Zopa Borrower may prepay a Loan in whole, subject to payment of accrued interest. No assurance can be given as to the level of prepayments that the Loan Portfolio will experience. See also the sections entitled "*The Loan Portfolio*" and "*Certain Transaction Documents – Loan Sale and Purchase Agreement – Sale of the Loan Portfolio*".

Liquidity risk

The Issuer is subject to the risk of insufficiency of funds on any Note Payment Date as a result of payments being made late by Zopa Borrowers after the end of the relevant Collection Period. This risk may adversely affect the Issuer's ability to make payments on the Notes but is mitigated to some extent by the provision of liquidity from alternative sources as described in the section entitled "*Key Structural Features – Credit Enhancement and Liquidity Support*." However, no assurance can be made as to the effectiveness of such alternative sources of liquidity, or that such alternative sources of liquidity will protect the Noteholders from all risk of loss.

Deferral of interest payments on the Notes

To the extent that, on any Note Payment Date, the Issuer does not have sufficient funds to pay in full interest on the Notes of any Class other than the Most Senior Class of Notes, this payment may be deferred. Any amounts of Deferred Interest will accrue Additional Interest described in the Conditions and payment of any Additional Interest will also be deferred. See Condition 6(c) (*Deferral of Interest*)

Payment of the shortfall representing Deferred Interest and Additional Interest will be deferred until the first Note Payment Date on which the Issuer has sufficient funds, **provided that** the payment of such shortfall shall not be deferred beyond the Final Maturity Date, as described in the Conditions. On such date, any amount which has not by then been paid in full shall become due and payable. For further details, see Condition 6(d) (*Payment of Deferred Interest and Additional Interest*).

Calculation of SONIA

If the Reference Screen or the relevant page is unavailable, in the manner described in Condition 6(e)(i) (*Rate of Interest*) there can be no guarantee that the Issuer (or the Cash Manager and Calculation Agent on its behalf) will be able to determine any SONIA Rate of Interest in respect of the SONIA Notes.

If the Reference Screen, or the relevant page is unavailable, and the Issuer (or the Cash Manager and Calculation Agent on its behalf) is unable to determine the relevant SONIA Rate of Interest in respect of such Note Payment Date, pursuant to Condition 6(e)(i)(C) (*Rate of Interest*), the relevant SONIA Rate of Interest in respect of such Note Payment Date shall be determined, pursuant to Condition 6(e)(i)(C) (*Rate of Interest*), (1) as at the last preceding Interest Determination Date or (2) if there is no such preceding Interest Determination Date, at the initial SONIA Rate of Interest which would have been applicable to such SONIA Notes for the first Interest Period had the SONIA Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Relevant Margin applicable to the first Interest Period). To the extent interest amounts in respect of the SONIA Notes are determined by reference to a previously calculated rate, Noteholders may be adversely affected.

Calculation of LIBOR

If the relevant LIBOR screen rate does not appear, or the relevant page is unavailable, in the manner described in Condition 6(e)(ii) (*Rate of Interest*) there can be no guarantee that the Issuer will be able to appoint four Reference Banks to provide quotations, in order to determine the Class A2 Rate of Interest. Certain financial institutions that have historically acted as Reference Banks have indicated that they will not provide quotations and there can be no assurance that they will agree to do so in the future. No Reference Banks have been selected as at the date of this document.

If a LIBOR screen rate does not appear, or the relevant page is unavailable, and the Issuer is unable to appoint Reference Banks to provide quotations in the manner described in Condition 6(e)(ii) (*Rate of Interest*), the Class A2 Rate of Interest in respect of such Note Payment Date shall be determined, pursuant to Condition 6(e)(ii) (*Rate of Interest*), as the Class A2 Rate of Interest in effect as at the immediately preceding Interest Period that was determined by reference to a LIBOR screen rate or through quotations provide by four Reference Banks. To the extent interest amounts in respect of the Class A2 Notes are determined by reference to a previously calculated rate, Class A2 Noteholders may be adversely affected.

Basis risk

The Issuer is subject to:

(a) the risk of a mismatch between the fixed rates of interest payable on the Loans and the interest rate payable in respect of the Rated Notes; and

(b) the risk that any cash held by or on behalf of the Issuer may earn a rate of return below the rate of interest payable on the Notes, which risk is be mitigated by the availability of excess Available Interest Proceeds, each of which are available to meet payments of interest due under the Notes and the other expenses of the Issuer.

The Issuer will enter into the Interest Rate Hedge Agreement to hedge a part of its interest rate exposure in a notional amount from time to time as set out in the annexes to the confirmations thereunder. There will be some residual unhedged interest rate exposure given that the notional amount of the Interest Rate Hedge Agreement shall be set by reference to the Principal Amount Outstanding of the Rated Notes and the Class Z1 Notes as at the Closing Date, and this may adversely affect the position of the Class Z2 Notes. However, the Issuer will not enter into swap transactions to hedge such interest rate exposure in respect of each individual Purchased Loan Asset.

Pursuant to the terms of the SONIA Swap Confirmation under the Interest Rate Hedge Agreement, on each Note Payment Date commencing on the first Note Payment Date and ending on the date on which the Rated Notes are redeemed in full, the Issuer will make a fixed rate payment to the Interest Rate Hedge Counterparty in sterling which the Issuer will fund using payments which it receives from the Purchased Loan Assets. The fixed rate for the purposes of the Interest Rate Hedge Agreement will be applied to the notional amount of the fixed/floating interest rate swap transaction for the relevant Interest Period to calculate the fixed amount payable by the Issuer on such Note Payment Date. The Interest Rate Hedge Counterparty will, on the same Note

Payment Date, make a floating rate payment in sterling to the Issuer (calculated by reference to the same notional amount and Compounded Daily SONIA determined pursuant to the Interest Rate Hedge Agreement, subject to any replacement rate being applied pursuant to the terms of the Interest Rate Hedge Agreement. The amounts payable by the Issuer and the Interest Rate Hedge Counterparty under each Interest Rate Confirmation will be netted so that only a net amount will be due from the Issuer or the Interest Rate Hedge Counterparty (as the case may be) on a Note Payment Date in respect of each Interest Rate Confirmation. Payment netting will not take place with respect to amounts due and owing between the different Interest Rate Confirmations. The notional amount under each Interest Rate Confirmation under the Interest Rate Hedge Agreement will be determined by reference to a fixed notional amount schedule.

Were an early termination of any of the Interest Rate Confirmations under the Interest Rate Hedge Agreement to occur for any reason, including by either party due to an Event of Default or a Termination Event (in each case as defined in the Interest Rate Hedge Agreement), while endeavours will be made to enter into a Replacement Hedge Agreement, no assurance can be given that the Issuer would be able to enter into a Replacement Hedge Agreement a Replacement Hedge Agreement with similar terms, immediately or at all. In that situation, there is also no assurance that the amount of credit enhancement will be sufficient to cover any applicable interest rate. In addition, a failure to enter into a replacement interest rate hedge may result in the reduction, qualification or withdrawal of the then current ratings of the Rated Notes by the Rating Agencies.

For further details on the Interest Rate Hedge Counterparty and the Interest Rate Hedge Agreement, please see the sections entitled "*The Interest Rate Hedge Counterparty*" and "*Overview of the Transaction Documents*".

Termination payments on the termination of the Interest Rate Hedge Agreement

If the Interest Rate Hedge Agreement is terminated, the Issuer may be obliged to make a termination payment to the Interest Rate Hedge Counterparty. There can be no assurance that the Issuer will have sufficient funds available to make any termination payment due under the Interest Rate Hedge Agreement.

Except where the Issuer has terminated the Interest Rate Hedge Agreement as a result of the Interest Rate Hedge Counterparty's default or ratings downgrade, any termination payment due by the Issuer following termination of the Interest Rate Swap Agreement (including any extra cost incurred if the Issuer cannot immediately enter into a Replacement Swap Agreement) will also rank, in the case of the Interest Rate Hedge Agreement, in priority to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

Therefore, if the Issuer is obliged to make a termination payment to the Interest Rate Hedge Counterparty or pay any other additional amounts as a result of the termination of the Interest Rate Hedge Agreement, this could affect the Issuer's ability to make timely payments on the Notes.

In the event that any of the above parties were to fail or perform their obligations under the respective agreements to which they are a party, investors may be adversely affected.

Average Life

The Final Maturity Date of the Notes is the Note Payment Date falling in December 2028 (subject to adjustment for non-Business Days); however, the principal of the Notes of each Class is expected to be repaid in full prior to the Final Maturity Date. Average life refers to the average amount of time that will elapse from the date of delivery of a Note until such Note is redeemed in full. The average lives of the Notes will be determined by the amount and frequency of principal payments, which are dependent upon, among other things, the amount of payments received at or in advance of the scheduled maturity of the Purchased Loan Assets. The actual average lives and actual maturities of the Notes will be affected by the financial condition of the underlying Zopa Borrowers with respect to Purchased Loan Assets and the characteristics of the Purchased Loan Assets, including, among other things, the actual default rate, the actual level of recoveries on any Defaulted Loans and the timing of defaults and recoveries. Purchased Loan Assets may be subject to optional prepayment by the Zopa Borrowers. The rate of and timing of future defaults and the amount and timing of any cash realisation from Defaulted Loans will also affect the maturity and average lives of the Notes.

Limited recourse and non-petition

The Notes will be limited recourse obligations of the Issuer.

Notwithstanding any of the Transaction Documents, each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and agrees that if the net proceeds of realisation of the security constituted by the Charge and Assignment are less than the aggregate amount payable by the Issuer to the Noteholders and any other Secured Creditors in respect of its obligations under the Transaction Documents (such negative amount being referred to as a "**shortfall**"), the amount payable by the Issuer to the Noteholders and each other Secured Creditor in respect of the Issuer's obligations under such Transaction Documents shall be reduced to such amount of the net proceeds as shall be applied in accordance with the Charge and Assignment and the applicable Priority of Payments, and such parties shall not (directly or indirectly) be entitled to take any further steps against the Issuer to recover such shortfall, which shall be deemed to be automatically extinguished.

The parties to the Transaction Documents (other than the Issuer) acknowledge and agree that they (or any other party acting on their behalf) shall not be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings, or other analogous proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer under the Transaction Documents, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in relation to such Transaction Documents. For the avoidance of doubt, this shall not prevent the Trustee enforcing the security constituted by the Charge and Assignment in accordance with its terms, **provided that** in connection with any such enforcement neither the Trustee nor any Receiver appointed thereunder shall take any steps or proceedings to procure the winding up or liquidation of the Issuer.

Each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and agrees that no recourse under any obligation, covenant, or agreement of the Issuer contained in any Transaction Document may be sought by it against any shareholder, officer, agent, employee or director of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the Transaction Documents are corporate obligations of the Issuer only. Each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and agrees that no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in any Transaction Document, or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is deemed expressly waived by the Noteholders and the Transaction Parties.

Each Secured Creditor (other than the Trustee) agrees that if any amount is received by it (including by way of set-off) in respect of any Secured Obligation owed to it other than in accordance with the provisions of the Charge and Assignment and the Trust Deed, 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 Charge and Assignment and the Trust Deed, as applicable, shall be received and held by it as trustee (except in the case of the Cash Manager and Calculation Agent, the Principal Paying Agent, the Registrar and the Issuer Account Bank which will hold such funds as banker and to the order of the Trustee) for the Trustee and shall be paid over to, or to the order of, the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Charge and Assignment and the Trust Deed.

Prospective investors should be aware that there are a number of risks associated with the purchase of the Notes, including the risk that the Issuer may become subject to claims or other liabilities (whether in respect of the Notes or otherwise) which are not themselves subject to limited recourse or non-petition provisions.

Failure of Court to Enforce Non-Petition Obligations

As discussed in the section entitled "*Risk Factors — Risks related to the Notes — Limited recourse and non-petition*" above, each Noteholder will agree, and each beneficial owner of Notes will be deemed to agree that it will be subject to non-petition covenants. If such provisions fail to be enforceable under applicable bankruptcy or insolvency laws, and a winding-up (or similar) petition is presented in respect of the Issuer, then the presentation of such a petition could (subject to certain Conditions) result in one or more payments on the Notes made during the period prior to such presentation being deemed to be preferential transfers subject to avoidance by the bankruptcy trustee or insolvency practitioner or similar official exercising authority with respect to the Issuer's estate. It could also result in the bankruptcy or insolvency court, trustee or receiver or insolvency practitioner liquidating the assets of the Issuer without regard to any votes or directions required for such liquidation pursuant to the Trust Deed and could result in any payments under the Notes made during the period prior to such presentation being deemed to be a fraudulent or improper disposition of the Issuer's assets.

Enforcement Rights

If an Event of Default occurs and is continuing, the Trustee may at its discretion, and shall: (a) if so requested in writing by the Noteholders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; or (b) if so directed by the Noteholders of the Most Senior Class of Notes outstanding acting by way of Extraordinary Resolution (subject, in each case, to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction) deliver an Enforcement Notice to the Issuer, with a copy to each Agent (other than the Issuer Corporate Services Provider), the Seller, the Retention Holders, the Interest Rate Hedge Counterparty and the Rating Agencies, and institute such proceedings and take any other steps as may be required in order to enforce the Security.

The requirements described above could result in enforcement of the Security in circumstances where the proceeds of liquidation thereof would be insufficient to ensure payment in full of all amounts due and payable in respect of the Notes in accordance with the applicable Priority of Payments and/or at a time when enforcement thereof may be adverse to the interests to certain Classes of Notes.

Payment of interest and, following a Sequential Amortisation Trigger Event, principal, of the Classes of Notes is sequential.

Payments of interest on the Class A Notes will be made in priority to payments of interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes; payments of interest on the Class B Notes will be made in priority to payments of interest on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z2 Notes; payments of interest on the Class C Notes will be made in priority to payments of interest on the Class D Notes, the Class E Notes, the Class F Notes and the Class Z2 Notes; payments of interest on the Class D Notes will be made in priority to payments of interest on the Class E Notes, the Class F Notes, the Class Z2 Notes; payments of interest on the Class E Notes will be made in priority to payments of interest on the Class F Notes and the Class Z2 Notes; payments of interest on the Class F Notes will be made in priority to payments of interest on the Class Z2 Notes.

Following a Sequential Amortisation Trigger Event, payments of principal on the Class A Notes will be made in priority to payments of principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes; payments of principal on the Class B Notes will be made in priority to payments of principal on the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes; payments of principal on the Class C Notes will be made in priority to payments of principal on the Class D Notes, the Class E Notes, the Class F Notes and the Class Z Notes; payments of principal on the Class D Notes will be made in priority to payments of principal on the Class E Notes, the Class F Notes and the Class Z Notes; payments of principal on the Class E Notes will be made in priority to payments of principal on the Class F Notes and the Class Z Notes; payments of principal on the Class E Notes will be made in priority to payments of principal on the Class Z Notes; and payments of principal on the Class Z1 Notes will be made in priority to payments of principal on the Class Z2 Notes. "*Key Structural Features - Payment of interest on the Notes in Sequential Order and deferral of payments on the Notes*".

There can be no assurance that these subordination provisions will protect the then current Most Senior Class of Notes from all risks of loss.

The Notes are subject to optional and mandatory redemption

On any Note Payment Date on which the aggregate Principal Amount Outstanding of all the Notes is equal to or less than 20 *per cent.* of the aggregate Principal Amount Outstanding of all such Notes (other than the Class Z2 Notes) on the Closing Date, the Issuer shall, if so directed by the Portfolio Option Holder and subject to certain conditions, redeem all of the Notes (other than the Class Z2 Notes). In addition, subject to the Conditions the Issuer may, on the occurrence of a Regulatory Event, Tax Event or an Illegality Event, redeem all of the Notes (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option). See Condition 8.2 (*Mandatory Redemption in whole – Portfolio Purchase Option*), Condition 8.3 (*Optional Redemption in whole following a Tax Event*), Condition 8.4 (*Optional Redemption in whole upon the occurrence of an Illegality Event*) and Condition 8.5 (*Optional Redemption in whole upon the occurrence of a Regulatory Event*) for further information.

Pursuant to Condition 8.2 (*Mandatory Redemption in whole – Portfolio Purchase Option*), the Portfolio Option Holder has the option to direct the Issuer to exercise the mandatory redemption, where it is entitled to do so. No make-whole amount or other early repayment fee will be paid to the Noteholders if such option is

exercised by the Portfolio Option Holder. However, the Portfolio Option Holder is not obligated to exercise its rights in respect of the Portfolio Purchase Option and, as such, no assurance can be given that the Notes will be redeemed in full pursuant to Condition 8.2 (*Mandatory Redemption in whole – Portfolio Purchase Option*) when the Issuer exercises such option.

Early redemption of the Notes may adversely affect the yield on the Notes.

Ratings of the Notes

A rating is not a recommendation to buy, sell or hold the Notes and 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 any one or more of 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. At any time, a Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Notes may be lowered or withdrawn. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the value of the Notes. The Class Z Notes will not be rated by the Rating Agencies.

Agencies other than the Rating Agencies could seek to rate the Notes and if such "**unsolicited ratings**" are lower than the comparable ratings assigned to the Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt and unless the context otherwise requires, any reference to "**ratings**" or "**rating**" in this Prospectus is to the ratings assigned by the specified Rating Agencies only. For further information, see section entitled "*Credit Ratings*".

Rating Agency Confirmation

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 (copied to the Trustee) and within 30 calendar days of delivery of such request: (i) (A) either or both Rating Agencies 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) 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 (any such Rating Agency, a "**Non-Responsive Rating Agency**"); or (ii) only 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 Rating Agency shall be deemed 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 Trustee a certificate signed by two of its directors certifying and confirming that one of the events in subparagraphs (i)(A), (i)(B) or (ii) has occurred following the delivery by or on behalf of the Issuer of a written request to each Rating Agency. Where a Rating Agency Confirmation is a condition to any action or step under any Transaction Document and it is deemed to be modified as a result of a Non-Responsive Rating Agency not having responded to the relevant request from the Issuer within 30 calendar days, there remains a risk that such Non-Responsive Rating Agency may subsequently reduce, downgrade, qualify, suspend or withdraw the then current ratings of the Rated Notes as a result of the action or step. Such a downgrade, reduction, qualification, suspension or withdrawal to the then current ratings of the Rated Notes may have an adverse effect on the value of the Rated Notes.

The Trustee shall be entitled to rely without further enquiry or liability to any person, on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to Condition 17 (*Non-Responsive Rating Agency*). The Trustee shall not be required to investigate any action taken by the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a Rating Agency Confirmation or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such Rating Agency Confirmation or response from a Non-Responsive Rating Agency. For further information, see section entitled "*Terms and Conditions of the Notes*".

Absence of a secondary market for the Notes

There can be no assurance that there is an active and liquid secondary market for the Notes and no assurance is **provided that** a secondary market for the Notes will develop or, if it does develop, that such market will provide Noteholders with liquidity of investment for the life of the Notes or that such market will

subsequently continue to exist. Any investor in the Notes must be prepared to hold its Notes for an indefinite period of time or until the Final Maturity Date or alternatively such investor may only be able to sell its Notes at a discount to the original purchase price of those Notes.

The secondary market for asset-backed securities has in the past experienced significant disruptions resulting from reduced investor demand for such securities. This has resulted in the secondary market for asset-backed securities comparable to the Notes experiencing very limited liquidity during such severe disruptions. If limited liquidity were to occur in the secondary market it could have a material adverse effect on the market value of asset-backed securities including the Notes issued by the Issuer, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. It is not known whether such market conditions will recur.

In addition, potential investors should be aware that global markets have recently been negatively impacted by the then prevailing global credit market conditions and reduced growth expectations for the Organisation for Economic Co-operation and Development economies, which could affect any secondary market for instruments similar to the Notes. In particular, at the date of this Prospectus, certain European governments are in discussions with other countries in the Eurozone, the International Monetary Fund and other creditors and are in the process of establishing or have already established and are implementing an austerity programme. It is unclear what the effect of these discussions will be on the Eurozone or the UK economy. This uncertainty may have implications for the liquidity of the Notes in the secondary market. Absence of a secondary market or lack of liquidity in the secondary market may adversely affect the market value of the Notes.

Eligibility for Central Bank Schemes

While central bank schemes such as the Bank of England's Discount Window Facility and the Eurosystem monetary policy framework of the European Central Bank provide an important source of liquidity in respect of eligible securities, the relevant eligibility criteria for eligible collateral which apply and which will apply in the future under such facilities are likely to adversely impact secondary market liquidity for asset-backed securities in general, regardless of whether the Notes are eligible securities. No assurance is given that any Class of Notes will be eligible for any specific central bank liquidity schemes. Pursuant to a referendum held in June 2016, the UK has voted to leave the European Union (see the section entitled "*Brexit*" below for further information), which will impact on the eligibility of the Notes as eligible collateral under the Eurosystem monetary policy framework of the European Central Bank.

Conflict between Noteholders

Except where expressly provided otherwise, where in the opinion of the Trustee there is a conflict of interest between or among the holders of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and/or the Class Z Notes, the Trustee shall give priority to the interests of (a) the Class A Noteholders over the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders, (b) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders, (c) the Class C Noteholders over the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders, (d) the Class D Noteholders over the Class E Noteholders, the Class F Noteholders and the Class Z Noteholders, (e) the Class E Noteholders over the Class F Noteholders and the Class Z Noteholders; (f) the Class F Noteholders over the Class Z Noteholders; and (g) the Class Z1 Noteholders over the Class Z2 Noteholders. If the Trustee receives conflicting or inconsistent requests from two or more groups of holders of a Class given priority as described in this paragraph, each representing less than the majority by principal amount of Notes outstanding of such Class (but subject to them meeting the required threshold for instruction pursuant to the Transaction Documents), the Trustee shall give priority to the group which holds the greater amount of Notes Outstanding of such Class. Except as expressly provided otherwise by the Trust Deed or any other Transaction Document, the Trustee will act in relation to the Trust Deed or any other Transaction Document upon the directions of the holders of the Most Senior Class of Notes acting by Extraordinary Resolution, subject to being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any other Class of Notes. For further details, see the section entitled "*Overview - Overview of Rights of Noteholders and Relationship with other Secured Creditors*".

Conflict between Noteholders and other Secured Creditors

So long as any of the Notes of any Class remains Outstanding, the Trustee shall, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Trust Deed except where expressly provided otherwise, have no regard to the interests of any Secured Creditor other than the Noteholders or, at any time, to the interests of any other person and no Secured Creditor shall have any claim against the Trustee for so doing.

Pursuant to the terms of the Trust Deed, the Notes held or controlled for or by any of Zopa or the Issuer and/or any holding company of Zopa or the Issuer and/or any subsidiary of such holding company, will not be taken into account for the purposes of: (i) the right to attend and vote at any meeting of the Noteholders of any Class or any written resolution; (ii) the determination of how many and which Notes are outstanding for the purposes of action, proceedings and indemnification by the Trustee, meetings of the Noteholders, Events of Default and enforcement, (iii) any right, discretion, power or authority which the Trustee is required to exercise by reference to the interests of the Noteholders of any Class and (iv) the determination by the Trustee of whether something is materially prejudicial to the interests of the Noteholders or any Class thereof except, in the case where Zopa or the Issuer, any holding company of Zopa or the Issuer or any subsidiary of such holding company holds all of the relevant Class of Notes and there are no *pari passu* or junior Classes of Notes which they do not also hold in their entirety. For further details, see the section entitled "*Overview - Overview of Rights of Noteholders and Relationship with other Secured Creditors*".

In the context of the Transaction, Zopa is only acting as the Platform Servicer. Actual or potential conflicts may arise between the interests of the Platform Servicer and the interests of the Issuer and the Noteholders. Zopa will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided in such Transaction Documents. Zopa may enter into business dealings from which it may derive revenues and profits without any duty to account therefore in connection with the Transaction.

The Retention Holders receive certain reports relating to the Loan Assets originated by the Seller pursuant to the Warehouse Loan Sale and Purchase Agreement, as well as the Transaction Documents, which other Secured Creditors may not have access to. As a result, the Retention Holders may have access to information that is not generally available to the public, the Issuer or to other Noteholders. In addition, actual or potential conflicts may arise between the interests of the Retention Holders and the interests of the Issuer and the other Noteholders.

Risks relating to negative consent of Noteholders in respect of amendments to the Transaction Documents as a result of a change in the criteria of the Rating Agencies

Subject to certain conditions, the Trustee shall be obliged, without any consent or sanction of the Noteholders, or (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or which, as a result of the relevant amendment, would be further contractually subordinated to any other Secured Creditor than would otherwise have been the case prior to such amendment) any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification and subject to the provisions governing the Class Z Notes Entrenched Rights) to the Conditions or any Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents that the Issuer certifies to the Trustee (upon which certificate the Trustee shall rely absolutely and without enquiry or liability) as being necessary for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time.

In relation to any such proposed amendment, the Issuer is required to give at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 10 (*Notifications*) and by publication on Bloomberg on the "Company News" screen relating to the Notes. However, Noteholders should be aware that in relation to such amendments, if Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have not contacted the Issuer or the Principal Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent that such Noteholders do not consent to the modification, the modification will be passed without Noteholder consent.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have notified the Principal Paying Agent or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes is passed in favour of such modification in accordance with Condition 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

The full requirements in relation to any modification for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time are set out in Condition 15.4 (*Additional Right of Modification*).

Risks relating to negative consent of Noteholders in respect of amendments to the SONIA Reference Rate

As more particularly described in Condition 15.5 (*Additional Right of Modification in relation to the SONIA Reference Rate*), in addition to the right of the Trustee to make certain modifications to the Transaction Documents without Noteholder consent described above, the Trustee shall, without any consent or sanction of the Noteholders or any of the other Secured Creditors, concur with the Issuer in making any modification to the Conditions and/ or any other Transaction Document in order to change the base rate in respect of the SONIA Notes from SONIA to an alternative base rate (which may be another SONIA linked rate) and make such other amendments as are necessary or advisable in the commercially reasonable judgment of the Issuer to facilitate such change. If the Issuer proposes a modification of such Transaction Document and/or Conditions, it shall promptly cause the Trustee and all Noteholders to be notified of the proposed modification in accordance with Condition 10 (*Notifications*) and by publication on Bloomberg on the "Company News" screen relating to the Notes. If, within 30 calendar days from the giving of such notice, Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of SONIA Notes then outstanding have notified the Trustee in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such SONIA Notes may be held) that such Noteholders do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of SONIA Notes then outstanding is passed in favour of such modification in accordance with Condition 15.2 (*Decisions and Meetings of Noteholders*). If, however, Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of SONIA Notes then outstanding fail to notify the Trustee in writing that they do not consent to such modification as set forth above, then all Noteholders will be deemed to have consented to such modification and the Trustee shall, subject to the requirements of Condition 15.5 (*Additional Right of Modification in relation to the SONIA Reference Rate*), without seeking further consent or sanction of any of the Noteholders and irrespective of whether such modification is or may be materially prejudicial to the interest of the Noteholders of any Class, concur with the Issuer in making the proposed modification. Therefore, it is possible that a modification could be made without the vote of any Noteholders or even if holders holding less than 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of SONIA Notes then outstanding objected to it. Again there is no guarantee that any changes made to the Transaction Documents and the Conditions pursuant to the obligations imposed on the Trustee, as described above, would not be prejudicial to the Noteholders.

Meetings of Noteholders, modification and waiver

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit 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 Trust Deed provides that, the Trustee may at any time and from time to time, without the consent or sanction of the Noteholders or any other Secured Creditors but subject to the Class Z Notes Entrenched Rights, concur with the Issuer and any other relevant parties in making:

(c) any modification to the Trust Deed, the Conditions, the Notes or the other Transaction Documents in relation to which its consent is required (other than in respect of a Basic Terms Modification) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of the Noteholders of the Most Senior Class of Notes then Outstanding; or

(d) any modification to the Trust Deed, the Conditions, the Notes or the other Transaction Documents in relation to which its consent is required (including a Basic Terms Modification), if, in the opinion of

the Trustee, such modification is of a formal, minor or technical nature or is made to correct a manifest error.

In addition, subject to certain conditions set out in the Trust Deed, the Trustee shall be obliged, without any consent or sanction of the Noteholders, or (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or which, as a result of the relevant amendment, would be further contractually subordinated to any other Secured Creditor than would otherwise have been the case prior to such amendment) any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents (following the Trustee's review thereof) that the Issuer certifies to the Trustee (upon which certificate the Trustee shall rely absolutely and without enquiry or liability) as being necessary for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time.

In addition, subject to certain conditions set out in the Trust Deed, the Trustee may at any time and from time to time in its sole discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act and without the consent or sanction of the Noteholders or any other Secured Creditor concur with the Issuer or any other relevant parties in authorising or waiving, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of the covenants or provisions contained in the Trust Deed and the Charge and Assignment, the Notes or any of the other Transaction Documents or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Deed, the Charge and Assignment, the Notes or any other Transaction Document if, in the opinion of the Trustee, the interests of the Noteholders of the Most Senior Class of Notes then Outstanding will not be materially prejudiced by such waiver.

The Trustee may, without the consent of the Noteholders of any Class, or any other Secured Creditor, concur with the Issuer to the substitution in place of the Issuer (or of the previous substitute under the Trust Deed) as the principal debtor under the Trust Deed, the Notes of each Class and the other Transaction Documents of any other company (incorporated in any jurisdiction) (such substituted company being thereinafter called the "**New Company**") if required for taxation reasons and subject to certain conditions as set out in the Trust Deed. For further details, see the section entitled "*Overview - Overview of Rights of Noteholders and Relationship with other Secured Creditors*".

Risks related to the Loans

The Purchased Loan Assets

The Purchased Loan Assets will be subject to credit, liquidity, interest rate risks, general economic conditions, operational risks, structural risks, the condition of financial markets, political events, developments or trends in any particular industry, changes in prevailing interest rates and periods of adverse performance which may have an adverse effect on the ability of Zopa Borrowers to make payments on the Purchased Loan Assets and which, in turn, may adversely affect the payments on the Notes and the interests of the Noteholders.

The Purchased Loan Assets are unsecured obligations of the Zopa Borrowers. Such obligations generally have a greater credit, insolvency, bankruptcy and liquidity risk than is typically associated with secured obligations. If the insolvency or bankruptcy of a Zopa Borrower occurs, the holders of such obligation will be considered general, unsecured creditors and will have fewer rights than secured creditors of a Zopa Borrower. As a result, the Issuer may not be able to recover all or any portion of the Purchased Loan Asset.

Zopa Borrowers may default on their obligations under the Purchased Loan Assets. Such defaults may occur for a variety of reasons. The ability of Zopa Borrowers in respect of Purchased Loan Assets to repay amounts owing under Purchased Loan Assets may be adversely affected by their personal circumstances (for example, unemployment, illness, sudden death, divorce or other similar factors).

In addition to the financial conditions of the Zopa Borrowers, various other factors influence consumer loan delinquency rates, default rates, prepayment rates, the frequency with which security is enforced and the ultimate payment of interest and principal, such as changes in the national or international economic climate,

regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies.

Purchased Loan Assets included in the Loan Portfolio which are subsequently found not to have complied with the Eligibility Criteria at the time when tested and/or are found not to have satisfied the applicable Loan Warranties given under the Loan Sale and Purchase Agreement and the Servicing Agreement, shall, if the Issuer so requires, be purchased or repurchased by Zopa, in which case they will no longer form part of the Loan Portfolio.

Credit risk

The Issuer is subject to the risk of default in payment by the Zopa Borrowers and upon such default in payment, the failure by the Platform Servicer, on behalf of the Issuer, to realise or recover sufficient funds from the Zopa Borrowers under the arrears and default procedures in respect of the Purchased Loan Assets in order to discharge all amounts due and owing by the relevant Zopa Borrowers under the Purchased Loan Assets. This risk may adversely affect the Issuer's ability to make payments on the Notes but is mitigated to some extent by certain credit enhancement features which are described in the section entitled "*Overview of Credit Structure and Cashflow*." However, no assurance can be made as to the effectiveness of such credit enhancement features or that such alternative sources of liquidity will protect the Noteholders from all risk of loss.

The Loan Portfolio

Neither the Issuer, the Arranger, the Joint Lead Managers nor any other party is under any obligation to provide any information with respect to the Zopa Borrowers under individual Purchased Loan Assets.

None of the Issuer, the Arranger or the Joint Lead Managers has made any investigation into the Zopa Borrowers of the Purchased Loan Assets. The value of the Loan Portfolio may fluctuate from time to time. None of the Issuer, the Seller, the Trustee, the Arranger, the Joint Lead Managers or any other Transaction Party are under any obligation to maintain the value of the Purchased Loan Assets at any particular level. None of the Issuer, the Seller, the Trustee, the Arranger, the Joint Lead Managers or any other Transaction Party has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Purchased Loan Assets from time to time.

Loan Warranties

On the Loan Warranty Date, Zopa Loan Warranties in respect of the Purchased Loan Assets will be made to the Issuer by Zopa and Retention Holder Warranties with respect to the Purchased Loan Assets will be made to the Issuer by the Retention Holders.

No searches, enquiries or independent investigation of title of the type which a prudent purchaser or lender would normally be expected to carry out have been or will be made by the Issuer or the Trustee and the Issuer is relying entirely on the Loan Warranties, the Retention Holder Indemnification Obligation and the Zopa Purchase Obligation set out in the Loan Sale and Purchase Agreement and the Servicing Agreement respectively. Pursuant to the Loan Sale and Purchase Agreement and the Servicing Agreement respectively, each of the Retention Holders and the Platform Servicer shall, promptly as they become aware thereof, give notice to each of the other parties to such agreements if any Loan Warranties were untrue.

Zopa and the Retention Holders will give the relevant Loan Warranties to the Issuer in the Servicing Agreement and the Loan Sale and Purchase Agreement respectively that, among other things, each Loan is legally valid, binding and enforceable (subject to certain exceptions). If a Purchased Loan Asset does not meet this criterion amongst others, then the Issuer or, at any time (x) following the delivery of written notice to Zopa, that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice, the Trustee may require Zopa to purchase, such Affected Loan. If Zopa is unable to purchase, such Affected Loan, Zopa, will be obliged to make a Deemed Collection in respect of such Affected Loan.

The number of Affected Loans will affect the timing of principal amounts received by the Issuer and hence payments of principal and (in the event of a shortfall) interest on the Notes.

Third Party Litigation; Limited Funds Available

The Issuer's acquisition of the Purchased Loan Assets may subject it to the risks of becoming involved in litigation by third parties. This risk may be greater where the Issuer exercises control or significant influence over a company's direction. The expense of defending claims against the Issuer by third parties (including bankruptcy or insolvency proceedings) and paying any amounts pursuant to settlements or judgments would, except in the unlikely event that that Issuer is indemnified for such amounts, be borne by the Issuer and would reduce the funds available for distribution and the Issuer's net assets. The funds available to the Issuer to pay certain fees and expenses of the Trustee and for payment of the Issuer's other accrued and unpaid Administrative Expenses are limited to amounts available in accordance with the applicable Priority of Payments or, where applicable, to funds standing to the credit of the Expenses Reserve Ledger. If such funds are not sufficient to pay the expenses incurred by the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings that may be bought against it or that the Issuer might otherwise bring to protect its interests.

Selection of the Loan Portfolio

The information in the section entitled "*The Loan Portfolio – Provisional Loan Portfolio Stratification Tables*" has been extracted from the Zopa Platform as at the Provisional Loan Portfolio Cut-off Date. The Provisional Loan Portfolio comprises 32,160 Loan Assets which have an Aggregate Collateral Principal Balance of £224,675,130.32 as at the Provisional Loan Portfolio Cut-off Date.

The characteristics of the Loan Portfolio as at the Closing Date will vary from those set out in the tables in this Prospectus as a result of, among other things, Loan Assets comprising the Provisional Loan Portfolio not forming part of the Loan Portfolio as a result of repayments and redemptions of Loan Assets prior to the Closing Date and/or the inclusion of additional Loan Assets originated between the Provisional Loan Portfolio Cut-Off Date and the Loan Portfolio Cut-Off Date.

Title of the Issuer

Pursuant to the Loan Sale and Purchase Agreement, the Issuer shall acquire the beneficial title on the Closing Date and, following notification as described below in the event of a Perfection Notice being delivered, legal title to each Purchased Loan Asset.

Pursuant to the Servicing Agreement, the Issuer shall procure that Zopa shall notify, as soon as reasonably practicable following the occurrence of a Perfection Trigger Event, each Zopa Borrower of each Purchased Loan Asset of the sale and assignment of such Purchased Loan Asset to the Issuer and of the Issuer's ownership of such Purchased Loan Asset (by identifying the Issuer as the Zopa Lender in respect of such Purchased Loan Asset of such Zopa Borrower).

The rights of the Issuer may be or may become subject to equities (e.g. rights of set-off between the Zopa Borrowers and the Seller (as discussed below) and to the interests of third parties who perfect a legal interest, namely, a bona fide purchaser from the Seller for value of any such Purchased Loan Asset without notice of any interest of the Issuer, who may obtain a good title to the Purchased Loan Asset free of any such interests. Such equities and third party rights may diminish or negate the value of the Issuer's interest in the Purchased Loan Assets and could acquire priority over the interests of the Issuer. If this occurred, then the Issuer would not have good title to the affected Purchased Loan Asset and it would not be entitled to payments by a Zopa Borrower in respect of that Purchased Loan Asset. For further details, see the section entitled "*Certain Transaction Documents – Loan Sale and Purchase Agreement*".

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

Under circumstances where a Zopa Borrower has a cross-claim against the Issuer there is a risk that this might result in an ability to set-off amounts owed in such a way as to result in a reduction or extinguishment of the Zopa Borrower's repayment obligations. Under English law a right of set-off might arise in law (within the context of a litigation), in equity or in the event of the insolvency of either a Zopa Borrower or a Zopa Lender.

As it is intended that the Loan Assets will be legally assigned to the Issuer upon notification to the related Zopa Borrower, we note that these risks are limited to circumstances where a Zopa Borrower had a cross-claim against the Issuer. However, if the assignment of a Loan Asset was found not to constitute a legal assignment as

no notice is deemed to have been given, a cross-claim between a Zopa Borrower and a Zopa Lender might also give rise to a set-off risk.

Legal set-off may arise where a Zopa Borrower and the Issuer were engaged in litigation and where both parties could prove that they had cross-claims which were liquidated or ascertainable with certainty at the commencement of the action. In order to establish a right of legal set-off there would be no need for such claims to arise as a result of the same transaction or closely connected transactions.

Equitable set-off may arise where in connection with a single transaction, a Zopa Borrower and the Issuer had cross-claims (both of which were due and payable). Under such circumstances, a Zopa Borrower might be entitled to deduct the amount of its mutual cross claim from its payment obligations under the relevant Loan.

Insolvency set-off will arise mandatorily. Where a Zopa Borrower becomes bankrupt, an account must be taken of the mutual dealings between the Issuer and such Zopa Borrower. Therefore the sums due from the Zopa Borrower would be set off against the sums due from the Issuer and all claims, including future, contingent and liquidated sums, would need to be brought into account.

Pursuant to the Master Framework Agreement the Platform Servicer and each other Transaction Party (other than the Issuer) agrees to certain restrictions on their right to exercise any right to set-off or deduct an amount from the proceeds of enforcement in respect of Purchased Loan Assets. For further details, see the section entitled "*Certain Transaction Documents – Master Framework Agreement*".

Loan Documentation

The Purchased Loan Assets are made using standardised Loan Documentation. Thus, many Zopa Borrowers may be similarly situated insofar as the provisions of their contractual obligations are concerned. Accordingly, certain allegations of violations of the provisions of Applicable Laws could potentially result in a large class of claimants asserting claims against the Issuer, the Platform Servicer, the Seller or any other relevant Transaction Party. The costs of defending or paying judgments in any such lawsuits could adversely affect the Platform Servicer's, Seller's or other relevant Transaction Party's business, or could reduce the Issuer's funds available to make payments of principal of and interest on the Notes.

For further details, see the section entitled "*Zopa Limited*".

Income and Principal Deficiency

Two (2) Business Days prior to each Note Payment Date, the Issuer, or the Cash Manager and Calculation Agent on its behalf, will transfer all amounts standing to the credit of the Cash Reserve Account to the Issuer Payment Account and apply such amounts as Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments.

If, on any Note Payment Date, as a result of shortfalls in amounts set out in paragraphs (a) to (d) of the definition of Available Interest Proceeds, there is a Senior Interest Deficiency, then, subject to certain conditions, the Issuer, or the Cash Manager and Calculation Agent on its behalf, shall, two (2) Business Days prior to each Note Payment Date, transfer amounts standing to the credit of the Liquidity Reserve Account to the Issuer Payment Account and apply such amounts against such Senior Interest Deficiency.

If, on any Note Payment Date, as a result of shortfalls in Available Interest Proceeds (ignoring any amounts referred to in paragraph (f)) of the definition of Available Interest Proceeds, there is a Remaining Senior Interest Deficiency, then, subject to certain conditions, the Issuer, or the Cash Manager and Calculation Agent on its behalf, may apply amounts otherwise constituting Available Principal Proceeds against such Remaining Senior Interest Deficiency and transfer such amounts to the Issuer Payment Account two (2) Business Days prior to each Note Payment Date. In this event, the consequences set out in the following paragraph may result.

Application, as described above, of any Available Principal Proceeds to meet any Remaining Senior Interest Deficiency (in addition to any Default Amounts in respect of the Purchased Loan Assets to be recorded as debit entries on the Principal Deficiency Ledgers as described in the section entitled "*Key Structural Features– Credit Enhancement and Liquidity Support – The Principal Deficiency Ledgers*") will be recorded *first*, to the Class Z1 Principal Deficiency Ledger up to a maximum of the Class Z1 Principal Deficiency Limit; *second*, to the Class F Principal Deficiency Ledger up to a maximum of the Class F Principal Deficiency Limit; *third* to the Class E Principal Deficiency Ledger up to a maximum of the Class E Principal Deficiency Limit; *fourth*, to the

Class D Principal Deficiency Ledger up to a maximum of the Class D Principal Deficiency Limit; *fifth*, to the Class C Principal Deficiency Ledger up to a maximum of the Class C Principal Deficiency Limit; *sixth*, to the Class B Principal Deficiency Ledger up to a maximum of the Class B Principal Deficiency Limit; *seventh*, on a *pro rata* and *pari passu* basis, to the Class A Principal Deficiency Ledger up to a maximum of the Class A Principal Deficiency Limit.

It is expected that during the course of the life of the Notes, principal deficiencies will be recouped from Available Interest Proceeds. Available Interest Proceeds will be applied, after meeting prior ranking obligations as set out under the Pre-Acceleration Interest Priority of Payments, to credit, *first*, the Class A Principal Deficiency Ledger to reduce the debit balance to zero, *second*, the Class B Principal Deficiency Ledger to reduce the debit balance to zero, *third*, the Class C Principal Deficiency Ledger to reduce the debit balance to zero, *fourth*, the Class D Principal Deficiency Ledger to reduce the debit balance to zero, *fifth*, the Class E Principal Deficiency Ledger to reduce the debit balance to zero, *sixth*, the Class F Principal Deficiency Ledger to reduce the debit balance to zero and *seventh*, the Class Z1 Principal Deficiency Ledger to reduce the debit balance to zero.

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

(a) the interest and other net income of the Issuer may not be sufficient, after making the payments to be made in priority thereto, to pay, in full or at all, interest due on the Notes; and

(b) there may be insufficient funds to repay the Notes on or prior to the Final Maturity Date of the Notes unless the other net income of the Issuer is sufficient, after making other payments to be made in priority thereto, to reduce to nil the balance on the Principal Deficiency Ledgers.

Market Value of Purchased Loan Assets

The financial markets periodically experience substantial fluctuations. No assurance can be given that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute following the Closing Date. A decrease in the market value of the Purchased Loan Assets would adversely affect the proceeds of sale that could be obtained by the Issuer or the Trustee upon the sale of the Purchased Loan Assets, which could affect the amount received by the Issuer in respect of the Purchased Loan Assets and could ultimately affect the ability of the Issuer to pay in full or redeem the Notes.

Variation of terms of Purchased Loan Assets

Under the Servicing Agreement, Zopa has agreed that, in respect of each Purchased Loan Asset (other than a Defaulted Loan), it will not agree to any Loan Modification (other than a Permitted Loan Modification) which results in any of the following: (i) an Extension such that the final contractual repayment date falls after the Last Purchased Loan Asset Maturity Date; (ii) an Extension to Purchased Loan Assets representing more than 10% of the Aggregate Collateral Principal Balance of the Loan Portfolio in aggregate; (iii) reduces the total amount payable by the related Zopa Borrower other than a reduction in the total amount of interest payable by the related Zopa Borrower resulting solely from prepayment of the principal in respect of the Purchased Loan Asset; (iv) that could reasonably be expected to be materially prejudicial to the interests of Noteholders without the prior consent of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, or (v) that could reasonably be expected to be materially prejudicial to the interests of the Class Z Noteholders without the prior consent of the Class Z Noteholders acting by way of Extraordinary Resolution.

If Zopa were to modify the terms of the Purchased Loan Asset in contravention of these restrictions, the revised terms would apply to the relevant Purchased Loan Asset and the Issuer would have recourse only against Zopa for breach of contract and the accompanying indemnity provisions of the Servicing Agreement.

Loan Modifications

Subject to restrictions below, Loan Modifications may be applied which impact the repayment profile of loans.

Pursuant to the Servicing Agreement, the Platform Servicer will undertake that in respect of each Purchased Loan Asset (other than a Defaulted Loan) it will not agree to any Loan Modification (other than a Permitted Loan Modification) which results in any of the following: (i) an Extension such that the final contractual

repayment date falls after the Last Purchased Loan Asset Maturity Date; (ii) an Extension to Purchased Loan Assets representing more than 10% of the Aggregate Collateral Principal Balance of the Loan Portfolio in aggregate; and/or (iii) reduces the total amount payable by the related Zopa Borrower other than a reduction in the total amount of interest payable by the related Zopa Borrower resulting solely from prepayment of the principal in respect of the Purchased Loan Asset; (iv) that could reasonably be expected to be materially prejudicial to the interests of Noteholders without the prior consent of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, or (v) that could reasonably be expected to be materially prejudicial to the interests of the Class Z Noteholders without the prior consent of the Class Z Noteholders acting by way of Extraordinary Resolution.

In the event that the Platform Servicer grants, permits or enters into any Loan Modification pursuant to the Servicing Agreement, it shall ensure that such Loan Modification is consistent with the Standard of Care, the Collections Policy and Applicable Law, and is determined by it to be reasonably likely to obtain the maximum recovery from such Purchased Loan Asset based upon its prior servicing experience for similar loans.

For further details, see the section entitled "*Certain Transaction Documents – Servicing Agreement*".

Amendments in Collections Policy and Zopa Principles

Zopa will update and revise its Collections Policy and the Zopa Principles from time to time, which may positively or negatively impact the performance of Purchased Loan Assets.

Pursuant to the Servicing Agreement, the Platform Servicer agrees that it shall not make any material amendment to the Collections Policy or the Zopa Principles (i) that could reasonably be expected to be materially prejudicial to the interests of Noteholders without the prior consent of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, or (ii) that could reasonably be expected to be materially prejudicial to the interests of the Class Z Noteholders without the prior consent of the Class Z Noteholders acting by way of Extraordinary Resolution , in each case unless such amendment is required to be made to comply with any change in Law.

For further details, see the section entitled "*Certain Transaction Documents – Servicing Agreement*".

Concentration Risks

Although no significant concentration with respect to any particular Zopa Borrower is expected to exist at the Closing Date, the concentration of the Loan Portfolio in any one Zopa Borrower, or any one type or profile of Zopa Borrower, would subject the Notes to a greater degree of risk with respect to defaults by such Zopa Borrower, and the concentration of the Loan Portfolio in any one region could subject the Notes to a greater degree of risk with respect to economic downturns relating to such region. Prepayments of Purchased Loan Assets may alter the concentration of the Loan Portfolio. See further the section entitled "*The Loan Portfolio*".

Additional Loans

The Additional Loans will be originated before 31 December 2019. Any Additional Loan is required as at the date of its acquisition by the Issuer to comply with the Zopa Loan Warranties, the Retention Holder Warranties and the Additional Loan Conditions. There can be no certainty that following the acquisition of any Additional Loans by the Issuer prior to the Final Additional Loan Purchase Date, that the Provisional Loan Portfolio will have similar proportions or similar concentration characteristics as set out in the tables in relation to the Loans constituting the Loan Portfolio.

The ratings assigned to the Rated Notes by each Rating Agency have been provided on the basis that some or all of the Pre-Funding Reserve will be utilised to purchase Additional Loans on any date up to and including the Final Additional Loan Purchase Date. These ratings reflect only the views of the Rating Agencies in respect of the Rated Notes.

If on and including the Final Additional Loan Purchase Date the aggregate amounts applied by the Issuer to purchase Additional Loans is less than the amount of the Pre-Funding Reserve at that time, the amount standing to the credit of the Pre-Funding Reserve Ledger will be applied as Available Principal Proceeds on the second Note Payment Date.

Zopa's credit scoring models may be inadequate

Zopa gives each Zopa Borrower a credit rating classification at the time a loan application is processed, which is used to allocate the application to the applicable Zopa Market. The credit rating assigned by Zopa is based on a number of factors, including credit data and credit scores provided by third party credit reporting agencies, and information provided by the prospective Zopa Borrower at the time of application. Credit data produced by third party credit reporting agencies include credit balances, available credit, timeliness of payments, average payments, delinquencies and account duration, credit searches, as well as additional optional services to verify declared annual gross income using bank account turnover. This credit data provided by credit reporting agencies, and the additional information provided by Zopa Borrowers to Zopa, may be outdated, incomplete or inaccurate. Accordingly, a credit rating assigned to a Zopa Borrower by Zopa may not reflect that borrower's actual creditworthiness. Additionally, it is possible that, following the date of any credit information received, a Zopa Borrower may have defaulted on a pre-existing debt obligation, taken on additional debt or sustained other adverse financial or life events.

Zopa's credit rating classifications are intended to be informative only and reflect Zopa's view of the creditworthiness of the Zopa Borrower at the time of the loan application. There can be no guarantee of the actual creditworthiness of a Zopa Borrower. In addition, the methodology applied by Zopa in determining credit rating classifications for each Zopa Borrower may change over time. There has been a previous incident in which a temporary coding error affected some input variables to the risk model which slightly impacted the Zopa risk score for a sub-set of applicants who were given different credit rating classifications to those which they would have received had some of those input variables been correctly taken into account, with no material adverse impact on the performance of the portfolio of loans originated in the affected period. While Zopa has taken steps to mitigate the possibility of such an incident recurring there can be no guarantee that similar types of issues will not arise with respect to Zopa's implementation of such models and guidelines – however, Loans which were not originated in accordance with Zopa's applicable credit guidelines, Underwriting Guidelines and approved credit models will not be eligible to be included in the Loan Portfolio.

Zopa accepts no responsibility and disclaims all liability for any information about a Zopa Borrower made available through the Zopa Platform, and in respect of credit rating classifications. Zopa may from time to time, but accepts no obligation to, update or amend at any time a Zopa Borrower's information or the credit rating classification (including for subsequent loans entered into by the Zopa Borrower on the Zopa Platform).

Because of these factors, the Loan Portfolio may include Purchased Loan Assets based upon inaccurate Zopa Borrower credit information. Additionally, the interest rate for a Purchased Loan Asset may not adequately reflect its actual risk profile, which may result in lower returns than might be expected in relation to the actual credit risk which is borne by the Issuer. Consequently the Issuer may receive lower or unpredictable level of income in respect of Purchased Loan Assets.

For further details, see the section entitled "*Zopa Limited*".

The Issuer's rights may rank behind those of other creditors

All Purchased Loan Assets are credit obligations of the Zopa Borrower. If a Zopa Borrower incurs additional debt after borrowing through the Zopa Platform, that additional debt may adversely affect the Zopa Borrower's creditworthiness generally, and could result in the financial distress or bankruptcy of the Zopa Borrower. This could ultimately impair the ability of that Zopa Borrower to make payments on the Purchased Loan Asset, which the Issuer expects to receive. To the extent Zopa Borrowers incur other indebtedness that is secured, such as a mortgage, in priority to the borrowing via the Zopa Platform, the ability of the secured creditors to exercise remedies against the assets of that borrower may impair the Zopa Borrower's ability to meet its obligations to the Issuer or it may impair Zopa's ability to collect payments.

If a Zopa Borrower files for bankruptcy or analogous proceedings, a stay may go into effect that will automatically put any pending collection actions on hold and prevent further collection action absent court approval. It is possible that the Zopa Borrower's personal liability will be discharged in bankruptcy. In most cases involving the bankruptcy of a Zopa Borrower, creditors, including the Issuer, will receive only a proportion of any amount outstanding, if anything.

Reliance on Zopa's IT systems to facilitate and monitor Loans once acquired

Zopa has developed its own bespoke software and infrastructure and also utilises third party service providers in connection with the provision, operation and maintenance of IT systems that comprise the Zopa Platform. The Issuer is reliant on the functionality of the Zopa Platform, including for it to determine whether

the Purchased Loan Assets comply with the Zopa Loan Warranties and where applicable the Retention Holder Warranties, and for the ongoing monitoring and servicing of the Loan Portfolio.

Any failure of the Zopa Platform could have a material adverse effect on the ability of Zopa to perform these activities and could result in a Servicing Termination Event. In addition, certain operations interface with, or depend on, IT systems operated by third parties which are outside the control of the Issuer, and Zopa respectively may not be in a position to verify the risks or reliability of such third-party systems.

While Zopa continually monitors the performance of the Zopa Platform, there can be no guarantee that issues will not arise, and any such issues may result in processing delays.

Any programs or systems used by Zopa (or on which Zopa is otherwise reliant) may be subject to certain defects, failures or interruptions, including those caused by computer "worms", viruses and power failures. Such failures could adversely affect the ongoing servicing of the Loan Portfolio, leading to inaccurate accounting, recording or processing of transactions, and inaccurate reporting, which may affect the monitoring of the Loan Portfolio.

Any such defect or failure could cause the Issuer to suffer financial loss, the disruption of its business, regulatory intervention or reputational damage.

Unpredictability of default rates

The default history for loans originated via marketplace lending platforms is limited and actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

The methodology and assumptions used by Zopa to assess creditworthiness and present the historical default experience may not be sufficiently prudent and accordingly may not accurately extrapolate the expected lifetime of loan defaults. As a result the Purchased Loan Assets in the Loan Portfolio may have a higher risk of default than expected, which may result in increased losses to the Issuer.

Prepayment risk

Zopa Borrowers may decide to prepay all of the remaining principal amount due at any time without any early repayment charge. In the event of a prepayment of the entire remaining unpaid principal amount of a Purchased Loan Asset acquired by the Issuer, the Issuer will receive such prepayment but no further interest in relation to the period of time after the date of the prepayment.

Fraud

Fraud is a risk affecting the consumer credit and the retail marketplace lending industry in general. The value of the investments made by the Issuer may be affected by fraud, misrepresentation or omission on the part of the Zopa Borrower, his employer, advisor and/or representatives or by other users of the Zopa Platform (whether authorised or unauthorised). While Zopa has put in place policies and procedures to reduce the risk of fraud, misrepresentation or omission ("**Fraudulent Activity**") such measures may not be sufficient, in all cases, to prevent Loans being originated on the basis of Fraudulent Activity. Fraudulent Activity may adversely affect the Issuer's ability to enforce its contractual rights under the Purchased Loan Asset or for the Zopa Borrower to repay principal or interest on it or its other debts. In the event of Fraudulent Activity in respect of a Purchased Loan Asset, Zopa may terminate the Loan and seek to enforce the Loan Contract, but there is a risk that the alleged Zopa Borrower in question may not be obliged to repay the Loan (e.g. in the event of identity theft) or cannot be located. This risk is mitigated to a certain degree by the Zopa Purchase Obligation. For further details, see the section entitled "*Certain Transaction Documents – Servicing Agreement*".

Money laundering and proceeds of crime

The Zopa Platform implements the various anti-money laundering and screening requirements under Applicable Law, partly as one set of measures to reduce the risk of fraud. Any material failure by the Zopa Platform to comply with anti-money laundering restrictions or in connection with any investigation relating thereto could result in fraud, fines or penalties. Fines or penalties could have a material adverse effect on Zopa's ability to carry out its obligations under the Transaction Documents and therefore on the Issuer.

Competitive Environment

A number of competing businesses operate in the marketplace lending sector and the number of suitable lending opportunities is finite. The continued success of the Zopa Platform and Zopa's success in attracting borrowers is contingent on, among other things, Zopa being well run, maintaining and/or expanding its market share and avoiding adverse publicity or otherwise a loss of reputation. If Zopa were to encounter financial difficulties it is highly likely that this would impair its ability to perform its duties as the Platform Servicer under the Servicing Agreement.

Counterparty 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 Issuer Corporate Services Provider has agreed to provide certain corporate administration services to the Issuer, the Issuer Account Bank has agreed to provide the Issuer Accounts to the Issuer, the Platform Servicer has agreed to service the Loan Portfolio, the Back-Up Servicer has agreed to replace the Platform Servicer following the termination of the Platform Servicer's appointment, the Cash Manager and Calculation Agent has agreed to provide cash management, calculation and agency services to the Issuer and the Principal Paying Agent and the Registrar have agreed to provide certain agency services to the Issuer in connection with the Notes and the Reporting Agent has agreed to provide certain reporting services in connection with the transparency requirements of the Securitisation Regulation. In some cases, the above parties are entitled to delegate the performance of the relevant services to third parties. In the event that any of the above parties of their delegates were to fail to perform their obligations under the respective agreements to which they are a party, payments on the Notes may be adversely affected. In the case of non-performance by a delegate of any of the above parties, the delegate may be a party with whom the Issuer does not have any direct contractual relationship and therefore the Issuer will not be able to directly enforce performance by that delegate.

Investors should also be aware that third parties on which the Issuer relies may be adversely impacted by the general economic climate. At the date of this Prospectus, global markets have recently been negatively impacted by the then prevailing global credit market conditions as further described above in the section entitled "*Risk Factors — Risks related to the Notes — Absence of secondary market for the Notes*." If such conditions were to return, these factors affecting Transaction Parties specifically, as well as market conditions generally, could adversely affect the performance of the Notes. In addition there can be no assurance that governmental or other actions would improve market conditions in the future should conditions deteriorate.

The sole remedy of the Issuer in respect of an Affected Loan shall be the Zopa Purchase Obligation or the Retention Holder Indemnification Obligation of such Affected Loan or the obligation of Zopa to make a Deemed Collection in respect of such Affected Loan. This shall not limit any other remedies available to the Issuer if Zopa or the Retention Holders fail to honour its obligation to purchase or indemnify (as the case may be), or to make a Deemed Collection in respect of, the Affected Loan when obliged to do so.

There can be no assurance that Zopa or the Retention Holders will have the financial resources to honour their respective obligations to purchase or indemnify (as the case may be) or make a Deemed Collection in respect of an Affected Loan.

The Platform Servicer

The Platform Servicer will be appointed by the Issuer to service the Loan Portfolio. In case the appointment of the Platform Servicer as servicer is terminated in accordance with the provisions of the Servicing Agreement, the Back-Up Servicer will be required to perform the services of the Platform Servicer in respect of the Loan Portfolio, excluding, for the avoidance of doubt, the Zopa Purchase Obligation or to make a Deemed Collection in respect of any Affected Loan pursuant to the Transaction Documents.

If the appointment of the Platform Servicer is terminated in accordance with the provisions of the Servicing Agreement and the performance of the Services is commenced by the Back-Up Servicer in accordance with the terms of the Back-Up Servicing Agreement, the collection of payments on the Purchased Loan Assets and the provision of the Services could be disrupted during the transitional period in which the Back-Up Servicer becomes the Successor Servicer. Any failure or delay in collection of payments on the relevant Purchased Loan Assets resulting from a disruption in the servicing of the Purchased Loan Assets could ultimately adversely

affect payments of interest and principal on the Notes. A failure or delay in the performance of the Services, in particular reporting obligations and compliance with post-contractual requirements under the CCA (see "*Office of Fair Trading, Financial Conduct Authority and Other Regulatory Authorities*"), could affect the payments of interest and principal on the Notes. Such risk is mitigated by the provisions of the Back-Up Servicing Agreement pursuant to which the Back-Up Servicer is required to receive from the Platform Servicer on a continuous basis servicing related information and to update and set up its systems to ensure that it can replace the Platform Servicer at short notice after the appointment of the Platform Servicer is terminated.

For further details, see the section entitled "*Certain Transaction Documents – Servicing Agreement*".

Zopa's business

Because payments on the Notes are dependent on the performance of the Purchased Loan Assets, the performance of the Notes will likely be adversely affected by adverse developments in Zopa's business, particularly in its servicing business that affects the Purchased Loan Assets. The Issuer will also rely exclusively on the collection and enforcement efforts of Zopa and the applicable collection agencies engaged by Zopa for collection of payments on the Purchased Loan Assets. Because the Purchased Loan Assets are serviced through the Zopa Platform, they are highly dependent on the continued performance of the Zopa Platform. If the Platform Servicer or Back-Up Servicer or any substitute back-up servicer are not able to service the Purchased Loan Assets, this may affect the Issuer's regulatory status (see "*Exemption from FCA authorisation requirements*" below). In addition to any direct effects relating to the servicing of the Purchased Loan Assets, adverse developments in Zopa's business could adversely affect participation on the Zopa Platform, which could, in turn, adversely affect the performance of Zopa Borrowers under the Purchased Loan Assets. Adverse developments in Zopa's ability to generate income could further adversely affect the performance of its purchase and payment obligations under the Loan Sale and Purchase Agreement and the Transaction Documents, which are remedies on which the Issuer relies in order to perform its obligations under the Notes.

Zopa's Policies

Under the Servicing Agreement, Zopa has agreed that it will not make any material amendments to the Collections Policy or the Zopa Principles (i) that could reasonably be expected to be materially prejudicial to the interests of Noteholders without the prior consent of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, or (ii) that could reasonably be expected to be materially prejudicial to the interests of the Class Z Noteholders without the prior consent of the Class Z Noteholders acting by way of Extraordinary Resolution , in each case unless such amendment is required to be made to comply with any change in Law.

The Back-Up Servicer

If the appointment of the Back-Up Servicer is terminated or if the Back-Up Servicer is unable to perform the role of Successor Servicer following the delivery of a Platform Servicer Termination Notice, there can be no assurance that a replacement back-up servicer with sufficient experience of administering loans similar to those in the Loan Portfolio would be found who would be willing and able to service the Purchased Loan Assets. The ability of any entity acting as a back-up servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute back-up servicer, or any disruption during the appointment of a substitute back-up servicer may affect not only the Issuer's regulatory status, but also payments on the Purchased Loan Assets and hence the Issuer's ability to make payments when due on the Notes.

The failure of the Back-Up Servicer to commence performance as Successor Servicer following the termination of the appointment of the Platform Servicer as servicer in accordance with the Servicing Agreement could result in the failure or delay in collection of payments on the relevant Purchased Loan Assets and ultimately could adversely affect payments of interest and principal on the Notes. Similarly, if the Back-Up Servicer assumes performance as Successor Servicer, there can be no assurance that, if required, a replacement back-up servicing and collection agent could be found. The Back-Up Servicer has no obligation itself to advance payments that Zopa Borrowers fail to make in a timely fashion.

For further details, see the section entitled "*Certain Transaction Documents – Back-Up Servicing Agreement*".

Risk inherent in the Platform Servicer's and the Back-Up Servicer's business

The Platform Servicer's and the Back-Up Servicer's business depends on the ability of the Platform Servicer or Back-Up Servicer, as applicable, to process a large number of transactions efficiently and accurately. Losses can result from inadequate or failed internal control processes, and systems, human error, fraud or from external events that interrupt normal business operations. In the event of a Servicing Termination Event or a Back-Up Servicing Termination Event, the Issuer may be required to appoint a replacement servicer or replacement back-up servicer (as the case may be). Depending on market circumstances, it may be difficult to appoint a replacement servicer or replacement back-up servicer in such circumstances and the fees charged by any replacement servicer or replacement back-up servicer will be payable in priority to interest and principal in respect of the Notes.

Risk relating to Zopa

On 1 April 2014, responsibility for consumer credit regulation transferred from the Office of Fair Trading (the "**OFT**") to the FCA. Consumer credit activities were previously regulated entirely under the CCA. From 1 April 2014, they became subject to the FSMA authorisation regime and to additional rules made pursuant to FSMA contained in the Consumer Credit sourcebook of the FCA Handbook ("**CONC**"). CONC sets out certain conduct of business standards applicable to firms carrying on consumer credit related activities replacing in part the regime previously contained in the CCA and the OFT guidance, as well as setting out rules on, among other things, treating customers fairly, financial promotions and total charge for credit in relation to regulated credit agreements.

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 made under FSMA, and may set off the amount of the claim against the amount owing by the borrower under a loan or any other loan that the borrower has taken with that authorised person. Any such set-off in relation to the Purchased Loan Assets may adversely affect the Issuer's ability to make payments on the Notes.

Both Zopa and the Retention Holders will give warranties to the Issuer that, among other things, each Loan included in the List of Loans offered for sale on the Closing Date represents a legally valid, binding and enforceable Loan Contract (subject to general principles of equity and insolvency). If such a Loan does not comply with these warranties then Zopa, or the Retention Holders, as applicable, will, upon receipt of written notice from the Issuer or the Trustee, be required to purchase or indemnify, as applicable, the relevant Loans within 10 Business Days.

Certain material interests

The Arranger, 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 Zopa or the Seller. Deutsche Bank AG, London Branch is acting as the Arranger and a Joint Lead Manager and Standard Chartered Bank is acting as a Joint Lead Manager.

In addition Zopa will act as the Platform Servicer in respect of Loans in respect of which unrelated third parties will act as Zopa Lenders.

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.

The Trustee is not obliged to act in certain circumstances

Save as expressly otherwise provided in the Trust Deed, the Trustee shall have absolute and uncontrolled discretion as to the exercise of its trusts, powers, authorities and discretions vested in the Trustee under the Trust Deed or any other Transaction Document (the exercise of which as between the Trustee and the Noteholders of each Class and the other Secured Creditors shall be conclusive and binding on such Noteholders and the other Secured Creditors) and shall not be responsible for any Liability which may result from their exercise or non-exercise.

In relation to any discretion to be exercised or action to be taken by the Trustee under any Transaction Document, the Trustee may, at its discretion and without further notice or shall, if it has been so: (i) directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then Outstanding; or (ii) requested in writing by the Noteholders of at least 25 per cent. in Principal Amount Outstanding, exercise such discretion or take such action, **provided that**, in either case, the Trustee shall not be obliged to exercise such discretion or take such action unless it shall have been indemnified and/or, secured and/or prefunded to its satisfaction against all Liabilities and **provided that** the Trustee shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Noteholders.

Change of counterparties

The Interest Rate Hedge Agreement involves the Issuer entering into contracts with counterparties. Pursuant to such contracts, the counterparties agree to make payments to the Issuer under certain circumstances as described therein. The Issuer will be exposed to the credit risk of the counterparty with respect of any such payments. Counterparties in respect of the Interest Rate Hedge Agreement are required to satisfy the applicable Rating Agency requirements, upon entry into the applicable contract or instrument.

If, following entry into an Interest Rate Hedge Agreement, a counterparty is subject to a rating withdrawal or downgrade by the Rating Agencies to below the applicable Rating Agency requirement, there will be a termination event under the Interest Rate Hedge Agreement unless the counterparty effects a specified cure within the applicable grace period following such rating withdrawal or downgrade as set out in the Interest Rate Hedge Agreement. Such cures include a counterparty transferring its obligations under the Interest Rate Hedge Agreement to a replacement counterparty that satisfies certain specified eligibility criteria (including the ratings requirement), obtaining a guarantee of its obligations by a guarantor that satisfies certain specified eligibility criteria (including the ratings requirements), collateralising its obligations in a manner satisfactory to the Rating Agencies or effecting some other such strategy which will not have an adverse effect on the Rated Notes.

Similarly, the Issuer will be exposed to the credit risk of the Issuer Account Bank to the extent of, respectively, all cash of the Issuer held in the Issuer Accounts and all Hedge Collateral of the Issuer held by the Issuer Account Bank as a custodian. If the Issuer Account Bank is no longer an Eligible Institution as set out in the Account Bank Agreement, the Issuer shall use its reasonable endeavours to procure the appointment of a replacement Issuer Account Bank or custodian, as the case may be, with the applicable Rating Agency requirements and within the time limits prescribed for such action in the applicable Transaction Documents.

Transactions with counterparties that are relevant institutions for the purposes of the BRRD may be subject to the exercise of the "bail-in" powers attributed to Resolution Authorities under the BRRD or similar resolution mechanisms provided for in Regulation (EU) No. 806-2014 (the "**SRM Regulation**"). See the section entitled "*Risks Factors — Certain Regulatory Considerations — EU Bank Recovery and Resolution Directive*" below.

Risks related to economic environment

European Union and Eurozone Risk

Investors should carefully consider how changes to the Eurozone may affect their investment in the Notes. Since the global economic crisis, the deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has continued to pose risks. This situation has also raised uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Eurozone.

As a confidence building measure, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to

Eurozone countries in financial difficulties that seek such support. Subsequently, the European Council agreed that Eurozone countries would establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**"), to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries which has been active since July 2013.

Despite these measures, concerns persist regarding the growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily including as a result of an electoral decision to leave the European Union), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the Loan Portfolio.

Furthermore, concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Loan Portfolio (including the risks of currency losses arising out of redenomination), Issuer and the Notes. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes.

Brexit

On 23 June 2016, the UK held an advisory referendum with respect to its continued membership of the EU (the "**Referendum**"). The result of the Referendum was a vote in favour of leaving the EU.

Article 50 of the Treaty on European Union ("**Article 50**") provides that a Member State which decides to withdraw from the EU is required to notify the European Council of its intention to do so. The UK government gave formal notice of the UK's intention to withdraw from the EU pursuant to Article 50 on 29 March 2017, which triggered the commencement of a negotiation process between the UK and the EU in respect of the arrangements for the UK's withdrawal from the EU. Article 50 provides for a two year period for such negotiations to take place unless the European Council, in agreement with the UK, unanimously decides to extend this period. That deadline has subsequently been extended to 31 January 2020, allowing for a general election to be held on 12 December 2019 and to potentially allow for the approval of a withdrawal agreement and related political declaration on the future relationship between the UK and the EU. The UK has the option to leave earlier if the withdrawal agreement and political declaration are approved prior to 31 January 2020. If the deadline of 31 January 2020 is not met, the UK will leave the EU without a withdrawal agreement unless the negotiation period is further extended or the Article 50 notification is revoked.

It is possible that the UK will leave the EU without a withdrawal agreement in place, which could result in political and economic uncertainty. Investors should be aware that the Issuer's ability to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes may be materially affected by this uncertainty which might also have an adverse impact on the Loan Portfolio and could therefore also be materially detrimental to Noteholders. Any related potential adverse economic conditions may also affect the ability of the Zopa Borrowers to make payments under the Purchased Loan Assets which in turn may adversely affect the ability of the Issuer to pay interest and repay principal to the Noteholders.

Applicability of EU law in the UK

The future of the UK's relationship with the EU remains uncertain. Upon the UK's withdrawal from the EU, the application of EU laws will depend on the terms of any withdrawal agreement. The default position, unless otherwise provided for in a withdrawal agreement, is that any EU legislation applying to and in the UK that does not form part of English domestic law will cease to apply from exit day. This would result from the UK ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and from the parallel repeal of the European Communities Act 1972.

The current draft withdrawal agreement provides for a transition or implementation period, which will start on the date of entry into force of the agreement and end on 31 December 2020 (or possibly a later date). The draft withdrawal agreement provides that, unless otherwise specified, EU law will be applicable to and in the UK during the transition period.

However, it is not possible to state with certainty whether and when the withdrawal agreement will be ratified by the UK Parliament and enter into force, what the final terms and effective date of the withdrawal agreement might be, or on what date the transition period will end.

In the meantime, the UK Government has commenced preparations for a "hard" Brexit (or a "no-deal" Brexit) to mitigate risks for firms and businesses associated with an exit with no transitional period. This has included making secondary legislation under powers provided in the EU (Withdrawal) Act 2018 to ensure that there is a functioning statute book after any exit from the EU without a transitional period. Under the EU (Withdrawal) Act 2018, EU-derived domestic legislation, meaning EU laws that have been transposed into English law, will continue to apply until such time that they are repealed, replaced or amended. Over the years, English law has been passed to implement and give effect to EU laws (in particular, laws relating to financial markets, financial services, prudential and conduct regulation of financial institutions, financial collateral, settlement finality and market infrastructure). As a result, depending on the terms of the UK's exit from the EU, substantial amendments to English law may be required.

Consequently, English law may change and may diverge from EU law and it is impossible at this time to predict the consequences on the Loan Portfolio or the Issuer's business, financial condition, results of operations or prospects. Such changes could be materially detrimental to Noteholders.

Regulatory Risk

Currently, under the EU single market directives, mutual access rights to markets and market infrastructure exist across the EU and the mutual recognition of insolvency, bank recovery and resolution regimes applies. In addition, regulated entities licensed or authorised in one EEA jurisdiction may operate on a cross-border basis in other EEA countries without the need for a separate licence or authorisation, provided that certain conditions are met. If the UK and EU ratify a withdrawal agreement and agree a future trading relationship, such mutual recognition and access rights will continue in accordance with the terms of the agreed transitional period and, if relevant, the future trading relationship. If the UK leaves the EU without a withdrawal agreement, the mutual recognition and passporting rights will fall away.

In preparation for a "no-deal" Brexit, the UK authorities have put in place a temporary legislative regime to enable EEA firms, for a limited time period, to continue operating in the UK financial services sector upon loss of passporting rights and market infrastructure access. However, EU authorities, such as the European Commission, have not proposed similar regimes other than in some limited cases relating to market infrastructure. Some (but not all) national legislators and regulators have passed or proposed legislation which would enable a degree of continuity of access to clients in their jurisdiction. There is, however, little uniformity as to the scope and approach of such legislation, and the final position in many jurisdictions remains unclear.

There can be no assurance that the terms of the UK's exit from the EU will include arrangements for the continuation of the existing passporting regime or mutual access rights to market infrastructure and recognition of insolvency, bank recovery and resolution regimes. Such uncertainty could adversely impact the Issuer and, in particular, the ability of third parties to provide services to the Issuer, and could be materially detrimental to Noteholders.

Market Risk

Following the results of the Referendum, the financial markets have experienced volatility and disruption. This volatility and disruption may continue or increase, and investors should consider the effect thereof on the market for securities such as the Notes and on the ability of Obligors to meet their obligations under the Loans.

Investors should be aware that the result of the Referendum and any subsequent negotiations, notifications, withdrawal and changes to legislation may introduce potentially significant new uncertainties and instabilities in the financial markets. These uncertainties and instabilities could have an adverse impact on the business, financial condition, results of operations and prospects of the Issuer, the Obligors, the Loan Portfolio and the other parties to the transaction and could therefore also be materially detrimental to Noteholders.

Exposure to Counterparties

The Issuer will be exposed to a number of counterparties (including in relation to the Interest Rate Hedge Agreement and also each of the Agents) throughout the life of the Notes. Investors should note that if the UK does leave the EU, such counterparties may be unable to perform their obligations due to changes in regulation,

including the loss of, or changes to, existing regulatory rights to do cross-border business in the EU or the costs of such transactions with such counterparties may increase. In addition, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the result of the Referendum, therefore increasing the risk that such counterparties may become unable to fulfil their obligations. Such inability could adversely impact the Issuer and could be materially detrimental to Noteholders. For further information on counterparties, see the section entitled "*Risk Factors — Counterparty Risk — Change of counterparties*" above.

Ratings actions

Following the result of the Referendum, Moody's, S&P and Fitch have each downgraded the UK's sovereign credit rating and each of S&P and Fitch has placed such rating on negative outlook, suggesting possible further negative rating action.

The credit rating of a country affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Accordingly, the recent downgrades of the UK's sovereign credit rating and any further downgrade action may trigger downgrades in respect of parties to the Transaction Documents. If a counterparty no longer satisfies the relevant rating requirement, the Transaction Documents may require that such counterparty be replaced with an entity that satisfies the relevant rating requirement. If rating downgrades are widespread, it may become difficult or impossible to replace counterparties with entities that satisfy the relevant rating requirement.

While the extent and impact of these issues are unknown, investors should be aware that they could have an adverse impact on the Issuer, its service providers, the payment of interest and repayment of principal on the Notes and therefore, the Noteholders. For further information, see the section entitled "*Risk Factors — Counterparty Risk — Change of counterparties*" above.

Currency exchange rates and exchange controls

Since the result of the Referendum there has been increased volatility in the currency exchange rates. Investors should note that all payments on the Notes will be denominated in Sterling. Investors who are investing in the Notes, but who consider their investment profile and return in another currency may incur a number of risks including those relating to changes in exchange rates (which may be significant). An appreciation in the value of the investor's currency relative to the Sterling would result in a decrease of (1) the investor's currency-equivalent yield on the Notes, (2) the investor's currency-equivalent value of the principal payable on the Notes and (3) the investor's currency-equivalent market value of the Notes.

Macro-economic conditions

Over the past several years, European financial markets have experienced volatility and have been adversely affected by concerns over economic contraction in certain EU member states (the "**Member States**") rising government debt levels, credit rating downgrades and risk of default or restructuring of government debt. These events could cause bond yields and credit spreads to increase.

Many European economies continue to suffer from high rates of unemployment. This economic climate may have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt.

As discussed further in the section entitled "*European Union and Eurozone Risk*" above, it is possible that countries that have adopted the Euro could return to a national currency. The effect on a national economy as a result of it leaving the Euro is impossible to predict, but is likely to be negative. The exit of one or more countries from the Eurozone could have a destabilising effect on all European economies and possibly the global economy as well.

Significant risks for the Issuer and investors exist as a result of current economic conditions and these risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to the Final Maturity Date. These risks include, among others, the illiquidity of the Notes. These additional risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to their Final Maturity Date.

Difficult macro-economic conditions may adversely affect the performance and the realisation value of the Loan Assets. It is also possible that the Loan Assets will experience higher delinquency and default rates than anticipated and that performance will suffer.

Many financial institutions, including banks, continue to suffer from capitalisation issues. The bankruptcy or insolvency of a major financial institution may result in the disruption of payments to the Issuer. In addition, the bankruptcy or insolvency of one or more additional financial institutions may trigger additional crises in the global credit markets and overall economy which could have a significant adverse effect on the Issuer, the Loan Assets and the Notes.

The result of the above is a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative or securitised instruments. Such additional rules and regulations could, among other things, adversely affect Noteholders.

While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that structured finance markets will recover from an economic downturn at the same time or to the same degree as such other recovering sectors.

Regulatory, taxation and legal risk

English Law Security and Insolvency Considerations

If certain insolvency proceedings are commenced in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired. 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 (the "**Insolvency Act**") 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 Charge and Assignment, 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 (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, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Charge and Assignment 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 creditors other than the secured creditors under the Charge and Assignment, 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 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 Charge and Assignment, the Issuer purports to grant fixed charges in favour of the Trustee over, among other things, its interests in (i) the Transaction Documents, (ii) all Purchased Loan Assets, (iii) any Other Secured Contractual Rights and (iv) the Issuer's right, title and interest in the Issuer Accounts (other than any Excess Hedge Collateral and subject to the rights of any Interest Rate Hedge Counterparty to the return of any Hedge Collateral pursuant to the terms of the relevant Interest Rate Hedge Agreement and the Conditions). 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 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 Trustee in respect of the floating charge assets. Moneys paid into accounts or derived from those assets could be diverted to pay preferential creditors and certain other liabilities where 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 came into force which effectively reversed by statute the House of Lords decision in the case of Leyland Daf in 2004. Accordingly, the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in rules 4.218A to 4.218E of the Insolvency Rules 1986. 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 secured creditors under the Charge and Assignment will 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.

Qualifying as an STS Securitisation under the Securitisation Regulation

The Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations (the "**STS-securitisations**"). The Transaction is intended to qualify as an STS-securitisation within the meaning of article 18 of the Securitisation Regulation.

The Retention Holders, in their capacity as originators for the purposes of the Securitisation Regulation, intend to jointly submit, within 15 Business Days of the Closing Date, an STS Notification to ESMA in accordance with article 27 of the Securitisation Regulation, and to the FCA, confirming that the STS Requirements have been satisfied with respect to the Transaction. The STS Requirements may change over time and therefore no assurance can be given that the Transaction, if it meets the STS Requirements at the time the initial STS Notification is published by ESMA, will remain compliant. The STS status of the Notes is not static and prospective investors should verify the current status of the Notes on ESMA's website. No assurance can be given on how competent authorities will interpret and apply the STS Requirements (and international or national regulatory guidance may change) or other related regulations such as the CRR Amendment Regulation and the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 (supplementing Regulation (EU) 575/2013 with regard to the Liquidity Coverage Requirement for Credit Institutions, as amended), and what is or will be required to demonstrate compliance to national regulators remains unclear.

In addition, following any withdrawal of the UK from the EU, the Securitisation Regulation and other related regulations, are expected to be adopted into UK law (and subject to the publication of national regulatory guidance), and, therefore, although the Transaction may satisfy the STS Requirements as adopted by the EU at the time the STS Notification is published by ESMA it may be the case that the Notes may no longer satisfy such requirements under EU law and/or UK law, as applicable. Investors need to make their own independent assessment of the impact on the capital treatment of any series of Notes which satisfied the STS requirements

under EU law on issuance but which no longer satisfy such requirements following any withdrawal of the UK from the EU.

The Retention Holders have obtained a verification of compliance of the Notes with the STS Requirements from Prime Collateralised Securities (PCS) UK Limited ("**PCS**"), as well as with the relevant provisions of Article 243 and Article 270 of the CRR and/or Article 7 and Article 13 of the LCR Regulation (an "**STS Assessment**"). The involvement of an authorised verification agent is not mandatory and the responsibility for compliance with the Securitisation Regulation remains with the relevant institutional investors, originators, sponsors, funding entities and issuers, as applicable in each case. An STS Assessment cannot be relied on to determine such compliance in the absence of such assessments by the relevant entities. Furthermore, an STS Assessment is not an opinion on the creditworthiness of the Notes nor on the level of risk associated with an investment in the Notes. It is not an indication of the suitability of the Notes for any investor and/or a recommendation to buy, sell or hold Notes.

Institutional investors that are subject to the due diligence requirements of the Securitisation Regulation need to make their own independent assessment and may not solely rely on the STS Assessment, the STS Notification or other disclosed information. Non-compliance with the status of an STS-securitisation may result in higher capital requirements for investors, as well as in various administrative sanctions and/or remedial measures being imposed on the Issuer or the Retention Holders. Any of such administrative sanctions and/or remedial measures may affect the ability of the Issuer to fulfil its payment obligations under the Notes.

Risk Retention Obligation

The Securitisation Regulation imposes a direct obligation on the originator, sponsor or original lender of a securitisation to retain on an ongoing basis a material net economic interest in the securitisation of not less than five per cent. Each Retention Holder will subscribe for and hold 50 per cent. of the Minimum Retained Amount (being, in each case, a *pro rata* holding by reference to the Aggregate Collateral Principal Balance of the Purchased Loan Assets in respect of which they respectively act as originator (their "**Origination Percentage**"). A failure by the Retention Holders to comply with the Securitisation Regulation's direct retention requirements or any other direct obligations imposed upon it under the Securitisation Regulation may result in administrative and/or criminal sanctions being imposed on the Retention Holders.

With respect to the commitment of the Retention Holders to retain a material net economic interest in the securitisation, please see the statements set out in *"Certain Regulatory Disclosures"* below.

Interest rate benchmarks – including LIBOR AND SONIA

Various interest rate benchmarks (including SONIA and LIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including the Benchmarks Regulation, whilst others are still to be implemented.

Under the Benchmarks Regulation, which came into force on 1 January 2018 subject to certain transitional provisions, new requirements apply with respect to the provision of benchmarks (including LIBOR and SONIA), the contribution of input data to a benchmark, and the use of a benchmark, all within the European Union. In particular, the Benchmarks Regulation, among other things, (i) requires EU based benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise have their benchmarks recognised or endorsed for use within the EU), (ii) imposes extensive requirements in relation to the administration of benchmarks and (iii) prevents EU-supervised entities from using the benchmarks of administrators that are not authorised or registered (or, if non-EU-based, not deemed equivalent or recognised or endorsed).

Potential effects of the Benchmark Regulation include (among other things):

(a) a "benchmark" may cease to be published by an administrator to which the Benchmark Regulation applies where such "benchmark" no longer represents an underlying economic reality;

(b) an index which is a "benchmark" could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation or, if based in a non-EU jurisdiction, the administrator is not otherwise recognised as equivalent; and

(c) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of the benchmark.

In addition, the sustainability of LIBOR has been questioned by the FCA as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks.

Further, the PRA and the FCA have written to the CEOs of large banks and insurance companies regarding the transition from LIBOR to alternative rates to check that such institutions are taking appropriate action now in respect of the transition to alternative rates ahead of expected implementation at the end of 2021.

These reforms and other pressures may cause one or more interest rate benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted.

Due to the reforms being considered with respect to interest rate benchmarks (including SONIA), based on the foregoing, investors should be aware that:

(a) any of these reforms or pressures or any other changes to a relevant interest rate benchmark (including LIBOR, which is likely to be discontinued from January 2022, and SONIA) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(b) while

(i) an amendment may be made under Condition 15.5 (*Additional Right of Modification to the SONIA Reference Rate*) or Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*) to change the SONIA rate on the SONIA Notes or the LIBOR rate on the Class A2 Notes, as applicable, to an alternative benchmark rate under certain circumstances broadly related to SONIA dysfunction or discontinuation and subject to certain conditions including objections to the proposed amendment being received by less than 10 per cent. of Noteholders of the Most Senior Class of SONIA Notes or the Class A2 Notes, as applicable;

(ii) the Issuer is under an obligation to use reasonable endeavours to propose an Alternative Benchmark Rate in accordance with Condition 15.5 (*Additional Right of Modification to the SONIA Reference Rate*) under Condition 6(e)(i) (*SONIA Rate of Interest*) and Condition 6(e)(ii) (*LIBOR Rate of Interest*); and

(iii) an amendment may be made under Condition 15.5 (*Additional Right of Modification to the SONIA Reference Rate*) or Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*) to change the benchmark rate that then applies in respect of each SONIA Transaction or the LIBOR Cap Transaction, as applicable, under the Interest Rate Hedge Agreement for the purpose of aligning the benchmark rate of (i) SONIA Transactions to the benchmark rate of the SONIA Notes following a Benchmark Rate Modification or (ii) LIBOR Cap Transaction to the benchmark rate of the Class A2 Notes following a LIBOR Modification,

there can be no assurance that any such amendments will be made or, if made, that they (x) will fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the SONIA Notes and SONIA Transactions or the Class A2 Notes and LIBOR Cap Transaction, as applicable, under the Interest Rate Hedge Agreement or (y) will be made prior to any date on which any of the risks described in this risk factor may become relevant; and

(c) if SONIA or LIBOR are discontinued, and whether or not an amendment is made under Condition 15.5 (*Additional Right of Modification to the SONIA Reference Rate*) or Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*), as applicable, to change the benchmark rate on the Notes as described in paragraph (b) above, if a proposal for an equivalent change to the benchmark rate on the SONIA Transactions or the LIBOR Cap Transaction under the Interest Rate Hedge Agreement is not approved in accordance with Condition 15.5 (*Additional Right of Modification to the SONIA Reference Rate*) or Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*), as applicable, there can be no assurance that the applicable fall-back provisions under the Interest Rate Hedge Agreement would operate so as to ensure that the benchmark floating interest rate used to determine payments under the Interest Rate Hedge Agreement is the same as that used to determine interest payments under the Notes, or that any such amendment made under Condition 15.5 (*Additional Right of Modification to the SONIA Reference Rate*) or Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*), as applicable, would allow the transaction under the Interest Rate Hedge Agreement to effectively mitigate interest rate risk on the Notes. This, in turn, could cause a risk of mismatch of interest and reduced payments on the Notes.

Moreover, any of the above matters (including an amendment to change the SONIA rate or the LIBOR rate as described in paragraph (c) above) could affect the ability of the Issuer to meet its obligations under the SONIA Notes or the Class A2 Notes, as applicable, and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the SONIA Notes or the Class A2 Notes, as applicable. Changes in the manner of administration of SONIA or LIBOR could result in amendments to the Conditions and the Interest Rate Hedge Agreement, early redemption, delisting or other consequences in relation to the Notes. No assurance may be **provided that** relevant changes will not occur with respect to SONIA or LIBOR or any other relevant interest rate benchmark and/or that such benchmarks will continue to exist.

Notwithstanding the discussion in paragraph (c) above, investors should be aware that the market continues to develop in relation to the use of SONIA as a reference rate in the capital markets and its adoption as an alternative to LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The FCA has indicated in a series of statements and speeches that it will no longer guarantee LIBOR publication after 2021. Since January 2018, the Bank of England and FCA Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to SONIA so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to the SONIA Notes and as used in the Interest Rate Hedge Agreement. Interest on SONIA Notes is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Note Payment Date. It may be difficult for investors in SONIA Notes to reliably estimate the amount of interest which will be payable on such Notes.

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

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 Tax Regulations**")), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Securitisation Tax Regulations), for so long as it satisfies the conditions of the Securitisation Tax Regulations. However, if the Issuer does not satisfy the conditions to be taxed in accordance with the Securitisation Tax 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 payment on the Notes.

Withholding Tax on the Notes

So long as the Notes remain "Quoted Eurobonds" in accordance with Section 882 of the Income Tax Act 2007, no withholding tax would currently be imposed on payments of interest on the Notes. However, there can

be no assurance that the law will not change. In addition, as described under Condition 12 (*Taxes*), the Issuer is authorised to withhold amounts otherwise distributable to a holder if the holder fails to provide the Issuer or its agents with any correct, complete and accurate information that may be required for the Issuer to comply with FATCA and to prevent the imposition of U.S. federal withholding tax under FATCA on payments to or for the benefit of the Issuer, or if the holder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA.

If any withholding tax or deduction for tax is imposed on payments of interest on the Notes, the holders of the Notes will not be entitled to receive grossed-up amounts to compensate for such withholding tax and no Event of Default shall occur as a result of any such withholding or deduction.

In the event of the occurrence of a Tax Event pursuant to which any payment on the Notes of any Class becomes properly subject to any withholding tax or deduction on account of tax, the Notes may be redeemed in whole but not in part subject to certain conditions as set out in Condition 8.3 (*Optional Redemption in whole following a Tax Event*) (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option).

EU Financial transaction tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the "**Commission's proposal"**) for a financial transaction tax ("**FTT"**) to be adopted in certain participating EU Member States (including Belgium, Germany, Estonia (although Estonia has since stated that it will not participate), Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). If the Commission's proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which would include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply 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 financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest and/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 and the FTT is adopted based on the Commission's proposal. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. 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.

Exemption from FCA authorisation requirements

The Issuer is not and does not propose to be an authorised person under FSMA. Pursuant to the Financial Services and Markets Act 2000 (Exemptions) Order 2001, the Issuer will be exempt from the general prohibition in respect of a lender or another person exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement while certain conditions are satisfied, including that the Issuer has

entered into a servicing arrangement with a party that is authorised with permission to carry on such activity and it is less than 30 days since the day on which such servicing arrangement came to an end. The Platform Servicer holds full authorisation for such activities and the Back-Up Servicer is currently authorised to carry out such activities. Nevertheless, if the arrangements in place with the Platform Servicer and Back-Up Servicer terminate for any reason such that no such servicing arrangement is in place, there can be no assurance that the Issuer will be able to enter into a servicing arrangement with another party with the necessary permission within thirty days, or at all, or that if it does so it will be able to enter into such arrangement on economic terms similar to the Servicing Agreement.

Office of Fair Trading, Financial Conduct Authority and Other Regulatory Authorities

Certain lending in the United Kingdom is regulated by the Consumer Credit Act 1974 (as amended, extended or re-enacted from time to time) (the "**CCA**"). The regulator for credit agreements regulated by the CCA was the OFT before 1 April 2014, which issued licences and guidance on conduct of business under the CCA, and is the FCA from 1 April 2014, which issues authorisation, rules and guidance on conduct of business under FSMA. Firms carrying out consumer credit activities must be authorised under FSMA. Failure to hold the relevant authorisation is a criminal offence. Authorised firms must comply with the relevant provisions of FSMA and related secondary legislation, the FCA's rules in CONC, the provisions of the CCA and related secondary legislation which have been retained following the transfer of consumer credit regulatory functions from the OFT to the FCA, and the Unfair Terms in Consumer Contracts Regulations 1999 (as amended) and the Consumer Rights Act 2015 (see "*Unfair Terms in Consumer Contracts Regulations 1999 and the Consumer Rights Act 2015*).

A credit agreement is regulated by the CCA in the following circumstances:

(a) for agreements made prior to 1 April 2014, if (a) the customer is or includes an "individual" as defined in section 189(1) of the CCA (which includes certain small partnerships and certain unincorporated associations); (b) the amount of "credit" as defined in section 9(1) of the CCA does not exceed any applicable financial limit in force when the credit agreement was made (from 6 April 2008, no applicable financial limit is in force, except a limit of £25,000 for certain changes to credit agreements); and (c) the credit agreement is not an exempt agreement under the CCA (for example, certain credit agreements for business purposes with a credit limit exceeding £25,000 are exempt agreements); or

(b) for agreements made on or after 1 April 2014, where it is a regulated credit agreement for the purposes of Chapter 14A of Part 2 of the FSMA (Regulated Activities) Order 2001, i.e. if it involves the provision of credit of any amount by a lender to an individual or "relevant recipient of credit" (which includes certain small partnerships and certain unincorporated associations) and does not fall within any of the exemptions set out in articles 60C to 60H of the FSMA (Regulated Activities) Order 2001 which largely reflect the exemptions referred to in (a) above which were already in place, for example, for business credit agreements with a credit limit exceeding £25,000.

In such circumstances, the lender has to comply with authorisation and permission or licensing requirements (as described above) and the credit agreement, as well as pre-contractual documentation, have to comply with certain origination requirements. If they do not comply with those requirements and the credit agreement was made on or after 6 April 2007, then it is unenforceable against the customer: (a) without an order of the FCA or the court (depending on the facts), if the lender or any broker did not hold the required licence or authorisation and permission(s) at the relevant time; or (b) without a court order, if other origination requirements as to pre-contract disclosure, documentation and procedures are not complied with and in exercising its discretion whether to make the order, the court has regard to any prejudice suffered by the customer and any culpability by the lender.

The customer has a right to withdraw from any regulated credit agreement (subject to certain exceptions). The customer may give notice to withdraw at any time during the 14 days starting with the day after the relevant day according to the origination procedures (i.e. the relevant day is the day on which the customer receives notice that the agreement has been executed in accordance with sections 66A(3)(c) and 61A(3) of the CCA or, where the customer is notified of the credit limit after execution of the agreement, from the date of such notification (whichever is the latest)). If the customer withdraws, then: (a) the customer is liable to repay to the lender any credit provided and the interest accrued on it; (b) the customer is not liable to pay to the lender any compensation, fees or charges except any non-returnable charges paid by the lender to a public administrative

body; and (c) any insurance contract between the insurer and the customer and financed by the credit agreement on the basis of an agreement between the insurer and the lender is treated as if it had never been entered into.

The credit agreement is unenforceable against the customer for any period when the lender fails to comply with CCA requirements as to periodic statements, arrears notices, notice of default sums or default notices (although any such unenforceability may be cured by the lender remedying the breach). Further, the customer is not liable to pay interest or default fees for any period when the lender fails to comply with requirements as to arrears notices and interest on default fees is restricted to nil until the 29th day after the day on which a compliant notice of default fees is given and then to simple interest (i.e. interest may only be calculated on the principal amount of the default fee). To the extent that the borrower had already made interest payments during such a period of non-compliance, the lender is required to repay those interest payments to the borrower.

Under sections 75 and 75A 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 section 138D of FSMA. From 1 April 2014, such rules have included rules in 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 Purchased Loan Asset or under any other Loan that the borrower has taken with the Seller. Any such set off in relation to Purchased Loan Asset in the Loan Portfolio may adversely affect the Issuer's ability to make payments in full on the Notes when due.

The court has power under section 140B of the CCA to determine that the relationship between the lender and the customer arising out of the credit agreement (whether alone or with any related agreement) is unfair to the customer. If the court makes the determination, then it may make an order, among other things, requiring the originator, or any assignee such as the Issuer, to repay any sum paid by the customer. In deciding whether to make the determination, the court is required to have regard to all matters it thinks relevant, including the lender's conduct before and after making the credit agreement, and may make the determination even after the relationship has ended. Once the borrower or customer alleges that an unfair relationship exists, then the burden of proof is on the lender to prove the contrary. Sections 140A to C of the CCA give the court extensive powers if it finds that the relationship between a creditor and a debtor is unfair which could include the repayment of any sums paid under the relevant contract.

In *Plevin v Paragon Personal Finance Limited* [2014] UKSC 61, the UK Supreme Court clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules. The determination of a court that a relationship is unfair in relation to an underlying credit agreement may result in unrecoverable losses.

Zopa and the Seller have interpreted certain technical rules under the CCA in line with the market. If such interpretation were held to be incorrect by a court or any dispute resolution authority, then a Purchased Loan Asset, to the extent that it is regulated under the CCA or treated as such, would be unenforceable as described above. If such interpretation were challenged by a significant number of Zopa 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 lenders, but such decisions are very few and are generally county court decisions which are not binding on other courts. Lenders have historically pursued such debts as though they are simply enforceable, until such time as those defects were raised by the borrower and/or the court in any claim. If, however, a court or the FCA were to take a view that lenders are required to notify borrowers of such defects before pursuing enforcement, this would represent a significant compliance cost. It should thus be borne in mind that enforcement may be a lengthier and more costly process in future.

Unfair Terms in Consumer Contracts Regulations 1999 and the Consumer Rights Act 2015

In the United Kingdom, the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the "**UTCCR**"), applied to agreements made between 1 October 1999 and 30 September 2015 entered into by a "consumer" and a "trader" within the meaning of the UTCCR, where the term being challenged as unfair has not been individually negotiated. Regulation 2 of the UTCCR revoked the Unfair Terms in Consumer Contracts Regulations 1994, which applied to agreements entered into between 1 July 1995 and 30 September 1999 and were replaced by the UTCCR. The Consumer Rights Act 2015 (the "**CRA**") has revoked the UTCCR as from 1 October 2015.

The UTCCR and the CRA provide that a consumer (which would include a borrower under all or almost all of the Purchased Loan Assets) may challenge a standard term in an agreement on the basis that it is "unfair" within the UTCCR/CRA and, therefore, not binding on the consumer (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term).

A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. The CRA also applies substantially the same test of fairness to consumer notices and generally refers to term and notices interchangeably. In determining whether a term is fair it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends.

The CMA is the UK's national competition and consumer authority and therefore principal enforcer of the UTCCR and CRA. However, the CMA and the FCA concurrently supervise unfair terms under the UTCCR and the CRA. There is a Memorandum of Understanding dated 12 January 2016 that outlines the nature of this arrangement. Importantly, the Memorandum of Understanding clarifies that it is the FCA's responsibility to consider fairness within the meaning of the UTCCR and the CRA in financial services contracts entered into by authorised firms or appointed representatives and take action where appropriate. The CMA published guidelines on 31 July 2015 (reference CMA37) to support the CRA. On 19 December 2018, the FCA published finalised guidance outlining factors the FCA considers firms should have regard to when drafting and reviewing variation terms in consumer contracts (FG18/7). The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA stated that firms should consider both this guidance and any other rules that apply when they draft and use variation terms in their consumer contracts.

The broad and general wording of the UTCCR, and the CRA, makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a court would find a term to be unfair. It is therefore possible that any Purchased Loan Assets made with consumers may contain unfair terms, which may result in the possible unenforceability of those unfair terms. No assurance can be given that any regulatory action or guidance in respect of the UTCCR or the CRA will not have a material adverse effect on the Purchased Loan Assets and accordingly on the Issuer's ability to make payments in full when due on the Notes.

Consumer Protection from Unfair Trading Regulations 2008

The Consumer Protection from Unfair Trading Regulations 2008 (the "UTR") prohibit unfair, aggressive and misleading business-to-consumer commercial practices before, during and after a consumer contract is made. The UTR do not currently give any claim, defence or right of set-off to an individual consumer. Breach of the UTR does not (of itself) render an agreement void or unenforceable, but the possible liabilities for misrepresentation or breach of contract in relation to agreements may result in irrecoverable losses on amounts to which such agreements apply. The Consumer Protection (Amendment) Regulations 2014 amended the UTR (with effect from 1 October 2014) so as to give consumers a right to redress for certain prohibited practices, including a right to unwind agreements.

The UTR require the CMA (prior to 1 April 2014, the OFT) and local trading standards authorities to enforce the UTR by prosecution or by seeking an enforcement order to prevent a business from carrying on unfair practices. In addition, the FCA (prior to 1 April 2014, the OFT) addresses unfair practices in its regulation of consumer finance. No assurance can be given that any regulatory action, guidance in respect of the UTR or any changes to the UTR will not have a material adverse effect on the Underlying Agreements and accordingly on the Issuer's ability to make payments in full when due on the Notes.

Risks relating to the Banking Act 2009

The Banking Act 2009 (the "**Banking Act**") includes provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of certain UK incorporated entities, including authorised deposit-taking institutions and investment firms, and powers to take certain resolution actions in respect of third country institutions. In addition, powers may be used in certain circumstances in respect of UK established banking group companies, where such companies are in the same group as a relevant UK or third country institution or in the same group as an EEA credit institution or investment firm. Relevant transaction parties for these purposes include Zopa Limited, the Issuer Account Bank and the Interest Rate Hedge Counterparty.

The tools available under the Banking Act may be used in respect of relevant institutions and, in certain circumstances, their UK established banking group companies (such as the Platform Servicer, as a sister company of Zopa Bank Limited). The tools available under the Banking Act include share and property transfer powers (including powers for partial property transfers), bail-in powers, certain ancillary powers (including powers to modify contractual arrangements in certain circumstances) and special insolvency procedures which may be commenced by the UK authorities. It is possible that the extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a relevant entity could be made and, in certain circumstances, the UK authorities may exercise broad pre-resolution powers in respect of relevant entities with a view to removing impediments to the exercise of the stabilisation tools.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the 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 system of the United Kingdom. The Banking Act includes provisions related to compensation in respect of 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 authorities may choose to exercise them.

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

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

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

Lastly, Directive 2014/59/EU (as updated by the European Commission's Banking Reform Package (as defined below) which came into force on 27 June 2019) provides for the establishment of an EEA-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures. It is therefore possible that an institution with its head office in an EEA state other than the UK and/or certain group companies could be subject to certain resolution actions in that other state. Once again, any such action may affect the ability of any relevant entity to satisfy its obligations under the Transaction Documents and there can be no assurance that Noteholders will not be adversely affected as a result.

Financial Ombudsman Service

Under FSMA, the Financial Ombudsman Service (the "**Ombudsman**") is required to make decisions on, among other things, complaints by eligible complainants relating to activities and transactions under its jurisdiction on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all circumstances of the case, taking into account, among other things, law and guidance. 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 a borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments to Noteholders.

Changes in laws or regulations affecting Zopa or the Issuer

The regulatory environment surrounding the marketplace lending industry is relatively new and susceptible to change and in certain respects requires clarifications or interpretive guidance in respect of existing laws and regulations. The body of law and regulation in respect of the marketplace lending industry is continuously evolving and, as currently drafted and applied by regulatory bodies, may result in technical requirements for market participants to hold certain permissions in relation to loans to obligors which are in excess of those required by the intended scope of legislation. Zopa is subject to laws and regulations enacted by national and local governments (as applicable) and the Issuer is, or may be in future affected by such laws and regulations. Any change in the law and regulation affecting the Issuer (or the Seller) or affecting Zopa, may have a material adverse effect on the ability of Zopa and/or the Issuer to carry on their businesses.

Privacy and data security laws

Due to the personal and sensitive nature of the information that is collected from prospective Zopa Borrowers, it is imperative that marketplace operators comply with Applicable Laws and regulations governing the security of personal data. Zopa has policies and procedures intended to ensure that any personal data it collects from Zopa Borrowers and processes and holds is handled securely and disposed of properly in accordance with Applicable Law.

Through its participation in the Zopa Platform, the Issuer may obtain personal data about loan applicants, and intends to comply with Applicable Law in this regard.

Any violations of data security, personal data or other Applicable Laws by the Issuer could subject it to fines, penalties, or other regulatory action, which, individually or in the aggregate, could be costly and would likely entail ongoing expense to ensure compliance. Likewise, violations by Zopa could adversely affect the operations of the Zopa Platform, and so affect the availability or performance of investments through these platforms.

Regulation of peer to peer platform operators in the UK

Lending platforms in the UK that carry out the regulated activity known as 'operating an electronic system in relation to lending' are subject to regulation by the FCA. Zopa Limited (firm registration reference number 718925) is and has been fully authorised by the FCA since 10 May 2017. Zopa Limited has regulatory permissions to undertake the regulated activities of credit broking, debt administration, debt administration, debt-collecting, entering into a regulated credit agreement as lender and exercising/having the right to exercise lender's rights and duties under a regulated credit agreement and operating an electronic system in relation to lending. In addition to authorising lending platform operators by granting regulatory permissions, the FCA also introduced certain regulatory controls for such firms, including conduct of business rules (in particular, around disclosure and financial promotions), minimum capital requirements, client money protection rules, dispute resolution rules and a requirement for platform firms to have resolution plans in place to ensure existing loans continue to be administered and serviced if the firm were to go out of business.

In June 2019, the FCA published final rules following its post-implementation review of the regulation of the peer-to-peer lending sector (the "**2019 Rules**"). The 2019 Rules, which must be implemented by 9 December 2019, include:

- enhanced requirements for platform governance arrangements including in relation to credit risk assessment, risk management and fair valuation practices;
- strengthening rules on wind-down planning in the event of platform failure;
- setting out the minimum information that a platform should provide to investors; and

- introducing a requirement to monitor the investors that can use a platform, including that platforms assess investors' knowledge and experience of platform lending. Firms that communicate direct offer financial promotions are required to ensure that retail clients:
    - be certified/self-certified as 'sophisticated investors' or 'high net worth investors'; or
    - confirm before a promotion is made that they will receive regulated investment advice or investment management services from an authorised person; or
    - do not invest more than 10% of their net investible assets in peer-to-peer agreements in the 12 months following certification.

The impact of the implementation of the 2019 Rules and the outcome to Zopa's business, its customers and investors is currently uncertain, however the 2019 Rules do not relate to the Purchased Loan Assets.

In March 2018, the European Commission published a proposal for a Regulation on European crowdfunding service providers for business. In summary, the proposal: (i) establishes a single point of access to the EU market with the aim of helping crowdfunding platforms to overcome the barriers they face operating cross-border as, currently, each EU country operates their own crowdfunding regulatory regime; (ii) sets out rules that EU crowdfunding service providers must comply with; (iii) increases opportunities for EU investors while safeguarding a high level of investor protection; and (iv) sets out the requirements crowdfunding service providers will have to meet to receive authorisation and provides a single point of entry for authorisation and supervision by a single authority (ESMA). The European Council has published a compromise proposal on 26 June 2019. Once adopted, the Commission intends for the Regulation to enter into force on the twentieth day following its publication in the Official Journal of the EU and it will apply 12 months thereafter. The Regulation may require the FCA to amend its rules for crowdfunding platforms.

As the rules have not yet been adopted there can be no guarantee as to whether any changes will be positive from Zopa's and/or investors' perspective, or whether such changes will be adverse from Zopa's and/or investors' perspective. It should also be noted that should Brexit proceed, this proposal will not apply in the UK without the UK Treasury enacting reciprocal provisions.

TRIGGERS TABLES

Ratings Triggers Table

Transaction Party	Required Ratings on the Closing Date	Possible effects of Ratings Trigger being breached include the following
Issuer Account Bank:	"**Account Bank Rating**" means (i) a long-term, issuer default rating by Fitch of A and long term, unsecured, unguaranteed and unsubordinated debt obligations rated by DBRS or a DBRS Critical Obligations Rating of at least A or (ii) a short-term, issuer default rating by Fitch of F1 and long term, unsecured, unguaranteed and unsubordinated debt obligations rated by DBRS or a DBRS Critical Obligations Rating of at least A or (iii) in each case, such other short-term or long-term rating which will not have an adverse effect on the ratings of the Rated Notes.	If the Issuer Account Bank ceases to be an Eligible Institution, the Issuer shall use its best endeavours to within 30 calendar days following the first day on which the Issuer Account Bank ceased to be an Eligible Institution, either: (a) close the Issuer Accounts and the Corporate Benefit Account held with the Issuer Account Bank and open new replacement accounts with a financial institution (I) that is an Eligible Institution and (II) which is a bank as defined in Section 991 of the Income Tax Act 2007 which is either (x) incorporated and tax resident in the United Kingdom for United Kingdom tax purposes, or (y) tax resident outside the United Kingdom for United Kingdom tax purposes but which lends from and performs its obligations under the Account Bank Agreement from a facility office within the United Kingdom and to which payments can be made under the Account Bank Agreement without any withholding or deduction for or on account of United Kingdom taxation, and transfer all amounts standing to the credit thereof into such new accounts; (b) obtain an irrevocable, first demand guarantee, commensurate with any relevant Rating Agency criteria, in support of the Issuer Account Bank's obligations under the Account Bank Agreement from a financial institution that is an Eligible Institution; or (c) take such other actions as may be reasonably requested by the parties to the Account Bank Agreement to ensure that the ratings of the Rated Notes immediately prior to the Issuer Account Bank ceasing to be an Eligible Institution are not adversely affected by the Issuer Account Bank ceasing to be an Eligible Institution.
Interest Rate Hedge Counterparty	*Fitch Collateral Trigger Rating / DBRS First Rating Event:* If the Most Senior Class of Notes outstanding has a rating of AAAsf, a	The consequences of breach include: (1) in the event of a Fitch downgrade, the Interest Rate Hedge Counterparty will be required within 14 calendar days, to transfer eligible

Transaction Party	Required Ratings on the Closing Date	Possible effects of Ratings Trigger being breached include the following
	short-term issuer default rating of "F1" or higher or a long-term rating of "A" by Fitch; and A long term critical obligations rating of at least "A", or if no such rating is published by DBRS, the counterparty risk assessment by Moody's is at least "A2(cr)" in the case of DBRS. *Fitch Transfer Trigger Rating / DBRS Second Rating Event:* If the Most Senior Class of Notes outstanding has a rating of AAAsf, a short-term issuer default rating of "F3" or higher or a long-term rating of "BBB-" by Fitch; and A long term critical obligations rating of at least "BBB", or if no such rating is published by DBRS, the counterparty risk assessment by Moody's is at least "Baa2(cr)" in the case of DBRS.	credit support to the Issuer in accordance with the terms of the CSA and, following such transfer, maintain eligible credit support in accordance with the terms of the CSA; and (2) in the event of a DBRS downgrade, the Interest Rate Hedge Counterparty will be required within 30 Local Business Days, to post collateral in accordance with the terms of the CSA.

Non-Ratings Triggers Table

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
Servicing Termination Event	One or more of the following events shall occur and be continuing: (a) the Platform Servicer fails to make any payment or deposit required to be made by it under the Servicing Agreement when due and such failure remains unremedied for five (5) Business Days or, where such failure is due to an administrative or technical error, (7) Business Days since the date on which such administrative or technical error has occurred; (b) other than as set forth in paragraphs (a), (d) or (f), the Platform Servicer fails to observe or perform any term, covenant, undertaking or agreement under the Servicing Agreement in any material respect and such failure shall if capable of remedy, remain unremedied for 15 calendar days, in each case, after the Platform Servicer obtained knowledge or received notice thereof; (c) other than as set forth in paragraph (j) below, any representation, warranty, certification or statement made by the Platform Servicer in the Servicing Agreement (or in any report or other document delivered pursuant thereto) shall prove to have been incorrect in any material respect when made or deemed made and, if capable of remedy, remains unremedied for 15 calendar days after the Platform Servicer obtained knowledge or received notice thereof; (d) except as otherwise expressly permitted by the Transaction Documents, the Platform Servicer shall repudiate the Servicing Agreement or any material provision therein or assert in writing that the Servicing Agreement or any material provision therein are not in full force and effect; (e) any Indebtedness of the Platform Servicer exceeding £2,000,000 (i) is not paid when due or within any originally applicable grace period, (ii) becomes due, or capable or being	the (i) Issuer with the prior written consent of the Trustee, or (ii) (at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) Trustee may, and shall, promptly if so requested by (A) the Noteholders of at least 75 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes in writing; or (B) by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a "**Platform Servicer Termination Notice**") to the Platform Servicer (with a copy to the Trustee, if applicable, the Back-Up Servicer, the Cash Manager and Calculation Agent and the Rating Agencies), that its appointment shall automatically terminate in accordance with the Servicing Agreement, **provided that** no such notice shall be required upon the occurrence of any Servicing Insolvency Event and the appointment of the Platform Servicer shall automatically terminate upon the appointment of a Successor Servicer in accordance with the Servicing Agreement. The Issuer or, (at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee shall, promptly upon becoming aware of the same, notify the Back-Up Servicer (with a copy to the Trustee, if applicable, and the Cash Manager and Calculation Agent) of such occurrence of any Servicing Insolvency Event. Following the occurrence of a Servicing Termination Event, but prior to the delivery of a Platform Servicer Termination Notice the Issuer or the Trustee (as the case may be) shall, without prejudice to their rights under the Transaction Documents generally, consult with the Retention Holders for a period of five (5) Business Days with respect to the proposed delivery of any such notice.

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	declared due and payable, prior to its stated maturity by reason of an event of default (howsoever described), or (iii) any commitment thereunder is cancelled or suspended by a creditor of the Platform Servicer by reason of an event of default (howsoever described) and such event or circumstance remains unremedied for 15 calendar days;	
	(f) the Platform Servicer is not collecting Purchased Loan Proceeds pursuant to the Servicing Agreement or the Platform Servicer is not entitled or is incapable of collecting the Purchased Loan Proceeds for practical or legal reasons;	
	(g) the occurrence of a Material Adverse Effect, pursuant to paragraph (a) of the defined term, with respect to the Platform Servicer;	
	(h) proceedings are initiated against the Platform Servicer under any Insolvency Law, or a Receiver is appointed in relation to the Platform Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Platform Servicer and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within 15 calendar days of its commencement; or the Platform Servicer is, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any insolvent reorganisation or amalgamation;	

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	(i) (i) a court judgment is entered against the Platform Servicer in an amount greater than £2,000,000 individually; or (ii) one or more court judgments are made against the Servicer in an amount greater than £2,000,000 in aggregate, and such judgment (or judgments, as applicable) remains not paid or otherwise discharged for 21 days, in each case, unless the Servicer is appealing the judgments in good faith and with a reasonably prospect of success; or	
	(j) the Platform Servicer ceases to be duly qualified to do business or to have obtained and maintain in effect, and at all times comply with the terms of, all Authorisations and make all notices to or filings or registrations (including, without limitation, authorisations, licences, registrations or notifications required pursuant to FSMA, the CCA and the DPA) required with any Official Body or official thereof or any third party, in each case as required for the due execution and delivery by it of the Servicing Agreement and the performance of any of the Services it is required to provide thereunder.	

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
Back-Up Servicing Termination Event	The occurrence of one or more of the following events: (a) the Back-Up Servicer fails to observe or perform any term, covenant, undertaking or agreement under the Back-Up Servicing Agreement and: (i) such failure is materially prejudicial in the reasonable opinion of the Issuer or, (at any time (x) following the delivery of written notice to the Back-Up Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee (in each case, acting on the instructions of the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Extraordinary Resolution) to the ability of the Back-Up Servicer to perform its obligations under the Back-Up Servicing Agreement or to assume Full Servicing in accordance with and in the time periods set out in the Invocation Plan; and (ii) if capable of remedy such failure remains unremedied for 15 calendar days after the Back-Up Servicer obtained knowledge or notice thereof; (b) any representation, warranty, certification or statement made by the Back-Up Servicer in the Back-Up Servicing Agreement (or in any report or other document delivered pursuant thereto) shall prove to have been incorrect in any material respect when made or deemed made and if capable of remedy remains unremedied for 15 calendar days after the Back-Up Servicer obtained knowledge or received notice thereof;	Upon the occurrence of a Back-Up Servicing Termination Event, the Issuer or the Trustee (acting on the instructions of the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Extraordinary Resolution, subject to being indemnified and/or secured and/or prefunded to its satisfaction) may, at any time thereafter, by notice in writing to the Back-Up Servicer (with a copy to the Rating Agencies) terminate the Back-Up Servicing Agreement with effect from a date (not earlier than the date of such notice) specified in such notice, **provided that** no such termination shall take effect unless and until a Person selected by the Issuer and approved by the Trustee (acting on the instructions of the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Extraordinary Resolution) shall have entered a back-up servicing agreement on substantially similar terms to the Back-Up Servicing Agreement (or such other terms as may be approved by the Trustee acting on the instructions of the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Extraordinary Resolution).

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	(c) proceedings are initiated against the Back-Up Servicer under any Insolvency Law, or a Receiver is appointed in relation to the Back-Up Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Back-Up Servicer; or the Back-Up Servicer is, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any insolvent reorganisation or amalgamation (other than on terms previously approved by the Issuer in writing), provided however, with respect to any involuntary proceedings, such proceedings are not withdrawn or dismissed within 14 calendar days after presentment thereof; (d) a court judgment is entered against the Back-Up Servicer in an amount greater than £2,000,000 and such judgment remains unremedied for 21 calendar days; or (e) at any time the Back-Up Servicer does not have, in full force and effect, and to the extent required for the conduct of its obligations following Invocation, interim permission or full authorisation under FSMA or any other licence, authorisation, approval or consent required from any other Official Body.	
Cash Manager and Calculation Agent Termination Event	A "**Cash Manager and Calculation Agent Termination Event**" means any of: (a) default is made by the Cash Manager and Calculation Agent in giving any payment instruction required to be given (**provided that** in each case there are available funds for such payment standing to the credit of the Issuer Payment Account) under the Cash Management and Calculation Agency Agreement and such default continues unremedied for a period of three (3) Business Days after the earlier to occur of (i) the Cash Manager and Calculation Agent	The Issuer or, (at any time (x) following the delivery of written notice to the Cash Manager and Calculation Agent that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee shall upon becoming aware of a Cash Manager and Calculation Agent Termination Event, deliver a notice (a "**Cash Manager and Calculation Agent Termination Notice**") of such Cash Manager and Calculation Agent Termination Event to the Cash Manager and Calculation Agent (with a copy to the Issuer or the Trustee, as applicable and the Rating Agencies) to terminate its

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	becoming aware of such default and (ii) receipt by the Cash Manager and Calculation Agent of written notice from the Issuer or, (at any time (x) following the delivery of written notice to the Cash Manager and Calculation Agent that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee requiring the same to be remedied; (b) the Cash Manager and Calculation Agent fails to perform or observe any of its other material duties, obligations, covenants or services under the Cash Management and Calculation Agency Agreement and such default continues unremedied for a period of ten (10) days after the earlier of (i) the Cash Manager and Calculation Agent becoming aware of such default or (ii) receipt by the Cash Manager and Calculation Agent of notice from the Issuer, or (at any time (x) following the delivery of written notice to the Cash Manager and Calculation Agent that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee requiring the same to be remedied; or (c) proceedings are initiated against the Cash Manager and Calculation Agent under any Insolvency Law, or a Receiver is appointed in relation to the Cash Manager and Calculation Agent or in relation to the whole or any substantial part of the undertaking or assets of the Cash Manager and Calculation Agent; or the Cash Manager and Calculation Agent is, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any insolvent reorganisation or amalgamation (other than on terms previously approved by the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of	appointment as Cash Manager and Calculation Agent under the Cash Management and Calculation Agency Agreement with effect from the date falling five (5) days from the date of such Cash Manager and Calculation Agent Termination Notice **provided that**, the Cash Manager and Calculation Agent's appointment shall not be terminated until a successor Cash Manager and Calculation Agent has been appointed in accordance with the Cash Management and Calculation Agency Agreement.

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	Ordinary Resolution), provided however, with respect to any involuntary proceeding, any such petition is not dismissed within 14 days after presentment thereof.	
Principal Paying Agent and Registrar Termination	(a) The Issuer may at any time, with the prior written approval of the Trustee, appoint additional paying agents or registrars and/or terminate the appointment of the Principal Paying Agent or the Registrar by giving to the Principal Paying Agent or the Registrar not less than 60 calendar days' prior written notice to that effect, **provided that** it will maintain at all times a Registrar (for so long as the Notes of any Class are listed on the regulated market of Euronext Dublin) and a Principal Paying Agent, and provided always, that no such notice to terminate such appointment shall take effect until a new Principal Paying Agent or Registrar (as applicable) (approved in advance in writing by the Trustee), which agrees to exercise the powers and undertake the duties thereby conferred and imposed upon Principal Paying Agent or the Registrar (as applicable), has been appointed, as approved by the Trustee. Notice of any change in the Principal Paying Agent or the Registrar or their specified offices will promptly be given to the Noteholders by the Issuer in accordance with Condition 10 (*Notifications*). (b) If at any time the Principal Paying Agent or the Registrar shall be adjudged bankrupt or insolvent, or shall file a voluntary petition in bankruptcy or make an assignment for the benefit of its parties or consent to the appointment of a receiver or similar official of all or any substantial part of its property, or if a receiver of it or of all or any substantial part of its property shall be appointed, or if any public officer shall take charge or control of the Principal Paying Agent or the Registrar or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, or a resolution is passed or an order made for the winding up of the Principal Paying Agent or the Registrar, the	(a) Upon the Principal Paying Agent's or the Registrar's resignation or termination becoming effective, the Principal Paying Agent shall forthwith transfer all moneys held by it to the successor Principal Paying Agent or to the Trustee's order, but shall have no other duties or responsibilities thereunder, and shall be entitled to the payment by the Issuer of its remuneration for the services previously rendered under the Principal Paying Agency Agreement and to the reimbursement of all expenses (including legal fees) properly incurred in connection therewith. (b) Upon termination of the Principal Paying Agent's or the Registrar's appointment in accordance with the Principal Paying Agency Agreement, the Issuer shall use its reasonable endeavours to procure the appointment of a replacement Principal Paying Agent and/or Registrar, as applicable. The appointment of any replacement or additional Principal Paying Agent or Registrar shall: (i) be subject to the prior written consent of the Trustee (such consent not to be unreasonably withheld); (ii) be on substantially the same terms as the Principal Paying Agency Agreement; and (iii) be notified to the Rating Agencies by the Issuer.

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	Issuer may, with the prior written approval of the Trustee, terminate the appointment of the Principal Paying Agent or the Registrar (as applicable) forthwith upon giving written notice and without regard to the amount of days' notice as set out in paragraph (a) above. Such termination shall not take effect until a new Principal Paying Agent or Registrar (as applicable) has been appointed. The termination of the appointment of the Principal Paying Agent or the Registrar thereunder shall not entitle the Principal Paying Agent or the Registrar to any amount by way of compensation but shall be without prejudice to any amount then accrued due.	
Issuer Account Bank Termination Events	(a) The Issuer (with prior written notice to the Trustee and the Rating Agencies) may terminate the Account Bank Agreement and the appointment of the Issuer Account Bank and/or close any of the Issuer Accounts and the Corporate Benefit Account by giving not less than 30 calendar days prior written notice to the Issuer Account Bank (with a copy to, as applicable, the Cash Manager and Calculation Agent and the Trustee) (subject to a replacement having been appointed in accordance with the Account Bank Agreement in the event that any of the matters specified in sub-paragraphs (b)(i), (vi), (vii) and (viii) below occur; and (b) the Issuer (with prior written notice to the Trustee) or the Trustee shall terminate the Account Bank Agreement and the appointment of the Issuer Account Bank and/or close any of the Issuer Accounts and the Corporate Benefit Account by giving not less than 30 calendar days (subject to loss of Eligible Institution provisions in the Account Bank Agreement) prior written notice to the Issuer Account Bank (with a copy to, as applicable, the Cash Manager and Calculation Agent, the Issuer and the Trustee) (subject to a replacement having been appointed in accordance with the Account Bank Agreement in the event that any of the matters specified in sub-paragraphs (b)(ii) to (v) (inclusive) below occur,	(a) No termination of the appointment of the Issuer Account Bank pursuant to the Account Bank Agreement shall take effect unless and until a replacement financial institution or institutions (in each case which is: (A) an Eligible Institution; and (B) a "**bank**" as defined in Section 991 of the ITA which is either (i) either incorporated and tax resident in the United Kingdom for United Kingdom tax purposes, or (ii) tax resident outside the United Kingdom for United Kingdom tax purposes but which lends from and performs its obligations under the Account Bank Agreement from a facility office within the United Kingdom and to which payments can be made under the Account Bank Agreement without any withholding or deduction for or on account of United Kingdom taxation) shall have entered into an agreement in form and substance similar to the Account Bank Agreement and acceded to the Master Framework Agreement. (b) The Issuer shall use reasonable endeavours to agree such terms with such a replacement financial institution or institutions within 30 calendar days of the occurrence of a Termination Event as set out in the Account Bank Agreement. In the event of the termination of its appointment, the Issuer Account Bank shall at the cost of the Issuer but subject to provisions relating to the Issuer Account Bank's loss of

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	in each case, by serving a written notice of termination on the Issuer Account Bank in the following circumstances: (i) if a Tax Deduction (which, for the avoidance of doubt, shall include any FATCA Deduction), pursuant to the Account Bank Agreement or otherwise, is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on the Issuer Accounts; or (ii) in respect of the Issuer Account Bank, it ceases to be an Eligible Institution; or (iii) if the Issuer Account Bank is a "financial institution" as such term is defined pursuant to FATCA, and such Issuer Account Bank ceases to be (i) a "participating foreign financial institution" as such term is defined pursuant to FATCA (including a financial institution deemed to be compliant with the provisions of section 1471(b) of the Code pursuant to an applicable agreement between the United States and another jurisdiction) from the effective date(s) of any FATCA Deduction or (ii) otherwise a FATCA Exempt Party and a replacement of the Issuer Account Bank would avoid such application; or (iv) if the Issuer Account Bank, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (v) below, ceases or, through an authorised action of the board of directors of the Issuer Account Bank, threatens to cease to carry on all or substantially all of its business or the Issuer	Eligible Institution status, assist the other parties thereto to the extent reasonably necessary to effect an orderly transition of the banking arrangements documented thereby. On termination of the appointment of the Issuer Account Bank, the Issuer Account Bank shall be entitled to receive all fees and other moneys accrued on a *pro rata* basis up to the date of termination but shall not be entitled to any other or further compensation. Such moneys so due to the Issuer Account Bank shall be paid by the Issuer on the date of termination subject always to the provisions of the Charge and Assignment and the applicable Priority of Payments.

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	Account Bank is deemed unable to pay its debts as and when they fall due within the meaning of section 123(1)(a) of the Insolvency Act 1986 (on the basis that the reference in such section to £750 was read as a reference to £10 million), section 123(1)(b), (c), (d) and (e) of the Insolvency Act (on the basis that the words "for a sum exceeding £10 million" were inserted after the words "extract registered bond" and "extract registered protest") and section 123(2) of the Insolvency Act 1986 (as that section may be amended) or ceases to be a bank as defined in section 991 of the ITA; or (v) if proceedings are initiated against the Issuer Account Bank under any Insolvency Law (other than proceedings which have been made on frivolous or vexatious grounds or wholly unjustifiable grounds) or a Receiver is appointed in relation to the Issuer Account Bank or in relation to the whole or any substantial part of the undertaking or assets of the Issuer Account Bank; or the Issuer Account Bank is, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any insolvent reorganisation or amalgamation (other than on terms previously approved by the Issuer in writing), provided however, with respect to any involuntary proceeding, any such petition is not dismissed	

Transaction Party	Description of Trigger (subject in each case to applicable qualifiers)	Possible effects of Non-RatingsTrigger being breached include the following
	within 14 calendar days after presentment thereof; or (vi) default is made by the Issuer Account Bank in the payment on the due date of any payment due and payable by it under the Account Bank Agreement (**provided that** cleared, immediately available funds have been received by the Issuer Account Bank in accordance with the terms of the Transaction Documents) and such default continues unremedied for a period of five (5) Business Days after the earlier of the Issuer Account Bank becoming aware of such default and receipt by the Issuer Account Bank of written notice from the Issuer, the Cash Manager and Calculation Agent or, as the case may be, the Trustee, requiring the same to be remedied; or (vii) default is made by the Issuer Account Bank in the performance or observance of any of its other covenants and obligations under the Account Bank Agreement, which in the opinion of the Trustee is materially prejudicial to the interests of the Secured Creditors and such default continues unremedied for a period of 15 Business Days after the earlier of the Issuer Account Bank becoming aware of such default and receipt by the Issuer Account Bank of written notice from the Issuer, the Cash Manager and Calculation Agent or, as the case may be, the Trustee requiring the same to be remedied; or (viii) at any time, without cause.	

FEES

The following table sets out the ongoing annual fees to be paid by the Issuer to the specified Transaction Parties.

Type of fee	Amount of fee	Priority in cashflow	Frequency
Zopa Loan Servicing Fee	an amount per annum deducted from the Interest Proceeds of each payment made in respect of each Purchased Loan Asset that a Borrower makes when its Loan is not a Delinquent Loan or a Defaulted Loan, such that the annualised interest rate received by the Issuer in respect of such Purchased Loan Asset is equal to the contractual interest rate applicable to such Loan less the applicable Servicing Fee Rate The Servicing Fee Rate with respect to the Loans in the Provisional Loan Portfolio ranges from 0.25 per cent. to 0.46 per cent. and the weighted average of the Servicing Fee Rate for the Loans in the Provisional Loan Portfolio as of the Provisional Loan Portfolio Cut-Off Date is 0.31 per cent.	Where the Platform Servicer is Zopa, it shall be entitled to deduct the Zopa Servicing Fee from the Interest Proceeds transferred to the Issuer Client Account.	Monthly
Loan Servicing Fee	an amount as set out in the Back-Up Servicing Agreement	The Loan Servicing Fee payable where Zopa is not the Platform Servicer and a Successor Servicer has been appointed will be payable from the Successor Servicer Effective Date in item (c) (*third*) in the Pre-Acceleration Interest Priority of Payments, payable as Administrative Expenses.	Monthly

Type of fee	Amount of fee	Priority in cashflow	Frequency
Other fees and expenses of the Issuer	Estimated at £130,000 per annum (exclusive of VAT)	Items (b) or (c) (*second* or *third*) in the Pre-Acceleration Interest Priority of Payments.	Monthly
Expenses related to the listing and admission to trading of the Notes	€22,441.20 (approximately)	Ahead of all outstanding Notes.	One-off payment

CERTAIN REGULATORY DISCLOSURES

The Retention Holders will, for the life of the Transaction, retain, as "originators" (as defined in Article 2(3) of the Securitisation Regulation, a material net economic interest of not less than five (5) per cent. in the securitisation in accordance with the Article 6 of the Securitisation Regulation. As at the Closing Date, such interest will take the form of a first loss tranche in accordance with Article 6(3)(d) of the Securitisation Regulation comprising each of the Class Z1 Notes and the Class Z2 Notes having a Principal Amount Outstanding of not less than five (5) per cent. of the nominal value of the securitised exposures (the "**Minimum Retained Amount**") (taking into account on the Closing Date the maximum nominal value of the Loan Assets that the Issuer can hold at any time from (and including) the Closing Date to (and including) the Final Additional Purchase Date. Each Retention Holder will subscribe for and hold 50 per cent. of the Minimum Retained Amount (being, in each case, a *pro rata* holding by reference to the Aggregate Collateral Principal Balance of the Purchased Loan Assets in respect of which they respectively act as originator (their "**Origination Percentage**"). Any change to the manner in which such interest is held will be notified to the Noteholders in the Investor Reports and in accordance with the provisions of Article 7 of the Securitisation Regulation. Please refer to the section entitled "*Subscription and Sale*" for further information.

Each Retention Holder will severally undertake in favour of the Issuer and the Trustee (pursuant to the Master Framework Agreement) and the Arranger and the Joint Lead Managers (pursuant to the Subscription Agreement), that, for so long as any Note remains outstanding:

(a) it will subscribe for and hold 50 per cent. of the Minimum Retained Amount (being, in each case, a pro rata holding by reference to the Aggregate Collateral Principal Balance of the Purchased Loan Assets in respect of which they respectively act as originator (their "**Origination Percentage**"); and

(b) it shall notify the Issuer, the Trustee, the Cash Manager and Calculation Agent and the Arranger promptly if for any reason: (i) it ceases to hold its Origination Percentage the Minimum Retained Amount in accordance with the terms of this Schedule or (ii) it fails to comply with any of its other obligations in this section.

Each Retention Holder will severally undertake in favour of the Issuer and the Trustee (pursuant to the Master Framework Agreement) and the Arranger and the Joint Lead Managers (pursuant to the Subscription Agreement), that, for so long as any Note remains outstanding, they shall not:

(a) sell, transfer or surrender all or any part of its rights, benefits or obligations arising from its economic interest in its Origination Percentage of the Minimum Retained Amount;

(b) allow its economic interest in its Origination Percentage of the Minimum Retained Amount to become subject to any form of credit risk mitigation or hedging;

(c) enter into a transaction synthetically effecting any of the actions referred to in paragraphs (a) to (b) above, or referencing its economic interest in its Origination Percentage of the Minimum Retained Amount; or

(d) take any other action which would reduce the Retention Holder's aggregate exposure to the economic risk of its Origination Percentage of the Minimum Retained Amount,

in each case, except to the extent permitted under the Securitisation Regulation.

Each Retention Holder will severally undertake in favour of the Issuer and the Trustee (pursuant to the Master Framework Agreement) and the Arranger and the Joint Lead Managers (pursuant to the Subscription Agreement), that, to the extent that not all of the Loans held by either of them or the Seller that satisfy the Eligibility Criteria as at the Loan Warranty Date are transferred to the Issuer on the Closing Date pursuant to the Loan Sale and Purchase Agreement, the Loans sold to the Issuer pursuant to the Loan Sale and Purchase Agreement have not been selected with the aim of rendering losses on such Loans, over the greater of (A) the life of the Transaction, and (B) the period of four (4) years from the date of their sale, higher than the losses over the same period on comparable Loans held on the Retention Holders' balance sheet.

The Retention Holders have verified that the Purchased Loan Assets sold to the Issuer pursuant to the Transaction Documents were originated by the application of the same sound and well-defined criteria for credit granting which Zopa applies to non-securitised Loans and, to this end, the same clearly established processes for

approving and, where relevant, amending, renewing and refinancing credits has been and shall be applied to the Purchased Loan Assets and Zopa has effective systems in place to apply such criteria and processes in order to ensure that credit-granting is based on a thorough assessment of each Zopa Borrower's creditworthiness taking appropriate account of factors relevant to verifying the prospect of the Zopa Borrower meeting their obligations under a Loan Contract.

Each Retention Holder will represent and warrant that it has not been established and does not operate for the sole purpose of securitising exposures. Please refer to the section entitled "*The Retention Holders and Reporting Agent*" for further information regarding the Retention Holders.

Each Retention Holder will undertake in favour of the Issuer, the Trustee, the Arranger, the Joint Lead Managers and the other Retention Holder that in each Quarterly Investor Report it will disclose (or will procure there is disclosed): (i) any change in the manner in which its Origination Percentage of the Minimum Retained Amount is held (if applicable) and (ii) such information (if any) as is required to be made available or disclosed by it under the Securitisation Regulation in such Investor Report (other than any information which the Issuer as reporting entity has undertaken to provide pursuant to Article 7 of the Securitisation Regulation), and that it shall give notice of any such change and/or provide such information Cash Manager and Calculation Agent no later than two (2) Business Days immediately preceding each Calculation Date in respect of any such applicable Quarterly Investor Report.

Article 5 of the Securitisation Regulation requires an institutional investor to, amongst other things, be able to demonstrate that it has undertaken certain due diligence prior to holding each of its individual securitisation positions and that it has a comprehensive and thorough understanding of, and has implemented written policies and procedures appropriate to, its trading book and non-trading book which are commensurate with the risk profile of its investment in a securitised position.

The Trustee shall have the benefit of certain protections contained in the Trust Deed in relation to the compliance of the Retention Holders with such undertaking. For further information please refer to the Risk section entitled "*Risk Factors – Counterparty Risks -The Trustee is not obliged to act in certain circumstances*".

The transaction is not intended to involve the retention by a sponsor of at least five per cent. of the credit risk of the securitised assets for the purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the U.S. Risk Retention Rules). Instead, for these purposes, the intention is to rely on an exemption for certain non-U.S. transactions provided for in Section __ 20 of the U.S. Risk Retention Rules. Therefore, in order to ensure that the transaction falls within this exemption, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any "U.S. person" (as defined in the U.S. Risk Retention Rules). See "*Some Important Legal and Regulatory Considerations – U.S. Risk Retention Rules*."

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with the Securitisation Regulation and none of the Issuer, the Seller, Zopa, the Reporting Agent, the Retention Holders, the Trustee, the Arranger or the Joint Lead Managers makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition each prospective Noteholder should ensure that they comply with the implementing provisions in respect of the Securitisation Regulation in their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

Volcker Rule

The Issuer is of the view that it is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a "covered fund" for purposes of the Volcker Rule. In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determination that the Issuer should satisfy the requirements under Section 10(c)(8) of the Volcker Rule, commonly referred to as the "loan securitization exclusion." Any prospective investor in the Notes, including a bank or subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule and its effects. See "*Some Important Legal and Regulatory Considerations – Volcker Rule*."

Credit Rating Agency Regulation

Each of DBRS and Fitch is a credit rating agency established and operating in the European Union and registered under the CRA 3 Regulation.

In general, European regulated investors are restricted under the CRA 3 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 3 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 3 Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

For further information please refer to the section entitled "*Some Important Legal and Regulatory Considerations – Regulatory Initiatives*".

WEIGHTED AVERAGE LIFE OF THE NOTES

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

(a) the Purchased Loan Assets are subject to a constant annual rate of prepayment (excluding scheduled principal redemptions) of between 0 and 40 per cent. per annum as shown on the table below;

(b) no Enforcement Notice has been served on the Issuer and no Event of Default has occurred;

(c) Zopa is not required to purchase any Purchased Loan Asset in accordance with the Servicing Agreement;

(d) the Retention Holders are not required to make an indemnity payment in respect of any Purchased Loan Asset in accordance with the Loan Sale and Purchase Agreement;

(e) the Security is not enforced;

(f) the Purchased Loan Assets are fully performing;

(g) the ratio of the Principal Amount Outstanding of:

(h) the Class A1 Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 47.37% per cent.;

(i) the Class A2 Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 19.63% per cent.;

(j) the Class B Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 10.00% per cent.;

(k) the Class C Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 7.50% per cent.;

(l) the Class D Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 5.50% per cent.;

(m) the Class E Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 4.50% per cent.;

(n) the Class F Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 3.50% per cent.;

(o) the Class Z1 Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 2.00% per cent.;

(p) the Class Z2 Notes to the Original Principal Amount of the Class A to Class F Notes as at the Closing Date is 3.00% per cent.;

(q) Compounded Daily SONIA remains at a rate of 0.709 per cent., for so long as any SONIA Notes are outstanding;

(r) one-month LIBOR remains at a rate of 0.712 per cent., for so long as any Class A2 Notes are outstanding;

(s) the Notes are issued on or about 5 December 2019. The weighted average life on the Notes is calculated using actual/365L day count convention;

(t) amounts credited to the Issuer Accounts have a yield of SONIA – 25bps;

(u) the Principal Proceeds of the Loan Portfolio are calculated based on the individual amortisation schedule of each Loan, which takes into account the loan's repayment type, interest rate on the cut-off date and remaining term and by using actual/365L day count convention; and

(v) the Pre-Funding Reserve is utilised in full on the Loan Portfolio Cut-Off Date to purchase Additional Loans, and such Additional Loans have the same characteristics as the Loans in the Provisional Portfolio.

No Portfolio Purchase Option

Weighted Average Life	0.0%	2.5%	5.0%	10.0%	15.0%	20.0%	25.0%	30.0%	35.0%	40.0%
Class A1 Notes	1.79	1.71	1.65	1.51	1.41	0.93	0.86	0.79	0.73	0.68
Class A2 Notes	1.79	1.71	1.65	1.51	1.41	0.93	0.86	0.79	0.73	0.68
Class B Notes	2.25	2.18	2.12	1.99	1.85	2.10	1.94	1.79	1.65	1.52
Class C Notes	2.38	2.32	2.26	2.14	2.00	2.52	2.35	2.19	2.03	1.87
Class D Notes	2.50	2.44	2.38	2.28	2.14	2.95	2.76	2.57	2.40	2.23
Class E Notes	2.59	2.54	2.49	2.40	2.26	3.37	3.19	3.00	2.81	2.62
Class F Notes	2.67	2.63	2.58	2.51	2.38	3.84	3.68	3.51	3.33	3.14
Class Z1 Notes	4.74	4.72	4.70	4.65	4.60	4.53	4.46	4.37	4.26	4.14

With Portfolio Purchase Option

Weighted Average Life	0.0%	2.5%	5.0%	10.0%	15.0%	20.0%	25.0%	30.0%	35.0%	40.0%
Class A1 Notes	1.78	1.71	1.64	1.51	1.40	0.93	0.86	0.79	0.73	0.68
Class A2 Notes	1.78	1.71	1.64	1.51	1.40	0.93	0.86	0.79	0.73	0.68
Class B Notes	2.14	2.08	1.97	1.85	1.71	2.10	1.94	1.79	1.65	1.52
Class C Notes	2.14	2.08	1.97	1.85	1.71	2.48	2.31	2.14	1.98	1.82
Class D Notes	2.14	2.08	1.97	1.85	1.71	2.53	2.36	2.19	2.02	1.85
Class E Notes	2.14	2.08	1.97	1.85	1.71	2.53	2.36	2.19	2.02	1.85
Class F Notes	2.14	2.08	1.97	1.85	1.71	2.53	2.36	2.19	2.02	1.85
Class Z1 Notes	3.39	3.30	3.14	2.97	2.81	2.64	2.47	2.30	2.14	1.97

The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be

realistic. They must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of the average lives estimated above, see the section entitled "*Risk Factors – Risks related to the Notes – Yield and prepayment considerations*" above.

USE OF PROCEEDS

The Issuer will issue the Notes on the Closing Date. The Issuer will apply the net proceeds from the issue of the Class A, Class B, Class C, Class D, Class E, Class F and Class Z Notes to (i) pay the Initial Purchase Price to the Seller in respect of the Loan Portfolio pursuant to the Loan Sale and Purchase Agreement; (ii) make a deposit in an amount equal to the Cash Reserve Required Amount into the Cash Reserve Account; (iii) make a deposit in an amount equal to the Liquidity Reserve Required Amount into the Liquidity Reserve Account; (iv) purchase the SONIA Cap Transaction and the LIBOR Cap Transaction under the Interest Rate Hedge Agreement on the Closing Date; (v) make payments in respect of the fees, costs and expenses in connection with the issuance of the Notes; (vi) make a deposit in an amount equal to the Pre-Funding Reserve which may be applied in purchasing Additional Loans on or prior to the Final Additional Loan Purchase Date and (vii) make a deposit to the Expenses Reserve Ledger of the Issuer Transaction Account in an amount equal to the Expenses Reserve which may be used by the Issuer to make payments in respect of fees, costs and expenses incurred in connection with the issuance of the Notes and the Transaction as a whole (see further "*Certain Transaction Documents – Loan Sale and Purchase Agreement – Sale of the Loan Portfolio*").

THE ISSUER

Introduction

The Issuer was incorporated and registered in England and Wales (under company registration number 12292077) as a public limited company on 31 October 2019. The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP. The authorised share capital of the Issuer is £50,000 divided into 50,000 ordinary shares of £1 each (each a "**Share**"). The Issuer has issued 1 Share which is fully paid and 49,999 shares which are quarter paid. The issued share capital is held directly by Marketplace Originated Consumer Assets 2019-1 Holdings Limited incorporated under the Laws of England and Wales as a private limited company on 31 October 2019, with company registration number 12291932, ("**HoldCo**") which is wholly owned by Intertrust Corporate Services Limited (the "**Share Trustee"**), which holds the entire issued capital of HoldCo on trust for discretionary purposes for the benefit of certain beneficiaries. The Issuer has been established as a special purpose company for the purpose of acquiring the Loan Portfolio and issuing the Notes. The Issuer has no subsidiaries. The telephone number of the Issuer is 02073986300.

Intertrust Management Limited (the "**Issuer Corporate Services Provider**"), acts as the corporate services provider for the Issuer and HoldCo. The office of the Issuer Corporate Services Provider serves as the registered office of the Issuer and HoldCo. Through the office and pursuant to the terms of the corporate services agreement entered into on or around the Closing Date between the Issuer, HoldCo and the Issuer Corporate Services Provider (the "**Issuer Corporate Services Agreement**"), the Issuer Corporate Services Provider provides certain corporate administration services to the Issuer until termination of the Issuer Corporate Services Agreement. In consideration of the foregoing, the Issuer Corporate Services Provider receives various fees and other charges payable by the Issuer. The terms of the Issuer Corporate Services Agreement provide that either party may terminate the Issuer Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Issuer Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Issuer Corporate Services Agreement at any time by giving at least 90 days written notice to the other party. The Issuer Corporate Services Provider's registered office is at 35 Great St. Helen's, London, EC3A 6AP.

The Issuer has been established as a special purpose vehicle. The principal activities of the Issuer are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

Neither Zopa, the Seller nor any associated body of thereof owns directly or indirectly any of the share capital of the Share Trustee or the Issuer.

The Issuer has not commenced operations and has not engaged, since its incorporation, and will not engage in any material activities other than those incidental to its incorporation under the Companies Act, authorisation and issue of the Notes, the matters referred to or contemplated in this Prospectus and the authorisation, execution, delivery and performance of the other documents referred to in this Prospectus to which it is a party and matters which are incidental or ancillary to the foregoing.

As at the date of this Prospectus, the Issuer has prepared no financial statements. It intends to publish its first financial statements in respect of the period ending on 30 April 2021. The Issuer will not prepare interim financial statements. The auditors of the Issuer are PricewaterhouseCoopers, who are chartered accountants and are members of the Institute of Chartered Accountants in England and Wales (ICAEW) and are qualified to practice as auditors in England and Wales.

Directors

The directors of the Issuer have, collectively, the appropriate expertise and experience for the management of the Issuer. Their respective business addresses and principal activities are:

Name	Address	Principal Activities
Susan Abrahams	35 Great St. Helen's, London EC3A 6AP	Director
Intertrust Directors 1 Limited	35 Great St. Helen's, London EC3A 6AP	Director
Intertrust Directors 2 Limited	35 Great St. Helen's, London EC3A 6AP	Director

The company secretary of the Issuer is Intertrust Corporate Services Limited.

Activities

On the Closing Date, the Issuer will acquire from the Seller the Initial Loan Portfolio and subject to the satisfaction of the Additional Loan Conditions, on any Business Day thereafter until the Final Additional Loan Purchase Date, the Issuer may purchase Additional Loans. All Purchased Loan Assets acquired by the Issuer on such date will be financed by the proceeds of the issue of the Notes. The activities of the Issuer will be restricted by the Conditions, the Charge and Assignment and the Trust Deed and will be limited to the issue of the Notes, the ownership of the Loan Portfolio and other assets referred to herein, the exercise of related rights and powers, and other activities referred to herein or reasonably incidental thereto. These activities will include the collection of payments of principal and interest from Zopa Borrowers in respect of Purchased Loan Assets and the operation of arrears procedures.

Pursuant to the Financial Services and Markets Act 2000 (Exemptions) Order 2001, the Issuer will be exempt from the general prohibition in respect of a lender or another person exercising, or having the right to exercise, the lender's rights and duties under a regulated credit agreement while certain conditions are satisfied, including that the Issuer has entered into a servicing arrangement with a party that is authorised with permission to carry on such activity and it is less than thirty days since the day on which such servicing arrangement came to an end. The Platform Servicer holds full authorisation for such activities and the Back-Up Servicer is currently authorised to carry out such activities.

Except for the Interest Rate Hedge Agreement, the Issuer will not enter into derivative contracts for the purposes of article 21(2) of the Securitisation Regulation.

THE SELLER

London Bay Loans Warehouse 1 Limited is a private limited company, incorporated on 28 November 2018 under the laws of England Wales with company registration number 11702230. Its registered office address is at 35 Great St. Helen's, Greater London, EC3A 6AP. The issued share capital of London Bay Loans Warehouse 1 Limited is held by London Bay Loans Warehouse 1 Holdings Limited ("**Holdings**") which is wholly owned by Intertrust Corporate Services Limited which holds the entire issued capital of Holdings on trust for discretionary purposes for the benefit of certain beneficiaries.

THE RETENTION HOLDERS AND REPORTING AGENT

M&G Specialty Finance (Luxembourg) No.1 S.à r.l, which was incorporated on 15 November 2017 in Luxembourg with registered number B219562 and registered office at 51 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg. M&G Specialty Finance (Luxembourg) No.1 S.à r.l's shares are held by M&G Specialty Finance Fund (£) SCSp and M&G Specialty Finance Fund (€) SCSp (each of which is a Luxembourg special limited partnership).

Prudential Loan Investments 1 S.à r.l., was incorporated on 6 February 2017 in Luxembourg with registered number B213525 and registered office 1, rue Hildegard von Bingen, 1282 Luxembourg, Grand Duchy of Luxembourg. Prudential Loan Investments 1 S.à r.l.'s shares are held by Prudential Loan Investments SCSp (a Luxembourg special limited partnership).

The investment strategy of each of the funds is to primarily invest in portfolios of consumer and mortgage loans. Each fund has undertaken multiple transactions since their inception.

ZOPA LIMITED

Zopa Limited was incorporated as a private limited liability company in England and Wales on 4 August 2004 with registered number 5197592. Its registered office is at 1st Floor, Cottons Centre, Tooley Street, London, SE1 2QG.

In November 2016, Zopa announced plans to launch a bank and in December 2018 Zopa Bank Limited received its 'Authorisation with Restrictions' from the PRA. Zopa Bank Limited is authorised (with restrictions) and regulated by the FCA and PRA (Financial Registration Number 800542).

The Zopa Business

Zopa Limited operates a consumer-focused marketplace lending platform which allows retail investors and institutional investors to lend their funds to pre-screened individual consumers or purchase loan contracts made by other lenders to such consumers.

Zopa Limited operates the marketplace and so facilitates (a) entering into of loans; (b) the sale of loans; and (c) the payment and collection of sums due under or in connection with those loans.

Zopa facilitates loan applications through both direct channels and indirect or intermediary channels. Direct origination describes the position where the borrower contacts Zopa directly. Zopa markets itself to such borrowers using a combination of online, social media and "above the line" (including television and radio) advertising and promotion, as well as targeted e-mail and more traditional direct mail campaigns. "Indirect" or "intermediary" origination describes Zopa's relationship with strategic marketing partners and consumer credit brokers.

Zopa has been facilitating the origination of Loans of a similar nature to those securitised under this Transaction and has been servicing loans since 2005. Between 4 March 2005 and 31 October 2019, Zopa has facilitated approximately £4.8 billion in loans to consumers in the UK.

The Zopa Platform facilitates the origination and servicing of fixed sum loan agreements regulated by the CCA. Some of the agreements are single agreements under which a lender who is lending in the course of a business advances the whole amount required by the borrower ("**whole loans**"). Whole loans must comply with certain 'form and content' requirements under the CCA. The remaining agreements arise where the amount required by the borrower is provided by many individual lenders acting on a non-commercial basis, in which case each lender has a separate loan agreement with the borrower for the amount advanced by that lender ("**micro loans**"), which are summarized for the borrower and administered by Zopa as if they were one. Micro loans are regulated under CCA, but qualify for exemptions from many of the requirements that apply to loans made in the course of a business. Loans qualifying for inclusion on the Zopa Platform are allocated by Zopa between the whole loan and partial loan marketplaces – the weights between each are controlled by Zopa but the allocation is random on a loan by loan basis. Institutional lenders may fund or acquire whole loans originated through the Zopa Platform by entering into one of a variety of origination arrangements with Zopa but no lender can select (or 'cherry pick') an individual loan and all allocations are made at the risk market level.

The Zopa Platform – Origination and Underwriting

Credit Approval Process

Zopa employs a multi-step application and underwriting approval process to evaluate all loan applications. Potential borrowers are sourced by Zopa through direct or indirect means. This process begins when an applicant first submits the application information and ends when a loan application is either (a) declined by Zopa or cancelled by the borrower (at any time in the process); or (b) approved for funding and originated through the Zopa Platform (so becoming a Loan). The following is an overview of the steps involved.

Stage 1: Zopa Borrower Loan application

The first stage is the online application by the borrower on the Zopa Platform, when he or she provides required information such as identity, address history, gross employment annual income, desired loan term and amount. Upon submitting the application, the Zopa Borrower provides consent to Zopa to carry out a "soft search" with the credit bureau.

Stage 2: Eligibility screening

The second stage is the eligibility screening, according to certain eligibility criteria. These criteria define generic eligibility requirements, including but not limited to: minimum age, minimum UK residency history, and minimum income. If a loan application successfully passes this screening, the loan application then goes to the classification stage.

Stage 3: Classification: Application of the proprietary scoring model

A loan application that passes eligibility criteria goes through the "scorecard": a proprietary scoring model using both data submitted by the applicant and provided by third-party credit-reporting agencies, to generate a credit score related to that specific loan application by the Zopa Borrower. Scores translate to "**Zopa Markets**". As of the Provisional Loan Portfolio Cut-Off Date there are 7 Zopa Markets (A*/A1/A2/B/C1/D/E), plus the N markets for scores that fall below the lowest Zopa credit market cut-off and which are score declines.

Stage 4: Ratecard, Quote and Reservation

Applications which are mapped to a non-N Zopa Market are then matched to one or many lender(s) (either as a whole loan or set of microloans) and subsequently go through the Ratecard, which determines the price to be shown to the borrower (consisting of rate of interest, a borrowing fee, and a resulting APR). The Ratecard is driven by multiple factors including, but not limited to: Zopa Market, loan term and loan amount. For whole loans, the borrower is presented with a quote, alongside pre-contract and regulated contract information, including the name of lender. If the borrower chooses to accept the quote (a "**Reservation**" of the quote), he/she electronically signs the contract, provides bank account details and direct debit mandate, and consents to the terms and conditions.

Stage 5: Final stage underwriting

Once a Reservation occurs, the loan application goes through final stage underwriting for final approval. This stage in the Zopa eligibility process includes data verification and final review to ensure adherence to Zopa's Underwriting Guidelines. A portion of Reservations are auto-validated where no 'flag' is triggered requiring a referral for manual review of the application data. The applications which are the subject of a referral flag go to manual underwriting for a review of the specific feature(s) related to the referral flag (for example identity verification, proof of income, clarification on credit items, etc.). At this stage, further data will be gathered and additional checks made on eligibility.

Credit Evaluation Process

In determining whether a loan application will become a Loan, and if so what Zopa Market will be assigned to that Loan, Zopa considers a variety of data points throughout its credit evaluation process. Not all data points are relevant to all loan applications, and the relative importance of the data points considered will vary. Factors considered may include an assessment of income, assets, credit history and financial stability. Third party credit reports are also obtained. The specific information, weighting and other factors relevant within each area of scrutiny, and all aspects are subject to change at Zopa's discretion.

Zopa Underwriting Guidelines

Each Loan Asset has been approved by Zopa in accordance with the Underwriting Guidelines applicable as at the time of approval. Under the Underwriting Guidelines, Zopa has allocated a Zopa Market to each such Loan Asset.

In accordance with the Zopa Loan Warranties, the Loan Assets to be sold to the Issuer on the Closing Date satisfied the Zopa Eligibility Criteria as of the Closing Date (unless stated otherwise in the Eligibility Criteria).

Zopa Market

The Zopa Market is a letter grade that estimates the level of cumulative expected loss associated with a prospective Zopa Borrower.

Zopa Principles

In order to participate on the Zopa Platform, either as borrower or lender, a person must agree to the Zopa Principles (including as amended through any bilateral arrangement in the case of institutional lenders). The Seller has agreed to the Zopa Principles. The Issuer will agree to the Zopa Principles. Each Zopa Borrower has agreed to the Zopa Principles.

Related Security

The Purchased Loan Assets are unsecured obligations of the relevant Zopa Borrowers. However, to the extent the relevant Loan benefits from, at any time:

(a) any Security Interest securing or attaching to such Loan from time to time, if any, whether purporting to secure payment of such Loan Asset or otherwise;

(b) all deposits, insurance, guarantees, letters of credit, indemnities, warranties and other agreements or arrangements of whatever character from time to time, if any, supporting or securing payment of such Loan whether pursuant to the Loan Contract, Zopa Principles, terms of trade or otherwise; and

(c) all rights to receive and obtain payment under the Loan Contract for such Loan including rights of enforcement under that document against the relevant Zopa Borrower,

(together, the "**Related Security**"), such Related Security will be included in the sale of the Purchased Loan Asset.

Zopa Borrowers

Pursuant to the Zopa Principles, certain criteria must be met, including (but not limited to) the Zopa Borrower being an 'individual' or a 'sole trader' and the loan having an amount (excluding fees) up to £25,000 and a term of no more than 60 months.

An 'individual' is defined as:

(a) an individual, at least 18 years old, living in the United Kingdom; and

(b) having a current account in their own name with a UK bank.

A 'sole trader' is defined as:

(c) a sole trader operating a business that is:

(i) based in the UK;

(ii) not operating in any Prohibited Sectors; and

(d) not having a material interest in any business that operates in any of the Prohibited Sector.

Arrears and Default Procedures

Zopa manages the ongoing loan monitoring and servicing for loans originated on the Zopa marketplace. The servicing team deals with borrowers who are in arrears, who may go into arrears, who have defaulted or who have breached their loan conditions. The servicing team sits within Zopa and the team is broadly sub-divided into two parts: servicing on loans in arrears ("**Collections**") and servicing on loans in default ("**Recoveries**"). The collections team is generally responsible for borrower payment issues within the first 90 days of arrears period, whilst the Recoveries team is generally responsible for dealing with delinquent borrowers who have defaulted or are in or intend to enter a formal insolvency or bankruptcy procedure. These activities may be outsourced to third party providers.

Arrears

The collections team uses a number of tools to track and monitor late and defaulted loans and borrowers on a daily basis, for work allocation, strategic planning, regulation of systems and controls, and for FCA compliance. The tools enable the team to monitor loans and prepare for direct contact with the borrower through telephone, email or letter, in line with TCF (Treating Customers Fairly) principles.

If the borrower misses a payment or only partially pays, the collections team (itself or through an agent acting on its behalf) will contact the borrower to inform him or her that the collections team will re-attempt to collect the outstanding payment. If the shortfall is not collected within 15 calendar days after the payment was due, the borrower's account will be treated as an overdue account. The collections team might refer the account to a debt collections agency. If the borrower fails to pay (or is otherwise in breach of the terms of the loan), it may be placed into default. Zopa may obtain a County Court Judgment and a Warrant of Execution to attempt to collect the amount outstanding.

Default

The Collections team will normally place a loan into default when a loan has amounts overdue equivalent to more than four (4) scheduled monthly payments, or where it feels that there is a material risk to the lenders that they will not be repaid in full. Unless there is a good reason not to default a loan it generally expects to default a loan when it becomes over 90 days in arrears, but it may extend this where the borrower is particularly responsive and has given a compelling reason for the loan not to be defaulted, demonstrating he/she can go back on schedule over time.

A loan will generally be classified as in "default" when the Zopa Borrower fails to pay the full amount of four repayments then due and payable in relation to the Zopa Borrower's loan(s). Unless otherwise agreed with the lender, such loans will be assigned to Zopa for Collections. Loans will also be assigned to Zopa for administration where Zopa receives confirmation that the Zopa Borrower has died, the Zopa Borrower has entered into a terminal arrangement affecting the Zopa Borrower's Loan Contracts (e.g. an individual voluntary arrangement, trust deed, debt arrangement scheme); or the Zopa Borrower becomes bankrupt (including being the subject of a Debt Relief Order). Non-commercial lenders may receive payment from a fund designed to meet investor losses in so far as it is able, and operated by a trustee (the "**Zopa Safeguard Trust**"), but this does not apply to the Purchased Loan Assets. In addition, Zopa announced it will no longer originate loans with Safeguard coverage after 1st December 2017.

The full amount of the loan will become payable in the event that the Zopa Borrower fails to pay an amount specified in a default notice. Zopa will then investigate the amount of debt that is likely to be successfully recovered and then take the step(s), if any, that are most likely to achieve that result.

The Recoveries team also uses a number of external agents for support and assistance for insolvency or bankruptcy related appointments, legal support, tracing and service of process and for County Court enforcement.

Complaints Handling Process

If either a Zopa Borrower or a Zopa Lender wants to make a complaint about the Loan Contract or Zopa they can email contactus@zopa.com or call Zopa's customer services telephone line or write to Zopa with brief details of their complaint. Zopa will provide a written acknowledgement of the complaint within one (1) business day. Zopa will then investigate and send an initial response which should take no longer than three (3) Business Days. Zopa aims to resolve complaints within eight (8)weeks of receipt of complaint (for complaints related to payment services, the relevant timeframe is fifteen (15) business days.

If within eight (8) weeks after receiving a complaint Zopa is unable to resolve the complaint, it will send the Zopa Borrower or the Zopa Lender, as applicable, a final response which provides information about the Financial Ombudsman Service.

THE LOAN PORTFOLIO

Introduction

Pursuant to the Loan Sale and Purchase Agreement, the Seller will sell all of its right, title, interest and benefit in, to and under a portfolio of Loan Assets as further described below in the section entitled "*Certain Transaction Documents – Loan Sale and Purchase Agreement – Sale of the Loan Portfolio*." On the Provisional Loan Portfolio Cut-Off Date the Provisional Loan Portfolio is comprised of 32,160 Loan Assets to 32,066 Zopa Borrowers and has an Aggregate Collateral Principal Balance of £224,675,130.32.

Origination – Warehouse Loan Sale and Purchase Agreement

A loan sale and purchase agreement (the "**Warehouse Loan Sale and Purchase Agreement**") was entered into by, among others, Zopa and the Seller on 24 December 2018 pursuant to which Zopa makes available to the Seller a specified number of loan applications.

Pursuant to the Warehouse Loan Sale and Purchase Agreement, Zopa agreed to allocate to the Seller a certain portion of Loans approved by Zopa in accordance with the Underwriting Guidelines applicable at the time the relevant Loan was approved. All Loans allocated to the Seller by Zopa under the Warehouse Loan Sale and Purchase Agreement were sold to the Seller by Zopa, provided that the Seller had sufficient funds available for such sale and purchase and such Loans satisfied certain conditions, in accordance with the terms of the Warehouse Loan Sale and Purchase Agreement. The acquisition of the Loans by the Seller was financed by the provision by the Retention Holders of subordinated funding (of which 50 per cent. was provided by each Retention Holder), as well as senior funding obtained by the Retention Holders for such purpose. The Retention Holders were closely involved in the establishment of the transaction contemplated by the Warehouse Loan Sale and Purchase Agreement (the "**Warehouse Transaction**"), including by their negotiation of the term sheets and transaction documents, their involvement in the due diligence process and the setting of the parameters within which loans were sold to the Seller. Through their participation in the subordinated funding of the Seller, the Retention Holders assumed the economic risk of the Loans in the Loan Portfolio before then directing their sale to the Issuer pursuant to the Transaction.

Pursuant to the Warehouse Loan Sale and Purchase Agreement, Zopa has agreed to make available to the Seller certain detailed information with respect to loans (including the Purchased Loan Assets).

The Warehouse Loan Sale and Purchase Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

The Purchased Loan Assets were originated in the ordinary course of Zopa's business (in the sole opinion of Zopa) pursuant to the Underwriting Guidelines which are no less stringent than those applied to Loan Assets which will not be securitised.

The Loan Contracts

Each of the Loans in the Loan Portfolio was originally advanced by Zopa and then sold to the Seller pursuant to the Warehouse Loan Sale and Purchase Agreement or acquired by the Seller, in each case through the Zopa Platform using the Loan Documentation in all material respects. All of the Loan Portfolio was acquired by the Seller pursuant to the Warehouse Loan Sale and Purchase Agreement. Each of the Loans in the Loan Portfolio was made to an individual (including a sole trader) for personal, family and household consumption purposes.

Types of Repayment Terms

Each Loan is repayable in equal monthly instalments of principal, with interest payable monthly in arrears and with maximum term of five years from the date of the initial advance under the Loan.

Loan amount

The initial advance under each Loan (excluding fees) was for an amount of no more than £25,000.

Servicing Fee Rate

The Servicing Fee Rate with respect to the Loans in the Provisional Loan Portfolio ranges from 0.25 per cent. to 0.46 per cent. and the weighted average of the Servicing Fee Rate for the Loans in the Provisional Loan Portfolio as of the Provisional Loan Portfolio Cut-Off Date is 0.31 per cent.

Loan Portfolio Selection

On the Provisional Loan Portfolio Cut-Off Date the Provisional Loan Portfolio is comprised of 32,160 Loan Assets to 32,066 Zopa Borrowers and has an Aggregate Collateral Principal Balance of £224,675,130.32. The underlying Zopa Borrowers in the Transaction are individual consumers resident in the UK at the time of the initial advance of the Loan.

The Loan Portfolio as at the Closing Date will have been selected by the Seller and identified in Schedule 3 (*List of Loans*) of the Loan Sale and Purchase Agreement. The characteristics of the Loan Portfolio as at the Closing Date will vary from those set out in the tables below as a result of, among other things, Loan Assets comprising part of the Provisional Loan Portfolio not forming part of the Loan Portfolio as a result of repayments and redemptions of Loan Assets prior to the Closing Date and/or the inclusion of additional Loan Assets originated between the Provisional Loan Portfolio Cut-Off Date and the Loan Portfolio Cut-Off Date.

The Loans comprised in the Loan Portfolio as at the Loan Portfolio Cut-Off Date are homogeneous for the purposes of Article 20(8) of the Securitisation Regulation, on the basis that all such Loans: (i) have been underwritten by Zopa in accordance with similar underwriting standards applying similar approaches with respect to the assessment of a potential borrower's credit risk; (ii) are loans entered into substantially on the terms of similar standard documentation for consumer loans; (iii) are serviced by the Platform Servicer pursuant to the Servicing Agreement in accordance with the same servicing procedures; and (iv) form one asset category and have the same homogeneity factor, namely consumer loans.

Pursuant to the Loan Sale and Purchase Agreement and the Servicing Agreement, all Purchased Loan Assets are required to have satisfied the Eligibility Criteria and the Loan Warranties as at the Loan Warranty Date. See further sections entitled "*Certain Transaction Documents – Loan Sale and Purchase Agreement*" and "*Certain Transaction Documents – Servicing Agreement*".

Provisional Loan Portfolio Stratification Tables

Certain characteristics of the Provisional Loan Portfolio set forth below refer to the composition of the Provisional Loan Portfolio as at the Provisional Loan Portfolio Cut-Off Date and not the Closing Date (unless otherwise specified in respect of the relevant information). The composition of the Loan Portfolio will vary over time due to, among other things, repayment and prepayment under the relevant Loan Asset and as a result, the characteristics of the Provisional Loan Portfolio set forth below are not necessarily indicative of the characteristics of the Loan Portfolio at any subsequent time. In particular, prospective investors should note that the characteristics of the Loan Portfolio at the Closing Date may have changed from those set out in the tables.

Verification of data

The Retention Holders have caused the data set out in this section to be externally verified by an appropriate and independent third party.

Article 22(2) of Regulation (EU) 2017/2402 requires that a sample of the underlying exposures shall be subject to external verification prior to issuance of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate. On 12 December 2018 the European Banking Authority issued guidance on the STS criteria for non-ABCP securitisation stating that, for the purposes of complying with Article 22(2) of Regulation (EU) 2017/2402, confirmation that this verification has occurred and that no adverse findings have been found should be disclosed. Certains loans selected from the Provisional Loan Portfolio have been subject to an agreed upon procedures review on a sample of loans conducted by a third-party prior to the Closing Date. This independent third party has also performed agreed upon procedures in order to verify that (i) the stratification tables disclosed in respect of the underlying exposures are accurate and (ii) the sample of loans selected from the Loan Portfolio complies with the Eligibility Criteria. The third party undertaking the review has reported the factual findings to the parties to the engagement letter. The Retention Holders are of the view that no significant adverse findings have been found. The third party undertaking the review only accepts a duty of care to the parties to the engagement letters governing the performance of the agreed upon procedures and to the fullest

extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed.

The Retention Holders do not collect information relating to the environmental performance of the Loans in the Loan Portfolio.

In accordance with Article 243 of the CRR, as of the Loan Portfolio Cut-Off Date, the Retention Holders represent, based on the information contained in the Initial Servicing Report, that:

(a) the aggregate net present value of the largest Borrower in the Loan Portfolio does not exceed 2% of the aggregate net present value of all Purchased Loan Assets; and

(b) the Purchased Loan Assets meet the conditions set out in Article 123 for being assigned a risk weight equal to or smaller than 75% on an individual Loan basis.

Information relating to Loans

Static and dynamic historical performance data in relation to Loans was made available prior to pricing on the website of EuroABS at https://www.euroabs.com/IH.aspx?d=13075. Such information will cover the period from 2015 to 2019. The Loans which are included in such data are originated under and serviced in accordance with the same policies and procedures as the Loans comprising the Loan Portfolio and, as such, it is expected that the performance of such loans, over a period of five years, would not be significantly different to the performance of the Loans in the Loan Portfolio.

PROVISIONAL LOAN PORTFOLIO STRATIFICATION TABLES

Summary

Number of Loans	32,160
Number of Zopa Borrowers	32,066
Total Original Balance	£246,948,494.00
Total Outstanding Balance	£224,675,130.32
Average Outstanding Balance	£6,986.17
Weighted Average Interest Rate(%):	8.95%
Weighted Average Seasoning (months)*:	4.60
Weighted Average Original Term (months)**	48.83
Weighted Average Remaining Term (months)***	44.22
Top 1 Zopa Borrower by Collateral Principal Balance expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio:	0.01%
Top 3 Zopa Borrower by Collateral Principal Balance expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio:	0.04%
Top 5 Zopa Borrower by Collateral Principal Balance expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio:	0.06%
Top 10 Zopa Borrower by Collateral Principal Balance expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio:	0.12%

**'Seasoning' in respect of a Loan for these purposes is the number of months between the date of the initial disbursal date and the Provisional Loan Portfolio Cut-Off Date*

** 'Original Term' in respect of a Loan for these purposes is the number of months remaining until the final

maturity date in respect of such Loan as at the date of the Disbursal date of such Loan.
*** 'Remaining Term' in respect of a Loan for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the Provisional Loan Portfolio Cut-Off Date.

Distribution by Collateral Principal Balance

Current Balance (£)	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
<=2000	6,230,948.78	2.77%	5174	16.09%
2001 to 4000	15,586,649.82	6.94%	5313	16.52%
4001 to 6000	31,475,569.72	14.01%	6343	19.72%
6001 to 8000	28,016,241.10	12.47%	4009	12.47%
8001 to 10000	35,619,109.84	15.85%	3913	12.17%
10,001 to 12,000	27,050,299.09	12.04%	2493	7.75%
12,001 to 14,000	20,689,789.34	9.21%	1586	4.93%
14,001 to 16,000	21,240,839.54	9.45%	1435	4.46%
16,001 to 18,000	8,622,228.19	3.84%	509	1.58%
18,001 to 20,000	8,287,049.85	3.69%	436	1.36%
20,001 to 22,000	6,824,068.35	3.04%	326	1.01%
22,001 to 24,000	6,797,923.98	3.03%	295	0.92%
24,001 to 26,000	7,005,416.37	3.12%	282	0.88%
26,001 to 28,000	1,228,996.34	0.55%	46	0.14%
Total	**224,675,130.32**	**100.00**	**32,160**	**100.00**

Max Loan Balance:	27,780.00
Min Loan Balance	7.20
Average Loan Balance	6,986.17

Distribution by Zopa Borrower

Current Balance (£)	(£) Total Borrower Principal Balance	% Total Borrower Balance	Number of Borrowers	% Number of Loans
<=2000	6,180,328.38	2.75%	5125	15.98%
2001 to 4000	15,517,189.41	6.91%	5289	16.49%
4001 to 6000	31,363,017.21	13.96%	6320	19.71%
6001 to 8000	27,924,089.71	12.43%	3996	12.46%
8001 to 10000	35,572,353.31	15.83%	3908	12.19%
10,001 to 12,000	27,024,947.57	12.03%	2490	7.77%
12,001 to 14,000	20,698,881.15	9.21%	1587	4.95%
14,001 to 16,000	21,343,743.95	9.50%	1442	4.50%
16,001 to 18,000	8,726,214.41	3.88%	515	1.61%
18,001 to 20,000	8,381,973.71	3.73%	441	1.38%
20,001 to 22,000	6,885,892.59	3.06%	329	1.03%
22,001 to 24,000	6,797,923.98	3.03%	295	0.92%
24,001 to 26,000	7,029,578.60	3.13%	283	0.88%
26,001 to 28,000	1,228,996.34	0.55%	46	0.14%
Total	**224,675,130.32**	**100.00%**	**32,066**	**100.00%**

Max Loan Balance:	27,780.00
Min Loan Balance	7.20
Average Loan Balance	7,006.65

Distribution by Seasoning

Seasoning* (in months)	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
<=3.00	81,681,456.04	36.36%	11818	36.75%
3.01 to 6.00	79,708,635.76	35.48%	11464	35.65%
6.01 to 9.00	63,285,038.52	28.17%	8878	27.61%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

WA Seasoning: 4.60 months

* 'Seasoning' in respect of a Loan for these purposes is the number of months between the date of the initial advance and the Provisional Loan Portfolio Cut-Off Date.

Distribution by Original Term

Original Term* (in months)	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
12-20	5,277,268.39	2.35%	2745	8.54%
22-30	20,389,796.40	9.08%	5734	17.83%
32-40	40,589,902.26	18.07%	6873	21.37%
42-50	46,730,490.94	20.80%	5850	18.19%
52-60	111,687,672.34	49.71%	10958	34.07%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

WA Original term: 48.83 months

* 'Original Term' in respect of a Loan for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the date of the initial Advance of such Loan.

Distribution by Remaining Term

Remaining Term* (in months)	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
<=12.00	4,532,103.17	2.02%	2480	7.71%
12.01 to 24.00	19,893,305.98	8.85%	5731	17.82%
24.01 to 36.00	41,819,090.78	18.61%	7142	22.21%
36.01 to 48.00	46,754,418.98	20.81%	5850	18.19%
48.01 to 60.00	111,676,211.42	49.71%	10957	34.07%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

WA Remaining term: 44.22 months

* 'Remaining Term' in respect of a Loan for these purposes is the number of months remaining until the final maturity date in respect of such Loan as at the Provisional Loan Portfolio Cut-Off Date.

Distribution by original contractual interest rate

Interest Rate (%)	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
<=5.0%	92,213,887.84	41.04%	10,276	31.95%
5.01% to 6.00%	14,622,565.07	6.51%	1,646	5.12%
6.01% to 7.00%	6,871,876.84	3.06%	931	2.89%
7.01% to 8.00%	20,834,889.37	9.27%	2,976	9.25%
8.01% to 9.00%	6,275,734.91	2.79%	1,051	3.27%
9.01% to 10.00%	4,958,154.53	2.21%	1,148	3.57%
10.01% to 11.00%	5,106,614.95	2.27%	899	2.80%
11.01% to 12.00%	2,573,560.94	1.15%	520	1.62%
12.01% to 13.00%	4,321,416.86	1.92%	755	2.35%
13.01% to 14.00%	11,794,959.27	5.25%	1,796	5.58%
>=14.01%	55,101,469.74	24.52%	10,162	31.60%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

Max Interest Rate (%):	33.65%
Min Interest Rate (%)	2.84%
WA Interest (%)	8.95%

Distribution by Loan Usage

Loan Usage	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
Debt Consolidation	72,669,871.39	32.34%	8833	27.47%
Home Improvements	41,167,132.50	18.32%	6318	19.65%
Other	49,428,685.90	22.00%	8740	27.18%
Vehicles	61,409,440.54	27.33%	8269	25.71%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

Distribution by declared Employment Type

Employment type (declared)	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
Company Owner/Partner	3,046,486.16	1.36%	309	0.96%
Employed full-time	200,978,401.01	89.45%	28836	89.66%
Employed part-time	4,447,477.02	1.98%	753	2.34%
Retired	2,418,669.38	1.08%	430	1.34%
Self-employed	13,784,096.75	6.14%	1832	5.70%

Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

Distribution by Equifax Score

Equifax Score	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
<=100	9,029.53	0.00%	5	0.02%
100.01-200.00	404,938.67	0.18%	96	0.30%
200.01-300.00	5,848,109.04	2.60%	1311	4.08%
300.01-400.00	34,632,744.62	15.41%	6280	19.53%
400.01-500.00	89,696,371.87	39.92%	12835	39.91%
500.01-600.00	90,239,030.34	40.16%	11183	34.77%
600.01-700.00	3,742,469.19	1.67%	435	1.35%
700.01-800.00	102,437.07	0.05%	15	0.05%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

Distribution by Region

Region	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
East Anglia	22,357,970.01	9.95%	3091	9.61%
London	32,941,186.54	14.66%	4445	13.82%
Midlands	27,755,082.01	12.35%	4088	12.71%
North East	29,977,055.51	13.34%	4451	13.84%
Northern Ireland	5,367,802.24	2.39%	810	2.52%
North West	29,589,024.51	13.17%	4406	13.70%
Scotland	19,773,324.61	8.80%	2862	8.90%
South Central	19,502,081.26	8.68%	2637	8.20%
South East	28,334,836.33	12.61%	4048	12.59%
Wales	9,076,767.30	4.04%	1322	4.11%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

*Distribution by Zopa Market***

Region	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
A*	94,075,381.47	41.87%	11340	35.26%
A1	15,104,633.24	6.72%	1880	5.85%
A2	30,818,198.09	13.72%	4066	12.64%
B	22,340,824.13	9.94%	3045	9.47%
C1	42,539,157.44	18.93%	6906	21.47%
D	12,494,396.83	5.56%	2613	8.13%
E	7,302,539.12	3.25%	2310	7.18%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

** 'Zopa Market' for these purposes is based upon the Zopa Market assigned by Zopa at the time of the origination of the relevant Loan.

Distribution by Loan Status

Loan Status	(£) Total Current Principal Balance	% Total Current Balance	Number of Loans	% Number of Loans
Late 1-30	1,994,219.32	0.89%	330	1.03%
Current	222,680,911.00	99.11%	31,830	98.97%
Total	**224,675,130.32**	**100.00%**	**32,160**	**100.00%**

Between 4 March 2005 and 31 October 2019 approximately £4.8 billion of unsecured personal loans to UK Consumers have been originated on the Zopa Platform.

Zopa have expanded the types and terms of loan products offered through its marketplace over time. No 'Y' or 'S' band loans are included in the Loan Portfolio or included in the illustrations below.

The illustrations below show the historic originations, loss, recovery and prepayment experience for Zopa Platform loan portfolio, excluding 'Y' and 'S' band loans. The illustrations include loans that are originated through both the whole loan and partial loan marketplaces that are serviced by Zopa.

Zopa Historical Originations

The figures shown below are for the total portfolio of unsecured consumer loans intermediated on the Zopa Platform between 4 March 2005 and 31 October 2019 , excluding 'Y' and 'S' risk band loans.

Disbursals in £MM								
Disbursal Year	**A***	**A1**	**A2**	**B**	**C1**	**D**	**E**	**Total**
2005	1.2	0.0	0.0	0.3	0.0	0.0	0.0	1.5
2006	4.4	0.0	1.3	0.9	0.1	0.0	0.0	6.7
2007	1.4	0.0	4.1	2.6	1.0	0.0	0.0	9.1
2008	3.8	0.0	3.0	2.5	2.5	0.0	0.0	11.8
2009	14.1	0.0	9.3	5.1	2.5	0.0	0.0	30.9

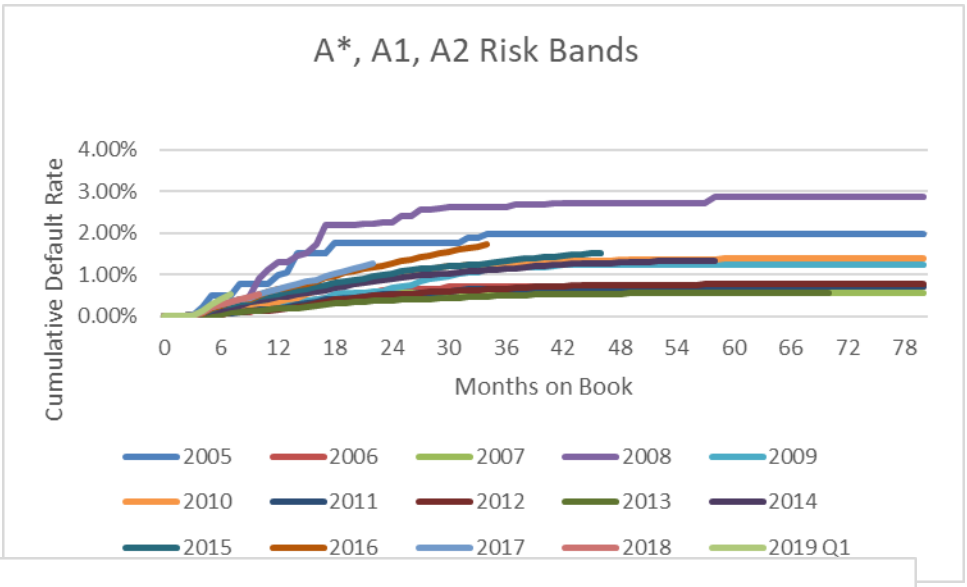
2010	25.2	0.0	10.2	8.3	3.2	0.0	0.0	47.0
2011	37.3	0.0	9.8	7.2	1.8	0.0	0.0	56.1
2012	65.8	0.0	11.7	6.9	1.4	0.0	0.0	85.7
2013	125.6	6.3	31.3	17.1	1.4	0.0	0.0	181.7
2014	131.9	34.4	44.2	32.2	16.9	5.8	0.0	265.5
2015	164.2	82.9	76.6	78.8	66.8	54.5	8.1	531.9
2016	179.2	103.3	102.4	99.5	111.5	64.1	29.4	689.3
2017	294.1	121.1	156.2	144.2	170.6	67.3	31.2	984.8
2018	488.5	67.2	129.1	102.8	156.9	40.0	19.3	1003.8
2019 YTD[(1)]	370.1	60.0	121.7	94.1	173.9	53.3	30.7	903.9
Total	1906.7	475.3	711.1	602.4	710.6	284.9	118.6	4809.7

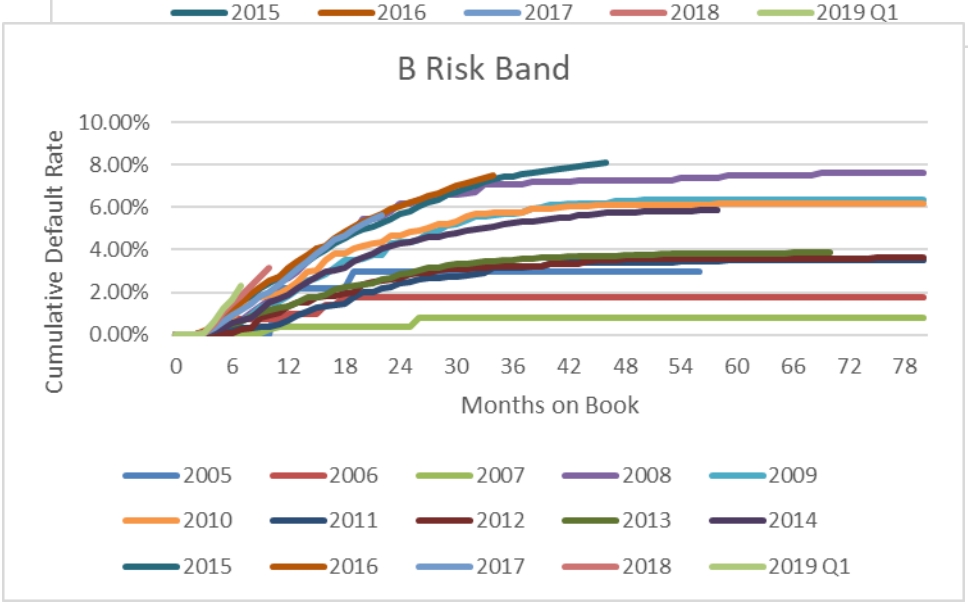
[(1)] As of 31 October 2019

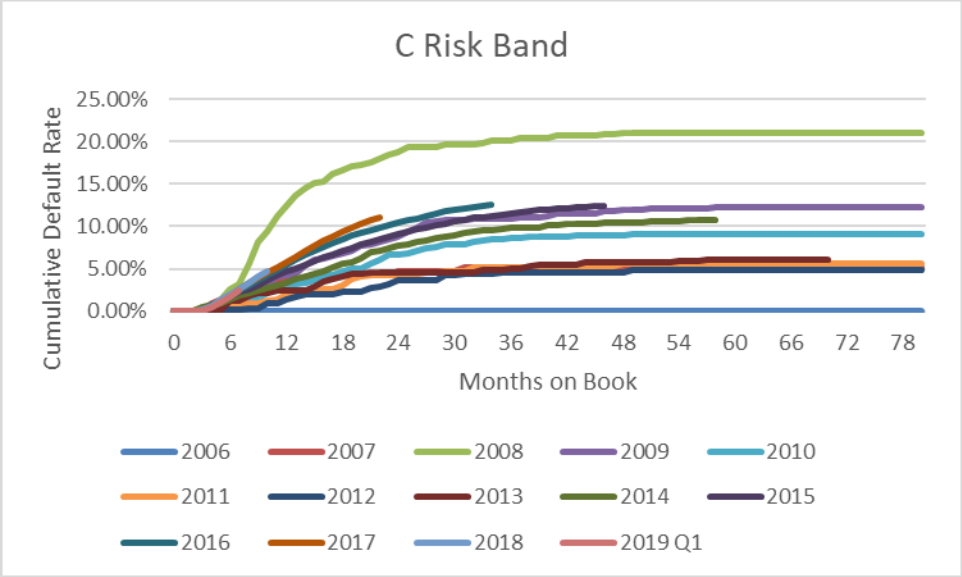
Zopa Historical Loss Performance

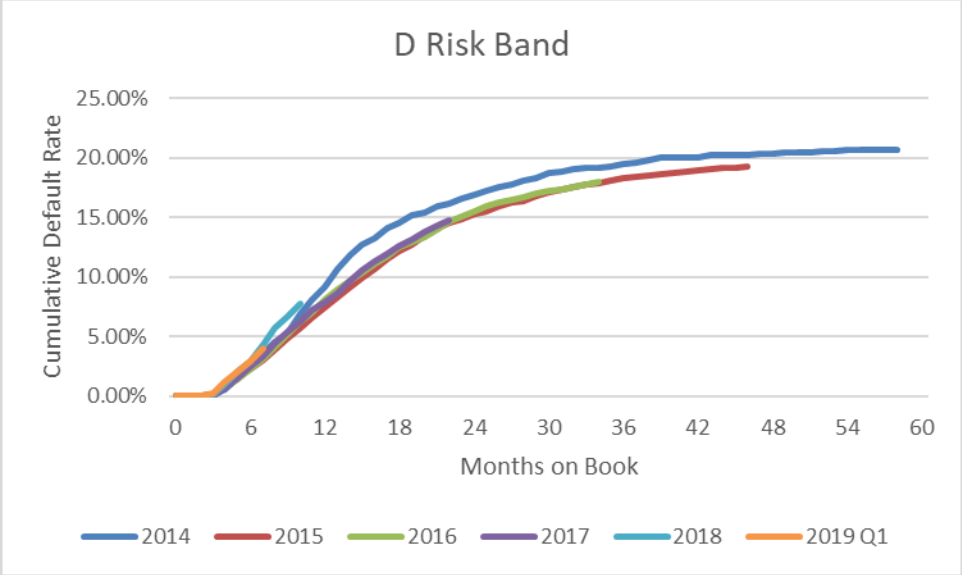
The graphs below include gross loss performance for all loans originated on the Zopa Platform between 4 March 2005 to 31 March 2019 . Loss rates are shown in annual cohorts, by outstanding principal balance at the time of default before any realised recoveries, as a percentage of the original loan amount.

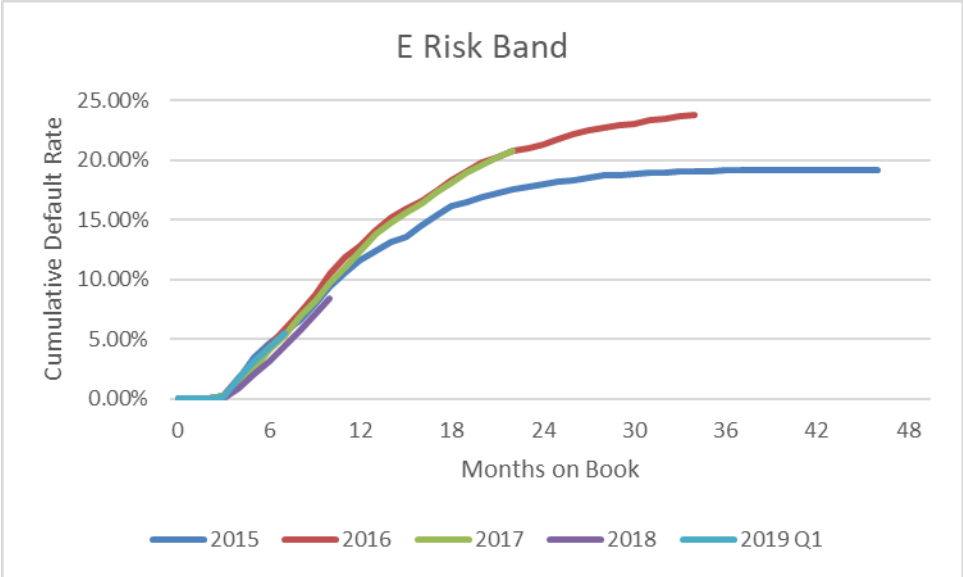
Loss experience may be influenced by a variety of economic, social, geographic and other factors beyond the control of Zopa. Loss experience also may be influenced by changes in Zopa's origination and servicing policies. No assurance can be made that the loss experience of a particular pool of loans will be similar to the historical experience shown below or that any trends shown in the graphs will continue for any period. The loss experience for a particular pool of loans originated in any period would differ from the portfolio experience shown in the following graphs.


A*, A1, A2 Risk Bands
Cumulative Default Rate
4.00%
3.00%
2.00%
1.00%
0.00%
0 6 12 18 24 30 36 42 48 54 60 66 72 78
Months on Book
2005 2006 2007 2008 2009
2010 2011 2012 2013 2014
2015 2016 2017 2018 2019 Q1


B Risk Band
Cumulative Default Rate
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
0 6 12 18 24 30 36 42 48 54 60 66 72 78
Months on Book
2005 2006 2007 2008 2009
2010 2011 2012 2013 2014
2015 2016 2017 2018 2019 Q1


C Risk Band
Cumulative Default Rate
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
0 6 12 18 24 30 36 42 48 54 60 66 72 78
Months on Book
2006 2007 2008 2009 2010
2011 2012 2013 2014 2015
2016 2017 2018 2019 Q1


D Risk Band
Cumulative Default Rate
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
0 6 12 18 24 30 36 42 48 54 60
Months on Book
2014 2015 2016 2017 2018 2019 Q1


E Risk Band
Cumulative Default Rate
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
0 6 12 18 24 30 36 42 48
Months on Book
2015 2016 2017 2018 2019 Q1

Methodology:

1) Annual cohorts include every loan originated in the course of the identified year.

2) The seasoning (months on book) of each loan in a cohort is calculated by reference to the then current date on which this calculation is carried out (31 March 2019) in respect of the loan book as at that date.

3) The default date for all defaulted loans is assumed as the date when the loan enters into any default status (i.e. total arrears equal to at least 4 scheduled monthly payments, or otherwise declared to be in default in accordance with Zopa's terms).

4) The month-by-month marginal loss is calculated by aggregating the remaining principal amount of all loans that have a default date in that month.

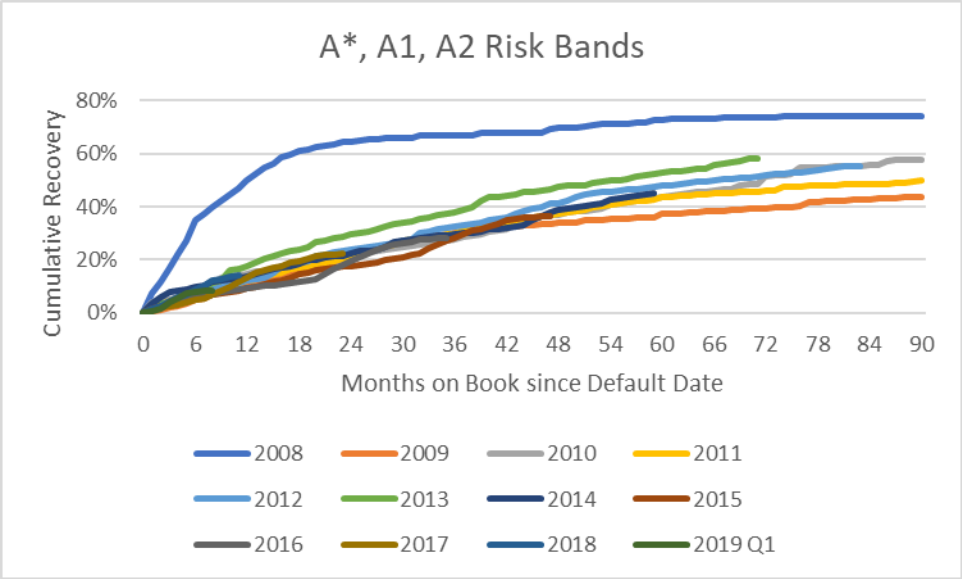
5) A marginal loss rate is calculated by dividing each month-by-month marginal loss by the total origination amount in that cohort for loans whose age is greater or equal to that month (i.e. a floating denominator when aggregating monthly cohorts into annual cohorts).

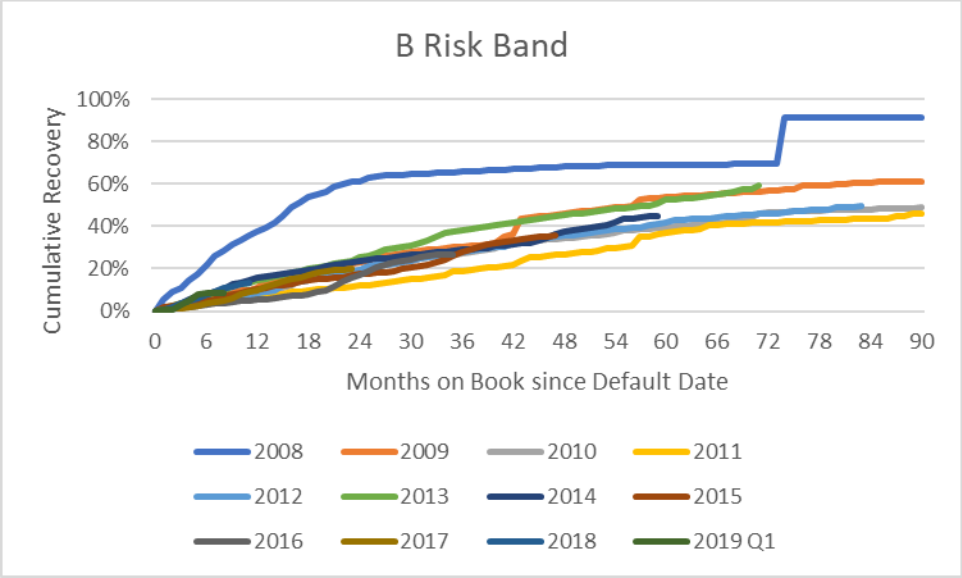
6) A cumulative realised loss vector is calculated by cumulating the month-on-month marginal loss rate, up to the maximum seasoning that applies to every loan in that annual cohort.

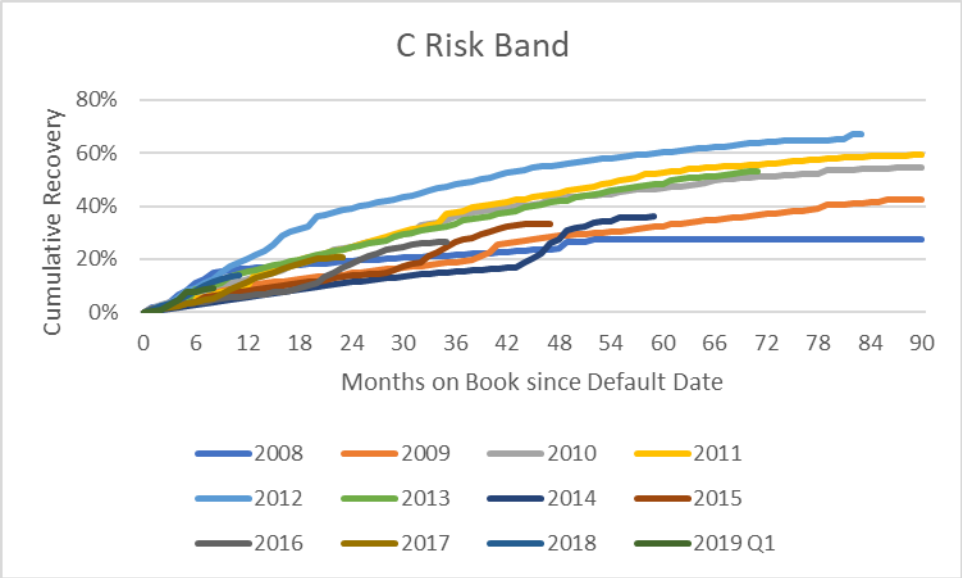
Zopa Historical Recovery Performance

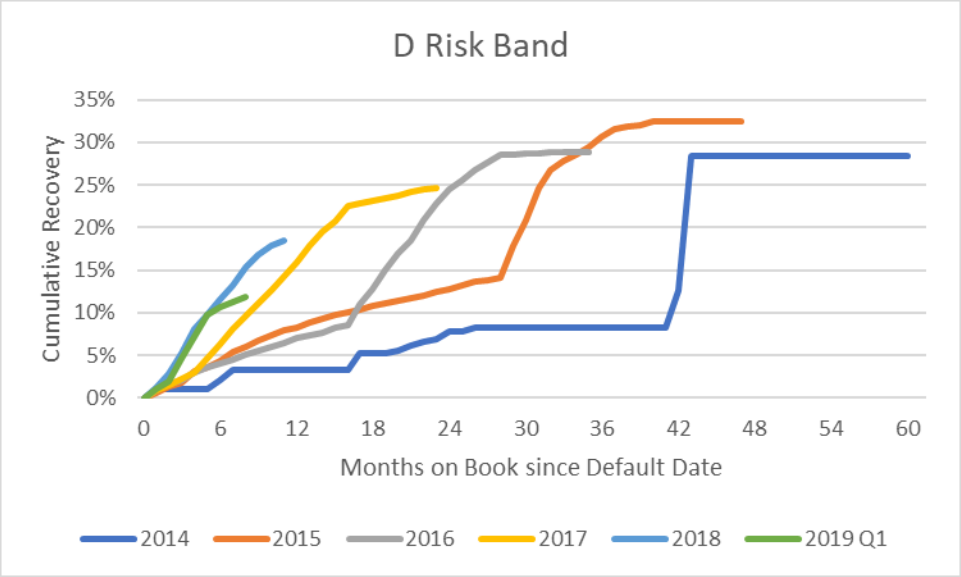
The table below includes all defaulted loans from 2006 to 2019, excluding 'Y' and 'S' risk band loans. The recovery percentage is the total amount recovered up until 31 March 2019 as a percentage of the aggregate outstanding principal balance of the loans at the time of default.

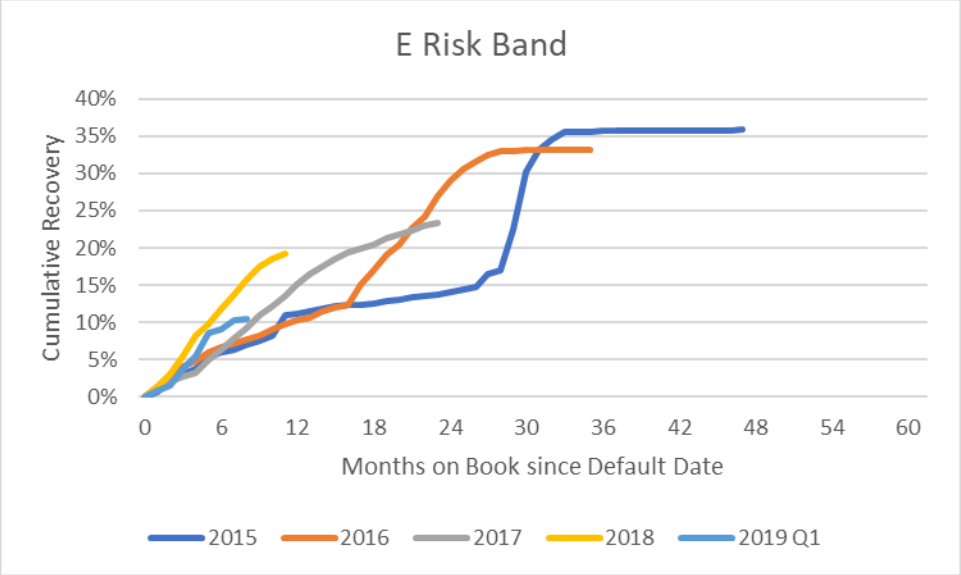
Default Vintage	Total Defaulting Amount	Total Subsequent Recoveries on defaulting amount	As a percentage
2006	25,303	25,071	99.1%
2007	51,864	52,417	101.1%
2008	168,966	83,869	49.6%
2009	627,269	290,711	46.4%
2010	647,421	343,010	53.0%
2011	994,117	499,248	50.2%
2012	950,135	521,910	54.9%
2013	870,328	480,593	55.2%
2014	1,643,402	583,274	35.5%
2015	6,526,599	1,334,842	20.5%
2016	22,104,859	2,827,153	12.8%
2017	43,996,969	4,439,766	10.1%
2018	57,549,171	4,330,255	7.5%
2019 Q1	15,015,525	686,572	4.6%


A*, A1, A2 Risk Bands
Cumulative Recovery
80%
60%
40%
20%
0%
0 6 12 18 24 30 36 42 48 54 60 66 72 78 84 90
Months on Book since Default Date
2008 2009 2010 2011
2012 2013 2014 2015
2016 2017 2018 2019 Q1


B Risk Band
Cumulative Recovery
100%
80%
60%
40%
20%
0%
0 6 12 18 24 30 36 42 48 54 60 66 72 78 84 90
Months on Book since Default Date
2008 2009 2010 2011
2012 2013 2014 2015
2016 2017 2018 2019 Q1

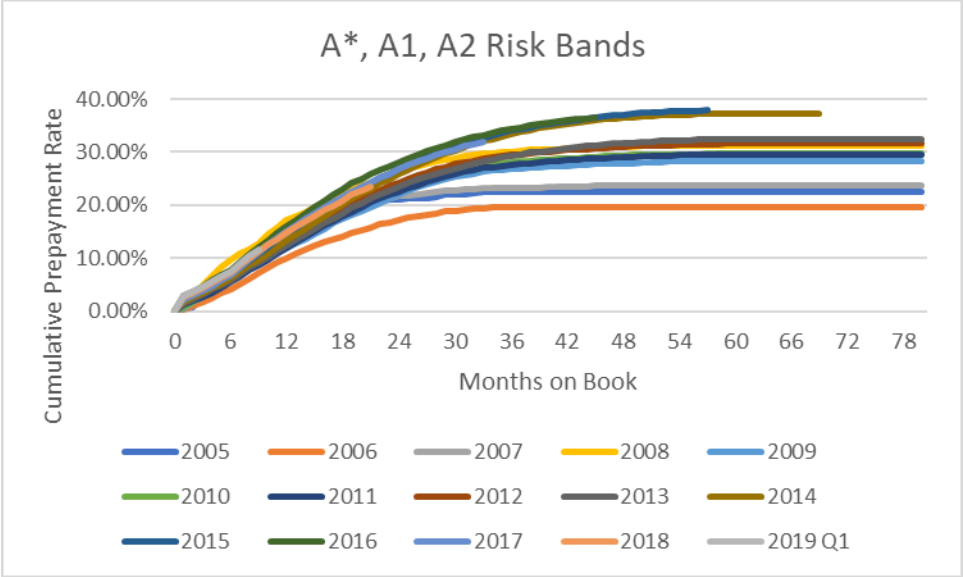

C Risk Band
Cumulative Recovery
80%
60%
40%
20%
0%
0 6 12 18 24 30 36 42 48 54 60 66 72 78 84 90
Months on Book since Default Date
2008 2009 2010 2011
2012 2013 2014 2015
2016 2017 2018 2019 Q1

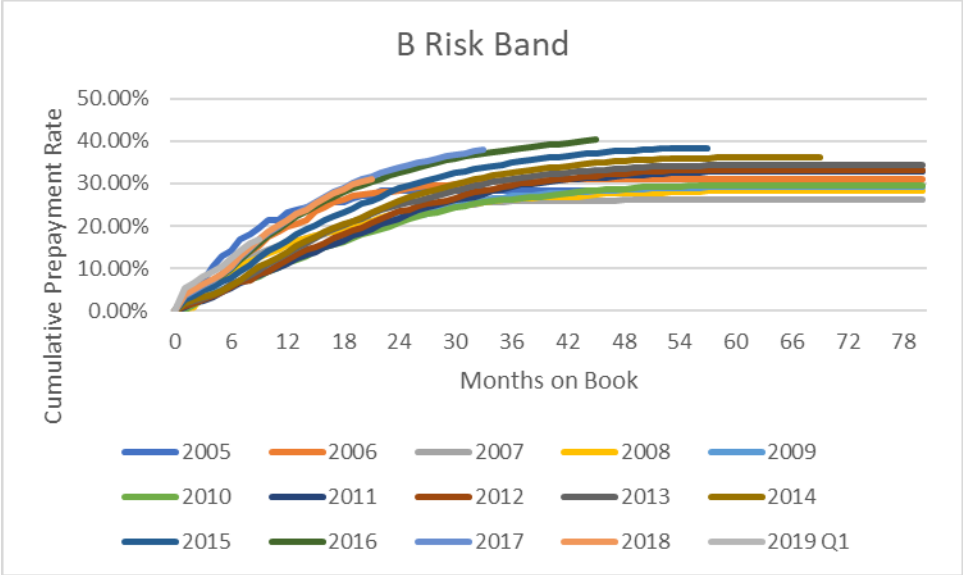


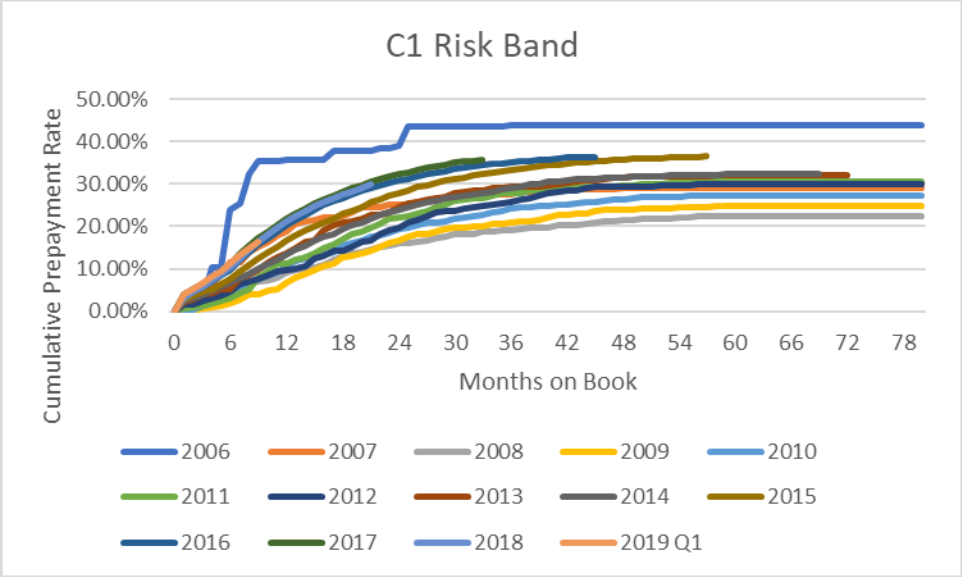


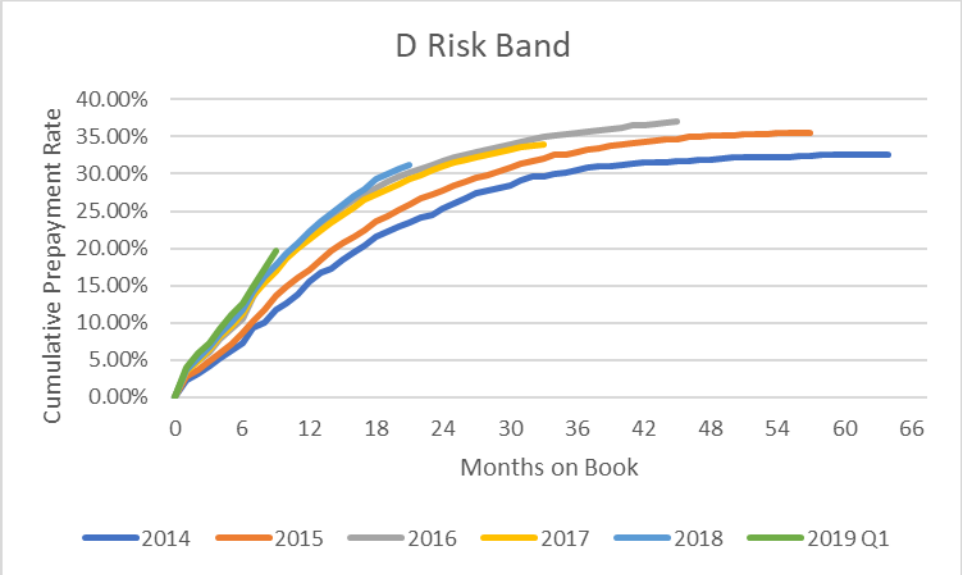
Zopa Historical Prepayments

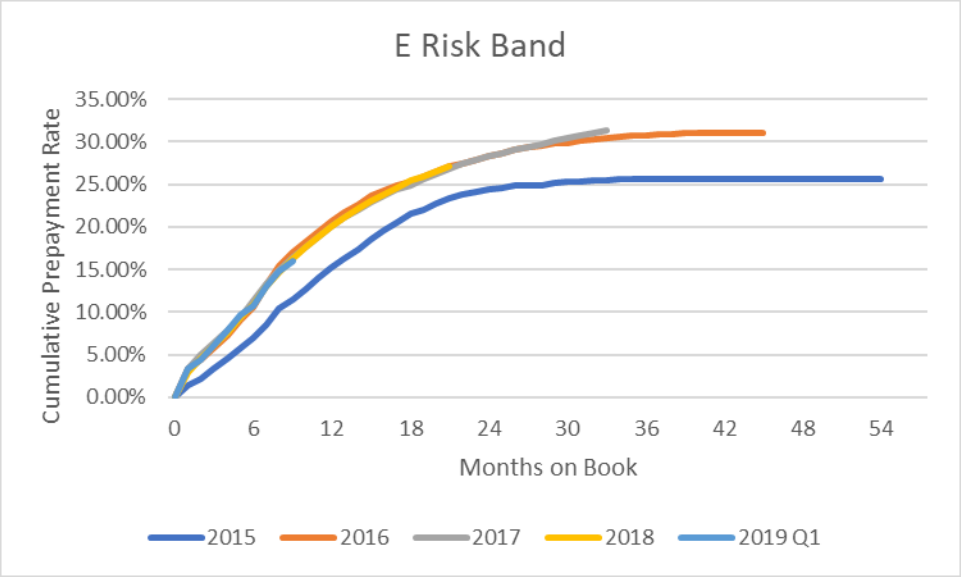
The graphs below include cumulative prepayment rates for all loans originated on the Zopa Platform from 4 March 2005 to 31 March 2019. Prepayment rates are shown in annual cohorts, as a percentage of the original loan amount. 'Y' and 'S' risk band loans are excluded.


A*, A1, A2 Risk Bands
Cumulative Prepayment Rate
40.00%
30.00%
20.00%
10.00%
0.00%
0 6 12 18 24 30 36 42 48 54 60 66 72 78
Months on Book
2005 2006 2007 2008 2009
2010 2011 2012 2013 2014
2015 2016 2017 2018 2019 Q1


B Risk Band
Cumulative Prepayment Rate
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
0 6 12 18 24 30 36 42 48 54 60 66 72 78
Months on Book
2005 2006 2007 2008 2009
2010 2011 2012 2013 2014
2015 2016 2017 2018 2019 Q1


C1 Risk Band
Cumulative Prepayment Rate
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
0 6 12 18 24 30 36 42 48 54 60 66 72 78
Months on Book
2006 2007 2008 2009 2010
2011 2012 2013 2014 2015
2016 2017 2018 2019 Q1


D Risk Band
Cumulative Prepayment Rate
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
0 6 12 18 24 30 36 42 48 54 60 66
Months on Book
2014 2015 2016 2017 2018 2019 Q1


E Risk Band
Cumulative Prepayment Rate
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
0
6
12
18
24
30
36
42
48
54
Months on Book
2015
2016
2017
2018
2019 Q1

THE PLATFORM SERVICER AND THE SERVICING PROCEDURES

Introduction

The parties to the Servicing Agreement to be entered into on or before the Closing Date will be the Issuer, the Trustee, the Platform Servicer and the Seller.

On the Closing Date, the Issuer will appoint Zopa as platform servicer (the "**Platform Servicer**") to service the Purchased Loan Assets. The Platform Servicer will undertake to comply with any directions and instructions that the Issuer or, (at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement. The Platform Servicer will be required to service the Purchased Loan Assets in good faith and with the due care and skill that would be exercised by a prudent and informed servicer of loans similar to the Purchased Loan Assets administered for the account of others and, where it is a higher standard, with the equivalent diligence and level of care and skill that it would exercise concerning other loans, similar to the Purchased Loan Assets, originated on the Zopa Platform.

Duties

More specifically, the Platform Servicer shall, among other things, take all such action as shall be reasonably necessary to: (a) provide the services and discharge its obligations and discretions under the Zopa Principles; (b) open the Issuer's Lender Account; (c) ensure all payments made by the Zopa Borrowers, once received by the Platform Servicer, in connection with the Purchased Loan Assets are paid to the relevant accounts in accordance with the Servicing Agreement; and (d) initiate and prosecute in the name of the Issuer and on its behalf proceedings against a Zopa Borrower in respect of a Purchased Loan Asset which the Platform Servicer has declared to be in default in accordance with its terms.

The Platform Servicer may delegate or subcontract certain administration and management services in respect of the Purchased Loan Asset subject to certain conditions as set out in the Servicing Agreement. Notwithstanding any such delegation or subcontracting, among other things, the Platform Servicer shall remain solely liable for the performance of its duties and obligations under the Servicing Agreement and for the acts or omissions of any Sub-Contractor. (See further section entitled "*Certain Transaction Documents – Servicing Agreement - Right of Delegation by the Platform Servicer*").

Servicing Procedures

The Platform Servicer shall (and shall procure that each Sub-Contractor shall) in performing the Services comply with:

(a) its Collections Policy;

(b) the Zopa Principles (subject to certain amends pursuant to the Servicing Agreement);

(c) the Loan Contracts;

(d) all Applicable Laws; and

(e) the Servicing Agreement.

THE BACK-UP SERVICER

Target Servicing Limited was incorporated as a private limited company in England and Wales on 10 November 2005 with registered number 05618062. Its registered office is at Target House, Cowbridge Road East, Cardiff, CF11 9AU

Among other services, Target Servicing Limited provides third party residential mortgage administration services to its clients on mortgage loans secured by residential real estate in the United Kingdom.

Target Servicing Limited is authorised and regulated by the FCA under registration number 454569. Target holds relevant licences under FSMA and maintains applicable registrations under the Data Protection Act 2018.

THE INTEREST RATE HEDGE COUNTERPARTY

NatWest Markets Plc (the "**Bank**") is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc (the "**holding company**"), a banking and financial services group. The Bank provides corporate and institutional customers with financing and risk management solutions, with a focus on rates, currencies and financing products.

The "**NWM Group**" comprises the Bank and its subsidiary and associated undertakings. The "**RBS Group**" comprises the holding company and its subsidiary and associated undertakings, including the NWM Group.

As at 31 December 2018, the NWM Group had total assets of £247.8 billion and owners' equity of £9.0 billion and the Bank had a total capital ratio of 21.5% and a CET1 capital ratio of 15.6%. Full financial information relating to the NWM Group can be found in its latest financial results release (https://investors.rbs.com/~/media/Files/R/RBS-IR/results-center/15-02-2019/natwest-markets-annual-report-15-02-2019.pdf).

The long-term, unsecured and unsubordinated debt obligations of the Bank are rated "A-" by Standard & Poor's, "A" by Fitch and "Baa2" by Moody's. The Bank's counterparty risk assessment is "A3(cr)" by Moody's.

As at the date of this Prospectus, the Bank has securities admitted to trading on the regulated market of the London Stock Exchange.

THE CASH MANAGER AND CALCULATION AGENT, THE ISSUER ACCOUNT BANK, THE PRINCIPAL PAYING AGENT, THE REGISTRAR, THE TRUSTEE AND THE CUSTODIAN

Citibank, N.A., London Branch is a national association formed through its Articles of Association obtained in its charter, 1461, 17 July 1865, and governed by the laws of the United States and having its principal business office at 388 Greenwich Street, New York, NY 10013, USA and having in Great Britain a principal branch office situated at Canada Square, Canary Wharf, London E14 5LB with a foreign company number FC001835 and branch number BR001018.

The London Branch is authorised and regulated by the Office of the Comptroller of the Currency (USA) and authorised by the Prudential Regulation Authority. It is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

KEY STRUCTURAL FEATURES

Credit Enhancement and Liquidity Support

The Notes are obligations of the Issuer only and will not be the obligations of, or the responsibility of, or guaranteed by, any other party. However, there are a number of features of the Transaction which enhance the likelihood of timely receipt of payments by the Noteholders as follows:

- The Loan Portfolio has characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the Notes. Available Interest Proceeds are expected to exceed interest due and payable on the Rated Notes and Senior Expenses of the Issuer (including the Issuer Corporate Benefit).

- Two days prior to each Note Payment Date all amounts standing to the credit of the Cash Reserve Account will be transferred to the Issuer Payment Account for application as Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments, any Senior Interest Deficiency on any Note Payment Date may be funded by transferring amounts standing to the credit of the Liquidity Reserve Account to the Issuer Payment Account for application to such Senior Interest Deficiency and, any Remaining Senior Interest Deficiency on any Note Payment Date may be funded by applying amounts otherwise constituting Available Principal Proceeds to such Remaining Senior Interest Deficiency.

- Payments of interest on each Class of Notes are made on a *pro rata* and *pari passu* basis between the Notes of each Class up to their respective Interest Amount and may (other than in respect of the Most Senior Class of Notes and the Class Z2 Notes) be deferred where the Issuer has insufficient proceeds.

- Payments of principal of each Class of Notes are made (i) (other than in respect of the Class Z Notes) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis up to their respective Repayment Amounts, and (ii) at any time on or following a Sequential Amortisation Trigger Event, in Sequential Order until each respective Class of Notes is redeemed in full.

- Default Amounts in respect of Defaulted Loans together with payments of Available Principal Proceeds to cover Remaining Senior Interest Deficiencies are allocable to the Classes of Notes in reverse Sequential Order in the applicable Principal Deficiency Ledger, *first*, to the Class Z1 Principal Deficiency Ledger, *second*, to the Class F Principal Deficiency Ledger *third*, to the Class E Principal Deficiency Ledger, *fourth*, to the Class D Principal Deficiency Ledger, *fifth*, to the Class C Principal Deficiency Ledger, *sixth* to the Class B Principal Deficiency Ledger; and *seventh*, on a *pro rata* and *pari passu* basis, to the Class A Principal Deficiency Ledger.

- The Issuer Accounts earn or charge interest at a rate set by the Issuer Account Bank and as notified to the Issuer in accordance with the Account Bank Agreement.

- The Issuer will apply the net proceeds from the issue of the Notes to (i) pay the Initial Purchase Price to the Seller in respect of the Loan Portfolio pursuant to the Loan Sale and Purchase Agreement; (ii) make a deposit in an amount equal to the Cash Reserve Required Amount into the Cash Reserve Account; (iii) make a deposit in an amount equal to the Liquidity Reserve Required Amount into the Liquidity Reserve Account; (iv) purchase the SONIA Cap Transaction and the LIBOR Cap Transaction under the Interest Rate Hedge Agreement on the Closing Date; (v) make payments in respect of the fees, costs and expenses in connection with the issuance of the Notes; (vi) make a deposit in an amount equal to the Pre-Funding Reserve which may be applied in purchasing Additional Loans on or prior to the Final Additional Loan Purchase Date and (vii) make a deposit to the Expenses Reserve Ledger of the Issuer Transaction Account in an amount equal to the Expenses Reserve which may be used by the Issuer to make payments in respect of fees, costs and expenses incurred in connection with the issuance of the Notes and the Transaction as a whole (see further the section entitled "*Use of Proceeds*").

Each of these factors is considered in more detail below.

Credit Support for the Notes provided by Available Interest Proceeds

It is expected that, during the life of the Notes, the interest payable by Zopa Borrowers on the Purchased Loan Assets will, assuming that all of the Purchased Loan Assets are fully performing, be sufficient so that the Available Interest Proceeds will be available to pay the amounts payable under items (a) to (t) of the Pre-Acceleration Interest Priority of Payments. The actual amount of any excess will vary during the life of the Notes. One of the key factors determining such variation is the performance of the Loan Portfolio.

Available Interest Proceeds may be applied (after making payments or provisions ranking higher in the Pre-Acceleration Interest Priority of Payments) on each Note Payment Date towards reducing any Principal Deficiency Ledger entries (which may arise from, among other things, (i) Default Amounts arising on the Loan Portfolio, or (ii) the application of Available Principal Proceeds to cover any previous Remaining Senior Interest Deficiency).

To the extent that the amount of Available Interest Proceeds on each Note Payment Date exceeds the aggregate of the payments and provisions required to be met in priority to item (r) of the Pre-Acceleration Interest Priority of Payments, such excess is available to replenish and increase the Cash Reserve Account up to and including an amount equal to the Cash Reserve Required Amount.

To the extent that the amount of Available Interest Proceeds on each Note Payment Date exceeds the aggregate of the payments and provisions required to be met in priority to item (i) of the Pre-Acceleration Interest Priority of Payments, such excess is available to replenish the Liquidity Reserve Account up to and including an amount equal to the Liquidity Reserve Required Amount.

Credit support provided by use of Cash Reserve Account

On the Closing Date, the Issuer will credit an amount equal to the Cash Reserve Required Amount to the Cash Reserve Account for the purpose of establishing a cash reserve.

Two (2) Business Days prior to each Note Payment Date occurring prior to delivery of an Enforcement Notice, all amounts standing to the credit of the Cash Reserve Account will be transferred to the Issuer Payment Account for application as Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments.

Use of Liquidity Reserve Account to fund a Senior Interest Deficiency

On the Closing Date, the Issuer will credit an amount equal to the Liquidity Reserve Required Amount to the Liquidity Reserve Account for the purpose of establishing a liquidity reserve.

On or before each Calculation Date occurring prior to delivery of an Enforcement Notice, the Cash Manager and Calculation Agent will determine based on the Servicing Report whether there is a Senior Interest Deficiency and if so, then the Issuer shall pay or provide for that Senior Interest Deficiency by transferring amounts standing to the credit of the Liquidity Reserve Account (if any), in an amount equal to such Senior Interest Deficiency (or, if less, the total amount standing to the credit of the Liquidity Reserve Account), to the Issuer Payment Account two (2) Business Days prior to each Note Payment Date and applying such amount as Available Interest Proceeds to cover the deficit on the immediately succeeding Note Payment Date.

Use of Available Principal Proceeds to fund a Remaining Senior Interest Deficiency

On or before each Calculation Date occurring prior to the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent will determine based on the Servicing Report whether there is a Remaining Senior Interest Deficiency and if so, then the Issuer shall pay or provide for that Remaining Senior Interest Deficiency by applying an amount of Available Principal Proceeds equal to such Remaining Senior Interest Deficiency as Available Interest Proceeds to cover the deficit on the immediately succeeding Note Payment Date by transferring such amounts to the Issuer Payment Account two (2) Business Days prior to each Note Payment Date (and the Cash Manager and Calculation Agent shall make a corresponding entry against the applicable Principal Deficiency Ledgers).

The applicable Principal Deficiency Ledgers will be debited on each Note Payment Date by an amount equal to the amount of any Available Principal Proceeds applied to fund a payment of a Remaining Senior

Interest Deficiency arising on that Note Payment Date, as well as any Default Amounts for the related Collection Period, in reverse Sequential Order.

For more information about the application of Available Principal Proceeds as Available Interest Proceeds see the section entitled "*Cashflows and Cash Management*".

Payment of interest on the Notes in Sequential Order and deferral of payments on the Notes

Payments of interest on the Classes of Notes will be paid in Sequential Order (so that payments of interest on the Class Z2 Notes will be subordinated to payments of interest on the Class F Notes, the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes and the Class A Notes; payments of interest on the Class F Notes will be subordinated to payments of interest on the Class E Notes, the Class D Notes, the Class C Notes, the Class B Notes and the Class A Notes; payments of interest on the Class E Notes will be subordinated to payments of interest on the Class D Notes, the Class C Notes, the Class B Notes and the Class A Notes; payments of interest on the Class D Notes will be subordinated to payments of interest on the Class C Notes, the Class B Notes and the Class A Notes; payments of interest on the Class C Notes will be subordinated to payments of interest on the Class B Notes and the Class A Notes; and payments of interest on the Class B Notes will be subordinated to payments of interest on the Class A Notes) in accordance with the relevant Priority of Payments.

For so long as they are not the Most Senior Class of Notes, the Issuer shall only be obliged to, pay any Interest Amount payable in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes in full on any Note Payment Date or to pay the Class Z2 Interest Amount, in each case to the extent that there are Available Interest Proceeds available for payment thereof in accordance with the Priority of Payments.

In accordance with Condition 6(c) (*Deferral of Interest*), for so long as they are not the Most Senior Class of Notes, any Interest Amount due on a Note Payment Date in respect of the Class B Notes, the Class C Notes, the Class D Notes , the Class E Notes or the Class F Notes will not be payable on such Note Payment Date, but will instead be deferred until the first Note Payment Date thereafter on which funds are available to the Issuer (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the Conditions) to fund the payment of Deferred Interest to the extent of such available funds.

Such Deferred Interest will accrue Additional Interest at the rate of interest applicable to that Class in accordance with Condition 6(e) (*Interest on the Rated Notes*), and payment of any Additional Interest will also be deferred until the first Note Payment Date thereafter on which funds are available (subject to and in accordance with the Conditions) to the Issuer to pay such Additional Interest to the extent of such available funds.

For so long as they are not the Most Senior Class of Notes, failure to pay any Deferred Interest or Additional Interest to holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class Z Notes, as applicable, will not be an Event of Default until the Final Maturity Date or any earlier date of redemption in full of such Class of Notes and any such amount which has not then been paid in respect of the relevant Class of Notes will thereupon become due and payable in full.

It is not intended that any surplus will be accumulated by the Issuer, other than, for the avoidance of doubt, the Issuer Corporate Benefit and, until the Final Maturity Date, amounts standing to the credit of the Cash Reserve Account.

The Principal Deficiency Ledgers

Seven Principal Deficiency Ledgers (one relating to each Class of Notes other than the Class Z2 Notes) will be established on the Closing Date. On or before each Calculation Date, the Cash Manager and Calculation Agent will determine, among other things, the following amounts (based on information provided by the Platform Servicer with respect to the Loan Portfolio) and record them as debit entries on the Principal Deficiency Ledgers:

(a) any Default Amounts on the Purchased Loan Assets in the Loan Portfolio in the immediately preceding Collection Period; and

(b) any Available Principal Proceeds to be applied to meet any Remaining Senior Interest Deficiency.

Without double counting, Default Amounts and the amount of any Available Principal Proceeds applied to fund a Remaining Senior Interest Deficiency recorded on the Class A Principal Deficiency Ledger shall be recorded in respect of the Class A1 Notes and the Class A2 Notes. Default Amounts and the amount of any Available Principal Proceeds applied to fund a Remaining Senior Interest Deficiency recorded on the Class B Principal Deficiency Ledger shall be recorded in respect of the Class B Notes. Default Amounts and the amount of any Available Principal Proceeds applied to fund a Remaining Senior Interest Deficiency recorded on the Class C Principal Deficiency Ledger shall be recorded in respect of the Class C Notes. Default Amounts and the amount of any Available Principal Proceeds applied to fund a Remaining Senior Interest Deficiency recorded on the Class D Principal Deficiency Ledger shall be recorded in respect of the Class D Notes. Default Amounts and the amount of any Available Principal Proceeds applied to fund a Remaining Senior Interest Deficiency recorded on the Class E Principal Deficiency Ledger shall be recorded in respect of the Class E Notes. Default Amounts and the amount of any Available Principal Proceeds applied to fund a Remaining Senior Interest Deficiency recorded on the Class F Principal Deficiency Ledger shall be recorded in respect of the Class F Notes. Default Amounts and the amount of any Available Principal Proceeds applied to fund a Remaining Senior Interest Deficiency recorded on the Class Z1 Principal Deficiency Ledger shall be recorded in respect of the Class Z1 Notes.

Default Amounts and the amount of any Available Principal Proceeds applied to fund a Remaining Senior Interest Deficiency will be recorded as a debit to the relevant Principal Deficiency Ledger as follows:

(a) *first*, on the Class Z1 Principal Deficiency Ledger up to a maximum of the Class Z1 Principal Deficiency Limit;

(b) *second*, on the Class F Principal Deficiency Ledger up to a maximum of the Class F Principal Deficiency Limit;

(c) *third*, to the Class E Principal Deficiency Ledger up to a maximum of the Class E Principal Deficiency Limit;

(d) *fourth*, to the Class D Principal Deficiency Ledger up to a maximum of the Class D Principal Deficiency Limit;

(e) *fifth*, to the Class C Principal Deficiency Ledger up to a maximum of the Class C Principal Deficiency Limit;

(f) *sixth*, to the Class B Principal Deficiency Ledger up to a maximum of the Class B Principal Deficiency Limit; and

(g) *seventh*, on a *pro rata* and *pari passu* basis, to the Class A Principal Deficiency Ledger up to a maximum of the Class A Principal Deficiency Limit.

Amounts debited to a Principal Deficiency Ledger shall be reduced to the extent of Available Interest Proceeds available for such purpose on each Note Payment Date in accordance with the Pre-Acceleration Interest Priority of Payments as follows:

(a) *first*, on a *pro rata* and *pari passu* basis, to the Class A Principal Deficiency Ledger to reduce the debit balance to zero;

(b) *second*, to the Class B Principal Deficiency Ledger to reduce the debit balance to zero;

(c) *third*, to the Class C Principal Deficiency Ledger to reduce the debit balance to zero;

(d) *fourth*, to the Class D Principal Deficiency Ledger to reduce the debit balance to zero;

(e) *fifth*, to the Class E Principal Deficiency Ledger to reduce the debit balance to zero;

(f) *sixth*, to the Class F Principal Deficiency Ledger to reduce the debit balance to zero; and

(g) *seventh*, to the Class Z1 Principal Deficiency Ledger to reduce the debit balance to zero.

On or before each Calculation Date, the Cash Manager and Calculation Agent will calculate the then current balance of each Principal Deficiency Ledger and will apply Available Interest Proceeds (to the extent available)

to cure any debit entries on the immediately following Note Payment Date in accordance with the Pre-Acceleration Interest Priority of Payments.

Interest Rate Hedge Agreement

Availability of an interest rate swap comprised of a SONIA Swap Transaction, a SONIA Cap Transaction and a LIBOR Cap Transaction, provided by the Interest Rate Hedge Counterparty to hedge against the possible variance between the fixed rate of interest received by the Issuer on the Purchased Loan Assets and the SONIA-based interest payable in respect of the SONIA Notes and the LIBOR-based interest payable in respect of the Class A2 Notes. Payments made by the Interest Rate Hedge Counterparty under the Interest Rate Hedge Agreement will constitute the Available Interest Proceeds (other than as provided under paragraph (c) of the definition thereof) and be distributed by the Issuer in accordance with the applicable Priority of Payments.

Pursuant to the SONIA Swap Confirmation under the Interest Rate Hedge Agreement, for each Interest Period falling prior to the termination date of such Interest Rate Hedge Agreement, the following amounts will be calculated:

(a) the amount produced by applying a rate equal to Compounded Daily SONIA for the relevant Interest Period to the applicable notional amount of such Interest Rate Hedge Agreement and multiplying the resulting amount by the applicable day count fraction specified in the Interest Rate Hedge Agreement (the "**Interest Period Hedge Counterparty Amount**"); and

(b) the amount produced by applying the Hedge Fixed Rate to the applicable notional amount of such Interest Rate Hedge Agreement and multiplying the resulting amount by the applicable day count fraction specified in the Interest Rate Hedge Agreement (the "**Interest Period Issuer Amount**").

After these two amounts are calculated in relation to an Interest Period, the following payments will be made on the relevant Note Payment Date:

(a) if the Interest Period Hedge Counterparty Amount for that Note Payment Date is greater than the Interest Period Issuer Amount for that Note Payment Date, then the Interest Rate Hedge Counterparty will pay the difference to the Issuer;

(b) if the Interest Period Issuer Amount is greater than the Interest Period Hedge Counterparty Amount for that Note Payment Date, then the Issuer will pay the difference to the Interest Rate Hedge Counterparty; and

(c) if the two amounts are equal, neither party will make a payment to the other.

If a payment is to be made by the Interest Rate Hedge Counterparty, that payment will be included in the Available Interest Proceeds and will be applied on or about the relevant Note Payment Date according to the applicable Priority of Payments. If a payment is to be made by the Issuer, it will be made according to the applicable Priority of Payments of the Issuer.

Issuer Transaction Account and Issuer Payment Account

All monies held by the Issuer will be deposited in the Issuer Transaction Account in the first instance other than amounts to be credited to the Cash Reserve Account in respect of the Cash Reserve Required Amount, the Liquidity Reserve Account in respect of the Liquidity Reserve Required Amount, the Corporate Benefit Account and any Hedge Collateral delivered pursuant to the Interest Rate Hedge Agreement. Two (2) days before each Note Payment Date, monies held for application towards the applicable Priority of Payments will be transferred to the Issuer Payment Account. One (1) Business Day prior to each Note Payment Date, subject to there being sufficiently cleared funds standing to the credit of the Issuer Payment Account, the Cash Manager and Calculation Agent will instruct the Issuer Account Bank on the Issuer's behalf to transfer to the Principal Paying Agent out of the Issuer Payment Account such amount as may be required to enable the Principal Paying Agent to pay all amounts in respect of the Notes due and payable on such date. Each Issuer Account and the Corporate Benefit Account is maintained with the Issuer Account Bank.

Pre-Funding Reserve

On the Issue Date, it is expected that the Issuer will credit an amount equal to £17,000,000 to the Pre-Funding Reserve Ledger (the "**Pre-Funding Reserve**"). The Issuer will only be entitled to apply amounts (if

any) standing to the credit of the Pre-Funding Reserve in purchasing Additional Loans from time to time following the Closing Date and on any Business Day up to and including the Final Additional Loan Purchase Date, subject to the satisfaction of the applicable Zopa Loan Warranties, the Retention Holder Warranties and the Additional Loans Conditions. The applicable Additional Loan Purchase Price for such Additional Loans shall be funded by applying the Pre-Funding Reserve in an amount equal to the Additional Loan Purchase Price.

Any outstanding balance in the Pre-Funding Reserve Ledger as at the Final Additional Loan Purchase Date (taking into account any debits made on that ledger on such date) will be applied as Available Principal Proceeds on the second Note Payment Date.

Expense Reserve

On the Issue Date, it is expected that the Issuer will credit an amount equal to £2,000,000 to the Expense Reserve Ledger of the Issuer Transaction Account (the "**Expense Reserve**"). The Issuer will only be entitled to apply amounts (if any) standing to the credit of the Expense Reserve Ledger for the purposes of paying certain amounts due or accrued with respect to actions taken on or in connection with the Closing Date with respect to the issue of the Notes and the entry into the Transaction Documents. Pursuant to the Cash Management and Calculation Agency Agreement, the Issuer shall procure that such amounts are paid outside of the Priorities of Payments out of the Expenses Reserve Ledger.

Any amounts not applied to such expenses by the second Note Payment Date shall be treated as Available Interest Proceeds and applied in accordance with the Pre-Acceleration Interest Priority of Payments.

CASHFLOWS AND CASH MANAGEMENT

Cashflows

Application of Available Interest Proceeds prior to service of an Enforcement Notice

Cash Reserve Account

On the Closing Date, an account will be established by the Issuer called the Cash Reserve Account. The Cash Reserve Account will be funded on the Closing Date from the proceeds of the issuance of the Notes in an amount equal to the Cash Reserve Required Amount.

The Cash Manager and Calculation Agent will maintain a Cash Reserve Ledger pursuant to the Cash Management and Calculation Agency Agreement to record the balance from time to time of the Cash Reserve Account.

After the Closing Date, the Cash Reserve Account will be replenished on each Note Payment Date occurring prior to delivery of an Enforcement Notice from Available Interest Proceeds in accordance with the provisions of the Pre-Acceleration Interest Priority of Payments up to the Cash Reserve Required Amount which shall be: (i) on the Closing Date and on each Note Payment Date thereafter prior to the Final Rated Note Payment Date, an amount equal to 3.00 per cent. of the aggregate Principal Amount Outstanding of the Rated Notes as at the Closing Date *minus* the Liquidity Reserve Required Amount; and (ii) on each Note Payment Date on and from the Final Rated Note Payment Date, zero.

Following the earlier to occur of (i) delivery of an Enforcement Notice, and (ii) redemption in full of the Rated Notes, the Issuer will not be required to maintain the Cash Reserve Account and the Cash Reserve Required Amount will be zero, at which point, amounts standing to the credit of the Cash Reserve Account will be transferred to the Issuer Payment Account and applied as Available Interest Proceeds in accordance with the applicable Priority of Payments.

Liquidity Reserve Account

On the Closing Date, an account will be established by the Issuer called the Liquidity Reserve Account. The Liquidity Reserve Account will be funded on the Closing Date from the proceeds of the issuance of the Notes in an amount equal to the Liquidity Reserve Required Amount.

The Cash Manager and Calculation Agent will maintain a Liquidity Reserve Ledger pursuant to the Cash Management and Calculation Agency Agreement to record the balance from time to time of the Liquidity Reserve Account.

After the Closing Date, the Liquidity Reserve Account will be replenished on each Note Payment Date occurring prior to delivery of an Enforcement Notice from Available Interest Proceeds in accordance with the provisions of the Pre-Acceleration Interest Priority of Payments up to the Liquidity Reserve Required Amount which shall be: (i) on the Closing Date and on each Note Payment Date prior to the Final Class A and B Note Payment Date an amount equal to 3.00 per cent. of the then aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes, and (ii) on each Note Payment Date on and from the Final Class A and B Note Payment Date, zero.

Following the earlier to occur of (i) delivery of an Enforcement Notice, and (ii) redemption in full of the Class A Notes and the Class B Notes, the Issuer will not be required to maintain the Liquidity Reserve Account and the Liquidity Reserve Required Amount will be zero, at which point, amounts standing to the credit of the Liquidity Reserve Account will be transferred to the Issuer Payment Account and applied as Available Interest Proceeds in accordance with the applicable Priority of Payments.

Use of Cash Reserve Account on the Final Rated Note Payment Date

On the Final Rated Note Payment Date, amounts standing to the credit of the Cash Reserve Account will be transferred to the Issuer Payment Account and applied as Available Interest Proceeds in accordance with the applicable Priority of Payments.

Use of Liquidity Reserve Account on the Final Class A and B Note Payment Date

On the Final Class A and B Note Payment Date, amounts standing to the credit of the Liquidity Reserve Account will be transferred to the Issuer Payment Account and applied as Available Interest Proceeds in accordance with the applicable Priority of Payments.

Application of Cash Reserve Account

Two (2) Business Days before each Note Payment Date occurring prior to delivery of an Enforcement Notice or the Final Rated Note Payment Date, all amounts standing to the credit of the Cash Reserve Account will be transferred to the Issuer Payment Account for application as Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments.

Application of Liquidity Reserve Account to cover Senior Interest Deficiencies

On or before each Calculation Date occurring prior to the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent will determine based on the Servicing Report (subject to the Interest Rate Hedge Counterparty providing the calculations of the amounts referred to in paragraph (c) of the definition of Available Interest Proceeds) whether Available Interest Proceeds (but ignoring any amounts referred to in paragraph (e) of the definition of Available Interest Proceeds) will be sufficient to pay all items of the Pre-Acceleration Interest Priority of Payments up to and including all Interest Amounts then due and payable up to the Class B Note Interest Amount on the next Note Payment Date. If the Cash Manager and Calculation Agent determines that there is a deficiency in the amount of Available Interest Proceeds (but ignoring any amounts referred to in paragraphs (e) to (h) of the definition of Available Interest Proceeds) available to pay all such items of the Pre-Acceleration Interest Priority of Payments (the amount of the deficit being the "**Senior Interest Deficiency**"), then the Issuer shall pay or provide for that Senior Interest Deficiency by transferring amounts two (2) Business Days prior to each Note Payment Date standing to the credit of the Liquidity Reserve Account (if any), in an amount equal to such Senior Interest Deficiency (or, if less, the total amount standing to the credit of the Liquidity Reserve Account), to the Issuer Payment Account and applying such amount as Available Interest Proceeds to cover the deficit on the immediately succeeding Note Payment Date.

Application of Available Principal Proceeds to cover Remaining Senior Interest Deficiencies

On or before each Calculation Date occurring prior to delivery of an Enforcement Notice, the Cash Manager and Calculation Agent will determine based on the Servicing Report whether Available Interest Proceeds (but ignoring any amounts referred to in paragraph (f) of the definition of Available Interest Proceeds) will be sufficient to pay all items of the Pre-Acceleration Interest Priority of Payments up to and including all Interest Amounts then due and payable on the then Most Senior Class of Notes on the next Note Payment Date. If the Cash Manager and Calculation Agent determines that there is a deficiency in the amount of Available Interest Proceeds (but ignoring any amounts referred to in paragraph (f) of the definition of Available Interest Proceeds) available to pay all such items of the Pre-Acceleration Interest Priority of Payments (the amount of the deficit being the "**Remaining Senior Interest Deficiency**"), then the Issuer shall pay or provide for that Remaining Senior Interest Deficiency by applying an amount of Available Principal Proceeds equal to such Remaining Senior Interest Deficiency as Available Interest Proceeds to cover the deficit on the immediately succeeding Note Payment Date by transferring such amounts to the Issuer Payment Account two (2) Business Days prior to each Note Payment Date (and the Cash Manager and Calculation Agent shall make a corresponding entry against the applicable Principal Deficiency Ledgers).

Application of Available Interest Proceeds prior to the delivery of an Enforcement Notice

On each Note Payment Date prior to the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent (on behalf of the Issuer) shall cause all Available Interest Proceeds for such Note Payment Date to be distributed pursuant to the Pre-Acceleration Interest Priority of Payments.

Application of Available Principal Proceeds prior to the delivery of an Enforcement Notice

On each Note Payment Date prior to the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent (on behalf of the Issuer) shall cause all Available Principal Proceeds for such Note Payment Date to be distributed pursuant to the Pre-Acceleration Principal Priority of Payments.

Application of Available Interest Proceeds, Available Principal, Proceeds and other moneys of the Issuer following the delivery of an Enforcement Notice

On each Note Payment Date (or on such other date as the Trustee instructs in writing in accordance with the Transaction Documents) on or following the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent shall cause all amounts standing to the credit of the Issuer Payment Account and all proceeds (other than amounts representing (i) any Excess Hedge Collateral which shall be returned directly to an Interest Rate Hedge Counterparty (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Hedge Premium (only to the extent it is applied directly to pay a Hedge Termination Payment due and payable by the Issuer to the outgoing Interest Rate Hedge Counterparty), (iii) any Hedge Tax Credits, which shall be applied directly to an Interest Rate Hedge Counterparty in accordance with the Cash Management and Calculation Agency Agreement, and (iv) prior to the designation of an early termination date under an Interest Rate Hedge Agreement and the resulting application of the Hedge Collateral by way of netting or set-off, all Hedge Collateral provided by an Interest Rate Hedge Counterparty to the Issuer pursuant to an Interest Rate Hedge Agreement (and any interest or distributions in respect thereof)) from the enforcement of the Security or otherwise recovered by the Trustee (which shall be held by the Trustee on trust) to be applied in payment, in the amounts required, in accordance with the Post-Acceleration Priority of Payments.

CERTAIN TRANSACTION DOCUMENTS

The following section contains an overview of the material terms of the principal Transaction Documents. The overview does not purport to be complete and is subject to the provisions of the applicable Transaction Documents.

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

Master Framework Agreement

The Transaction Parties will enter into a Master Framework Agreement on or before the Closing Date, pursuant to which they will agree that certain defined terms and other provisions will apply to and be incorporated into all or some of the Transaction Documents as set out therein.

Limited Recourse

Notwithstanding any of the provisions of the Conditions or any other Transaction Document, each Noteholder acknowledges and each of the Transaction Parties (other than the Issuer) agrees that if the net proceeds of realisation of the security constituted by the Charge and Assignment are less than the aggregate amount payable by the Issuer to the Noteholders and any other Secured Creditors in respect of its obligations under the Transaction Documents (such negative amount being referred to as a "shortfall"), the amount payable by the Issuer to the Noteholders and each other Secured Creditor in respect of the Issuer's obligations under such Transaction Documents shall be reduced to such amount of the net proceeds as shall be applied in accordance with the Charge and Assignment and the Priority of Payments, and such parties shall not (directly or indirectly) be entitled to take any further steps against the Issuer to recover such shortfall, which shall be deemed to be automatically extinguished.

Non-Petition

Each Noteholder acknowledges and each of the Transaction Parties (other than the Issuer) agrees that they (or any other party acting on their behalf) shall not be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings, or other analogous proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer under the Notes or the Transaction Documents, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in relation to such Transaction Documents. For the avoidance of doubt, nothing in Condition 4 (*Limited Recourse; Non-Petition; Security Mandate*) shall prevent the Trustee enforcing the security constituted by the Charge and Assignment in accordance with its terms, **provided that** in connection with any such enforcement neither the Trustee nor any Receiver appointed thereunder shall take any steps or proceedings to procure the winding up or liquidation of the Issuer.

Corporate Obligations

Each Noteholder acknowledges and each of the Transaction Parties (other than the Issuer) agrees that no recourse under any obligation, covenant, or agreement of the Issuer contained in any Transaction Document may be sought by it against any shareholder, officer, agent, employee or director of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the Transaction Documents are corporate obligations of the Issuer only. Each Noteholder acknowledges and each of the Transaction Parties (other than the Issuer) agrees that no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in any Transaction Document, or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements,

either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is hereby deemed expressly waived by the Noteholders and the Transaction Parties hereto.

Secured Obligations

Each Secured Creditor (other than the Trustee) agrees that if any amount is received by it (including by way of set-off) in respect of any Secured Obligation owed to it other than in accordance with the provisions of the Charge and Assignment and the Trust Deed, 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 Charge and Assignment and the Trust Deed, as applicable, shall be received and held by it as trustee (except in the case of the Cash Manager and Calculation Agent, the Principal Paying Agent, the Registrar and the Issuer Account Bank which will hold such funds as banker and to the order of the Trustee) for the Trustee and shall be paid over to, or to the order of, the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Charge and Assignment and the Trust Deed.

Governing Law

The Master Framework Agreement and any non-contractual obligations arising out of or in connection with the Master Framework Agreement, will be governed by and construed in accordance with English law.

Loan Sale and Purchase Agreement

Sale of the Loan Portfolio

Pursuant to the terms of the Loan Sale and Purchase Agreement, the Seller will sell and transfer its beneficial right, title, interest and benefit in, to and under the Initial Loan Portfolio to the Issuer on the Closing Date. The purchase of the Initial Loan Portfolio will take economic effect as of the Loan Portfolio Cut-Off Date. The Seller irrevocably undertakes to hold on trust the Purchased Loan Proceeds received in respect of each Purchased Loan Asset for and to the order of the Issuer from the Loan Portfolio Cut-Off Date and transfer such Purchased Loan Proceeds to the Issuer within two (2) Business Days of the Closing Date, or in the case of In-Flight Loans and the Additional Loans, within two (2) Business Days of the last In-Flight Transfer Date or the Final Additional Loan Purchase Date, as applicable.

The Loan Portfolio does not contain transferrable securities as defined in point (44) of Article 4(1) of Directive 2014/65/EU, derivative instruments or securitisation positions.

As the Seller is a company incorporated under the laws of England and Wales, the sale and assignment of the Purchased Loan Assets may, in principle, be avoided or set aside following an insolvency of the Seller under English insolvency rules if such assignment was at an undervalue or created a preference in favour of certain creditors of the Seller. However, the risk of the assignment being characterised as an undervalue is mitigated by the purchase price paid for the Purchased Loan Assets being equal to the outstanding principal balance and any accrued interest.

Additional Loans

The Seller may (but it is not obliged to) sell to the Issuer from time to time from the period from (and including) the Issue Date up to (and including) the Final Additional Loan Purchase Date further Loans to the extent that the Additional Loans Conditions are satisfied (the "**Additional Loans**").

For any Additional Loans purchased up to and including the Final Initial Additional Purchase Date the Issuer shall purchase such Additional Loans using amounts standing to the credit of the Pre-Funding Reserve, provided that the Issuer is permitted to purchase such Additional Loans in accordance with the Loan Sale and Purchase Agreement. The applicable Additional Loan Purchase Price shall be funded by applying the Pre-Funding Reserve in an amount equal to the Additional Loan Purchase Price.

Pursuant to the Loan Sale and Purchase Agreement, the Additional Loans will have to comply with the following conditions on the date of their acquisition (taking into account all Additional Loans, including those proposed to be sold on such date):

(a) the related Zopa Borrower has made at least one scheduled monthly payment under the Additional Loan;

(b) the weighted average interest rate of all Additional Loans (for the avoidance of doubt, disregarding any Zopa Loan Servicing Fee deductible from the collections relating to such Additional Loans) (weighted by Collateral Principal Balance) is not less than 8.00 per cent. per annum;

(c) the Aggregate Collateral Principal Balance of Additional Loans that are A* Zopa Market Loans with an original term lower or equal to 36 months should not be less than 22.30 per cent. of Aggregate Collateral Principal Balance of all A* Zopa Market Loans comprised in the Additional Loan Portfolio;

(d) the Aggregate Collateral Principal Balance of Additional Loans that are A1 Zopa Market Loans and A2 Zopa Market Loans with an original term lower or equal to 36 months should not be less than 22.50 per cent. of the Aggregate Collateral Principal Balance of all A1 Zopa Market Loans and A2 Zopa Market Loans comprised in the Additional Loan Portfolio;

(e) the Aggregate Collateral Principal Balance of Additional Loans that are B Zopa Market Loans with an original term lower or equal to 36 months should not be less than 26.75 per cent. of the Aggregate Collateral Principal Balance of all B Zopa Market Loans comprised in the Additional Loan Portfolio;

(f) the Aggregate Collateral Principal Balance of Additional Loans that are C1 Zopa Market Loans with an original term lower or equal to 36 months should not be less than 35 per cent. of the Aggregate Collateral Principal Balance of all C1 Zopa Market Loans comprised in the Additional Loan Portfolio;

(g) the Aggregate Collateral Principal Balance of Additional Loans that are A* Zopa Market Loans should not be less than 35 per cent of the Aggregate Collateral Principal Balance of all Additional Loans in the Additional Loan Portfolio;

(h) the Aggregate Collateral Principal Balance of Additional Loans that are A1 Zopa Market Loans and A2 Zopa Market Loans should not be less than 17 per cent of the Aggregate Collateral Principal Balance of all Additional Loans in the Additional Loan Portfolio;

(i) the Aggregate Collateral Principal Balance of Additional Loans that are B Zopa Market Loans should not be less than 8.5 per cent of the Aggregate Collateral Principal Balance of all Additional Loans in the Additional Loan Portfolio; and

(j) the Aggregate Collateral Principal Balance of Additional Loans that are D Zopa Market Loans and E Zopa Market Loans should not be more than 10 per cent of the Aggregate Collateral Principal Balance of all Additional Loans in the Additional Loan Portfolio.

Retention Holder Warranties

Pursuant to the Loan Sale and Purchase Agreement on the Loan Warranty Date, each Retention Holder will represent and warrant to the best each Retention Holder's knowledge and based on the information contained in the Initial Servicing Report (or, in respect of any Additional Loans, the most recently published Servicing Report) the Retention Holder Warranties to the Issuer, being:

(a) the information contained in the List of Loans or Additional List of Loans, as applicable offered for sale to the Issuer is complete and accurate in all material respects as at its date;

(b) immediately prior to the sale and assignment of the Seller's beneficial right, title and interest to, in and under certain Loan Assets to the Issuer, the Seller was the equitable owner of such Loan Assets, free and clear of any Security Interest and the Purchased Loan Assets were not encumbered or otherwise in a condition that could be foreseen to adversely affect the enforceability of the true sale and assignment or transfer of the beneficial title with the same legal effect;

(c) the Seller (or the Platform Servicer on its behalf) has the capability to identify each Loan Asset sold and assigned under the Loan Sale and Purchase Agreement and included in the List of Loans being offered for sale to the Issuer;

(d) immediately following each sale of any Loan Asset, the Seller will have no continuing equitable interest in such Loan Asset;

(e) as at the Closing Date or, in respect an Additional Loan, the Further Purchase Date, the related Zopa Borrower has made at least one scheduled monthly payment under the Loan;

(f) beneficial title in respect of the Loans is free and clear of any Security Interest;

(g) as of the Closing Date, none of the Loans are Defaulted Loans or Delinquent Loans; and

(h) as of the Closing Date, the relevant Purchased Loan Asset existed.

Retention Holders Indemnification Obligation and Deemed Collection

If as at the Loan Warranty Date (or as otherwise stated) any Retention Holder Warranty was untrue with respect to any Purchased Loan Asset and either:

(a) Zopa has failed to purchase such Purchased Loan Asset in respect of which a Zopa Purchase Obligation has been triggered pursuant to the Servicing Agreement and a Deemed Collection has not been made in respect of such Purchased Loan Asset; or

(b) Zopa is not obliged to purchase such Purchased Loan Asset pursuant to the Servicing Agreement,

then the Issuer or, (at any time (x) following the delivery of written notice to the Seller and the Retention Holders that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee may deliver a written notice to the Retention Holders requiring the Retention Holders to indemnify it within ten (10) Business Days after the date of such notice for the Remedy Amount (the "**Retention Holder Indemnification Obligation**").

Payment by the Retention Holders in full of the amount due in respect of any breach of a Retention Holder Warranty in accordance with the Retention Holder Indemnification Obligation on the date on which such breach of a Retention Holder Warranty in relation to the relevant Affected Loan, and the Issuer, the Trustee and any other Person shall not have any other right or remedy in respect of a breach of a Retention Holder Warranty.

No active portfolio management

The Seller's rights and obligations in relation to the Purchased Loan Assets under the Loan Sale and Purchase Agreement do not constitute active portfolio management for the purposes of Article 20(7) of the Securitisation Regulation.

Governing Law

The Loan Sale and Purchase Agreement and any non-contractual obligations arising out of or in connection with the Loan Sale and Purchase Agreement, will be governed by and construed in accordance with English law.

Servicing Agreement

Zopa Loan Warranties

Pursuant to the Servicing Agreement, on the Loan Warranty Date (unless otherwise stated), Zopa will represent and warrant the Zopa Loan Warranties to the Issuer being:

(a) **Eligible Loan**: each Loan included in the List of Loans or the Additional List of Loans satisfied the Eligibility Criteria;

(b) **Accuracy of Information**: the information contained in the Initial Servicing Report is complete and accurate in all material respects as at its date;

(c) **Rights of lenders**: the rights of lenders under any such Loan are equivalent to the rights of lenders under any other Loan Contracts, except to the extent that such rights are limited, restricted, excluded or otherwise affected by Applicable Law, regulation, rules or regulatory guidance;

(d) **Antecedent negotiations**: Zopa has not made any representation or promise to any Zopa Borrower in the course of antecedent negotiations, as defined in Section 56(1) of the CCA, so as to give rise to any liability on the part of the Issuer other than the liabilities arising from the written words of the relevant Loan Contract, or so as to entitle any Zopa Borrower to repudiate any of its obligations under the relevant underlying Loan Contract;

(e) **Good title**: immediately prior to the sale and assignment of the Seller's beneficial right, title and interest to, in and under certain Loan Assets to the Issuer, Zopa held the legal title to such Loan Assets, free and clear of any Security Interest;

(f) **CCA**: no such Loan Contract has been made without pre-contract information complying with section 55(1) of the CCA, or has been improperly executed by the Zopa Borrower for the purposes of sections 61(1), 61A(5), 62(3) or 63(5) of the CCA, so as to be enforceable against the Zopa Borrower only on an order of the court under sections 55(2) or 65(1) of the CCA (other than an order of the court required in relation to a minor defect of a technical nature in the form or procedure of such pre-contract information or in the form or execution of such Loan Contract (i) which defect, for the avoidance of doubt, would not prejudice the rights of the relevant Zopa Borrower and (ii) which order would not be likely to be refused under section 127 of the CCA);

(g) **Cancellation**: no such Loan Contract has been cancelled by any party pursuant to any provision of the CCA;

(h) **Unfair terms**: in relation to any term of such Loan Contract which was entered into on or after 1 October 1999 between the Seller and a "consumer" which was not "individually negotiated" (as such terms are defined in the UTCCR and/or CRA, as applicable):

(i) Zopa has received no legitimate complaints from Zopa Borrowers or otherwise that any of the terms contained in such Loan Contracts are unfair within the meaning of the UTCCR or the CRA and no such determination has been made by a court, arbitrator ombudsman or similar dispute resolution body;

(ii) no injunction or interdict has been granted by the court pursuant to regulation 12 of the UTCCR or Schedule 3 of the CRA which would prevent or restrict the use a Loan Contract of any particular term or the enforcement of any such term;

(iii) no undertaking has been entered into with the FCA (or any predecessor authority) which would prevent or restrict the use in a Loan Contract of any particular term; and

(iv) in carrying out the procedure for enabling Zopa Borrowers to enter into Loan Contracts, Zopa complied with the UTCCR and CRA (to the extent it was in effect at the time and applied to such Loan Contracts) and, in particular, has ensured that each Zopa Borrower had a real opportunity to become acquainted with the terms of the relevant Loan Contract before the conclusion of the Loan Contract;

(i) **Distance contracts**: in the event that a Loan Contract qualifies as a "distance contract", as defined in the Financial Services (Distance Marketing) Regulations 2004, the provisions of such regulations have been complied with in respect of such Loan Contract; and

(j) **Disclosure**: the disclosure of information relating to a Zopa Borrower as contemplated by, and for the purposes envisaged by, the Transaction is not contrary to relevant data protection legislation.

Zopa Purchase Obligation and Deemed Collection

If in relation to any Purchased Loan Asset:

(a) any Fraud Event occurs; or

(b) as at the Loan Warranty Date (unless otherwise stated), any Zopa Loan Warranty was untrue with respect to such Purchased Loan Asset,

then the Issuer, the Retention Holder or, (at any time (x) following the delivery of written notice to Zopa that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee may deliver a written notice to Zopa requiring Zopa to purchase such Purchased Loan Asset within ten (10) Business Days after the date of such notice for the Remedy Amount (the "**Zopa Purchase Obligation**").

If Zopa is unable to purchase an Affected Loan pursuant to the Zopa Purchase Obligation (including if such Affected Loan never existed, or has ceased to exist such that it is not outstanding on the date on which it is

otherwise due to be purchased or because Zopa does not have, in full force and effect, the appropriate permissions under FSMA), Zopa shall, on the date it is due to purchase such Affected Loan, make a Deemed Collection in respect of such Affected Loan without requiring the transfer of such Affected Loan.

All Deemed Collections to be paid or deposited by Zopa shall be made in Sterling and shall be paid or deposited in accordance with the terms of the Servicing Agreement by no later than 11:00 a.m. (London time) on the day when due on immediately available cleared funds to the Issuer Transaction Account.

Powers

Pursuant to a power of attorney to be executed and delivered on the Closing Date, the Platform Servicer will have the full power and authority, among other things, to take any and all steps in the Issuer's name and on the Issuer as is necessary or advisable, in its reasonable determination, to provide the Services as set out in the Servicing Agreement.

Undertakings by the Platform Servicer

Pursuant to the Servicing Agreement the Platform Servicer will covenant on the Closing Date and on each date thereafter, until termination of its appointment under the Servicing Agreement, by reference to the facts and circumstances then subsisting, that:

(a) **Compliance with Laws, etc.**: it shall (i) preserve and maintain its corporate existence, rights, franchises, qualifications, and privileges and (ii) comply with all Applicable Laws;

(b) **Sales, Liens etc.**: it shall not sell (or, if applicable, hold in trust), assign (by operation of Law or otherwise) or otherwise dispose of, or create or suffer to exist any Security Interest upon or with respect to, the Purchased Loan Asset except as otherwise expressly provided for in the Servicing Agreement or any other Transaction Documents to which it is a party;

(c) **Further Assurances**: it agrees from time to time, at the Issuer's expense, promptly to execute and deliver all further instruments, documents and information, and to take all further actions, that may be reasonably necessary or desirable, or that the Issuer or Trustee may request, in relation to accounting or tax returns or financial statements of the Issuer, to confirm, perfect, protect or more fully evidence the Issuer's ownership of (or any of its or its assigns' interest in) the Purchased Loan Asset, or to enable the Issuer or its assigns to exercise and enforce their respective rights and remedies under the Servicing Agreement and the other Transaction Documents;

(d) **Licences, authorisations, etc.**: it shall (i) promptly obtain, comply with the terms of and do all that is necessary and within its control to maintain in full force and effect all Authorisations (including, without limitation, authorisations, licences, registrations or notifications required pursuant to FSMA, the CCA and the DPA) which are at any time required in connection with the performance of its duties and obligations under the Servicing Agreement or any other Transaction Document to which it is a party; and (ii) it shall maintain full authorisation from the FCA to conduct the regulated activity specified in articles 60B(2) and 36H of the Regulated Activities Order; and (iii) promptly obtain, comply with the terms of and do all that is necessary and within its control to maintain in full force and effect all other Authorisations which are at any time required in connection with the performance of its duties and obligations under the Servicing Agreement or any other Transaction Document to which it is a party to the extent that failure to do so has had or could reasonably be expected to have a Material Adverse Effect; and (iv) it shall notify the Issuer and the Trustee as soon as reasonably practicable following any change to its regulatory status or to any licence held by it (including, for the avoidance of doubt, any change to full authorisation under FSMA or delay in obtaining such full authorisation under FSMA);

(e) **Inspection**: it (i) at any time on reasonable notice of the Issuer, the Trustee or the Retention Holders, within a reasonable time (but in no case more than 14 calendar days from receiving such a request) or, (ii) following the occurrence of a Servicing Termination Event, at any time upon notice of at least two (2) Business Days, shall permit and provide access (or ensure that access is provided) to the Issuer, the Trustee and the Retention Holders and/or their representatives or agents to its offices or procure that the Issuer, the Trustee and the Retention Holders and/or their representatives or agents shall have access to such other offices where the Servicing Records and/or Collections Policy are held, for the purposes of:

(i) inspecting the Servicing Records and/or Collections Policy to ensure that collection of the Purchased Loan Assets is being undertaken in accordance with the Collections Policy;

(ii) making copies of and extracts from all Servicing Records in the possession of, under the control of or held to the order of it or any delegate, relating to the Purchased Loan Assets;

(iii) examining such other information relating to its assets, business and operations for the purpose of monitoring its financial condition to the extent material to the transactions contemplated by the Transaction Documents; and

(iv) undertaking an audit of the Purchased Loan Assets, the Servicing Records and the information gathering, recording or retrieval systems used in respect of such Purchased Loan Assets and Servicing Records;

(v) undertaking any Audit Report;

(vi) inspecting and reviewing the procedures under which changes to the Zopa Principles are made;

(vii) inspecting and reviewing any information relating to the legal title of the Purchased Loan Assets and the terms of the trust under which they are held for the benefit of the Issuer; and

(viii) consulting with senior members of the Servicer's credit team, compliance team, product design team, capital markets team and collections team, in respect of the Loan Portfolio, the Transaction and the Zopa Platform insofar as it relates to the Loan Portfolio and the Transaction;

(f) **Enforcement**: following the delivery of an Enforcement Notice, it shall take any such further action as may be requested by the Trustee in connection with the enforcement of the Security;

(g) **Legal Status**: it shall notify the Issuer and Trustee as soon as reasonably practicable following any change to its legal status, regulatory status or to any licence held by it (including, for the avoidance of doubt, in relation to its authorisation under FSMA);

(h) **Loan Modifications**: it shall only carry out any Loan Modification in respect of each Purchased Loan Asset (other than a Defaulted Loan) in accordance with the Servicing Agreement;

(i) **Notification:** It shall notify the Retention Holders of any Loan Modification that could be materially prejudicial to the interests of the Retention Holders;

(j) **Delivery of Further Information**:

(i) it shall, at the cost of the Issuer, provide each Rating Agency with such information as such Rating Agency may from time to time reasonably request which is within its possession, **provided that** such cost shall be deemed to constitute Administrative Expenses to be paid to it only in accordance with relevant Priority of Payments, and provided further that, it shall be obliged to provide information under this sub-paragraph (i) (Platform Servicer Covenants - Delivery of further information to Rating Agencies) irrespective of whether the Issuer has sufficient funds to pay such costs on any Note Payment Date, in which case payment of such costs shall be deferred until the next Note Payment Date on which sufficient funds are so available;

(ii) it shall, upon request from the Issuer, provide the Issuer with the Detailed Loan Data; it shall, at the cost of the Issuer, provide any information reasonably requested by the Issuer relating to any legal or regulatory reporting obligations of the Issuer in respect of the Purchased Loan Assets; and

(iii) it shall, if so requested by the Issuer, the Trustee and/or the Retention Holders, promptly provide a certificate confirming what Notes (if any) are at the time of such certificate held or controlled by, for the benefit of, or on behalf of Zopa, any holding company of Zopa and/or any subsidiary of such holding company;

(k) **Financial Reporting**:

(i) it shall at its own expense, make available via Companies House to each of the Issuer, the Trustee and the Retention Holders within nine months after the close of each of its financial years starting

from its financial year ending in 2018, a copy of its audited financial statements prepared in accordance with GAAP or other approved accounting procedures; and

(ii) (for delivery to the Retention Holders only), upon request by the Retention Holders, starting the month in which the Closing Date occurs, a copy of its and Zopa Group Limited's unaudited management accounts, within 30 days after the end of each calendar month;

(l) **Audit:** in each twelve-month period from the Closing Date to the Final Payout Date it shall cooperate fully in the production of and shall deliver (at the expense of the Platform Servicer) one Audit Report to the Issuer, the Trustee and the Retention Holders and it shall promptly remedy any adverse findings in any such reports and keep each of the Issuer, the Trustee and the Retention Holders informed of any steps being taken to remedy such adverse findings;

(m) **Investor Reports**: it shall respond to a request by the Cash Manager and Calculation Agent for information in writing as soon as reasonably practicable, **provided that** such request is reasonable and relates to information that is required by it for the production of any Investor Reports or the calculations related thereto and it shall be entitled to redact any personal data that forms part of the information reasonably requested by the Cash Manager or the Calculation Agent under this sub-paragraph (m);

(n) **Back-Up Servicing**: it shall

(i) deliver to the Back-Up Servicer information in relation to the Purchased Loan Assets pursuant to and in accordance with the terms of the Back-Up Servicing Agreement;

(ii) notify the Issuer and the Back-Up Servicer of any changes to its systems which could reasonably be expected to have an impact on the Back-Up Servicer's ability to perform its obligations under the Back-Up Servicing Agreement;

(o) **Collections Policy and Zopa Principles**: it shall not make any material amendments to the Collections Policy or the Zopa Principles (i) that could reasonably be expected to be materially prejudicial to the interests of Noteholders without the prior consent of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, and (ii) that could reasonably be expected to be materially prejudicial to the interests of the Class Z Noteholders without the prior consent of the Class Z Noteholders acting by way of Extraordinary Resolution , in each case unless such amendment is required to be made to comply with any change in Law. The Platform Servicer shall, promptly upon demand from the Issuer, the Trustee or any Class Z Noteholder, provide such party with a copy of the then current Zopa Principles and Collection Policy;

(p) **Insurance**: it shall maintain with responsible companies, at its own expense, a blanket errors and omissions insurance policy with broad coverage on all officers, employees or other persons under its direct control (but excluding any Sub-Contractor and the Collections Agency) acting in any capacity requiring such persons to handle funds, money, documents or papers relating to the Purchased Loan Assets (the "**Platform Servicer Staff**"). Such errors and omissions insurance to insure the Platform Servicer against losses or damages that include, forgery, theft embezzlement, fraud, errors and omissions and negligent acts of the Platform Servicer Staff and shall provide coverage in the amounts that are commercially reasonable based on the size of the Platform Servicer's aggregate loan servicing portfolio. Upon the request of the Issuer, the Platform Servicer shall cause to be delivered to the Issuer a certificate of insurance for such errors and omissions insurance policy;

(q) **Recovery Plan**: it shall establish and maintain a commercially reasonable disaster recovery plan in relation to the operation of the Zopa Platform, including (without limitation) at all times maintaining (or procuring the maintenance, at all times, of) all necessary arrangement for back up facilities to ensure that, in the event of a failure or breakdown in its facilities, the interruption or disruption of any of the Services to be provided under the Servicing Agreement will not be for more than 24 hours and shall take and maintain security copies of all software relating to the Services to be provided under the Servicing Agreement and the Purchased Loans Assets;

(r) **Personnel:** it shall at all times, employ and ensure that there are adequate resources and suitably qualified personnel to execute, perform and undertake the tasks and perform the obligations which the

Servicer agrees to undertake and perform under the Servicing Agreement and to maintain suitable premises and equipment compatible with its obligations hereunder;

(s) **Systems:** it shall maintain (or procure the maintenance of) any such up-to-date operational procedures manuals, control manuals and systems of control that are reasonably required for the provision of the Services. The Platform Servicer shall ensure that the operational procedure manuals, control manuals and systems of control which are used as part of the Services are continually updated and reviewed in order to ensure that they are kept up to date;

(t) **Changes to the Underwriting Guidelines**: it shall notify the Issuer and the Cash Manager of any material changes to the Underwriting Guidelines in respect of any Additional Loans; and

(u) **Qualified statement in Audit Report**: it shall notify the Issuer if its auditors have raised a qualified statement in a financial report around the ability of its business to continue as a going concern.

Duties of the Platform Servicer

The Platform Servicer shall, in respect of the Purchased Loan Assets being serviced by it, take all such steps as shall be reasonably necessary to:

(a) monitor whether or not the Zopa Borrowers are making payments;

(b) issue, or arrange for any Collections Agency to issue, notices and statements of arrears and notices of default on a timely basis;

(c) ensure the timely collection of all principal and interest payments under each Purchased Loan Asset when due and payable;

(d) exercise Loan Modifications in accordance with the Servicing Agreement;

(e) appoint and liaise with the Collections Agency or other professional person or firm on the Issuer's behalf to advise on or guide or carry out the enforcement process;

(f) handle complaints by the Zopa Borrowers, including conducting claims before the Financial Ombudsman Service in the name of the Issuer and on the Issuer's behalf;

(g) initiate and prosecute in the name of the Issuer and on its behalf proceedings against a Zopa Borrower in respect of a Loan which the Platform Servicer has declared to be in default in accordance with its terms; and

(h) take or cause to be taken all such other actions as may be necessary or advisable to collect and manage the Purchased Loan Assets.

Right of Delegation by the Platform Servicer

The Platform Servicer may subcontract or delegate its duties under the Servicing Agreement to any other person (each such person, a "**Sub-Contractor**") **provided that**:

(a) such subcontracting or delegation would not prevent the Platform Servicer or the Issuer from complying in all material respects with any Law,

(b) the Sub-Contractor has all necessary Authorisations to conduct such duties and it will agree not to conduct any duties for which it does not have such requisite Authorisations; and

(c) such subcontracting or delegation shall not: (i) give rise to any additional taxation liability of the Issuer which would not have arisen but for such subcontracting or delegation; or (ii) cause any payments to be received by the Issuer to be subject to a withholding or deduction for or on account of tax which the Issuer would not have been subject to had such subcontracting or delegation not taken place.

Notwithstanding any such subcontracting or delegation,

(a) the Platform Servicer shall continue to remain solely liable for the performance of its duties and obligations under the Servicing Agreement (whether or not a Sub-Contractor has agreed to perform such duty or obligation);

(b) without limiting the foregoing, any action taken or omitted to be taken by Sub-Contractor shall be deemed to be an act or omission of the Platform Servicer; and

(c) none of the Issuer, the Trustee or any other person except the Platform Servicer shall have any liability for any costs, charges, fees or expenses payable to or incurred by such Sub-Contractor or arising from the entering into, the continuance or the termination of any such arrangement and shall have no responsibility for monitoring or investigating the suitability of any such Sub-Contractor.

The Platform Servicer shall ensure that the terms of such subcontracting or delegation provide that the appointment of a Sub-Contractor in respect of the Purchased Loan Assets shall, unless the Issuer notifies the Sub-Contractor in writing otherwise, be automatically terminated upon the termination of the Platform Servicer's appointment under the Servicing Agreement.

Calculation of Servicing Fees

Notwithstanding the provisions of Principle 8 (*Fees and Charges*) of the Zopa Principles, where the Platform Servicer is Zopa, it shall be entitled to the Zopa Loan Servicing Fee, being the sole fees payable to Zopa as the Platform Servicer and paid in place of the "Loan Servicing Fee" as defined in the Zopa Principles being an amount per annum deducted from the Interest Proceeds of each payment made in respect of each Purchased Loan Asset that a Borrower makes when its Loan is not a Delinquent Loan or a Defaulted Loan, such that the annualised interest rate received by the Issuer in respect of such Purchased Loan Asset is equal to the contractual interest rate applicable to such Loan less the applicable Servicing Fee Rate (the "**Zopa Loan Servicing Fee**").

Where the Platform Servicer is not Zopa and a Successor Servicer has been appointed, the Successor Servicer shall be entitled to the Loan Servicing Fee from the Successor Servicer Effective Date.

Where Zopa is the Platform Servicer, the Platform Servicer shall include in each Servicing Report the calculation of the Zopa Loan Servicing Fee.

Payment of Servicing Fees

Where Zopa is the Platform Servicer and until the Successor Servicer Effective Date:

(a) the Zopa Loan Servicing Fee shall be deducted by the Platform Servicer from the Interest Proceeds following the transfer of such amounts to the Issuer Client Account; and

(b) for the avoidance of doubt, no Zopa Loan Servicing Fee will be deducted in respect of any Purchased Loan Asset in a month unless and until the Purchased Loan Proceeds due and payable in such month are actually received from the relevant Zopa Borrower in respect of such Purchased Loan Asset and credited to the Issuer Client Account.

The Loan Servicing Fee payable where Zopa is not the Platform Servicer and a Successor Servicer has been appointed will be payable from the Successor Servicer Effective Date in accordance with the applicable Priority of Payments.

Notwithstanding any other provision of the Servicing Agreement, no Loan Servicing Fee or Zopa Loan Servicing Fee shall be payable by the Issuer in respect of any Purchased Loan Assets for which the Platform Servicer does not provide the Services in accordance with the terms of the Servicing Agreement.

Collections

Collection of Purchased Loan Assets

The Platform Servicer, on behalf of the Issuer, shall:

(a) direct and instruct the Zopa Borrowers to pay Purchased Loan Proceeds and any other amounts in respect of the Purchased Loan Assets (including all direct debits or card payments in respect of such amounts) directly into the Zopa Customer Funds Account or the Issuer Client Account;

(b) ensure that any Purchased Loan Proceeds standing to the credit of the Zopa Customer Funds Account at 5 p.m. on each Business Day, if any, are transferred by 3 p.m. on the next Business Day to the Issuer Client Account;

(c) ensure that Purchased Loan Proceeds that have been received from the Zopa Borrowers into an account other than in accordance with paragraph (a) above are transferred promptly (and in any case on the same Business Day) to the appropriate account;

(d) not transfer funds which do not constitute Purchased Loan Proceeds into the Issuer Client Account or the Issuer Transaction Account. In the event that funds which do not constitute Purchased Loan Proceeds are deposited into the Issuer Client Account or the Issuer Transaction Account (including, but not limited to, duplicate payments made to the Issuer or incorrect payments made by Zopa Borrowers), the Platform Servicer shall immediately notify the Issuer, the Trustee and the Cash Manager and Calculation Agent upon it becoming so aware, and request that such funds be promptly returned to the Platform Servicer in accordance with the Cash Management and Calculation Agency Agreement;

(e) ensure that all amounts standing to the credit of the Issuer Client Account at 4 p.m. (London time) on each Business Day (less the Zopa Loan Servicing Fee due and payable to the Platform Servicer in accordance with the Servicing Agreement) are transferred on the same Business Day to the Issuer Transaction Account and deliver instructions to the Collection Account Bank to make such transfer automatically;

(f) ensure that following the In-Flight Transfer Date, all Purchased Loan Assets which were In-Flight Loans and Additional Loans are (i) included in the next Servicing Report (including for the avoidance of doubt any Purchased Loan Assets that were In-Flight Loans which have been repaid in full between the Loan Portfolio Cut-off Date and the In-Flight Transfer Date) and (ii) included in the transfer of amounts standing to the credit of the Issuer Client Account pursuant to paragraph (e) above; and

(g) ensure that following the Final Additional Loan Purchase Date, all Additional Loan Assets which have been purchased by the Issuer after the Closing Date are (i) included in the next Servicing Report and (ii) included in the transfer of amounts standing to the credit of the Issuer Client Account pursuant to paragraph (e) above.

Variation of terms of Purchased Loan Assets

Under the Servicing Agreement, the Platform Servicer will undertake that, in respect of any Purchased Loan Asset (other than a Defaulted Loan), it will not agree to any Loan Modification (other than a Permitted Loan Modification) which results in any of the following: (i) an Extension such that the final contractual repayment date falls after the Last Purchased Loan Asset Maturity Date; (ii) an Extension to Purchased Loan Assets representing more than 10% of the Aggregate Collateral Principal Balance of the Loan Portfolio in aggregate; and/or (iii) reduces the total amount payable by the related Zopa Borrower other than a reduction in the total amount of interest payable by the related Zopa Borrower resulting solely from prepayment of the principal in respect of the Purchased Loan Asset; (iv) that could reasonably be expected to be materially prejudicial to the interests of Noteholders without the prior consent of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution, or (v) that could reasonably be expected to be materially prejudicial to the interests of the Class Z Noteholders without the prior consent of the Class Z Noteholders acting by way of Extraordinary Resolution.

Regulatory Reporting

Under the Servicing Agreement, the Platform Servicer will undertake to provide to the Issuer and the Reporting Agent:

(a) the Quarterly Loan-by-Loan Reports on the Quarterly Reporting Date pursuant to Article 7(1)(a) of the Securitisation Regulation in the form required by the Transparency RTS, provided that if the relevant information is not in the possession or under the control of the Platform Servicer or is not readily available, the Platform Servicer shall notify the Issuer and the Reporting Agent accordingly and specify the applicable "no data" option(s) to be used in the Quarterly Loan-by-Loan Reports, and shall provide such information as soon as reasonably practicable following the relevant information coming into the possession of, or becoming available to, the Platform Servicer;

(b) if and to the extent it becomes aware of the same, as soon as reasonably practical, any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the Securitisation Regulation; and

(c) to use reasonable efforts to provide any additional assistance reasonably required by the Issuer and the Reporting Agent at the additional cost to the Issuer in order for the Issuer to comply with its obligations under Article 7 of the Securitisation Regulation.

The Issuer shall be designated as the entity responsible for fulfilling the information requirements pursuant to Article 7(1) of the Securitisation Regulation.

For the avoidance of doubt, in agreeing to provide such services on behalf of the Issuer, the Platform Servicer will not assume any responsibility for the Issuer's obligations, or any other person's obligations, as the entity responsible to fulfil the reporting requirements under the Securitisation Regulation or any other applicable regulation.

Perfection of the sale of the Purchased Loan Assets

The Issuer or (following the delivery of an Enforcement Notice) the Trustee, may and shall if so directed by the Noteholders of the Most Senior Class Outstanding, give written notice to Zopa (with a copy to the Seller, the Trustee, the Issuer and the Retention Holders, as applicable) (a "**Perfection Notice**") requiring Zopa to complete the transfer by way of assignment to the Issuer or to a nominee of the of the legal title to the Purchased Loan Assets as soon as reasonably practicable following the occurrence of a Perfection Trigger Event.

As soon as reasonably practicable following delivery to Zopa or a Perfection Notice, Zopa will (at its own cost) do such acts matters and things and the Issuer reasonably requires Zopa to do in order to give effect to the terms of the transfers and assignment of legal title as contemplated above, including: (i) notify each Zopa Borrower in respect of a Purchased Loan of the sale and assignment of the Purchased Loan, and of the Issuer's ownership of, and (if requested by the Trustee) the Trustee's security interest in, the Purchased Loan; and (ii) if a Servicing Termination Event or Event of Default has occurred, direct such Zopa Borrowers that payments under any such Purchased Loans shall be made to the Issuer's order or the order of its designees.

Legal title holder

The following provisions shall apply for the period from the Closing Date until the perfection of the assignment of legal title to the Purchased Loan Assets in accordance with the Servicing Agreement:

(a) Zopa shall hold its interest in the legal title to the Purchased Loan Assets as bare trustee for the Issuer;

(b) Zopa shall not have any further or other powers of investment with respect to the Purchased Loan Assets and neither the Trustee Act 2000 nor any other provision relating to trustee power of investment implied by statute or general law shall apply to the Purchased Loan Assets;

(c) Zopa shall not be under any obligation to insure any of the Purchased Loan Assets.

(d) to the fullest extent permitted by law, none of Parts I, II, III, IV or V of the Trustee Act 2000 nor the requirement to discharge the duty of care set out in Section 1(1) of the Trustee Act 2000 in exercising any of Zopa's powers shall apply to the trusts constituted by the Servicing Agreement or the role of Zopa as legal title holder in respect of the Purchased Loan Assets. The disapplication of those Parts

or Sections of the Trustee Act 2000 shall constitute an exclusion of the relevant Parts or Sections of the Trustee Act 2000 for the purposes of that Act;

(e) Zopa may, in connection with the performance of its obligations as legal title holder, rely on and shall be protected in acting on, or in refraining from acting in accordance with, any resolution, officer's certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented to it pursuant to the Servicing Agreement by the proper party or parties; and

(f) Zopa may, in connection with the performance of its obligations as legal title holder, act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, broker, accountant, financial adviser, securities dealer, merchant bank, rating agency, computer consultant or other expert in the United Kingdom or elsewhere and shall not, provided that it shall not have acted fraudulently or in breach of any provision of the Servicing Agreement be responsible for any loss occasioned by so acting.

Termination

Servicing Termination Event

Upon the occurrence of any of the following events (each a "**Servicing Termination Event**"):

(a) the Platform Servicer fails to make any payment or deposit required to be made by it under the Servicing Agreement when due and such failure remains unremedied for five (5) Business Days or, where such failure is due to an administrative or technical error, (7) Business Days since the date on which such administrative or technical error has occurred;

(b) other than as set forth in paragraphs (a), (d) or (f), the Platform Servicer fails to observe or perform any term, covenant, undertaking or agreement under the Servicing Agreement in any material respect and such failure shall, if capable of remedy, remain unremedied for 15 calendar days, in each case, after the Platform Servicer obtained knowledge or received notice thereof;

(c) other than as set forth in paragraph (j) below, any representation, warranty, certification or statement made by the Platform Servicer in the Servicing Agreement (or in any report or other document delivered pursuant thereto) shall prove to have been incorrect in any material respect when made or deemed made and, if capable of remedy, remains unremedied for 15 calendar days after the Platform Servicer obtained knowledge or received notice thereof;

(d) except as otherwise expressly permitted by the Transaction Documents, the Platform Servicer shall repudiate the Servicing Agreement or any material provision therein or assert in writing that the Servicing Agreement or any material provision therein are not in full force and effect;

(e) any Indebtedness of the Platform Servicer exceeding £2,000,000 (i) is not paid when due or within any originally applicable grace period, (ii) becomes due, or capable or being declared due and payable, prior to its stated maturity by reason of an event of default (howsoever described), or (iii) any commitment thereunder is cancelled or suspended by a creditor of the Platform Servicer by reason of an event of default (howsoever described) and such event or circumstance remains unremedied for 15 calendar days;

(f) the Platform Servicer is not collecting Purchased Loan Proceeds pursuant to the Servicing Agreement or the Platform Servicer is not entitled or is incapable of collecting the Purchased Loan Proceeds for practical or legal reasons;

(g) the occurrence of a Material Adverse Effect, pursuant to paragraph (a) of the defined term, with respect to the Platform Servicer;

(h) proceedings are initiated against the Platform Servicer under any Insolvency Law, or a Receiver is appointed in relation to the Platform Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Platform Servicer and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within 15 calendar days of its commencement; or the Platform Servicer is, or initiates or consents to judicial proceedings relating to itself under any

applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any insolvent reorganisation or amalgamation;

(i) (i) a court judgment is entered against the Platform Servicer in an amount greater than £2,000,000 individually; or (ii) one or more court judgments are made against the Servicer in an amount greater than £2,000,000 in aggregate, and such judgment (or judgments, as applicable) remains not paid or otherwise discharged for 21 days, in each case, unless the Servicer is appealing the judgments in good faith and with a reasonably prospect of success; or

(j) the Platform Servicer ceases to be duly qualified to do business or to have obtained and maintain in effect, and at all times comply with the terms of, all Authorisations and make all notices to or filings or registrations (including, without limitation, authorisations, licences, registrations or notifications required pursuant to FSMA, the CCA and the DPA) required with any Official Body or official thereof or any third party, in each case as required for the due execution and delivery by it of the Servicing Agreement and the performance of any of the Services it is required to provide thereunder,

the (i) Issuer with the prior written consent of the Trustee, or (ii) (at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) Trustee may, and shall, promptly if so requested by (A) the Noteholders of at least 75 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes in writing; or (B) by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a "**Platform Servicer Termination Notice**") to the Platform Servicer (with a copy to the Trustee, if applicable, the Back-Up Servicer, the Cash Manager and Calculation Agent and the Rating Agencies), that its appointment shall automatically terminate in accordance with the Servicing Agreement, **provided that** no such notice shall be required upon the occurrence of any Servicing Insolvency Event and the appointment of the Platform Servicer shall automatically terminate upon the appointment of a Successor Servicer in accordance with the Servicing Agreement. The Issuer or, (at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee shall, promptly upon becoming aware of the same, notify the Back-Up Servicer (with a copy to the Trustee, if applicable, and the Cash Manager and Calculation Agent) of such occurrence of any Servicing Insolvency Event. Following the occurrence of a Servicing Termination Event, but prior to the delivery of a Platform Servicer Termination Notice the Issuer or the Trustee (as the case may be) shall, without prejudice to their rights under the Transaction Documents generally, consult with the Retention Holders for a period of five (5) Business Days with respect to the proposed delivery of any such notice.

Resignation

The Platform Servicer agrees and acknowledges that it may not resign from the obligations and liabilities imposed on it pursuant to the terms of the Servicing Agreement unless:

(a) it becomes unlawful for the Platform Servicer to act as the Platform Servicer or otherwise comply with its duties or obligations under the Servicing Agreement, or

(b) the Platform Servicer has obtained the prior written consent of the Issuer,

provided that no such resignation shall be effective unless and until a Successor Servicer has been appointed pursuant to the Servicing Agreement.

In the absence of a Servicing Termination Event, Noteholders have no right to instruct the Trustee to terminate the appointment of the Platform Servicer (including, for the avoidance of doubt, at any time (x) following the delivery of written notice to the Platform Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice).

Liability of the Platform Servicer

Without limiting any other rights that each of the Issuer and the Trustee and its members, officers, directors, agents or employees (each an "**Indemnified Party**") may have under and in connection with the Servicing Agreement or under any other Transaction Document or under Applicable Law, the Platform Servicer (the

"**Indemnifying Party**") agrees to indemnify each Indemnified Party on demand against any Liabilities (the "**Servicer Indemnified Amounts**") properly incurred by any Indemnified Party arising out of or resulting from any breach by the Platform Servicer of the Servicing Agreement or any other Transaction Document to which it is party or arising out of its negligence, wilful default or fraud in connection with the Servicing Agreement or any other Transaction Document to which it is a party, excluding, however:

(a) Servicer Indemnified Amounts to the extent that such Servicer Indemnified Amounts was attributable to the gross negligence, wilful default or fraud on the part of such Indemnified Party (or their respective officers, directors, agents or employees);

(b) recourse for uncollectable Purchased Loan Assets, except if such Purchased Loans Assets are uncollectable as a result of a breach of the Servicing Agreement;

(c) any Excluded Taxes; and

(d) any Servicer Indemnified Amounts to the extent the same has been fully and finally paid in cash to such Indemnified Party.

Governing Law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with the Servicing Agreement are governed by and construed in accordance with English law.

Cash Management and Calculation Agency Agreement

The Issuer has appointed the Cash Manager and Calculation Agent pursuant to the Cash Management and Calculation Agency Agreement. Pursuant to the Cash Management and Calculation Agency Agreement, the Cash Manager and Calculation Agent will agree to provide certain cash management and other services to the Issuer. The Cash Manager and Calculation Agent's principal functions will be effecting payments to and from the Issuer Accounts and the Corporate Benefit Account and making corresponding calculations and determinations on behalf of the Issuer.

Interest rate hedge collateral

Following the Closing Date, the Interest Rate Hedge Counterparty may, from time to time, transfer cash collateral in accordance with the terms of the Credit Support Annex of the Interest Rate Hedge Agreement (the "**Credit Support Annex**"), which will be credited to a Hedge Collateral Cash Account and credited to the ledger maintained by the Cash Manager and Calculation Agent pursuant to the Cash Management and Calculation Agency Agreement to record the balance from time to time of Hedge Collateral (the "**Hedge Collateral Ledger**"). If the Interest Rate Hedge Counterparty opts to deliver Hedge Collateral under the terms of the Credit Support Annex in the form of securities, the Issuer shall, at the request of the Interest Rate Hedge Counterparty for the purpose of facilitating the delivery of such securities collateral, open a Hedge Collateral Custody Account.

In addition, upon any early termination in whole of the Interest Rate Hedge Agreement as a result of the default or termination by the Interest Rate Hedge Counterparty or otherwise, (i) any Replacement Hedge Premium received by the Issuer from a replacement interest rate hedge counterparty, or (ii) any termination payment received by the Issuer from the outgoing Interest Rate Hedge Counterparty will be credited to the Hedge Collateral Cash Account and recorded on the Hedge Collateral Ledger. Any Hedge Tax Credits received by the Issuer will be applied directly to an Interest Rate Hedge Counterparty in accordance with the Cash Management and Calculation Agency Agreement

Amounts and securities standing to the credit of the Hedge Collateral Accounts (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded on the Hedge Collateral Ledger will not be available for the Issuer or the Trustee to make payments to the Secured Creditors generally, but may be applied by the Cash Manager and Calculation Agent, upon receipt of written instructions from the Issuer based on the instructions, determinations and calculations of the Calculation Agent (as such person is defined in the Interest Rate Hedge Agreement) for each payment required below only in accordance with the following provisions (the "**Hedge Collateral Account Priority of Payments**"):

(a) prior to the designation of an Early Termination Date (as defined in the Interest Rate Hedge Agreement, an "**Early Termination Date**") in respect of the Interest Rate Hedge Agreement in or

towards payment or discharge of any Return Amounts (as defined in the Credit Support Annex), Interest Amounts, Distributions (each as defined in the Credit Support Annex) and any fees associated with an increase in the notional amount of the Interest Rate Hedge Agreement, on any day, directly to the Interest Rate Hedge Counterparty;

(b) following the designation of an Early Termination Date in respect of the Interest Rate Hedge Agreement where (A) such Early Termination Date has been designated following an Interest Rate Hedge Counterparty Default or Interest Rate Hedge Counterparty Downgrade Event and (B) the Issuer enters into a Replacement Hedge Agreement in respect of the Interest Rate Hedge Agreement by no later than 30 calendar days after the Early Termination Date of the Interest Rate Hedge Agreement, on the latest of: (x) the day on which such Replacement Hedge Agreement is entered into, (y) the day on which a termination payment (if any) payable to the Issuer has been received and (z) the day on which a Replacement Hedge Premium (if any) payable to the Issuer has been received, in the following order of priority:

(i) *first*, in or towards payment of a Replacement Hedge Premium (if any) payable by the Issuer to a replacement interest rate hedge counterparty in order to enter into a Replacement Hedge Agreement with the Issuer with respect to the Interest Rate Hedge Agreement being terminated;

(ii) *second*, in or towards payment of any termination payment due to the outgoing Interest Rate Hedge Counterparty; and

(iii) *third*, the surplus (if any) on such day to be transferred to the outgoing Interest Rate Hedge Counterparty;

(c) following the designation of an Early Termination Date in respect of the Interest Rate Hedge Agreement where: (A) such Early Termination Date has been designated otherwise than as a result of one of the events specified at item (b)(A) above, and (B) the Issuer enters into a Replacement Hedge Agreement in respect of the Interest Rate Hedge Agreement by no later than 30 calendar days after the Early Termination Date of the Interest Rate Hedge Agreement, on the latest of: (x) the day on which such Replacement Hedge Agreement is entered into, (y) the day on which a termination payment (if any) payable to the Issuer has been received and (z) the day on which a Replacement Hedge Premium (if any) payable to the Issuer has been received, in the following order of priority:

(i) *first*, in or towards payment of any termination payment due to the outgoing Interest Rate Hedge Provider;

(ii) *second*, in or towards payment of a Replacement Hedge Premium (if any) payable by the Issuer to a replacement interest rate hedge counterparty in order to enter into a Replacement Hedge Agreement with the Issuer with respect to the Interest Rate Hedge Agreement being terminated; and

(iii) *third*, any surplus (if any) on such day to be transferred to the outgoing Interest Rate Hedge Counterparty;

(d) following the designation of an Early Termination Date in respect of the Interest Rate Hedge Agreement for any reason where the Issuer has not entered into a Replacement Hedge Agreement in respect of the Interest Rate Hedge Agreement on or before the thirtieth calendar day following such Early Termination Date ("**Replacement Date**"), on the first Business Day following the Replacement Date, in or towards payment of any termination payment due to the outgoing Interest Rate Hedge Counterparty; and

(e) following payments of amounts due pursuant to (d) above, if amounts remain standing to the credit of the Hedge Collateral Accounts, such amounts may be applied only in accordance with the following provisions:

(i) *first*, in or towards payment of a Replacement Hedge Premium (if any) payable by the Issuer to a replacement interest rate hedge counterparty in order to enter into a Replacement Hedge Agreement with the Issuer with respect to the Interest Rate Hedge Agreement; and

(ii) *second*, after the entry by the Issuer into a Replacement Hedge Agreement, any surplus remaining after payment of any Replacement Hedge Premium payable by the Issuer to a replacement interest rate hedge counterparty in order to enter into such Replacement Hedge Agreement, to be transferred to the outgoing Interest Rate Hedge Counterparty,

provided that for so long as the Issuer does not enter into a Replacement Hedge Agreement with respect to the Interest Rate Hedge Agreement on or prior to the earlier of:

(A) the Calculation Date immediately before the Note Payment Date on which the Principal Amount Outstanding of all Notes would be reduced to zero; or

(B) the day on which an Enforcement Notice is given,

then the amount standing to the credit of the Hedge Collateral Accounts on such day shall be transferred to the Interest Rate Hedge Counterparty as soon as reasonably practicable thereafter.

For the avoidance of doubt, the Cash Manager and Calculation Agent will have no responsibility to make any calculations, determinations or enquiries as to the amounts to be paid above. The Issuer will include confirmation of each amount to be paid in its instructions to the Cash Manager and Calculation Agent.

Sub-Contracts

The Cash Manager and Calculation Agent may sub-contract or delegate the performance of all or any of its powers and obligations under the Cash Management and Calculation Agency Agreement, **provided that**:

(a) in any case, where the subcontractor or delegate receives monies not contemplated and belonging to the Issuer which, in accordance with the Cash Management and Calculation Agency Agreement, are to be paid into any Issuer Account or the Corporate Benefit Account, the subcontractor or delegate has executed a declaration in form and substance acceptable to the Issuer that any such monies held by it or to its order are held on trust for the Issuer and will be paid forthwith into the relevant Issuer Account or the Corporate Benefit Account in accordance with the terms of the Cash Management and Calculation Agency Agreement;

(b) any such subcontractor or delegate has executed a written waiver of any Security Interest arising in connection with such delegated Services (to the extent that such Security Interest relates to the any Purchased Loan Asset or any amount referred to in subparagraph (a) above).

The Issuer and, (at any time (x) following the delivery of written notice to the Cash Manager and Calculation Agent that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee, may by notice in writing require the Cash Manager and Calculation Agent to assign to the Issuer any rights which the Cash Manager and Calculation Agent may have against any subcontractor or delegate arising from the performance of services by such person relating to any matter contemplated by the Cash Management and Calculation Agency Agreement and the Cash Manager and Calculation Agent acknowledges that such rights assigned to the Issuer will be exercised by the Issuer subject to the terms of the Cash Management and Calculation Agency Agreement and the other Transaction Documents.

Notwithstanding any subcontracting or delegation of the performance of its obligations under the Cash Management and Calculation Agency Agreement or the Account Bank Agreement, the Cash Manager and Calculation Agent shall not thereby be released or discharged from any liability thereunder and shall remain responsible for the performance of all of the obligations of the Cash Manager and Calculation Agent under the Cash Management and Calculation Agency Agreement or the Account Bank Agreement, and the performance or non-performance or the manner of performance of any subcontractor or delegate of any of the Services shall not affect the Cash Manager and Calculation Agent's obligations under the Cash Management and Calculation Agency Agreement or the Account Bank Agreement and any breach in the performance of the Services or any other obligations by such subcontractor or delegate shall be treated as a breach of the Cash Management and Calculation Agency Agreement by the Cash Manager and Calculation Agent.

Neither the Trustee nor the Issuer shall have any liability for any costs, charges or expenses payable to or incurred by such subcontractor or delegate or arising from the entering into, the continuance or the termination of any such arrangement.

Compensation of the Cash Manager and Calculation Agent

The Issuer will pay to the Cash Manager and Calculation Agent such fees and expenses (plus any amount in respect of VAT payable following receipt of an invoice showing the amount of VAT payable) in respect of the services of the Cash Manager and Calculation Agent under the Cash Management and Calculation Agency Agreement as shall be agreed between the Issuer and the Cash Manager and Calculation Agent and such fees and expenses will be paid in accordance with the applicable Priority of Payments.

The Issuer shall also pay (against presentation of the relevant invoices) all out-of-pocket expenses (including, but not limited to legal costs) properly incurred by the Cash Manager and Calculation Agent in connection with their services under the Cash Management and Calculation Agency Agreement, together with any irrecoverable VAT thereon, subject to and in accordance with the Priority of Payments.

Investor Reports

In respect of each Investor Report, subject to receipt by the Cash Manager and Calculation Agent of the Servicing Report no later than 5:00 p.m. (London time) on each Reporting Date and the Risk Retention Confirmation two (2) Business Days immediately preceding each Calculation Date, the Cash Manager and Calculation Agent shall, on or prior to each Note Payment Date, make available electronically at https://sf.citidirect.com/ to the Issuer, the Trustee (if requested by the Trustee), the Rating Agencies, Bloomberg and the Reporting Agent and any other party the Issuer may direct, the Investor Report. For the avoidance of doubt, the Cash Manager and Calculation Agent shall not be liable for the accuracy of any information provided by the Retention Holders in the Risk Retention Confirmation.

If (i) the Platform Servicer fails to deliver the Servicing Report (either at all or by or on the relevant Reporting Date) and/or the Retention Holders fail to deliver the Risk Retention Confirmation (either at all or by or on two (2) Business Days immediately preceding each Calculation Date); or (ii) the Servicing Report fails to contain the information required by the Cash Manager and Calculation Agent for the purposes of the delivery of the Investor Reports, the Cash Manager and Calculation Agent shall prepare the Investor Report (to the extent possible) and on the basis set out in the paragraphs below entitled "*Calculations in the event of a Servicer Disruption*".

Securitisation Regulation reporting

For the purposes of Article 7 of the Securitisation Regulation, the Issuer agrees that it is designated under Article 7(2) to fulfil the reporting requirements in Article 7(1) of the Securitisation Regulation (the "**Transparency Requirements**").

Once regulatory technical standards specifying the information to be made available for the purposes of the obligations set out in Article 7(1)(a) and (e) of the Securitisation Regulation (the "**Transparency RTS**") has been adopted by the European Commission and the Transparency RTS have come into effect (the "**Transparency RTS Reporting Effective Date**"), the Reporting Agent shall notify the Issuer, the Cash Manager and Calculation Agent, the Trustee and the other Retention Holder (the "**SR Reporting Notification**").

As soon as reasonably practicable following receipt of the SR Reporting Notification, the Issuer and the Reporting Agent shall propose to the Cash Manager and Calculation Agent in writing the form, timing, method of distribution and content of the information required to be disclosed in accordance with the Transparency RTS in order to allow such information, where reasonably available, to be included in the Securitisation Regulation Report (as defined below). The Cash Manager and Calculation Agent shall consult with the Issuer, the Reporting Agent and the Platform Servicer and if it agrees (in its sole and absolute discretion) to provide such reporting on such proposed terms shall confirm in writing to the Issuer, the Reporting Agent and the Platform Servicer. If, following the adoption of the Transparency RTS, the Cash Manager and Calculation Agent does not agree to provide such assistance, the Issuer may appoint an agent to provide such reporting (the "**SR Reporting Provider**"), with any fees and expenses incurred by the Issuer as a result of such appointment being treated as Administrative Expenses payable in accordance with the relevant Priorities of Payment.

The Cash Manager and Calculation Agent, to the extent agreed by the Cash Manager and Calculation Agent (or if the Cash Manager and Calculation Agent does not agree, an SR Reporting Provider), on behalf, and at the expense, of the Issuer and in consultation with the Platform Servicer and Reporting Agent, shall render a report in form and content and on the dates (each an "**SR Reporting Date**") (the "**Securitisation Regulation Report**"), prepared and determined immediately prior to the SR Reporting Date, which will include the

information required to be disclosed in accordance with the Transparency RTS where such information is reasonably available to the Issuer.

The Securitisation Regulation Report shall be sent by the Cash Manager and Calculation Agent by email (with a copy to the Reporting Agent) to EuroABS to be made available on the website of EuroABS at https://www.euroabs.com/IH.aspx?d=13075 or to such other third party website provider as may be notified by the Issuer to the Cash Manager and Calculation Agent, the Trustee, the Platform Servicer, the Rating Agencies and the Noteholders from time to time (the "**Reporting Website**").

The Issuer (either directly or through the Platform Servicer acting on its behalf in accordance with the Servicing Agreement) shall provide all relevant information required in order to prepare the Securitisation Regulation Reports to the Cash Manager and Calculation Agent (to the extent the Cash Manager and Calculation Agent has agreed to provide such reporting and to the extent that such information is not contained in a Report prepared by the Cash Manager and Calculation Agent and has not otherwise been provided by the Cash Manager and Calculation Agent) or SR Reporting Provider (as applicable). The Cash Manager and Calculation Agent shall not be liable for the accuracy and completeness of the information or data that has been provided to it and the Cash Manager and Calculation Agent will not be obliged to verify, re compute, reconcile or recalculate any such information or data.

For the avoidance of doubt, if the Cash Manager and Calculation Agent agrees to provide such services on behalf of the Issuer, the Cash Manager and Calculation Agent will not assume any responsibility for the Issuer's obligations as the entity responsible to fulfil the reporting obligations under the Securitisation Regulation or the Transparency Requirements. In providing such services, the Cash Manager and Calculation Agent also assumes no responsibility or liability to the Noteholders, any potential investor in the Notes or any other party including for their use or onward disclosure of the information or documentation on the Reporting Website and shall have the benefit of the powers, protections and indemnities granted to it under Cash Management and Calculation Agency Agreement and the other Transaction Documents.

The Cash Manager and Calculation Agent shall not have any duty to monitor, enquire or satisfy itself as to the veracity, accuracy or completeness of any documentation provided to it under this clause or whether or not the provision of such information accords with the Transparency Requirements and shall be entitled to rely conclusively upon any instructions given by (and any determination by) the Issuer (or the Platform Servicer or the Reporting Agent on its behalf) regarding the same, provided that such instructions are given in accordance with the Transaction Documents, and shall have no obligation, responsibility or liability whatsoever for the provision of information and documentation on the website. The Cash Manager and Calculation Agent shall not be responsible for monitoring the Issuer's compliance with the Transparency Requirements.

Calculations in the event of a Servicer Disruption

If, with respect to any Note Payment Date, a Servicer Disruption occurs such that the Cash Manager and Calculation Agent is not provided with the relevant Servicing Report on the Reporting Date or the Servicing Report delivered fails to contain any part of the stipulated information, the Cash Manager and Calculation Agent shall, to the extent possible, calculate the amounts payable pursuant to the applicable Priority of Payments on such Note Payment Date by reference to (a) any invoice or similar documentation that has been provided to the Cash Manager and Calculation Agent stating the amount due and payable on such Note Payment Date, or (b) where no such invoice or similar documentation has been provided, the information contained in the previous Servicing Report delivered with respect to the immediately preceding Note Payment Date and taking into account the payments made pursuant to the applicable Priority of Payments on such Note Payment Date without any liability as a result thereof.

Upon receipt of the Servicing Report delivered following any Servicer Disruption, the Cash Manager and Calculation Agent shall calculate the amounts payable in accordance with the applicable Priority of Payments on any Note Payment Date that occurred whilst the Servicer Disruption was continuing.

Identification of received funds

Subject to the timely receipt of all relevant information in the relevant Servicing Report on the Reporting Date and based on the Servicing Report, the Cash Manager and Calculation Agent shall determine and report (in the relevant Investor Report) the following amounts, which have been transferred to the Issuer Accounts in each Collection Period:

(a) the proceeds of the issuance of the Notes;

(b) all Available Interest Proceeds;

(c) all Available Principal Proceeds;

(d) any Deemed Collections;

(e) any amounts received under an Interest Rate Hedge Agreement; and

(f) any other amounts whatsoever received by or on behalf of the Issuer in respect of the Purchased Loan Assets after the Closing Date subject to the terms of the Transaction Documents.

Compliance with the Securitisation Regulation

The Cash Manager and Calculation Agent shall provide the Reporting Agent (on behalf of the Issuer) with each Investor Report. In addition, the Cash Manager and Calculation Agent shall use its reasonable endeavours to agree to such amendments to the form of Investor Report as are necessary to enable the Reporting Agent to perform its reporting services under the Reporting Agency Agreement or as may be necessary in order for the Transaction to comply with the Transparency Requirements and which the Cash Manager and Calculation Agent confirms it is able to make.

Cash Manager and Calculation Agent Termination Event

The Issuer or, (at any time (x) following the delivery of written notice to the Cash Manager and Calculation Agent that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee shall upon becoming aware of a Cash Manager and Calculation Agent Termination Event, deliver a notice (a "**Cash Manager and Calculation Agent Termination Notice**") of such Cash Manager and Calculation Agent Termination Event to the Cash Manager and Calculation Agent (with a copy to the Issuer or the Trustee, as applicable, and the Rating Agencies) to terminate its appointment as Cash Manager and Calculation Agent under the Cash Management and Calculation Agency Agreement with effect from the date falling five (5) days from the date of such Cash Manager and Calculation Agent Termination Notice **provided that**, the Cash Manager and Calculation Agent's appointment shall not be terminated until a successor Cash Manager and Calculation Agent has been appointed in accordance with the Cash Management and Calculation Agency Agreement.

A "**Cash Manager and Calculation Agent Termination Event**" means any of:

(a) default is made by the Cash Manager and Calculation Agent in giving any payment instruction required to be given (**provided that** in each case there are available funds for such payment standing to the credit of the Issuer Payment Account) under the Cash Management and Calculation Agency Agreement and such default continues unremedied for a period of three (3) Business Days after the earlier to occur of (i) the Cash Manager and Calculation Agent becoming aware of such default and (ii) receipt by the Cash Manager and Calculation Agent of written notice from the Issuer or, (at any time (x) following the delivery of written notice to the Cash Manager and Calculation Agent that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee requiring the same to be remedied;

(b) the Cash Manager and Calculation Agent fails to perform or observe any of its other material duties, obligations, covenants or services under the Cash Management and Calculation Agency Agreement and such default continues unremedied for a period of ten (10) days after the earlier of (i) the Cash Manager and Calculation Agent becoming aware of such default or (ii) receipt by the Cash Manager and Calculation Agent of notice from the Issuer or, (at any time (x) following the delivery of written notice to the Cash Manager and Calculation Agent that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee requiring the same to be remedied; or

(c) proceedings are initiated against the Cash Manager and Calculation Agent under any Insolvency Law, or a Receiver is appointed in relation to the Cash Manager and Calculation Agent or in relation to the whole or any substantial part of the undertaking or assets of the Cash Manager and Calculation Agent; or the Cash Manager and Calculation Agent is, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a

conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any insolvent reorganisation or amalgamation (other than on terms previously approved by the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Ordinary Resolution), provided however, with respect to any involuntary proceeding, any such petition is not dismissed within 14 days after presentment thereof.

Governing Law

The Cash Management and Calculation Agency Agreement and any non-contractual obligations arising out of or in connection with the Cash Management and Calculation Agency Agreement will be governed by and construed in accordance with English law.

Back-Up Servicing Agreement

The Issuer will appoint the Back-Up Servicer to perform back-up services pursuant to the Back-Up Servicing Agreement entered into between the Issuer, Zopa Limited, the Trustee and the Back-Up Servicer dated on or prior to the Closing Date (the "**Back-Up Servicing Agreement**").

The Back-Up Servicer shall meet on an annual basis with Zopa and the Issuer to ensure that any changes to Zopa's systems which could reasonably be expected to have an impact on the services as set out in the Back-Up Servicing Agreement or the Back-Up Servicer's ability to implement the Invocation Plan are tracked and accurately reflected in the Back-Up Servicer's systems and to generally ensure that the Back-Up Servicer is capable of meeting its obligations to perform the obligation of Successor Servicer within the timescales set out in the Invocation Plan.

The Platform Servicer will deliver monthly to the Back-Up Servicer (or its delegate or subcontractor) the Servicing Reports on each Reporting Date and such other information as the Back-Up Servicer (or its delegate or subcontractor) reasonably requests to perform its obligations.

Unless another person is appointed as Successor Servicer as a result of a Back-Up Servicing Termination Event and provided the Back-Up Servicing Agreement has not been previously terminated, the Back-Up Servicer agrees that upon Invocation, the Back-Up Servicer shall automatically be appointed as Successor Servicer, such appointment to be deemed effective on the date falling 30 calendar days after Invocation (the "**Deemed Effective Date**") and shall assume and perform the duties and obligations of the Platform Servicer under the Servicing Agreement as such duties and obligation are amended by the Back-Up Servicing Agreement. Notwithstanding the foregoing, (i) Target shall not be required to conduct Full Servicing and shall not be liable for any failure to conduct the Full Servicing prior to the date falling 60 calendar days after Invocation (the "**Successor Servicer Effective Date**") or at any time during which the legal title holder and/or lender of record in relation to the Loan Assets and the Related Security does not hold the requisite Authorisations; and (ii) Target may elect not to be appointed as Successor Servicer and/or assume and perform any of the obligations of the Platform Servicer under the Servicing Agreement or conduct Full Servicing in circumstances where it reasonably believes that the Platform Servicer's employment liabilities will transfer to Target and the Platform Servicer will not, or will not be able to compensate Target for such amounts and the parties have not otherwise agreed how such liabilities shall be met.

Indemnity by the Back-Up Servicer

Pursuant to the Back-Up Servicing Agreement and subject to the clauses therein, the Back-Up Servicer (the "**Indemnifying Party**") shall indemnify the Issuer and the Trustee (each an "**Indemnified Party**") on demand and on an after-tax basis for any Liabilities properly incurred by the Issuer or, (at any time (x) following the delivery of written notice to the Back-Up Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee, as a result of:

(a) the fraud, negligence, gross negligence or wilful misconduct of the Back-Up Servicer in carrying out its functions as the Back-Up Servicer under the Back-Up Servicing Agreement; or

(b) a breach by the Back-Up Servicer of the terms and provisions of the Back-Up Servicing Agreement.

Limitation of liability of the Back-Up Servicer

The liability of the Back-Up Servicer in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise arising out of or in connection with the Back-Up Servicing

Agreement is subject to certain exclusions and a cap. However, no such exclusion or limitations on liability will apply to the liability of the Back-Up Servicer in respect of any Liabilities suffered or incurred by the Issuer, the Trustee and/or any other Person as a result of the performance of its functions as the Back Up Servicer where such Liabilities are suffered or incurred as a result of: (i) the fraud only of the Back-Up Servicer prior to the Successor Servicer Effective Date; or (ii) the fraud, gross negligence or wilful misconduct of the Back-Up Servicer on or following the Successor Servicer Effective Date.

Back-Up Servicing Termination Event

Upon the occurrence of a Back-Up Servicing Termination Event, the Issuer or the Trustee (acting on the instructions of the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Extraordinary Resolution, subject to being indemnified and/or secured and/or prefunded to its satisfaction) may, at any time thereafter, by notice in writing to the Back-Up Servicer (with a copy to the Rating Agencies) terminate the Back-Up Servicing Agreement with effect from a date (not earlier than the date of such notice) specified in such notice, **provided that** no such termination shall take effect unless and until a Person selected by the Issuer and approved by the Trustee (acting on the instructions of the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Extraordinary Resolution) shall have entered a back-up servicing agreement on substantially similar terms to the Back-Up Servicing Agreement (or such other terms as may be approved by the Trustee acting on the instructions of the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Extraordinary Resolution).

Termination by the Back-Up Servicer

The Back-Up Servicer shall be entitled to terminate the Back-Up Servicing Agreement by notice in writing to the Issuer and the Trustee if the Issuer fails to make a payment required to be made by it to the Back-Up Servicer under the Back-Up Servicing Agreement in accordance with the Priority of Payments and (i) such payment default was not caused by a failure by the Back-Up Servicer to perform the Target Services and (ii) such failure remains unremedied for three (3) Note Payment Dates following the initial due date thereof, **provided that**, upon receipt of notice pursuant to the Back-Up Servicing Agreement, the Trustee or any other Transaction Party on behalf of the Issuer shall have the option, but not the obligation, to elect to pay or procure the relevant payments to the Back-Up Servicer in place of the Issuer (the "**Payment Cure**"). At all times while the Payment Cure is being exercised and the Back-Up Servicer is receiving the required payments in accordance with the terms of the Back-Up Servicing Agreement, any notice delivered in respect of termination by the Back-Up Servicer under the Back-Up Servicing Agreement shall be of no effect and the Back-Up Servicer shall not be entitled to terminate the Back-Up Servicing Agreement under these provisions.

Governing law

The Back-Up Servicing Agreement and any non-contractual obligations arising out of or in connection with the Back-Up Servicing Agreement are governed by and construed in accordance with English law.

Trust Deed

On or before the Closing Date, the Issuer and the Trustee, among others, will enter into the Trust Deed pursuant to which the Issuer and the Trustee will agree that the Notes are subject to the provisions in the Trust Deed and the Charge and Assignment. The Conditions and the forms of the Notes are constituted by, and set out in, the Trust Deed.

The Trustee will agree to hold the benefit of, among other things, the Issuer's covenant to pay amounts due in respect of the Notes and the Issuer Covenants on trust for the Noteholders and (to the extent applicable) the other Secured Creditors according to their respective interests.

The Trust Deed also contains provisions that the Trustee shall not be bound to give notice to any person of the execution of the Trust Deed or any documents comprised or referred to in the Trust Deed or to take any steps to ascertain whether any Event of Default, Potential Event of Default, Tax Event, Illegality Event, Regulatory Event or other relevant event has happened or if the Issuer or any other party has breached any of its obligations under the Transaction Documents and, until it shall have written notice to the contrary, the Trustee shall be entitled to assume that no Event of Default, Potential Event of Default, Tax Event, Illegality Event, Regulatory Event or any other relevant event which causes or may cause a right to become exercisable by the Issuer or the Trustee under the Trust Deed or any other Transaction Document has happened and that the Issuer and the other

parties are observing and performing all their respective obligations under the Trust Deed, the Notes and the other Transaction Documents.

The Notes

The Notes of any Class will be constituted by the Trust Deed and will be represented upon issue by Global Certificates of each Class, in fully registered form without interest coupons or principal receipts and registered in the name of a nominee of, the Common Safekeeper of Euroclear and Clearstream, Luxembourg on or about the Closing Date.

Covenant to pay

Subject to the Conditions and in accordance with the Trust Deed, the Issuer will, on any date when the Notes or any of them become due to be redeemed (in whole or in part), unconditionally pay or procure to be paid to, or to the order of, or for the account of, the Trustee (and unless and until otherwise instructed by the Trustee, will make such payment to the Principal Paying Agent) in cleared, immediately available funds all amounts of principal payable in respect of the Notes becoming due for redemption (in whole or in part) on that date together with any applicable premium or other amounts payable upon redemption and shall (subject to the Conditions) until such payment (after as well as before any judgment or other order of a competent court) unconditionally pay to or to the order of or for the account of the Trustee as aforesaid, interest accrued on the Principal Amount Outstanding or otherwise payable in respect of the Notes together with any other amounts payable in respect of the Notes in accordance with (and to the extent provided for in) the Conditions thereof and on the dates provided for therein.

Priority of Payments

On each Note Payment Date prior to the delivery of an Enforcement Notice, the Issuer shall, or shall cause the Cash Manager and Calculation Agent to, apply all Available Interest Proceeds and Available Principal Proceeds as of the Reporting Cut-Off Date immediately preceding such Note Payment Date in accordance with the Pre-Acceleration Interest Priority of Payments and the Pre-Acceleration Principal Priority of Payments respectively.

On each Note Payment Date (or on such other date as the Trustee instructs in writing in accordance with the Transaction Documents) on or following the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent shall cause all amounts standing to the credit of the Issuer Payment Account and all proceeds (other than amounts representing (i) any Excess Hedge Collateral which shall be returned directly to an Interest Rate Hedge Counterparty (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Hedge Premium (only to the extent it is applied directly to pay a Hedge Termination Payment due and payable by the Issuer to the outgoing Interest Rate Hedge Counterparty), (iii) any Hedge Tax Credits, which shall be applied directly to an Interest Rate Hedge Counterparty in accordance with the Cash Management and Calculation Agency Agreement, and (iv) prior to the designation of an early termination date under an Interest Rate Hedge Agreement and the resulting application of the Hedge Collateral by way of netting or set-off, all Hedge Collateral provided by an Interest Rate Hedge Counterparty to the Issuer pursuant to an Interest Rate Hedge Agreement (and any interest or distributions in respect thereof)) from the enforcement of the Security or otherwise recovered by the Trustee (which shall be held by the Trustee on trust) to be applied in payment, in the amounts required in accordance with the Post-Acceleration Priority of Payments.

Meetings of Noteholders

The Issuer or the Trustee may at any time convene a meeting and, if it receives a written request by Noteholders holding not less than ten (10) per cent. of the Principal Amount Outstanding of a particular Class of Notes subject to (i) certain conditions including minimum notice periods and (ii) the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith, the Trustee shall convene a meeting of Noteholders. See further the section entitled "*Overview of Rights of Noteholders and Relationship with other Secured Creditors*".

Actions and proceedings by the Trustee

Save as expressly otherwise provided in the Trust Deed, the Trustee shall have absolute and uncontrolled discretion as to the exercise of its trusts, powers, authorities and discretions vested in the Trustee under the Trust

Deed or any other Transaction Document (the exercise of which as between the Trustee and the Noteholders of each Class and the other Secured Creditors shall be conclusive and binding on such Noteholders and the other Secured Creditors) and shall not be responsible for any Liability which may result from their exercise or non-exercise.

In relation to any discretion to be exercised or action to be taken by the Trustee under any Transaction Document, the Trustee may, at its discretion and without further notice or shall, if it has been so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then Outstanding or so requested in writing by the Noteholders of at least 25 per cent. in Principal Amount Outstanding, exercise such discretion or take such action, **provided tha**t, in either case, the Trustee shall not be obliged to exercise such discretion or take such action unless it shall have been indemnified and/or, secured and/or prefunded to its satisfaction against all Liabilities and **provided that** subject to liability provisions in the Trust Deed, the Trustee shall not be held liable for the consequences of exercising its discretion or taking any such action and may do so without having regard to the effect of such action on individual Noteholders.

Trustee to view Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, duties, authorities and discretions under the Trust Deed or any other Transaction Document, the Trustee shall have regard to the interests of each Class of Noteholders as a Class and, shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders. For the purpose of determining whether or not any such exercise is materially prejudicial to the interests of the Noteholders of any Class of Notes, the Trustee shall be entitled to consider all such matters, information or any documentation delivered in respect thereof (whether addressed to the Trustee or otherwise) as the Trustee deems appropriate.

Amendments

Subject to the provisions governing the Class Z Notes Entrenched Rights, any authorisation, waiver, determination or modification referred to in Condition 15.3 (*Modification*), Condition 15.4 (*Additional Right of Modification*), Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*), Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*) or Condition 15.7 (*Waiver*) shall be binding on the Noteholders and the other Secured Creditors. The Issuer covenants with the Parties to the Trust Deed that it will not propose and agree to any modification or waiver to:

(a) the Conditions or the Priority of Payments that would change, or have the effect of changing, the position of Zopa (in any of its capacities in which it is party to any Transaction Document), the Seller, the Trustee, the Agents, the Reporting Agent, any Successor Servicer or the Interest Rate Hedge Counterparty in any Priority of Payments unless the prior written consent of such party has been obtained; and

(b) Schedule 2, paragraph 9 (*Application of Amounts in respect of Hedge Collateral, Excess Hedge Collateral, Hedge Tax Credits and Replacement Hedge Premium*) of the Cash Management and Calculation Agency Agreement unless the prior written consent of the Interest Rate Hedge Counterparty has been obtained.

Fees, duties and taxes

In accordance with the terms of the Trust Deed, in addition to its fees, the Issuer shall also pay or discharge all Liabilities incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under the Trust Deed, and in any other manner in relation to, the Trust Deed or any other Transaction Document, including but not limited to securities transaction charges and fees (including properly incurred legal fees), travelling expenses and any stamp, issue, registration, documentary and other similar taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, the Trust Deed or any other Transaction Document.

Appointment and Retirement of Trustee

The power to appoint a new trustee of the Trust Deed shall be vested in the Issuer but no person shall be appointed who shall not previously have been approved by the Noteholders of the Most Senior Class of Notes (acting by way of Extraordinary Resolution). One or more persons may hold office as trustee or trustees of the Trust Deed but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of the Trust Deed the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee by the Trust Deed **provided that** a Trust Corporation shall be included in such majority. Any appointment of a new trustee of the Trust Deed shall as soon as practicable thereafter be notified by the Issuer to the Noteholders (in accordance with Condition 10 (*Notifications*)), and each of the other Secured Creditors and, so long as any of the Notes rated by one or more Rating Agencies remains Outstanding, shall be subject to receipt by the Issuer of a Rating Agency Confirmation.

A trustee of the Trust Deed may retire at any time on giving not less than 60 days' prior written notice to the Issuer (and the Issuer shall, for so long as any of the Notes rated by one or more Rating Agencies remain Outstanding, provide a copy of such notice on receipt of such to each such Rating Agency) without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Issuer shall, if so directed by the Noteholders of the Most Senior Class of Notes (acting by way of Extraordinary Resolution), remove any trustee or trustees for the time being of the Trust Deed on not less than 60 days' prior written notice. The Issuer undertakes that in the event of the only trustee of the Trust Deed which is a Trust Corporation giving notice under the Trust Deed or being removed by Extraordinary Resolution (as aforesaid) it will use its best endeavours to procure that a new trustee of the Trust Deed, being a Trust Corporation, is appointed as soon as reasonably practicable thereafter subject to it notifying, so long as any of the Notes rated by one or more Rating Agencies remains Outstanding, each such Rating Agency of such appointment and receipt by it of a Rating Agency Confirmation in respect thereof. The retirement or removal of any such trustee shall not become effective until a successor trustee, being a Trust Corporation, is appointed. If in such circumstances, no appointment of such a new trustee has become effective within 30 days of the date of such notice or Extraordinary Resolution, the Trustee shall be entitled to appoint a Trust Corporation as trustee of the Trust Deed, but no such appointment shall take effect unless previously approved by the Noteholders of the Most Senior Class of Notes (acting by way of Extraordinary Resolution) and, for the avoidance of doubt, no Rating Agency Confirmation shall be required in such circumstances.

A trustee of the Trust Deed may be removed by the Issuer, and a replacement trustee of the Trust Deed procured as described in the paragraph above, at any time if so directed by the Noteholders of the Most Senior Class of Notes (acting by way of Extraordinary Resolution), for the time being of the Trust Deed on not less than 30 days' prior written notice, upon the occurrence of the following events:

(a) if the trustee of the Trust Deed has entered into administration under the Insolvency Act 1986;

(b) if an order is made or an effective resolution is passed for the winding up of the trustee of the Trust Deed under the Insolvency Act 1986; or

(c) if any director or officer of the trustee of the Trust Deed is convicted by non-appealable judgment of an English Court of an act of fraud relating exclusively to the carrying out of its functions under the Trust Deed.

Governing Law

The Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

Charge and Assignment

The parties to the Charge and Assignment to be entered into on or before the Closing Date will be Issuer and the Trustee (for itself and on behalf of each Secured Creditor).

Security

The Notes are secured and will share the Security with the other Secured Obligations of the Issuer as set out in the Charge and Assignment and as described in the Conditions:

(a) Assignment

The Issuer, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, by way of first fixed security, will assign to and in favour of the Trustee (on behalf of each Secured Creditor), all of its rights, title, interest and benefit, existing now or in the future, in, to, under or in respect of:

(i) the Transaction Documents;

(ii) all Purchased Loan Assets (where such rights are contractual rights other than contractual rights the assignment of which would require the consent of a third party and such consent has not been obtained, **provided that** the Issuer shall use reasonable endeavours to obtain such consent) and any Seller Records relating to the Purchased Loan Assets; and

(iii) any Other Secured Contractual Rights of the Issuer,

including without limitation:

(A) the benefit of all representations, warranties, covenants, undertakings and indemnities under or in respect of each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right;

(B) all of its rights to receive payment of any amounts which may become payable to it pursuant to, or with respect to, each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right;

(C) all payments received by it pursuant to, or with respect to, each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right;

(D) all of its rights to serve notices and/or make demands and/or to take such steps as are required to cause payments to become due and payable with respect to each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right;

(E) all of its rights of action in respect of any breach of the terms of or default in respect of each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right; and

(F) all of its rights to receive damages, compensation or obtain other relief in respect of, including in respect of any breach the terms of or default in respect of each Transaction Document, each Purchased Loan Asset and each Other Secured Contractual Right.

(b) Fixed Charges

The Issuer, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, will charge in favour of the Trustee (on behalf of each Secured Creditor) by way of first fixed charge, to the extent not effectively assigned pursuant the Charge and Assignment, all of its rights, title, interest and benefit, existing now or in the future, in, to, under or in respect of:

(i) the Transaction Documents;

(ii) all Purchased Loan Assets; and

(iii) any Other Secured Contractual Rights,

(in each case, other than any property or assets from time to time or for the time being effectively secured as set out in the preceding paragraph (a) (*Assignment*)).

(c) Accounts

The Issuer, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, will charge in favour of the Trustee (on behalf of each Secured Creditor) by way of first fixed charge, all of its rights, title, interest and benefit, existing now or in the future, in, to, under or in respect of:

(i) each Issuer Account (other than any Hedge Collateral Account) and all sums of moneys which may now be or hereafter are from time to time standing to the credit of each Issuer Account (other than any Hedge Collateral Account) and any other bank account and any amounts standing to the credit thereto (other than the Corporate Benefit Account and any amounts standing to the credit thereto), or book debt in which the Issuer may at any time acquire any right, title, interest or benefit and each debt represented by these, including all interest accrued and other moneys received in respect thereof; and

(ii) each Hedge Collateral Cash Account and all moneys from time to time standing to the credit of each Hedge Collateral Cash Account and the debts represented thereby or, where applicable, all of its contractual rights thereto, **provided that**, in each case, that such security interest: is subject to the rights of any Interest Rate Hedge Counterparty to the return of any Hedge Collateral pursuant to the terms of the relevant Interest Rate Hedge Agreement and the Conditions (for the avoidance of doubt, without prejudice to and after giving effect to any close out netting or set-off has taken place),

(in each case, other than any property or assets from time to time or for the time being effectively secured as set out in the preceding paragraphs (a) (*Assignment*) and (b) (*Fixed Charges*)).

(d) Floating Charge

The Issuer, with full title guarantee and as continuing security for the payment and discharge of the Secured Obligations, will charge in favour of the Trustee (on behalf of each Secured Creditor) by way of a first floating charge over the whole of its undertaking and all of its property and assets whatsoever and wheresoever situated, present and future, to the extent that such undertaking and property and assets are not subject to any other security created pursuant to the Charge and Assignment **provided that**, in each case, such security interest: (i) shall not extend to the Corporate Benefit Account and any amounts standing to the credit thereto; and (ii) is subject to the rights of any Interest Rate Hedge Counterparty to the return of any Hedge Collateral pursuant to the terms of the relevant Interest Rate Hedge Agreement and the Conditions (for the avoidance of doubt, without prejudice to and after giving effect to any close out netting or set-off has taken place).

Some of the other Secured Obligations rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the Post-Acceleration Priority of Payments.

Trust

If, for any reason, the purported assignment by way of security of, and/or the grant of first fixed or floating charge over, the property, assets, rights and/or benefits described in the Charge and Assignment is found to be ineffective in respect of any such property, assets, rights and/or benefits (together, the "**Affected Property**"), the Issuer shall, as continuing security for the payment and discharge of the Secured Obligations, hold the benefit of the Affected Property and any sums received in respect thereof or any security interest, guarantee or indemnity or undertaking of whatever nature given to secure such Affected Property (together, the "**Trust Property**") on trust for the Trustee for the benefit of the Secured Creditors.

For the purposes of article 21(4)(d) of the Securitisation Regulation, no provision of the Charge and Assignment require automatic liquidation upon default of the Issuer.

Governing Law

The Charge and Assignment and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

Account Bank Agreement

On or before the Closing Date, the Issuer, the Issuer Account Bank, the Cash Manager and Calculation Agent and the Trustee will enter into the Account Bank Agreement, pursuant to which the Issuer appoints Citibank, N.A. London Branch as the initial Issuer Account Bank.

Pursuant to the Account Bank Agreement, Citibank, N.A. London Branch, in its capacity as Issuer Account Bank has agreed to maintain the Issuer Accounts on behalf of the Issuer.

Loss of Eligible Institution Status

(a) If the Issuer Account Bank ceases to be an Eligible Institution, the Issuer shall use its best endeavours to within 30 calendar days following the first day on which the Issuer Account Bank ceased to be an Eligible Institution, either:

(i) close the Issuer Accounts and the Corporate Benefit Account held with the Issuer Account Bank and open new replacement accounts with a financial institution (I) that is an Eligible Institution and (II) which is a bank as defined in Section 991 of the Income Tax Act 2007 which is either (x) incorporated and tax resident in the United Kingdom for United Kingdom tax purposes, or (y) tax resident outside the United Kingdom for United Kingdom tax purposes but which lends from and performs its obligations under the Account Bank Agreement from a facility office within the United Kingdom and to which payments can be made under the Account Bank Agreement without any withholding or deduction for or on account of United Kingdom taxation, and transfer all amounts standing to the credit thereof into such new accounts;

(ii) obtain an irrevocable, first demand guarantee, commensurate with any relevant Rating Agency criteria, in support of the Issuer Account Bank's obligations under the Account Bank Agreement from a financial institution that is an Eligible Institution; or

(iii) take such other actions as may be reasonably requested by the parties to the Account Bank Agreement to ensure that the ratings of the Rated Notes immediately prior to the Issuer Account Bank ceasing to be an Eligible Institution are not adversely affected by the Issuer Account Bank ceasing to be an Eligible Institution.

Hedge Collateral Accounts

The Issuer may from time to time instruct the Issuer Account Bank to open additional Hedge Collateral Cash Accounts pursuant to the Account Bank Agreement or instruct a Custodian to open a Hedge Collateral Custody Account by entering into a Custodial Services Agreement with a Custodian in accordance with the Account Bank Agreement, the Cash Management and Calculation Agency Agreement and the Charge and Assignment.

Governing Law

The Account Bank Agreement and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

Principal Paying Agency Agreement

On or before the Closing Date, the Issuer, the Registrar, the Trustee and the Principal Paying Agent will enter into the Principal Paying Agency Agreement, pursuant to which the Issuer appoints Citibank, N.A. London Branch as the initial Principal Paying Agent and as Registrar.

Termination

The Issuer may at any time, with the prior written approval of the Trustee, appoint additional paying agents or registrars and/or terminate the appointment of the Principal Paying Agent or the Registrar by giving to the Principal Paying Agent or the Registrar not less than 60 calendar days' prior written notice to that effect, **provided that** it will maintain at all times (i) a Registrar (for so long as the Notes of any Class are listed on the regulated market of Euronext Dublin) and a Principal Paying Agent, and provided always, that no such notice to terminate such appointment shall take effect until a new Principal Paying Agent or Registrar (as applicable) (approved in advance in writing by the Trustee), which agrees to exercise the powers and undertake the duties thereby conferred and imposed upon the Principal Paying Agent or the Registrar (as applicable), has been appointed, as approved by the Trustee. Notice of any change in the Principal Paying Agent or the Registrar or their specified offices will promptly be given to the Noteholders by the Issuer in accordance with Condition 10 (*Notifications*).

If at any time the Principal Paying Agent or the Registrar shall be adjudged bankrupt or insolvent, or shall file a voluntary petition in bankruptcy or make an assignment for the benefit of its parties or consent to the appointment of a receiver or similar official of all or any substantial part of its property, or if a receiver of it or

of all or any substantial part of its property shall be appointed, or if any public officer shall take charge or control of the Principal Paying Agent or the Registrar or of its property or affairs, for the purpose of rehabilitation, conservation or liquidation, or a resolution is passed or an order made for the winding up of the Principal Paying Agent or the Registrar, the Issuer may, with the prior written approval of the Trustee, terminate the appointment of the Principal Paying Agent or the Registrar (as applicable) forthwith upon giving written notice and without regard to the amount of days' notice as set out in paragraph (a) above. Such termination shall not take effect until a new Principal Paying Agent or Registrar (as applicable) has been appointed. The termination of the appointment of the Principal Paying Agent or the Registrar thereunder shall not entitle the Principal Paying Agent or the Registrar to any amount by way of compensation but shall be without prejudice to any amount then accrued due.

Upon termination of the Principal Paying Agent's or the Registrar's appointment in accordance with the Principal Paying Agency Agreement, the Issuer shall use its reasonable endeavours to procure the appointment of a replacement Principal Paying Agent and/or Registrar, as applicable. The appointment of any replacement or additional Principal Paying Agent or Registrar shall:

(a) be subject to the prior written consent of the Trustee (such consent not to be unreasonably withheld);

(b) be on substantially the same terms as the Principal Paying Agency Agreement; and

(c) be notified to the Rating Agencies by the Issuer.

Governing Law

The Principal Paying Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

Reporting Agency Agreement

The Issuer as the designated reporting entity under Article 7(2) of the Securitisation Regulation will make available the information as required and in accordance with Article 7 of the Securitisation Regulation. M&G Specialty Finance (Luxembourg) No.1 S.à r.l as one of the responsible parties for the Transaction's compliance with Article 22(5) of the Securitisation Regulation shall be appointed by the Issuer as Reporting Agent to provide information reporting services on the Issuer's behalf and in accordance with its regulatory requirements.

Confirmations

Pursuant to the Reporting Agency Agreement, M&G Specialty Finance (Luxembourg) No.1 S.à r.l shall confirm that the information required by Article 7(1)(b) to (d) of the Securitisation Regulation has been made available before pricing to potential investors upon request at least in draft or initial form.

Reporting under the Securitisation Regulation

Pursuant to the Reporting Agency Agreement, the Reporting Agent will:

(a) procure and maintain access to (i) prior to the authorisation of a Securitisation Repository, the website (which shall initially be the website of EuroABS at https://www.euroabs.com/IH.aspx?d=13075) or (ii) on and following the authorisation of a Securitisation Repository, a Securitisation Repository, in each case selected by the Issuer (in consultation with the Reporting Agent) through which the Issuer wishes to fulfil its obligations under Article 7(1) of the Securitisation Regulation (the "**Reporting Medium**");

(b) subject to receipt of sufficient information from the Platform Servicer, procure that the Quarterly Loan-by-Loan Reports are made available (simultaneously with the Quarterly Investor Reports) on the Quarterly Reporting Date pursuant to Article 7(1)(a) of the Securitisation Regulation in the form required by the Transparency RTS;

(c) subject to receipt of the Investor Reports for the relevant period from the Cash Manager and Calculation Agent, procure that the Quarterly Investor Reports are made available (simultaneously with the Quarterly Loan-by-Loan Reports) on the Quarterly Reporting Date pursuant to Article 7(1)(e) of the Securitisation Regulation in the form required by the Transparency RTS;

(d) subject to receipt or knowledge of the relevant information, co-ordinate the publication, without delay, of any information required to be reported pursuant to Articles 7(1)(f) or 7(1)(g) (as applicable) of the Securitisation Regulation; and

(e) make available, within 5 Business Days of the issuance of the Notes, copies of the relevant Transaction Documents and this Prospectus via https://www.euroabs.com/IH.aspx?d=13075 (or such other website as may be notified by the Reporting Agent to the Issuer, the Cash Manager and Calculation Agent, the Platform Servicer, the Trustee, each Rating Agency and the Noteholders from time to time).

The reports and information referred to in paragraphs (a) to (d) above will be made available to the relevant Competent Authorities, investors and, on request, to potential holders of the Notes on the website of EuroABS at via https://www.euroabs.com/IH.aspx?d=13075, (being a website that the Issuer believes meets the requirements of Article 7(2) of the Securitisation Regulation) or by such other means as are required or as are permitted (and selected by the Issuer) from time to time by the Securitisation Regulation.

Liability of the Reporting Agent

The Reporting Agent shall not be liable in respect of any Liability suffered or incurred by the Issuer as a result of the performance or non-performance (i) by the Reporting Agent in carrying out its functions as Reporting Agent under the Reporting Agency Agreement save where such Liability is suffered or incurred as a result of any negligence, fraud or wilful default of the Reporting Agent, or (ii) by any subcontractor or delegate of the Reporting Agent in performing the functions transferred to it, **provided that** the Reporting Agent exercised due care in selecting any such subcontractor or delegate. For the avoidance of doubt, the Reporting Agent shall not be liable for:

(a) any failure to perform its reporting services resulting from the failure of the Platform Servicer or the Cash Management and Calculation Agent, as applicable, to provide the Reporting Agent with all information required in order to perform the reporting services in a timely manner;

(b) the accuracy of any information provided by the Platform Servicer or the Cash Manager and Calculation Agent;

(c) any failure to make available the final versions of the documents referred to in Article 7(1)(b) prior to pricing of the Notes;

(d) any failure of any delegate of the Reporting Agent to perform any Reporting Service delegated to it on the basis of the failure of the Issuer to pay the fees and expenses of the Reporting Medium (or the operator thereof) in a timely manner; and

(e) if the form of the Quarterly Investor Reports or Quarterly Loan-by Loan Reports fail to satisfy the requirements of Article 7(1) of the Securitisation Regulation for so long as Article 43(8) of the Securitisation Regulation is applicable.

Delegation

The Reporting Agent may delegate its reporting obligations under the Reporting Agency Agreement and may engage, third party entities in connection with facilitating the compliance of the Issuer with its obligations under Article 7 of the Securitisation Regulation and, in particular, the generation of any such reports and access to any medium appropriate for publication of such reports. As at the Closing Date, the Reporting Agent intends to delegate the majority of its obligations to EuroABS Limited. The Reporting Agent will undertake in the Reporting Agency Agreement to use its best endeavours to exercise its rights and remedies against any delegate appointed by it in the event of non-performance of the delegated obligations. However, the Issuer will not have a direct contractual relationship with such delegates (including EuroABS Limited) and therefore will not have the ability to enforce the performance of any delegated services itself. The Reporting Agent will not be liable to the Issuer for any Liability suffered or incurred as a result of any performance or non-performance, negligence, fraud or wilful default of any delegate appointed by it, **provided that** the Reporting Agent exercised due care in selecting any such delegate.

Governing Law

The Reporting Agency Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Interest Rate Hedge Agreement

Pursuant to the Interest Rate Hedge Agreement, the Issuer will enter into the Interest Rate Confirmations to hedge a part of the interest rate risk it is exposed to due to the interest the Issuer receives under the Loan Portfolio being calculated by reference to a fixed rate of interest and the interest payments the Issuer is obliged to make under the SONIA Notes being calculated by reference to Compounded Daily SONIA and under the Class A2 Notes by reference to one month LIBOR.

Payments made by the Interest Rate Hedge Counterparty (if any) under the Interest Rate Hedge Agreement will constitute the Available Interest Proceeds (other than as provided under paragraph (c) of the definition thereof) and be distributed by the Issuer in accordance with the applicable Priority of Payments.

For all Interest Rate Confirmations under the Interest Rate Hedge Agreement, if a Benchmark Event occurs, the Calculation Agent shall make such adjustments to the Interest Rate Hedge Agreement as are in its opinion necessary to ensure the legal and commercial efficacy of any Interest Rate Confirmation and to align, to the extent reasonably practicable, the Floating Rate (as defined in the relevant Interest Rate Confirmation) and/or the Cap Rate (as defined in the relevant Interest Rate Confirmation) to the Alternative Benchmark Rate, taking into account any applicable spread adjustment. Such adjustments may include (but not be limited to) the amendment of the Fixed Rate, Spread, Floating Rate (as defined in the relevant Confirmation) and/or the Cap Rate (as defined in the relevant Confirmation) as the Calculation Agent may consider necessary to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one party to the other which might otherwise result from any such adjustments. For these purposes, a "**Benchmark Event**" shall mean service of notice by the relevant party of any of the following events:

(a) SONIA or LIBOR ceasing to exist or be published;

(b) the insolvency or cessation of business of the administrator of SONIA (the "**SONIA Administrator**") or the administrator of LIBOR (the "**LIBOR Administrator**") (in circumstances where no successor SONIA Administrator or LIBOR Administrator, as the case may be, has been appointed);

(c) a public statement by the SONIA Administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA Administrator has been appointed that will continue publication of SONIA) or a public statement by the LIBOR Administrator that it will cease publishing LIBOR permanently or indefinitely (in circumstances where no successor LIBOR Administrator has been appointed that will continue publication of LIBOR);

(d) a public statement by the supervisor of the SONIA Administrator that SONIA has been or will be permanently or indefinitely discontinued or a public statement by the supervisor of the LIBOR Administrator that LIBOR has been or will be permanently or indefinitely discontinued;

(e) a public statement by the supervisor for the SONIA Administrator that means that SONIA may no longer be used or a public statement by the supervisor for the LIBOR Administrator that means that LIBOR may no longer be used;

(f) a regulatory body to which Party A is subject obliges or directs Party A to make a change to the Agreement in connection with the proposed replacement, discontinuation or cessation of SONIA or LIBOR; or

(g) on a given date, the Calculation Agent reasonably expects that any of the events specified in subparagraphs (i) and (ii) above will occur within six months of such date, or the Calculation Agent determines that such event has occur.

Pursuant to the Interest Rate Hedge Agreement, if the Issuer makes or allows (or the Trustee makes or allows) a modification, amendment, consent or waiver in respect of any Condition or any Transaction Document which:

(a) would, in the reasonable opinion of the Interest Rate Hedge Counterparty, acting in good faith: (A) cause the Interest Rate Hedge Counterparty to pay more or receive less under Interest Rate Hedge Agreement or (B) cause a decrease (from the Interest Rate Hedge Counterparty's perspective) in the value of the Transactions under the Interest Rate Hedge Agreement or (C) cause the Interest Rate Hedge Counterparty to receive or be required to pay any amount under the Interest Rate Hedge Agreement at a different time or a different date;

(b) would, in the reasonable opinion of Interest Rate Hedge Counterparty, acting in good faith, result in any of the Issuer's obligations to the Interest Rate Hedge Counterparty under the Interest Rate Hedge Agreement becoming further contractually subordinated, relative to the level of subordination of such obligations as of the Closing Date, to the Issuer's obligations to any other Secured Creditor;

(c) would have the result that, if the Interest Rate Hedge Counterparty were to replace itself as hedge counterparty under Interest Rate Hedge Agreement, it would be, in the reasonable opinion of the Interest Rate Hedge Counterparty acting in good faith, required to pay more or receive less, in connection with such replacement, as compared to what the Interest Rate Hedge Counterparty would have been required to pay or would have received had such modification, amendment consent or waiver not been made;

(d) would adversely affect, in the reasonable opinion of the Interest Rate Hedge Counterparty, acting in good faith, the Interest Rate Hedge Counterparty's ability to obtain the direct return of any amount or asset credited to any Hedge Collateral Accounts;

(e) would adversely affect, in the reasonable opinion of Party A acting in good faith, Party A's position as a Secured Creditor in any way whatsoever; or

(f) is a modification, amendment, consent or waiver in respect of: (x) Clauses 3.3(b), 5.5(f), 6.2, 7.4(a) and (b) and 10.3 of the Charge and Assignment; (y) the definition of "Priority of Payments" and "Secured Creditors" set out in the Master Framework Agreement; and (z) Clause 4.4(a), 4.4(c) and Clause 8.2 of the Cash Management and Calculation Agency Agreement which, in each case, it is not carried out in accordance with Clause 17 (*Waiver and Modification*) of the Trust Deed, in each case, which would, in the reasonable opinion of the Interest Rate Hedge Counterparty, acting in good faith, have an adverse effect on the Interest Rate Hedge Counterparty,

then the Interest Rate Hedge Counterparty can terminate the Interest Rate Confirmations under the Interest Rate Hedge Agreement, unless either (1) the Interest Rate Hedge Counterparty has provided its prior written consent, such consent not to be unreasonably withheld or delayed, or (2) the Interest Rate Hedge Counterparty has failed to confirm in writing to the Trustee that it has declined to provide its consent or to make the determinations required to be made by it under limbs (a) to (f) above, in each case, within 15 Business Days of written request by the Issuer. The Issuer shall provide notice, or shall procure that notice is provided, to the Interest Rate Hedge Counterparty of any such proposed modification, amendment, consent or waiver in respect of any Condition or any Transaction Document at least 15 Business Days prior to the date on which such modification, amendment, consent or waiver is proposed to become effective.

Governing Law

The Interest Rate Hedge Agreement and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

DESCRIPTION OF THE NOTES IN GLOBAL FORM

General

The Notes of each Class will be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and will be represented on issue by one or more Global Notes of such Class in fully registered form without interest coupons or principal receipts attached (each a "**Global Note**"). Beneficial interests in a Global Note may only be held through Euroclear or Clearstream, Luxembourg or their participants at any time.

All capitalised terms not defined in this paragraph shall be as defined in the Conditions.

The Notes will be issued in registered form and are intended upon issue to be deposited with and registered in the name of a nominee of a Common Safekeeper on behalf of one of the ICSDs. The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as owner of the Global Note.

The records of the Registrar shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by the Registrar at any time shall be conclusive evidence of the records of the Registrar at that time. The Trustee will not 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.

Book-Entry Interests in respect of Global Notes will be recorded in denominations of £100,000 (the "**Minimum Denomination**") and, for so long as Euroclear or Clearstream, Luxembourg so permit integral multiples of £1,000 in excess thereof. Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**Participants**") or persons that hold interests in the Book-Entry Interests through Participants ("**Indirect Participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by (i) the Retention Holders in respect of the Retention Holder Notes and (ii) the Arranger and the Joint Lead Managers in respect of the Rated Notes. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee of the Common Safekeeper is the registered holder of the Global Notes underlying the Book-Entry Interests, the nominee of the Common Safekeeper will be considered the sole Noteholder of the Global Note for all purposes under the Trust Deed. Except as set forth under the paragraph entitled "*Issuance of Definitive Certificates*", below, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed. See the paragraph entitled "*Action in Respect of the Global Note and the Book-Entry Interests*", below.

Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Definitive Certificates are issued in accordance with the Conditions. There can be no assurance that the

procedures to be implemented by Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Unless and until Book-Entry Interests in the Global Notes are exchanged for Definitive Certificates, the Global Notes registered in the name of the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper.

Purchasers of Book-Entry Interests in a Global Note pursuant to Regulation S will hold Book-Entry Interests in the Global Notes relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set forth under the paragraph entitled "*Transfers and Transfer Restrictions*", below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in each Global Note, as the case may be, on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market sales of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of Book-Entry Interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds and sterling denominated bonds.

Payments on the Global Notes

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of the Principal Paying Agent on behalf of the Issuer to the order of the Common Safekeeper or its nominee as the registered holder thereof with respect to the Global Notes. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the Common Safekeeper or its nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Trustee, the Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of Euroclear or Clearstream, Luxembourg. On each record date, Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders for the purposes of making payments to the Noteholders. The record date, in respect of the Notes shall be one Clearing System Business Day prior to the relevant Note Payment Date where "**Clearing System Business Day**" means a day on which each Clearing System for which the Notes are being held is open for business. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Seller, the Arranger, the Joint Lead Managers, the Agents, the Retention Holder, the Reporting Agent or the Trustee will have any responsibility or Liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective

account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any Applicable Laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer or the Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Charge and Assignment, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption

In the event that any Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the nominee of the Common Safekeeper and, upon final payment, will cancel such Global Note (or portion thereof). The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate).

Cancellation

All Notes redeemed in full will be cancelled forthwith by the Issuer and may not be reissued or resold.

Transfers and Transfer Restrictions

All transfers of Book-Entry Interests will be recorded with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to the customary procedures established by each respective system and its Participants.

Beneficial interests in the Global Notes may be held only through Euroclear and Clearstream, Luxembourg. Neither the Global Notes nor any beneficial interest therein may be transferred except in compliance with the transfer restrictions set forth in the legend appearing in the Global Notes.

Settlement and transfer of Notes

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Participants, which will receive a credit for such Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**beneficial owner**") will in turn be recorded on the Participant's records. Beneficial owners will not receive written

confirmation from any Clearing System of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct Participant and Indirect Participant through which such beneficial owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of beneficial owners. **Beneficial owners will not receive individual Notes representing their ownership interests in such Notes unless use of the book-entry system for the Notes described in this section is discontinued**.

No Clearing System has knowledge of the actual beneficial owners of the Notes held within such Clearing System and their records will reflect only the identity of the direct Participants to whose accounts such Notes are credited, which may or may not be the beneficial owners. Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to direct Participants, by direct Participants to Indirect Participants, and by direct Participants and Indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective Clearing System and its Participants. See the paragraph entitled "*General"* above.

Issuance of Definitive Certificates

Holders of Book-Entry Interests in the Global Note will be entitled to receive certificates evidencing definitive Notes in registered form ("**Definitive Certificates**") in exchange for their respective holdings of Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative Clearing System 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 the Principal Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in definitive form.

Any Definitive Certificates issued in exchange for Book-Entry Interests in a Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Book Entry-Interests. Holders of Definitive Certificates issued in exchange for Book-Entry Interests in a Global Note, as the case may be, will not be entitled to exchange such Definitive Certificate, for Book-Entry Interests in a Global Note. Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under the paragraph entitled "*Transfers and Transfer Restrictions*" above **provided that** no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Note or, as the case may be, the due date for redemption. Definitive Certificates will not be issued in a denomination that is not an integral multiple of the Minimum Denomination or for any amount in excess thereof, in integral multiples of £1,000. As the Notes have a denomination consisting of the Minimum Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of £100,000 (or its equivalent) that are not integral multiples of £100,000 (or its equivalent). In such case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the Minimum Denomination may not receive a Definitive Certificate in respect of such holding (should Definitive Certificates be issued) and would need to purchase a principal amount of Notes such that its holding amounts to the Minimum Denomination.

Book-Entry Interests

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

A nominee for the Common Safekeeper will be considered the registered holder of the Notes as shown in the records of Euroclear or Clearstream, Luxembourg and will be the sole legal holder of the Global Notes under the Trust Deed while the Notes are represented by the Global Notes. 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 Trust Deed.

Except as noted in the previous paragraph, payments of principal and interest on, and other amounts due in respect of, the Global Notes will be made by the Principal Paying Agent to a nominee of the Common Safekeeper for Euroclear and Clearstream, Luxembourg. 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 Trustee, the Principal Paying Agent or the Registrar 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 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 an 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 Certificates 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 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 Trustee, the Principal Paying Agent, the Registrar 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.

The lack of Notes in physical form could also make it difficult for a Noteholder to pledge such Notes if Notes in physical form are required by the party demanding the pledge and hinder the ability of the Noteholder to recall such Notes because some investors may be unwilling to buy Notes that are not in physical form.

Certain transfers of Notes or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements and in accordance with the rules and regulations of any applicable Clearing System. In order for a Noteholder to effect a transfer of Notes to a potential purchaser, the Noteholder and the potential purchaser will need to comply with the applicable transfer restrictions (see the section entitled "*Description of the Notes in Global Form – Transfers and Transfer Restrictions*" and "*Transfer Restrictions*"). To the extent such transfer restrictions cannot be complied with, a Noteholder should be prepared to hold its Notes until the Final Maturity Date or until it can effect a transfer to a potential purchaser that complies with the requirements of the applicable transfer restrictions. In order to comply with any Applicable Laws and regulations in respect of such transfer, potential purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered.

Action in Respect of the Global Note and the Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notices in respect of the Global Notes or any notice of solicitation of consents or requests for a waiver or other action by the holder of the Global Notes, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream,

Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Notes and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear and Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Notes in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under the paragraph entitled "*General*", above, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes.

Reports

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices, reports and other communications received relating to the Issuer, the Global Note or the Book-Entry Interests. Any notice shall be deemed to have been duly given to the relevant Noteholders if sent to each of Euroclear and Clearstream, Luxembourg (the "**Clearing Systems**") for communication by them to the holders of the relevant Notes and shall be deemed to be given on the date on which it was so sent and (so long as the relevant Notes are admitted the Official List and trading on Euronext Dublin's regulated market) any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office of Euronext Dublin. See also Condition 10 (*Notifications*).

Safekeeping structure and Eurosystem eligibility

The Notes are intended upon issue to be held in a manner which will allow the European System of Central Banks (as the term is used in the Governing Council of the European Central Bank) ("**Eurosystem**") eligibility. This means that the Notes are intended to be deposited with one of Euroclear and/or Clearstream, Luxembourg as common safekeeper and registered in the name of a nominee of one of the Clearing Systems acting as common safekeeper, and does not necessarily mean that any of the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that all Eurosystem eligibility has been met.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed.

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

The class A1 notes are £113,900,000 floating rate asset-backed notes (the "**Class A1 Notes**"), the class A2 notes are £50,000,000 floating rate asset-backed notes (the "**Class A2 Notes**" and, together with the Class A1 Notes, the "**Class A Notes**") the class B notes are £24,400,000 floating rate asset-backed notes (the "**Class B Notes**"), the class C notes are £18,300,000 floating rate asset-backed notes (the "**Class C Notes**"), the class D notes are £13,400,000 floating rate asset-backed notes (the "**Class D Notes**", the class E notes are £11,000,000 floating rate asset-backed notes (the "**Class E Notes**"), the class F notes are £8,500,000 floating rate asset-backed notes (the "**Class F Notes**"), the Class Z1 notes are £5,200,000 asset-backed notes (the "**Class Z1 Notes**") and the Class Z2 notes are £9,186,000 variable rate notes (the "**Class Z2 Notes**" and, together with the Class Z1 Notes, the "**Class Z Notes**"), in each case due on the Note Payment Date falling in December 2028 (the "**Final Maturity Date**") and are constituted by a Trust Deed (the "**Trust Deed**") dated on or about the Closing Date and made between Marketplace Originated Consumer Assets 2019-1 PLC (the "**Issuer**") and Citibank N.A. London Branch (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for, *inter alios*, the holders of the Class A Notes (the "**Class A Noteholders**"), the Class B Notes (the "**Class B Noteholders**"), the Class C Notes (the "**Class C Noteholders**"), the Class D Notes (the "**Class D Noteholders**"), the Class E Notes (the "**Class E Noteholders**"), the Class F Noteholders (the "**Class F Noteholders**"), the Class Z1 Notes (the "**Class Z1 Noteholders**") and the Class Z2 Notes (the "**Class Z2 Noteholders**" and, together with the Class Z1 Noteholders, the "**Class Z Noteholders**") (together, the "**Noteholders**").

Pursuant to a principal paying agency agreement (the "**Principal Paying Agency Agreement**") dated on or before the Closing Date between the Issuer, the Trustee and Citibank, N.A. London Branch as the principal paying agent (in such capacity, the "**Principal Paying Agent**" which expression shall include its permitted successors and assigns) and Citigroup Global Markets Europe AG as the registrar (the "**Registrar**" which expression shall include its permitted successors and assigns), provision is made for the payment of principal and interest in respect of the Notes.

References to each of the Transaction Documents are to the relevant Transaction Document as from time to time amended in accordance with its provisions and/or any deed or other document expressed to be supplemental to it, as from time to time so modified.

The statements in these terms and conditions (the "**Conditions**") include an overview of, and are subject to the detailed provisions of, the other Transaction Documents copies of which (other than copies of the Subscription Agreements and the Zopa Side Agreement) are available for inspection during normal business hours at the registered office of the Issuer. The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions contained in these Conditions, the Trust Deed and the Charge and Assignment are deemed to have notice of all the provisions contained in the other Transaction Documents.

Capitalised terms and expressions used and not otherwise defined in these Conditions shall have the meanings given to them in the Trust Deed.

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 16 December 2019.

1. FORM AND DENOMINATION

(a) Marketplace Originated Consumer Assets 2019-1 PLC, a public limited company registered in England and Wales under company registration number 12292077, with its registered office at 35 Great St. Helen's, London EC3A 6AP issues the Notes pursuant to these Conditions.

(b) The Notes are in fully registered form in the Minimum Denomination for such Notes, without principal receipts, interest coupons or talons attached.

(c) The Principal Amount Outstanding of the Notes of each Class initially offered and sold outside the United States to non U.S. persons (as defined in Regulation S ("**Regulation S**")) under the United States Securities Act of 1933, as amended (the "**Securities Act**") is represented by one or more global registered notes in fully registered form (the "**Global Notes**") without coupons attached. References herein to the "Notes" shall include (i) in relation to any Notes of a class represented by a Global Note, units of the Minimum Denomination of such class, (ii) any Global Note and (iii) any Definitive Certificate issued in exchange for a Global Note.

(d) For so long as any Notes are represented by a Global Note, transfers and exchanges of beneficial interests in Global Notes and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, SA ("**Clearstream, Luxembourg**"), as appropriate.

(e) For so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in minimal amounts of £100,000 and integral multiples of £1,000 thereafter.

(f) Certificates evidencing definitive registered Notes in an aggregate principal amount equal to the Principal Amount Outstanding of the Global Notes (the "**Definitive Certificates**") will be issued in registered form and serially numbered in the circumstances referred to below. Definitive Certificates, if issued, will be issued in the denomination of £100,000 and any amount in excess thereof in integral multiples of £1,000.

(g) If, while any Notes are represented by a Global Note:

(i) in the case of a Global Note held in Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so cease business and no alternative Clearing System is available; or

(ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation by a revenue authority or a court of, or in the administration of, such laws or regulations which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form and a certificate to such effect signed by two directors of the Issuer is delivered to the Trustee (upon which the Trustee shall be entitled to rely absolutely without enquiry or Liability to any person),

(each a "**relevant event**"), the Issuer will issue Definitive Certificates to Noteholders whose accounts with the relevant Clearing Systems are credited with interests in that Global Note in exchange for those interests within 30 days of the relevant event but not earlier than the Definitive Exchange Date. The Global Note will not be exchangeable for Definitive Certificates in any other circumstances.

(h) No Notes will be issued in bearer form.

2. TITLE

(a) The person registered in the Register as the holder of any Note will (to the fullest extent permitted by Applicable Law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note regardless of any notice of ownership,

theft or loss, of any trust or other interest therein or of any writing thereon or, if more than one person, the first named of such persons who will be treated as the absolute owner of such Note.

(b) The Global Certificate is registered in the name of a common safekeeper (the "**Common Safekeeper**") (or a nominee thereof) for Euroclear and Clearstream, Luxembourg.

(c) No transfer of a Note will be valid unless and until entered on the Register.

(d) Transfers and exchanges of beneficial interests in the Global Note and any Definitive Certificates and entries on the Register relating thereto will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Trust Deed and the legend appearing on the face of the Notes. In no event will the transfer of a beneficial interest in a Global Note or the transfer of a Definitive Certificate be made absent compliance with the regulations referred to above, and any purported transfer in violation of such regulations shall be void *ab initio* and will not be honoured by the Issuer or the Trustee. The regulations referred to above may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be sent by the Principal Paying Agent or the Registrar to any holder of a Note who so requests (and who provides evidence of such holding where the Notes are in global form) and will be available upon request at the registered office of the Registrar or the Principal Paying Agent.

(e) A Definitive Certificate, may be transferred in whole or in part upon the surrender of the relevant Definitive Certificate, together with the form of transfer endorsed on it duly completed and executed, at the registered office of the Registrar or the Principal Paying Agent. In the case of a transfer of part only of a Definitive Certificate, a new Definitive Certificate, in respect of the balance remaining will be issued to the transferor by or by order of the Registrar or the Principal Paying Agent.

(f) Each new Definitive Certificate, to be issued upon transfer of Definitive Certificates will, within 15 Business Days of receipt of such request for transfer, be available for delivery at the registered office of the Registrar or the Principal Paying Agent stipulated in the request for transfer, or be mailed at the risk of the holder entitled to the Definitive Certificate, to such address as may be specified in such request.

(g) Registration of Definitive Certificates on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

(h) No holder of a Definitive Certificate, may require the transfer of such Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on such Note.

(i) References in these Conditions to a Noteholder are references to the person shown in the Register as the holder of the registered Global Note. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg, as the case may be, as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg (as the case may be) for such Accountholder's share of each payment made by the Issuer to such Accountholder and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note will be determined by the respective rules and procedures of Euroclear and/or Clearstream, Luxembourg (as the case may be) from time to time. For so long as the relevant Notes are represented by a Global Note, Accountholders shall have no claim directly against the Issuer or in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to registered holder of the Global Note, as the case may be. For so long as the relevant Notes are represented by a Global Note, transfers and exchanges of beneficial interests in that Global Note and entitlement to payments under that Global Note will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear and/or Clearstream, Luxembourg. Beneficial interests in a Global Note may only be held through Euroclear or Clearstream, Luxembourg at any time.

3. STATUS AND PRIORITY

(a) The Class A Notes constitute direct, secured and (subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*)) unconditional obligations solely of the Issuer. The Class A Notes rank *pari passu* without preference or priority amongst themselves.

(b) The Class B Notes constitute direct, secured and (subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*)) unconditional obligations solely of the Issuer. The Class B Notes rank *pari passu* without preference or priority amongst themselves but (i) junior with respect to payments of interest and (ii) after the occurrence of a Sequential Amortisation Trigger Event, junior with respect to repayment of principal in respect of, the Class A Notes as provided in these Conditions and the Transaction Documents.

(c) The Class C Notes constitute direct, secured and (subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*)) unconditional obligations solely of the Issuer. The Class C Notes rank *pari passu* without preference or priority amongst themselves but (i) junior with respect to payments of interest and (ii) after the occurrence of a Sequential Amortisation Trigger Event, junior with respect to repayment of principal in respect of, the Class A Notes and the Class B Notes as provided in these Conditions and the Transaction Documents.

(d) The Class D Notes constitute direct, secured and (subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*)) unconditional obligations solely of the Issuer. The Class D Notes rank *pari passu* without preference or priority amongst themselves but (i) junior with respect to payments of interest and (ii) after the occurrence of a Sequential Amortisation Trigger Event, junior with respect to repayment of principal in respect of, the Class A Notes, the Class B Notes and the Class C Notes as provided in these Conditions and the Transaction Documents.

(e) The Class E Notes constitute direct, secured and (subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*)) unconditional obligations solely of the Issuer. The Class E Notes rank *pari passu* without preference or priority amongst themselves but (i) junior with respect to payments of interest and (ii) after the occurrence of a Sequential Amortisation Trigger Event, junior with respect to repayment of principal in respect of, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided in these Conditions and the Transaction Documents.

(f) The Class F Notes constitute direct, secured and (subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*)) unconditional obligations solely of the Issuer. The Class F Notes rank *pari passu* without preference or priority amongst themselves but (i) junior with respect to payments of interest and (ii) after the occurrence of a Sequential Amortisation Trigger Event, junior with respect to repayment of principal in respect of, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as provided in these Conditions and the Transaction Documents.

(g) The Class Z1 Notes constitute direct, secured and (subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*)) unconditional obligations solely of the Issuer. The Class Z1 Notes rank *pari passu* without preference or priority amongst themselves but junior with respect to payments of interest and repayment of principal in respect of, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided in these Conditions and the Transaction Documents.

(h) The Class Z2 Notes constitute direct, secured and (subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*)) unconditional obligations solely of the Issuer. The Class Z2 Notes rank *pari passu* without preference or priority amongst themselves but junior with respect to payments of interest and repayment of principal in respect of, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class Z1 Notes as provided in these Conditions and the Transaction Documents.

(i) Prior to the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent (on behalf of the Issuer) is required to apply Available Interest Proceeds and Available Principal Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments and Pre-Acceleration Principal Priority of Payments (as applicable) and on each Note Payment Date (or on such other date as the Trustee instructs in writing in accordance with the Transaction Documents) on or following the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent shall cause all amounts standing to the credit of the Issuer Payment Account and all proceeds (other than amounts representing (i) any Excess Hedge Collateral which shall be returned directly to an Interest Rate Hedge Counterparty (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Hedge Premium (only to the extent it is applied directly to pay a Hedge Termination Payment due and payable by the Issuer to the outgoing Interest Rate Hedge

Counterparty), (iii) any Hedge Tax Credits, which shall be applied directly to an Interest Rate Hedge Counterparty in accordance with the Cash Management and Calculation Agency Agreement, and (iv) prior to the designation of an early termination date under an Interest Rate Hedge Agreement and the resulting application of the Hedge Collateral by way of netting or set-off, an amount equal to the value of all Hedge Collateral provided by an Interest Rate Hedge Counterparty to the Issuer pursuant to an Interest Rate Hedge Agreement (and any interest or distributions in respect thereof)) from the enforcement of the Security or otherwise recovered by the Trustee (which shall be held by the Trustee on trust) to be applied in payment, in the amounts required in accordance with the Post-Acceleration Priority of Payments.

4. LIMITED RECOURSE; NON-PETITION; CORPORATE OBLIGATIONS; SECURITY MANDATE

4.1 Limited recourse

Notwithstanding any of the provisions of the Conditions or any other Transaction Document, each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and agrees that if the net proceeds of realisation of the security constituted by the Charge and Assignment are less than the aggregate amount payable by the Issuer to the Noteholders and any other Secured Creditors in respect of its obligations under the Transaction Documents (such negative amount being referred to herein as a "**shortfall**"), the amount payable by the Issuer to the Noteholders and each other Secured Creditor in respect of the Issuer's obligations under such Transaction Document shall be reduced to such amount of the net proceeds as shall be applied in accordance with the Charge and Assignment and the applicable Priority of Payments, and such parties shall not (directly or indirectly) be entitled to take any further steps against the Issuer to recover such shortfall, which shall be deemed to be automatically extinguished.

4.2 Non-petition

Each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledge and agree that they (or any other party acting on their behalf) shall not be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings, or other analogous proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer under the Notes or the Transaction Documents, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in relation to the Notes or such Transaction Document. For the avoidance of doubt, nothing in this Condition 4 (*Limited Recourse; Non-petition; Corporate Obligations; Security Mandate*) shall prevent the Trustee enforcing the security constituted by the Charge and Assignment in accordance with its terms, **provided that** in connection with any such enforcement neither the Trustee nor any receiver appointed thereunder shall take any steps or proceedings to procure the winding up or liquidation of the Issuer.

4.3 Corporate Obligations

Each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and agrees that no recourse under any obligation, covenant, or agreement of the Issuer contained in any Transaction Document may be sought by it against any shareholder, officer, agent, employee or director of the Issuer, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise, it being expressly agreed and understood that the Transaction Documents are corporate obligations of the Issuer only. Each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and agrees that no personal liability shall attach to or be incurred by the shareholders, officers, agents, employees or directors of the Issuer, or any of them, under or by reason of any of the obligations, covenants or agreements of the Issuer contained in any Transaction Document, or implied therefrom, and any and all personal liability of every such shareholder, officer, agent, employee or director for breaches by the Issuer of any such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent, employee or director is thereby deemed expressly waived by the parties.

4.4 Security mandate

(a) The Notes, together with all other Secured Obligations of the Issuer are secured by the Charged Property pursuant to and on the terms set out in the Charge and Assignment.

(b) Without prejudice to the rights of the Trustee after the Security has become enforceable, the Issuer authorises the Trustee prior to the Security becoming enforceable, subject to the terms of the Charge and Assignment, to exercise, or refrain from exercising, all rights, powers, authorities, discretions and remedies under or in respect of the Charged Property, in accordance with the terms of the Charge and Assignment, in such manner as in its absolute discretion it shall think fit subject to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction.

5. GENERAL COVENANTS OF THE ISSUER

5.1 Restrictions on activities

The Issuer Covenants contain certain covenants in favour of the Trustee from the Issuer which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness, dispose of assets or change the nature of its business. So long as any Note remains outstanding, the Issuer shall comply with the Issuer Covenants.

5.2 Appointment of Trustee

As long as any Notes are outstanding, the Issuer shall ensure that a trustee is, or separate trustees are, appointed at all times who is or are bound to perform the same functions and obligations as the Trustee pursuant to these Conditions, the Trust Deed and the Charge and Assignment.

6. INTEREST

(a) Payment Dates

(i) Rated Notes

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes each bear interest from (and including) the Closing Date and such interest will be payable in Sterling in arrear on each Note Payment Date commencing on the First Note Payment Date, in an amount equal to the Interest Amount in respect of such Note for the Interest Period ending on the day immediately preceding such Note Payment Date.

(ii) Class Z2 Notes

(A) Interest shall be payable on the Class Z2 Notes to the extent funds are available in accordance with paragraph (u) of the Pre-Acceleration Interest Priority of Payments and paragraph (u) of the Post-Acceleration Priority of Payments on each Note Payment Date or other relevant payment date and shall continue to be payable in accordance with this Condition 6 (*Interest*) notwithstanding redemption in full of any Class Z2 Note at their Principal Amount Outstanding.

(B) Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Class Z2 Notes being redeemed in full or at their Principal Amount Outstanding shall be deemed to be amended to the extent required to ensure that a minimum of £1 principal amount of each such Class of Notes remains outstanding at all times and any amounts which are to be applied in redemption of each such Class of Notes pursuant thereto which are in excess of the Principal Amount Outstanding thereof minus £1, shall constitute interest payable in respect of such Notes and shall not be applied in redemption of the Principal Amount Outstanding thereof, provided always however that such £1 principal shall no longer remain outstanding and the Class Z2 Notes shall be redeemed in full on the date on which all of the Charged Property securing the Notes has been realised and is to be finally distributed to the Noteholders.

(C) If the aggregate of income and gains earned by the Issuer during an accounting period exceeds the costs and expenses accrued for that period, such excess shall accrue as additional interest on the Class Z2 Notes but shall only be payable on any Note Payment Date or other payment date following payment in full of amounts payable pursuant to the Priority of Payments on such Note Payment Date or other payment date.

(b) Interest Accrual

(i) Rated Notes

Each Rated Note (or, as the case may be, the relevant part thereof due to be redeemed) will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest in accordance with this Condition 6 (*Interest*) (both before and after judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Rated Note (as applicable) up to that day are received by or on behalf of the relevant Noteholder and (B) the day following seven days after the Principal Paying Agent has notified the Noteholders of such Class of Notes in accordance with Condition 10 (*Notifications*) of receipt of all sums due in respect of all the Notes of such Class up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(ii) Class Z1 Notes

The Class Z1 Notes shall not bear interest.

(iii) Class Z2 Notes

Payments on the Class Z2 Notes will cease to be payable in respect of each Class Z2 Note upon the date that all of the Charged Property has been realised and no Available Interest Proceeds or Available Principal Proceeds remain available for distribution in accordance with the applicable Priority of Payments.

(c) Deferral of Interest

(i) For so long as they are not the Most Senior Class of Notes, the Issuer shall be obliged to, pay any Interest Amount payable in respect of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in full on any Note Payment Date, in each case to the extent that there are Available Interest Proceeds or Available Principal Proceeds available for payment thereof in accordance with the Priority of Payments.

(ii) For so long as they are not the Most Senior Class of Notes, in the case of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, an amount of interest equal to any shortfall in payment of the Interest Amount which would, but for the first paragraph of this Condition 6(c) (*Deferral of Interest*) otherwise be due and payable in respect of such Class on any Note Payment Date (each such amount being referred to as "**Deferred Interest**") will not be payable on such Note Payment Date, but will instead be deferred until the first Note Payment Date thereafter on which funds are available to the Issuer (after allowing for the Issuer's liabilities of a higher priority and subject to and in accordance with the Conditions) to fund the payment of such Deferred Interest to the extent of such available funds.

(iii) Such Deferred Interest will accrue interest ("**Additional Interest**") at the rate of interest applicable to that Class in accordance with Condition 6(e) (*Interest on the Rated Notes*), and payment of any Additional Interest will also be deferred until the first Note Payment Date thereafter on which funds are available (subject to and in accordance with the Conditions) to the Issuer to pay such Additional Interest to the extent of such available funds.

(d) Payment of Deferred Interest and Additional Interest

(i) For so long as they are not the Most Senior Class of Notes, Deferred Interest and Additional Interest in respect of any of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes shall only become payable by the Issuer in accordance with the relevant paragraphs of the applicable Priority of Payments, to the extent that Available Interest Proceeds, or, where applicable, other net proceeds of enforcement of the Security, are available to make such payment in accordance with the applicable Priority of Payments.

(ii) For so long as they are not the Most Senior Class of Notes, failure to pay any Deferred Interest or Additional Interest to holders of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as applicable, will not be an Event of Default until the Final

Maturity Date or any earlier date of redemption in full of such Class of Notes and any such amount which has not then been paid in respect of the relevant Class of Notes will thereupon become due and payable in full.

(e) Interest on the Rated Notes

(i) SONIA Rate of Interest

The rate of interest from time to time in respect of the Class A1 Notes (the "**Class A1 Rate of Interest**"), in respect of the Class B Notes (the "**Class B Rate of Interest**"), in respect of the Class C Notes (the "**Class C Rate of Interest**"), in respect of the Class D Notes (the "**Class D Rate of Interest**"), in respect of the Class E Notes (the "**Class E Rate of Interest**"), and in respect of the Class F Notes (the "**Class F Rate of Interest**") (and each a "**SONIA Rate of Interest**") will be determined by the Cash Manager and Calculation Agent on the following basis:

(A) on each Interest Determination Date, the Cash Manager and Calculation Agent will determine the Compounded Daily SONIA (as defined below) as at 11.00 am (London time) on the Interest Determination Date in question (the "**Reference Rate**");

(B) each SONIA Rate of Interest for the Interest Period in respect of each Class of SONIA Note shall be the Reference Rate plus the Relevant Margin (as defined below); **provided that**, where the SONIA Rate of Interest applicable to any Class of SONIA Notes for any Interest Period is determined to be less than zero, the Rate of Interest for such Interest Period shall be zero;

(C) subject to paragraph (B) above, if a SONIA Rate of Interest cannot be determined by the Cash Manager and Calculation Agent in accordance with these Conditions, such SONIA Rate of Interest shall be (1) determined as at the last preceding Interest Determination Date or (2) if there is no such preceding Interest Determination Date, the initial SONIA Rate of Interest which would have been applicable to such Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Relevant Margin applicable to the first Interest Period); and

(D) **provided that**, if there has been a public announcement of the permanent or indefinite discontinuation of the Reference Rate or the relevant benchmark rate that applies to the relevant Notes at that time the Issuer shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Benchmark Rate in accordance with Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*).

(E) For the purposes of these Conditions:

"**Banking Day**" means, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London;

"**Compounded Daily SONIA**" means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Cash Manager and Calculation Agent as at the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIA_{i-5LBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\boldsymbol{d_0}$" is the number of Banking Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to d_0, each representing the relevant Banking Day in chronological order from, and including the first Banking Day in the relevant Interest Period;

"$\boldsymbol{n_i}$", for any day "**i**", means the number of calendar days from and including such day "i" up to but excluding the following Banking Day; and

"$\boldsymbol{SONIA_{i-5LBD}}$" means, in respect of any Banking Day falling in the relevant Interest Period, the Reference Rate for the Banking Day falling five Banking Days prior to the relevant Banking Day "i";

"**Interest Commencement Date**" means the Issue Date;

"**Observation Period**" means the period from and including the date falling five Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling five Banking Days prior to the Note Payment Date for such Interest Period (or, if applicable, the date falling five Banking Days prior to any date on which a payment of interest is to be made in respect of the SONIA Notes);

"**Reference Rate**" means, in respect of any Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Reference Screen or, if the Reference Screen is unavailable, as otherwise published by such authorised distributors (on the Banking Day immediately following such Banking Day).

If in respect of any Banking Day in the relevant Observation Period, the Cash Manager and Calculation Agent determines that the Reference Rate is not available on the Reference Screen or has not otherwise been published by the relevant authorised distributors, such Reference Rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant Banking Day; plus (ii) the mean of the spread of the Reference Rate to the Bank Rate over the previous five days on which a Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spreads (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; and

"**Reference Screen**" means the Reuters Screen SONIA Page (or such replacement page on that service which displays the relevant information) or, if that service ceases to display the information, such other screen as may be determined by the Issuer.

(ii) LIBOR Rate of Interest

The rate of interest from time to time in respect of the Class A2 Notes (the "**Class A2 Rate of Interest**"), will be determined by the Cash Manager and Calculation Agent on the following basis:

(A) On each Interest Determination Date:

(1) in the case of the initial Interest Period, the Cash Manager and Calculation Agent will determine a straight line interpolation of the offered rate for one month and two month Sterling LIBOR; and

(2) in the case of each Interest Determination Date, other than the initial Interest Determination Date, the Cash Manager and Calculation Agent will determine the offered rate for one month Sterling LIBOR;

in each case, as at 11.00 am (London time) on the Interest Determination Date in question. For such purposes "**LIBOR**" shall mean the London Interbank Offered Rate for GBP deposits which appears on the display designated on the Reuters Screen LIBOR 01 (or such other page or service as may replace it for the purpose of displaying LIBOR rates). The Class A2 Rate of Interest for each Interest Period shall be the aggregate of the Relevant Margin and the rate which so appears, all as determined by the Cash Manager and Calculation Agent;

(B) If the offered rate so appearing is replaced by the corresponding rates of more than one bank then paragraph (A) shall be applied, with any necessary consequential changes, to the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of the rates (being at least two) which so appear, as determined by the Cash Manager and Calculation Agent. If for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the Cash Manager and Calculation Agent will request each of four major banks in the London interbank market acting in each case through its principal London office (the "**Reference Banks**") (subject to the Issuer having appointed the Reference Banks pursuant to Condition 6(e)(i)(ii) to provide the Cash Manager and Calculation Agent with its offered quotation to leading banks for Sterling deposits in the London interbank market and such Reference Banks have agreed to do so):

(1) in the case of the initial Interest Period, for a straight line interpolation of the offered quotation for one month and two month Sterling deposits; and

(2) in respect of each Interest Determination Date, other than the initial Interest Determination Date, for a period of one month,

in each case, as at 11.00 am (London time) on the Interest Determination Date in question. The Class A2 Rate of Interest for such Interest Period shall be the aggregate of the Relevant Margin (if any) and the arithmetic mean, in each case, (rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with 0.000005 being rounded upwards)) of such quotations (or of such of them, being at least two, as are so provided), all as determined by the Cash Manager and Calculation Agent;

(C) If on any Interest Determination Date (i) one only or none of the Reference Banks provides such quotation, or (ii) the Issuer fails to appoint Reference Banks and produce their contact details to the Cash Manager and Calculation Agent pursuant to Condition 6(e)(iv)(B) by no later than 12.00 noon on the relevant Interest Determination Date, in each such case the Class A2 Rate of Interest in effect as at the immediately preceding Interest Period; and

(D) Notwithstanding paragraphs (A) and (B) above, if, in relation to any Interest Determination Date, the Class A2 Rate of Interest in respect of the Class A2 Notes as determined in accordance with paragraphs (A) and (B) above would yield a rate less than zero, such rate shall be deemed to be zero for the purposes of determining the Class A2 Rate of Interest pursuant to this Condition 6(e)(ii) (*Rate of Interest*).

(iii) Determination of Rate of Interest and Calculation of Interest Amounts

(A) The Cash Manager and Calculation Agent will, as soon as practicable after 11.00 am (London time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Class A1 Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Rate of Interest and calculate the interest amount payable in respect of Principal Amount Outstanding of the Class A1 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes for the relevant Interest Period (each such amount, together with the Class A2 Interest Amount and the Class Z2 Interest Amount, an "**Interest Amount**").

(B) The Cash Manager and Calculation Agent will, as soon as practicable after 11.00 am (London time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Class A2 Rate of Interest (such amount, the "**Class A2 Interest Amount**"). The amount of interest payable in respect of such Class A2 Notes shall be calculated by multiplying (a) the Class A2 Rate of Interest by (b) an amount equal to the Principal Amount Outstanding in respect of such Class A2 Notes, and by multiplying the product thereof by (c) the actual number of days in the Interest Period concerned, divided by 365 (or 366 days in the case of a leap year beginning in 2020) and rounding the resultant figure to the nearest £0.01 (£0.005 being rounded upwards).

(C) The Cash Manager and Calculation Agent will, as soon as practicable after 11.00 am (London time) on each Interest Determination Date, but in no event later than the Business Day after such date, determine the Class Z2 Interest Amount by calculating the interest excess amounts (if any) equal to the amounts applied as such in accordance with the applicable Priority of Payments.

(iv) Reference Banks and Cash Manager and Calculation Agent

The Issuer will procure that, so long as any Class A Note, Class B Note, Class C Note, Class D Note, Class E Note or Class F Note remains Outstanding:

(A) a Cash Manager and Calculation Agent shall be appointed and maintained for the purposes of determining the Rate of Interest and Interest Amount payable in respect of the Notes; and

(B) in the event that the Class A2 Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(ii) (*Rate of Interest*), that the number of Reference Banks required pursuant to such paragraph (B) are appointed by no later than 12.00 noon on the relevant Interest Determination Date.

If the Cash Manager and Calculation Agent is unable or unwilling to continue to act as the Cash Manager and Calculation Agent for the purpose of calculating interest hereunder or fails duly to establish any Rate of Interest for any Interest Period, or to calculate the Interest Amount on any Class of Rated Notes, the Issuer shall (with the prior written approval of the Trustee) appoint some other leading bank to act as such in its place. The Cash Manager and Calculation Agent may not resign its duties without a successor having been so appointed.

(f) Publication of Rates of Interest, Interest Amounts and Deferred Interest

The Cash Manager and Calculation Agent will, at the expense of the Issuer, cause the Class A1 Rate of Interest, the Class A2 Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest, the Class D Rate of Interest, the Class E Rate of Interest and the Class F Note of Interest or the Interest Amounts payable in respect of each Class of Rated Notes, the amount of any Deferred Interest and Additional Interest due but not paid on any Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes for each Interest Period and Note Payment Date, and the Principal Amount Outstanding of each Class of Notes as of the applicable Note Payment Date to be notified to the Registrar, the Principal Paying Agent and the Trustee, and for so long as the Notes are listed on Euronext Dublin's regulated market, Euronext Dublin, as soon as possible after their determination but in no event later than five (5) Business Days thereafter, and the Principal Paying Agent shall cause each such rate, amount and date to be notified to the Noteholders of each Class in accordance with Condition 10 (*Notifications*) as soon as possible following notification to the Principal Paying Agent but in no event later than five (5) Business Days after such notification to the Principal Paying Agent. The Interest Amounts in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, Class E Notes or Class F Notes or the Note Payment Date in respect of any Class so published may subsequently be amended (or appropriate alternative arrangements made (with the consent of the Trustee) by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If any of the Notes become due and payable under Condition 13 (*Events of Default*), interest shall nevertheless continue to be calculated as previously by the Cash Manager and Calculation Agent in accordance with this Condition 6 (*Interest*) but no publication of the applicable Interest Amounts shall be made unless the Trustee so determines.

(g) Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Cash Manager and Calculation Agent or the Trustee, will (in the absence of manifest error) be binding on the Issuer, the Reference Banks, the Cash Manager and Calculation Agent, the Trustee, the Registrar, the Principal Paying Agent and all Noteholders and no Liability to the Issuer or the Noteholders of any Class shall attach to the Reference Banks, the Cash Manager and Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition 6 (*Interest*).

7. PAYMENTS ON THE NOTES

7.1 Payment of interest

Payments of interest in respect of the Notes to the Noteholders shall become due and payable on each Note Payment Date subject to the applicable Priority of Payments:

(a) on a *pro-rata* and *pari passu* basis, the Class A1 Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class A1 Notes, and the Class A2 Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class A2 Notes;

(b) the Class B Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class B Notes;

(c) the Class C Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class C Notes;

(d) the Class D Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class D Notes;

(e) the Class E Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class E Notes;

(f) the Class F Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class F Notes; and

(g) the Class Z2 Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class Z2 Notes.

7.2 Payment of principal

Payments of principal on the Notes will be made on each Note Payment Date in accordance with Condition 8 (*Redemption*) and subject to the applicable Priority of Payments.

7.3 Payments and discharge

(a) Payments of principal and interest in respect of the Notes shall be made by the Issuer, through the Principal Paying Agent or otherwise provided for, in accordance with the applicable Priority of Payments, on each Note Payment Date for subsequent transfer to the Noteholders in accordance with Condition 6 (*Interest*) or Condition 8 (*Redemption*) (as applicable).

(b) Every payment of principal or interest in respect of the Notes made by the Issuer to the Principal Paying Agent in the manner provided in the Principal Paying Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in clause 2.2 (*Covenants to Pay*) of the Trust Deed.

7.4 Calculations in the event of a Servicer Disruption

(a) If, with respect to any Note Payment Date, a Servicer Disruption occurs such that the Cash Manager and Calculation Agent is not provided with the relevant Servicing Report on the Reporting Date or the Servicing Report delivered fails to contain any part of the stipulated information, the Cash Manager and Calculation Agent shall, to the extent possible, calculate the amounts payable pursuant to the

applicable Priority of Payments on such Note Payment Date by reference to (a) any invoice or similar documentation that has been provided to the Cash Manager and Calculation Agent stating the amount due and payable on such Note Payment Date, or (b) where no such invoice or similar documentation has been provided, the information contained in the previous Servicing Report delivered with respect to the immediately preceding Note Payment Date and taking into account the payments made pursuant to the applicable Priority of Payments on such Note Payment Date without any liability as a result thereof.

(b) Upon receipt of the Servicing Report delivered following any Servicer Disruption, the Cash Manager and Calculation Agent shall calculate the amounts payable in accordance with the applicable Priority of Payments on any Note Payment Date that occurred whilst the Servicer Disruption was continuing.

(c) In the event that the Cash Manager and Calculation Agent identifies any differences between the amounts paid in accordance with the applicable Priority of Payments whilst the Servicer Disruption was continuing and the amounts payable pursuant to the Transaction Documents as specified in such Servicing Report the Cash Manager and Calculation Agent shall, notwithstanding any other provision in Cash Management and Calculation Agency Agreement, reconcile such differences to the extent possible by (i) crediting and debiting the Issuer Accounts and the Corporate Benefit Account as necessary and (ii) increasing or decreasing the amounts payable to the relevant parties in accordance with the applicable Priority of Payments on the Note Payment Date immediately following the Cash Manager and Calculation Agent's receipt of such Servicing Report.

(d) It is agreed and acknowledged by the Issuer that the Cash Manager and Calculation Agent will not be responsible or liable for having applied, paid, utilised or accounted (both in making payments or in the preparation of the Investor Reports) any amount which is later identified, upon receipt of a Servicing Report, as having been erroneously credited to any Issuer Account or the Corporate Benefit Account.

7.5 Default Interest

If the Notes become immediately due and repayable and are not immediately paid by the Issuer the interest payable in respect of such Notes will continue to be calculated (with consequential amendments, as necessary) in accordance with Condition 6(e) (*Interest on the Rated Notes*) at the same intervals as are provided by the Conditions for the calculation of interest, the first of which will commence on the expiry of the Note Payment Date on which such Notes become so repayable.

8. REDEMPTION

8.1 Mandatory repayment

On each Note Payment Date (prior to the delivery of an Enforcement Notice) the Issuer shall apply the Available Principal Proceeds to redeem the Notes to the extent that there are such amounts available to do so in accordance with the Pre-Acceleration Principal Priority of Payments.

Following the delivery of an Enforcement Notice, the Issuer shall redeem the Notes in accordance with the Post-Acceleration Priority of Payments.

8.2 Mandatory Redemption in whole – Portfolio Purchase Option

The Issuer shall if so directed by the Portfolio Option Holder pursuant to the Deed Poll redeem in whole (but not in part) the Notes of each Class at their Principal Amount Outstanding on any Note Payment Date when, on the related Calculation Date, the aggregate of the Principal Amount Outstanding of the Notes (other than the Class Z2 Notes) is equal to or less than 20 *per cent*. of the Principal Amount Outstanding of all of the Notes (other than the Class Z2 Notes) as at the Closing Date (the "**First Optional Redemption Date**") (the "**Portfolio Purchase Option**").

The Portfolio Purchase Option may be exercised by notice to the Issuer with a copy to the Cash Manager and Calculation Agent, the Trustee, the Security Trustee, the Seller, each of the Rating Agencies, the Principal Paying Agent, the Registrar and the Interest Rate Hedge Counterparty to take effect on the Note Payment Date immediately following the First Optional Redemption Date or such later Calculation Date specified in the exercise notice (or earlier if exercised pursuant to Condition 8.3 (*Optional Redemption in whole following a Tax Event*), Condition 8.4 (*Optional Redemption in whole upon the occurrence of an Illegality Event*) or Condition 8.5 (*Optional Redemption in whole upon the occurrence of a Regulatory*

Event)) (the "**Portfolio Sale Completion Date**"). The Notes shall be redeemed on the Note Payment Date falling on the same day as, or immediately after, the Portfolio Sale Completion. Date.

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

The purchase price payable by the Portfolio Option Holder in respect of the Portfolio Purchase Option shall be an amount equal to at least the Portfolio Sale Minimum Purchase Price (the "**Portfolio Sale Purchase Price**").

"**Portfolio Sale Minimum Purchase Price**" means the amount required to redeem the Notes (other than the Class Z Notes) together with accrued and unpaid interest thereon and to meet the Issuer's payment obligations of a higher priority under the Post-Acceleration Priority of Payments on the Portfolio Option Exercise Date (taking account of any amounts expected to be held by the Issuer on the Portfolio Option Exercise Date).

The Issuer shall provide the Trustee with a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Note Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Post-Acceleration Priority of Payments (upon which certificate the Trustee shall rely absolutely and without enquiry or liability).

8.3 Optional Redemption in whole following a Tax Event:

The Issuer may redeem the Notes of each Class in whole (but not in part) at their Principal Amount Outstanding together with accrued (and unpaid) interest thereon up to but excluding the date of redemption (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option) if, on any Note Payment Date:

(a) the Issuer is or will become obliged to make any withholding or deduction (other than a FATCA Deduction) for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes, or

(b) the Issuer has become or would become subject to corporation tax in a corporation tax accounting period on an amount which materially exceeds the aggregate Issuer Corporate Benefit retained during that corporation tax accounting period, as a result of any change in, or amendment to, the laws or regulations of Issuer's jurisdiction or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a ruling by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation or limitation (as applicable) cannot be avoided by the Issuer taking reasonable measures available to it,

(the occurrence of (a) or (b) above, a "**Tax Event**"), subject to the following:

(i) that the Issuer has given not more than 60 nor less than 14 days' written notice to the Trustee and the Noteholders in accordance with Condition 10 (*Notifications*) and the Registrar and the Principal Paying Agent of its intention to redeem all (but not some only) of the Notes in each Class;

(ii) that prior to giving any such notice, the Issuer has provided to the Trustee:

(A) a legal opinion (addressed to the Trustee) from a firm of lawyers in the applicable jurisdiction, opining that the consequence of the relevant change in Tax law is a Tax Event; and

(B) in the case of (a) above only, a certificate signed by two directors of the Issuer to the effect that the obligation to make such withholding or deduction cannot be avoided (upon which certificate the Trustee shall rely absolutely and without enquiry or liability); and

(C) a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Note Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority

under the Pre-Acceleration Principal Priority of Payments (upon which certificate the Trustee shall rely absolutely and without enquiry or liability); and

(iii) notwithstanding any provision in the Issuer Covenants to the contrary, the Issuer may dispose of the Loan Portfolio following the occurrence of a Tax Event in order to effect a mandatory redemption of the Notes pursuant to this Condition 8.3 (*Mandatory Redemption in whole following a Tax Event*).

8.4 Optional Redemption in whole upon the occurrence of an Illegality Event

The Issuer may redeem the Notes of each Class in whole (but not in part) at their Principal Amount Outstanding together with accrued (and unpaid) interest thereon up to but excluding the date of redemption (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option) if on any Note Payment Date, by reason of a change in law, which change becomes effective on or after the Closing Date it has become or will become unlawful for the Issuer to purchase, hold, fund or allow to remain outstanding all or any part of the Loan Portfolio or to perform its obligations under the Transaction Documents or the Notes, (the occurrence of such event an "**Illegality Event**"), subject to the following:

(a) that the Issuer has given not more than 60 nor less than 14 days' written notice to the Trustee and the Noteholders in accordance with Condition 10 (*Notifications*) and the Registrar and the Principal Paying Agent of its intention to redeem all (but not some only) of the Notes in each Class;

(b) that prior to giving any such notice, the Issuer has provided to the Trustee:

(i) a legal opinion (addressed to the Trustee) from a firm of lawyers in the applicable jurisdiction, opining that the consequence of the relevant change in law is an Illegality Event; and

(ii) a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant Note Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Acceleration Principal Priority of Payments (upon which certificate the Trustee shall rely absolutely and without enquiry or liability); and

(c) notwithstanding any provision in the Issuer Covenants to the contrary, the Issuer may dispose of the Loan Portfolio following the occurrence of an Illegality Event in order to effect an optional redemption of the Notes in accordance with this Condition 8.4 (*Optional Redemption in whole upon the occurrence of an Illegality Event*).

8.5 Optional Redemption in whole upon the occurrence of a Regulatory Event:

The Issuer may (or shall (i) if so requested in writing by the Noteholders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes outstanding, or (ii) if so directed by the Noteholders of the Most Senior Class of Notes outstanding acting by way of Extraordinary Resolution redeem the Notes of each Class in whole (but not in part) at their Principal Amount Outstanding together with accrued (and unpaid) interest thereon up to but excluding the date of redemption (subject to the Portfolio Option Holder's right to first exercise the Portfolio Purchase Option) if on any Note Payment Date:

(a) as a result of a change in law, regulation, interpretation, action or response of a regulatory authority or other economic circumstances, the regulatory treatment of the Notes has become materially less favourable to the Issuer than originally expected; or

(b) as a result of (i) the adoption of, or any change in, any relevant law or regulation, (ii) the promulgation of, or any change in the interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a "**Relevant Authority**") of, any relevant law or regulation or (iii) the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity,

(c) the Issuer has suffered or there is a reasonable likelihood that it will suffer a material adverse consequence in connection with issuing the Notes or with maintaining the existence of the Issuer or the Notes and such material adverse consequence cannot be avoided by the Issuer taking reasonable measures available to it, (the occurrence of such event a "**Regulatory Event**"),

subject to the following:

(i) no Event of Default has occurred;

(ii) that the Issuer has given not more than 60 nor less than 14 days' written notice to the Trustee and the Noteholders in accordance with Condition 10 (*Notifications*) and the Registrar and the Principal Paying Agent of its intention to redeem the Notes of each Class in whole (but not in part); and

(iii) that prior to giving any such notice, the Issuer has provided to the Trustee:

(A) a legal opinion (addressed to the Trustee) from a firm of lawyers in the applicable jurisdiction, opining that the consequence of the relevant change in law, regulation, interpretation, action or response of a regulatory authority or other economic circumstances is a Regulatory Event;

(B) in the case of Condition 8.5(b) above only, a certificate signed by two (2) directors of the Issuer to the effect that the obligation to make such Regulatory Event cannot be avoided (upon which certificate the Trustee shall rely absolutely and without enquiry or liability); and

(C) a certificate signed by two (2) directors of the Issuer to the effect that it will have the funds on the relevant Note Payment Date, not subject to the interest of any other person, required to redeem the Notes pursuant to this Condition and meet its payment obligations of a higher priority under the Pre-Acceleration Principal Priority of Payments (upon which certificate the Trustee shall rely absolutely and without enquiry or liability).

8.6 Final Maturity Date

On the Final Maturity Date, the Notes shall, unless previously redeemed and cancelled, be redeemed in full at their Principal Amount Outstanding together with accrued (and unpaid) interest up to but excluding the Final Maturity Date subject to Condition 4 (*Limited recourse; Non-petition; Corporate Obligations; Security mandate*).

9. PRIORITY OF PAYMENTS

9.1 Pre-Acceleration Interest Priority of Payments

On each Note Payment Date falling prior to the delivery of an Enforcement Notice, and in advance of application of Available Principal Proceeds in accordance with the Pre-Acceleration Principal Priority of Payments, the Issuer shall, or the Cash Manager and Calculation Agent on its behalf shall, apply all Available Interest Proceeds in accordance with the following order of priority (the "**Pre-Acceleration Interest Priority of Payments**"):

(a) *first*, to the payment of taxes owing by the Issuer accrued in respect of the related Interest Period, if any (excluding any tax payable in respect of the Issuer Corporate Benefit and VAT payable in respect of any fees or other amounts payable under this Pre-Acceleration Interest Priority of Payments);

(b) *second*, to the payment of the fees, costs, expenses (including legal fees and expenses) and any other amounts together with any VAT thereon payable to the Trustee or any Appointee by the Issuer pursuant to the Transaction Documents (including, without limitation, any indemnities thereunder);

(c) *third*, to the payment, on a *pro rata* and *pari passu* basis, of:

(i) the Issuer Corporate Benefit; and

(ii) Administrative Expenses of the Issuer (in the order of priority set out in the definition thereof);

(d) *fourth*, in or towards satisfaction of any amounts due and payable to the Interest Rate Hedge Counterparty under the Interest Rate Hedge Agreement, other than Hedge Subordinated Amounts;

(e) *fifth*, to the payment on a *pro rata* and *pari passu* basis to each Class A1 Noteholder their respective Class A1 Interest Amount and Class A2 Noteholder their respective Class A2 Interest Amount;

(f) *sixth*, on a *pro rata* and *pari passu* basis to credit the Class A Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(g) *seventh*, to the payment on a *pro rata* and *pari passu* basis to each Class B Noteholder their respective Class B Interest Amount;

(h) *eighth*, to credit the Class B Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(i) *ninth*, to credit the Liquidity Reserve Account so that the positive balance thereon is equal to the Liquidity Reserve Required Amount;

(j) *tenth*, to the payment on a *pro rata* and *pari passu* basis to each Class C Noteholder their respective Class C Interest Amount;

(k) *eleventh*, to credit the Class C Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(l) *twelfth*, to the payment on a *pro rata* and *pari passu* basis to each Class D Noteholder their respective Class D Interest Amount;

(m) *thirteenth*, to credit the Class D Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(n) *fourteenth*, to the payment on a *pro rata* and *pari passu* basis to each Class E Noteholder their respective Class E Interest Amount;

(o) *fifteenth*, to credit the Class E Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(p) *sixteenth*, to the payment on a *pro rata* and *pari passu* basis to each Class F Noteholder their respective Class F Interest Amount;

(q) *seventeenth*, to credit the Class F Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments);

(r) *eighteenth*, to credit the Cash Reserve Account so that the positive balance thereon is equal to the Cash Reserve Required Amount;

(s) *nineteenth*, in or towards payment by the Issuer to the Interest Rate Hedge Counterparty of any Hedge Subordinated Amounts then due and payable by the Issuer to the Interest Rate Hedge Counterparty;

(t) *twentieth*, to credit the Class Z1 Principal Deficiency Ledger in an amount sufficient to eliminate any debit thereon (any such amounts to be applied as Available Principal Proceeds pursuant to the Pre-Acceleration Principal Priority of Payments); and

(u) *twenty-first*, the remainder, to the payment on a *pro rata* and *pari passu* basis to each Class Z2 Noteholder of the Class Z2 Interest Amount.

9.2 Pre-Acceleration Principal Priority of Payments

On each Note Payment Date prior to the delivery of an Enforcement Notice, and following application of Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments, the Issuer shall, or the Cash Manager and Calculation Agent on its behalf shall, apply all Available Principal Proceeds in accordance with the following order of priority (the "**Pre-Acceleration Principal Priority of Payments**"):

(a) *first*, to the redemption of the Class A1 Notes and Class A2 Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class A1 Noteholder and Class A2 Noteholder, in an amount equal to the Class A1 Repayment Amount and Class A2 Repayment Amount respectively, and (ii) at any time on or following a Sequential Amortisation Trigger Event, *pro rata* and *pari passu* until the Class A1 Notes and the Class A2 Notes are redeemed in full;

(b) *second*, to the redemption of the Class B Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class B Noteholder, in an amount equal to the Class B Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event *pro rata* and *pari passu* until the Class B Notes are redeemed in full;

(c) *third*, to the redemption of the Class C Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class C Noteholder, in an amount equal to the Class C Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event *pro rata* and *pari passu* until the Class C Notes are redeemed in full;

(d) *fourth*, to the redemption of the Class D Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class D Noteholder, in an amount equal to the Class D Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event *pro rata* and *pari passu* until the Class D Notes are redeemed in full;

(e) *fifth*, to the redemption of the Class E Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class E Noteholder, in an amount equal to the Class E Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event *pro rata* and *pari passu* until the Class E Notes are redeemed in full;

(f) *sixth*, to the redemption of the Class F Notes (i) prior to the occurrence of a Sequential Amortisation Trigger Event, on a *pro rata* and *pari passu* basis to each Class F Noteholder, in an amount equal to the Class F Repayment Amount, and (ii) at any time on or following a Sequential Amortisation Trigger Event *pro rata* and *pari passu* until the Class F Notes are redeemed in full;

(g) *seventh*, at any time on or following a Sequential Amortisation Trigger Event, to the redemption of the Class Z1 Notes *pro rata* and *pari passu* until the Class Z1 Notes are redeemed in full;

(h) *eighth*, at any time on or following a Sequential Amortisation Trigger Event, to the redemption of the Class Z2 Notes *pro rata* and *pari passu* until the Class Z2 Notes are redeemed in full; and

(i) *ninth*, the excess (if any) to be applied in accordance with the priority set out in the Pre-Acceleration Interest Priority of Payments.

9.3 Post-Acceleration Priority of Payments

On each Note Payment Date (or on such other date as the Trustee instructs in writing in accordance with the Transaction Documents) on or following the delivery of an Enforcement Notice, the Cash Manager and Calculation Agent shall cause all amounts standing to the credit of the Issuer Payment Account and all proceeds (other than amounts representing (i) any Excess Hedge Collateral which shall be returned directly to an Interest Rate Hedge Counterparty (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Hedge Premium (only to the extent it is applied directly to pay a Hedge Termination Payment due and payable by the Issuer to the outgoing Interest Rate Hedge Counterparty), (iii) any Hedge Tax Credits, which shall be applied directly to an Interest Rate Hedge Counterparty in accordance with the Cash Management and Calculation Agency Agreement, and (iv) prior to the designation of an early termination date under an Interest Rate Hedge Agreement and the resulting application of the Hedge Collateral by way of netting or set-off, all Hedge Collateral provided by

an Interest Rate Hedge Counterparty to the Issuer pursuant to an Interest Rate Hedge Agreement (and any interest or distributions in respect thereof)) from the enforcement of the Security or otherwise recovered by the Trustee (which shall be held by the Trustee on trust) to be applied in payment, in the amounts required, in the following order of priority (the "**Post-Acceleration Priority of Payments**"):

(a) *first*, to the payment of taxes owing by the Issuer accrued in respect of the related Interest Period, if any (excluding any tax payable in respect of the Issuer Corporate Benefit and VAT payable in respect of any fees or other amounts payable under this Post-Acceleration Priority of Payments);

(b) *second*, to the payment of the fees, costs, expenses (including legal fees and expenses) and any other amounts (together with any VAT thereon) payable to the Trustee or any Appointee (and any Receiver appointed by the Trustee under the Charge and Assignment) by the Issuer pursuant to the Transaction Documents (including, without limitation, any indemnities thereunder);

(c) *third*, to the payment, on a *pro rata* and *pari passu* basis, of the following fees and expenses:

(i) the Issuer Corporate Benefit; and

(ii) Administrative Expenses of the Issuer (in the order of priority set out in the definition thereof);

(d) *fourth*, in or towards satisfaction of any amounts due and payable to the Interest Rate Hedge Counterparty under the Interest Rate Hedge Agreement, other than Hedge Subordinated Amounts;

(e) *fifth*, to the payment on a *pro rata* and *pari passu* basis to each Class A1 Noteholder of their respective Class A1 Interest Amount and Class A2 Noteholder of their respective Class A2 Interest Amount;

(f) *sixth*, to the redemption of the Class A1 Notes and Class A2 Notes *pro rata* and *pari passu* until the Class A1 Notes and Class A2 Notes are redeemed in full;

(g) *seventh*, to the payment on a *pro rata* and *pari passu* basis to each Class B Noteholder of their respective Class B Interest Amount;

(h) *eighth*, to the redemption of the Class B Notes *pro rata* and *pari passu* until the Class B Notes are redeemed in full;

(i) *ninth*, to the payment on a *pro rata* and *pari passu* basis to each Class C Noteholder of their respective Class C Interest Amount;

(j) *tenth*, to the redemption of the Class C Notes *pro rata* and *pari passu* until the Class C Notes are redeemed in full;

(k) *eleventh*, to the payment on a *pro rata* and *pari passu* basis to each Class D Noteholder of their respective Class D Interest Amount;

(l) *twelfth*, to the redemption of the Class D Notes *pro rata* and *pari passu* until the Class D Notes are redeemed in full;

(m) *thirteenth*, to the payment on a *pro rata* and *pari passu* basis to each Class E Noteholder of their respective Class E Interest Amount;

(n) *fourteenth*, to the redemption of the Class E Notes *pro rata* and *pari passu* until the Class E Notes are redeemed in full;

(o) *fifteenth*, to the payment on a *pro rata* and *pari passu* basis to each Class F Noteholder of their respective Class F Interest Amount;

(p) *sixteenth*, to the redemption of the Class F Notes *pro rata* and *pari passu* until the Class F Notes are redeemed in full;

(q) *seventeenth*, in or towards payment by the Issuer to the Interest Rate Hedge Counterparty of any Hedge Subordinated Amounts then due and payable by the Issuer to the Interest Rate Hedge Counterparty;

(r) *eighteenth*, to the redemption of the Class Z1 Notes *pro-rata* and *pari passu* until the Class Z1 Notes are redeemed in full;

(s) *nineteenth*, to the redemption of the Class Z2 Notes *pro rata* and *pari passu* until the Class Z2 Notes are redeemed in full;

(t) *twentieth*, to pay any other amounts due and payable by the Issuer to any third party to the extent not provided for elsewhere in the Post-Acceleration Priority of Payments; and

(u) *twenty-first*, the remainder, to the payment on a *pro rata* and *pari passu* basis to each Class Z2 Noteholder of the Class Z2 Interest Amount.

10. NOTIFICATIONS

(a) For so long as the relevant Notes are in global form, any notice to Noteholders shall be validly given to the relevant Noteholders if sent to the Clearing Systems for communication by them to the holders of the relevant Class of Notes and shall be deemed to be given on the date on which it was so sent. If Definitive Certificates are issued, any notice to the holders thereof shall be validly given if sent by first class mail to them at their respective addresses in the Register (or the first named of joint holders) and notice shall be deemed to have been given on the second Business Day after the date of mailing. So long as the relevant Notes are admitted to trading and listed on the Official List any notice shall also be published in accordance with the relevant guidelines of Euronext Dublin by a notification in writing to the Company Announcements Office of Euronext Dublin, and any notice so published shall be deemed to have been given on the date of publication.

(b) The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a Class or category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and **provided that** notice of such other method is given to the Noteholders in such manner as the Trustee shall require.

11. PRINCIPAL PAYING AGENT AND CASH MANAGER AND CALCULATION AGENT; DETERMINATIONS BINDING

(a) The Issuer has appointed Citibank, N.A. London Branch as Principal Paying Agent pursuant to the Principal Paying Agency Agreement and Citibank, N.A. London Branch as Cash Manager and Calculation Agent pursuant to the Cash Management and Calculation Agency Agreement.

(b) The Issuer shall procure that for as long as any Notes are outstanding there shall always be a Principal Paying Agent and a Cash Manager and Calculation Agent to perform the functions assigned to it in these Conditions. Pursuant to the Principal Paying Agency Agreement and the Cash Management and Calculation Agency Agreement, the Issuer may at any time, by giving not less than 60 and 30 calendar days' respectively written notice, replace the Principal Paying Agent or the Cash Manager and Calculation Agent by one or more other banks or other financial institutions which assume such functions. Pursuant to the Principal Paying Agency Agreement and the Cash Management and Calculation Agency Agreement, each of the Principal Paying Agent and the Cash Manager and Calculation Agent shall act solely as agent for the Issuer or, (at any time (x) following the delivery of written notice to the Principal Paying Agent and/or Cash Manager and Calculation Agent, as applicable, that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Principal Paying Agent will if so requested by the Trustee, act as agent for the Trustee or such other person as it may designate from time to time and shall not have any agency, trustee or other fiduciary relationship with the Noteholders.

(c) All Interest Amounts determined and other calculations and determinations made by the Cash Manager and Calculation Agent for the purposes of these Conditions shall, in the absence of manifest error, be final and binding.

12. TAXES

(a) All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any Taxes imposed, levied, collected, withheld or assessed by the Issuer's jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless the Issuer, the Trustee or the Principal Paying Agent (as the case may be) are required by law or FATCA to make any Tax Deduction. In that event, the Issuer, the Trustee or the Principal Paying Agent (as the case may be) shall make such payments after such Tax Deduction (including any FATCA Deduction) and shall account to the relevant authorities for the amount so withheld or deducted within the time limits permitted by law.

(b) None of the Issuer, the Trustee or the Agents will be obliged to pay any additional amounts to the Noteholders as a result of any such Tax Deduction (including any FATCA Deduction).

(c) Each Noteholder (including any holder of a beneficial interest in a Note), by acceptance of its Note or its interest in a Note, shall be deemed to agree to provide the Issuer and its agents with any correct, complete and accurate forms or certifications that may be required for the Issuer to comply with FATCA and/or the Common Reporting Standard and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer. In the event the Noteholder fails to provide such forms or certifications, or to the extent that its ownership of, or beneficial interest in, the Notes would otherwise cause the Issuer to be subject to tax under FATCA, (A) the Issuer and its agents are authorised to withhold amounts otherwise distributable to such Noteholder as compensation for any taxes to which the Issuer is subject under FATCA as a result of such failure or such Noteholder's ownership of Notes, and (B) to the extent necessary to avoid an adverse effect on the Issuer as a result of such failure or such Noteholder's ownership of Notes, the Issuer will have the right to compel the Noteholder to sell its Notes, and, if such Noteholder does not sell its Notes within ten (10) Business Days after notice from the Issuer or any agent of the Issuer, the Issuer will have the right to sell such Notes at a public or private sale called and conducted in any manner permitted by law, and to remit the net proceeds of such sale (taking into account any costs, charges, and any taxes incurred by the Issuer in connection with such sale) to such Noteholder as payment in full for such Notes. The Issuer may also assign each such Note a separate ISIN in the Issuer's sole discretion. Each Noteholder agrees that the Issuer, the Trustee, the Agents or their agents or representatives may (i) provide any information and documentation concerning its investment in its Notes to HM Revenue & Customs, the U.S. Internal Revenue Service and any other relevant tax authority and (ii) take such other steps as they deem necessary or helpful to ensure that the Issuer complies with FATCA and/or the Common Reporting Standard.

(d) Each Noteholder will timely furnish the Issuer and its agents with any tax forms or certifications (including IRS Form W-9 or an applicable IRS Form W-8 (together with appropriate attachments), or any successor forms) that the Issuer or its agents may reasonably request (A) to permit the Issuer or its agents to make payments to such Noteholder without, or at a reduced rate of, deduction or withholding, (B) to enable the Issuer or its agents to qualify for a reduced rate of withholding or deduction in any jurisdiction from or through which the Issuer or its agents receive payments, and (C) to enable the Issuer or its agents to satisfy reporting and other obligations under the U.S. Internal Revenue Code of 1986, United States Department of the Treasury regulations, and any other Applicable Law, and will update or replace such forms or certifications as appropriate. The Noteholder acknowledges that the failure to provide, update or replace any such forms or certifications may result in the imposition of withholding or back-up withholding on payments to the Noteholder, or to the Issuer. Amounts withheld from payments to the Noteholder pursuant to applicable tax laws will be treated as having been paid to the Noteholder by the Issuer.

(e) Each Noteholder agrees that the Issuer shall be entitled to require the Noteholder to provide the Issuer with any information regarding the Noteholders and, in certain circumstances, the Noteholder's controlling persons' tax status, identity or residence in order to satisfy any reporting requirements which may apply to the Issuer as a result of the Standard for Automatic Exchange of Financial Account Information in Tax Matters published by the OECD (including the Common Reporting Standard) and also Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation. Further, each Noteholder agrees that it shall be deemed, by its holding, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) or any other person to HM Revenue & Customs.

13. EVENTS OF DEFAULT

13.1 Events of Default

Subject to the other provisions of this Condition, each of the following events, where relevant, subject to any applicable grace period shall be treated as an "**Event of Default**" in relation to the Notes:

(a) the Issuer fails to pay any amount of interest in respect of the Most Senior Class of Notes within five (5) days following the due date for payment of such interest (**provided that**, for the avoidance of doubt, a deferral of interest in respect of a Class of Notes (other than the Most Senior Class of Notes) in accordance with Condition 6(c) (*Deferral of Interest*) shall not constitute a default in the payment of such interest for the purposes of this Condition 13 (*Events of Default*) and **provided that** it shall not constitute a default in the payment of any amount actually due and payable by the Issuer during the continuance of a Servicer Disruption if, during the continuation of any Servicer Disruption, the Issuer continues to make all payments calculated to be payable by it by the Cash Manager and Calculation Agent), or

(b) an Insolvency Event in respect of the Issuer occurs;

(c) the Security is (except in accordance with the terms of the Transaction Documents), in whole or in part, terminated, released or otherwise ceases to be effective or be legally valid, binding and enforceable obligation of the Issuer; or

(d) the Issuer fails to pay any amounts of principal due under the Notes on the Final Maturity Date.

13.2 Delivery of an Enforcement Notice

If an Event of Default occurs and is continuing, the Trustee may at its discretion, and shall:

(a) if so requested in writing by the Noteholders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes; or

(b) if so directed by the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution,

(subject, in each case, to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction) deliver an Enforcement Notice to the Issuer, with a copy sent to each Agent (other than the Issuer Corporate Services Provider), the Seller, the Retention Holders, the Interest Rate Hedge Counterparty and the Rating Agencies, and institute such proceedings and take any other steps as may be required in order to enforce the Security.

Following receipt of such Enforcement Notice, the Issuer shall give notice, or shall procure that such notice is given, to all Noteholders without undue delay in compliance with Condition 10 (*Notifications*).

13.3 Conditions to delivery of an Enforcement Notice

Notwithstanding Condition 13.2 (*Delivery of an Enforcement Notice*), the Trustee shall not be obliged to deliver an Enforcement Notice or take any other action unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

13.4 Consequences of delivery of an Enforcement Notice

Upon the delivery of an Enforcement Notice, the Notes of each Class shall become immediately due and payable, without further action or formality, at their Principal Amount Outstanding together with any accrued (and unpaid) interest and the Security shall become immediately enforceable.

14. ENFORCEMENT

14.1 Proceedings

(a) The Trustee may, at any time, at its discretion and without further notice, institute such steps, actions or proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes of each Class (including these Conditions), the Charge and Assignment or under the other Transaction Documents or, following the delivery of an Enforcement Notice, to enforce the Security, but it shall not be bound to do so unless:

(i) so requested in writing by the Noteholders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes outstanding; or

(ii) so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes outstanding,

and in any such case, only if it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

14.2 As between the Trustee and the Noteholders, only the Trustee may enforce the provisions the Trust Deed and the other Transaction Documents (to the extent that it is able to do so). No Noteholder shall be entitled to proceed directly against the Issuer or any other person to enforce the performance of the provisions of Trust Deed or any other Transaction Documents and no Noteholder shall be entitled to take any steps or proceedings (including lodging an appeal or any proceedings to procure the winding-up, administration or liquidation of the Issuer unless (i) the Trustee having become bound as aforesaid to take proceedings failed to do so within a 60 day period and such failure is continuing or (ii) the Trustee is unable to do so and such liability is continuing, provided that no Noteholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer.

14.3 Directions to the Trustee

If the Trustee shall take any action, step or proceeding described in Condition 14.1 (*Proceedings*) it may take such action, step or proceeding without having regard to the effect of such action on individual Noteholders or any other Secured Creditor, **provided that** so long as any of the Most Senior Class of Notes are outstanding, the Trustee shall not, and shall not be bound to, act at the request or direction of the Noteholders of any other Class of Notes unless:

(a) to do so would not, in its opinion, be materially prejudicial to the interests of the Noteholders of the Classes of Notes ranking senior to such other Class; or

(b) (if the Trustee is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Noteholders of the Classes of Notes ranking senior to such other Class.

14.4 Restrictions on disposal of Issuer's assets

(a) If an Enforcement Notice has been delivered by the Trustee other than by reason of non-payment of any amount due in respect of the Notes, the Trustee will not be entitled to dispose of the Charged Property or any part thereof unless the Trustee is of the opinion, which shall be binding on the Noteholders and the other Secured Creditors, reached solely in reliance upon the advice of an investment bank or other financial adviser selected by the Trustee (upon which advice the Trustee may rely absolutely and without enquiry or liability), at the cost of the Issuer, either:

(i) a sufficient amount would be realised to allow payment in full of all amounts owing to the Noteholders of each Class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Acceleration Priority of Payments; or

(ii) that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts due in respect of the Notes of each class after payment of all other claims ranking in priority to the Notes in accordance with the Post-Acceleration Priority of Payments,

provided that the Trustee shall not dispose of the Charged Assets if notice has been given under the Deed Poll from the Portfolio Option Holder to the Issuer requiring the Issuer to effect a mandatory redemption pursuant to Condition 8.2(*Mandatory Redemption in whole – Portfolio Purchase Option*) and the Trustee is satisfied that

the Issuer has, or will have, sufficient funds to redeem the Notes (other than the Class Z Notes) together with accrued and unpaid interest thereon and to meet the Issuer's payment obligations of a higher priority under the Post-Acceleration Priority of Payments on the Portfolio Option Exercise Date .

(b) The Trustee shall not be bound to make the determination, or seek the advice of an investment bank or other financial adviser, contained in Condition 14.4(a)(ii) (*Restrictions on Disposal of Issuer's Assets*) unless the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing and shall have no Liability to anyone for not so doing.

(c) The Trustee shall have no Liability to any person for the consequences of any such opinion reached in accordance with Condition 14.4(a) (*Restrictions on disposal of Issuer's Assets*).

14.5 Third Party Rights

No person shall have any right to enforce any Condition or any provision of the Trust Deed or the Charge and Assignment under the Contracts (Rights of Third Parties) Act 1999.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

15.1 Provisions in Trust Deed

The Trust Deed contains provisions for convening meetings of the Noteholders of each Class (and for passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*) are descriptive of the detailed provisions of the Trust Deed.

15.2 Decisions and Meetings of Noteholders

(a) General

Decisions may be taken by Noteholders by way of Ordinary Resolution, Extraordinary Resolution or Written Resolution or Electronic Consent, in each case, of the Most Senior Class of Notes (subject as provided in the next paragraph) or, to the extent specified in the Trust Deed, any applicable Transaction Document or these Conditions, by a Class of Noteholders acting independently. Ordinary Resolutions and Extraordinary Resolutions can be effected either at a duly convened meeting of the applicable Noteholders or by the applicable Noteholders resolving in writing or by electronic consent, in each case, in at least the minimum percentages specified in the table "**Minimum Percentage Voting Requirements**" in paragraph (c) below. Meetings of the Noteholders may be convened by the Issuer or the Trustee at any time and, the Trustee shall convene a meeting of the Noteholders if it receives a written request by Noteholders holding at least ten (10) per cent. in Principal Amount Outstanding of the Notes Outstanding of a particular Class for the time being subject to (i) certain conditions including minimum notice periods and (ii) the Trustee being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby become liable or which may be incurred by it in connection therewith. Where decisions are required to be taken by a Written Resolution of the Requisite Majority of a Class or Classes under the Trust Deed or these Conditions, such decision may only be made in accordance with Condition 15.2(d) (*Written Resolutions*) below. The Trustee may, in its discretion, determine that any proposed Ordinary Resolution or Extraordinary Resolution affects the Noteholders of only one or more (but not all) Classes of Notes, in which event a meeting only of each affected Class will be required and the required quorum and minimum percentage voting requirements of such Ordinary Resolution or Extraordinary Resolution may be determined by reference only to the Noteholders of that Class or Classes of Notes and not the holders of any other Notes as set forth in the tables below.

Notice of any Resolution passed by the Noteholders will be given by the Issuer to each of the Rating Agencies.

(b) Quorum

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, in each case, of all the Noteholders or of any Class or Classes of Noteholders, or at any

adjourned meeting to consider such a Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "*Quorum Requirements*" below.

Quorum Requirements

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Extraordinary Resolution of Noteholders in respect of a Basic Terms Modification	One or more persons holding or representing not less than 75 per cent. of the aggregate Principal Amount Outstanding of the Notes	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of Notes
Extraordinary Resolution of Noteholders other than in respect of a Basic Terms Modification	One or more persons holding or representing not less than $66^{2}/_{3}$ per cent. of the aggregate Principal Amount Outstanding of the Notes	One or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of Notes
Ordinary Resolution of Noteholders	One or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes	One or more persons holding or representing not less than 10 per cent. of the aggregate Principal Amount Outstanding of Notes
Extraordinary Resolution or Ordinary Resolution of the Class Z Noteholders	One or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes	One or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of Notes

The Trust Deed does not contain any provision for higher quorums in any circumstances.

(c) Minimum Voting Rights

Set out in the table "*Minimum Percentage Voting Requirements*" below are the minimum percentages required to pass the Resolutions specified in such table which, (A) in the event that such Resolution is being considered at a duly convened meeting of Noteholders, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes held or represented by any person or persons who vote in favour of such Resolution represents of the aggregate Principal Amount Outstanding of all applicable Notes which are represented at such meeting and are voted or, (B) in the case of any Written Resolution or Electronic Resolution, shall be determined by reference to the percentage which the aggregate Principal Amount Outstanding of Notes entitled to be voted in respect of such Written Resolution or Electronic Resolution and which are voted in favour thereof represent of the aggregate Principal Amount Outstanding of all the Notes entitled to vote in respect of such Written Resolution or Electronic Resolution.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of Noteholders in respect of a Basic Terms Modification	Not less than 75 per cent.
Extraordinary Resolution of Noteholders other than in respect of a Basic Terms Modification	Not less than 66 2/3 per cent.
Ordinary Resolution of Noteholders	More than 50 per cent.

(d) Written Resolutions

(i) Any Written Resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such

Written Resolution shall be the date on which the latest such document is signed. Any Extraordinary Resolution or Ordinary Resolution may be passed by way of a Written Resolution.

(ii) Any decision or resolution which is required to be taken by a Written Resolution of the Requisite Majority of a Class or Classes under the Trust Deed or these Conditions may only be taken by a Written Resolution of the Requisite Majority of such Class or Classes of Notes.

(e) Electronic Resolution

(i) The Trust Deed provides that any Extraordinary Resolution or Ordinary Resolution may be passed by way of consent given by way of Electronic Resolution through the relevant Clearing System(s) (in a form satisfactory to the Trustee) by or on behalf of the relevant number of required Noteholders for such Extraordinary Resolution or Ordinary Resolution (as applicable).

(ii) Any decision or resolution which is required to be taken by an Electronic Resolution of the Requisite Majority of a Class or Classes under the Trust Deed or these Conditions may only be taken by an Electronic Resolution of the Requisite Majority of such Class or Classes of Notes.

(f) Extraordinary Resolution

(i) Any Resolution to sanction any of the following items (each a "**Basic Terms Modification**") will be required to be passed by an Extraordinary Resolution of each Class of Noteholders (in each case, subject to anything else contemplated in the Trust Deed or the relevant Transaction Document, as applicable):

(A) the exchange or substitution for the Notes of a Class, or the conversion of the Notes of a Class into, shares, bonds or other obligations or securities of the Issuer or any other entity;

(B) the modification of any provision relating to the timing and/or circumstances of the payment of interest or redemption of the Notes of a Class at maturity or otherwise (including the circumstances in which the maturity of such Notes may be accelerated) other than any Benchmark Rate Modification or LIBOR Modification;

(C) the modification of any of the provisions of the Trust Deed or the Conditions which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note;

(D) the adjustment of the outstanding Principal Amount Outstanding of the Notes of a relevant Class of Notes;

(E) a change in the currency of payment of the Notes of a Class;

(F) any change in the Priority of Payments or of any payment items in the Priority of Payments;

(G) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass a Resolution or any other provision of the Trust Deed or these Conditions which requires the written consent of the holders of a requisite Principal Amount Outstanding of the Notes of any Class Outstanding;

(H) any modification of any Transaction Document having a material adverse effect on the security over the Charged Property constituted by the Charge and Assignment;

(I) any item requiring approval by Extraordinary Resolution pursuant to the Conditions or any Transaction Document; and

(J) any modification that amends or has the effect of amending the definition of "**Basic Terms Modification**".

(ii) For the avoidance of doubt, the approval of a Basic Terms Modification may only be made by Extraordinary Resolution and no Extraordinary Resolution involving a Basic Terms Modification that is passed by Noteholders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of each of the other Classes of Notes.

(g) Ordinary Resolution

Any meeting of the Noteholders shall, subject to these Conditions and the Trust Deed, have power by Ordinary Resolution to approve any other matter relating to the Notes not referred to in paragraph (f) (*Extraordinary Resolution*) above.

(h) Class Z Notes Entrenched Rights

Notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, the Trustee shall not concur with the Issuer in making any modification or waiver to the Trust Deed, the Conditions, the Notes or the other Transaction Documents which, in the opinion of Class Z Noteholders, is adverse to the interests of the Class Z Noteholders (and whether or not the interests of the Class Z Noteholders align with the interests of the holders of the relevant Class or Class) (the "**Class Z Notes Entrenched Right**") unless the same is authorised or sanctioned by the Class Z Noteholders consenting to such modification or waiver in writing.

(i) Matters affecting a certain Class of Notes

Without prejudice to the second paragraph of Condition 15.2(a) (*General*) above, matters affecting the interests of only one Class shall only be considered by and voted upon at a meeting of Noteholders of that relevant Class or by Written Resolution of the holders of that relevant Class.

15.3 Modification

The Trustee may at any time and from time to time, without the consent or sanction of the Noteholders or any other Secured Creditors but subject to the Class Z Notes Entrenched Rights, concur with the Issuer in making:

(a) any modification to the Trust Deed, the Conditions, the Notes or the other Transaction Documents in relation to which its consent is required (other than in respect of a Basic Terms Modification) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of the Noteholders of the Most Senior Class of Notes then Outstanding;

(b) any modification to the Trust Deed, the Conditions, the Notes or the other Transaction Documents in relation to which its consent is required (including a Basic Terms Modification), if, in the opinion of the Trustee, such modification is of a formal, minor or technical nature or is made to correct a manifest error,

provided that, any such modification shall be notified by or on behalf of the Issuer as soon as reasonably practicable to, so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency.

15.4 Additional Right of Modification

(a) Notwithstanding the provisions of Condition 15.3 (*Modification*), the Trustee shall be obliged, without any consent or sanction of the Noteholders, or (subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified or which, as a result of the relevant amendment, would be further contractually subordinated to any other Secured Creditor than would otherwise have been the case prior to such amendment) any of the other Secured Creditors, to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification and subject to the provisions governing the Class Z Notes Entrenched Rights) to the Trust Deed, the Conditions or any other Transaction Document to which it is a party or in relation to which it holds security or enter into any new, supplemental or additional documents (following the Trustee's review thereof) that the Issuer certifies by two (2) directors of the Issuer in writing to the Trustee (upon which certificate the Trustee shall rely absolutely and without enquiry or liability) as being necessary for the purpose of (i) complying with any changes in the requirements of Article 6 of the Securitisation Regulation after the Closing Date, including as a result of the adoption of the additional regulatory technical standards in relation to the Securitisation Regulation or any other risk retention regulation or official guidance in relation thereto applicable to the Issuer or the Seller; (ii) complying with any other provision of the Securitisation Regulation, including Articles 19, 20, 21 or 22 of the Securitisation Regulation, or Article 243 of the Capital Requirements Regulation, including as a result of the adoption of regulatory technical standards in relation thereto, or any equivalent securitisation legislation or

regulations or official guidance applicable to the Issuer or the Retention Holders; and (iii) complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, **provided that** in relation to any amendment under this Condition 15.4 (*Additional Right of Modification*):

(i) the Issuer certifies in writing to the Trustee (upon which certificate the Trustee shall rely absolutely and without enquiry or liability) that such modification is necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such change to such criteria; and

(ii) in the case of any modification to a Transaction Document proposed by any Interest Rate Hedge Counterparty in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

(A) the Interest Rate Hedge Counterparty certifies in writing to the Issuer and the Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to the Trustee that it has received the same from the Interest Rate Hedge Counterparty (upon which certificate the Trustee shall rely absolutely and without enquiry or Liability));

(B) either:

(1) the Rating Agencies provide a Rating Agency Confirmation and a copy of each such confirmation is provided to the Issuer and the Trustee; or

(2) the Issuer certifies in writing to the Trustee (upon which certificate the Trustee shall rely absolutely and without enquiry or liability) that the Rating Agencies are Non-Responsive Rating Agencies; and

(C) the Issuer (where applicable) pays all fees, costs and expenses, (including legal fees) incurred by the Trustee or any other Transaction Party in connection with such modification (the certificate to be provided by the Issuer and/or the Interest Rate Hedge Counterparty pursuant to paragraphs (i), (ii)(A) and (ii)(B)(2) above being a "**Modification Certificate**"), **provided that**:

(1) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Trustee;

(2) the Modification Certificate in relation to such modification shall be provided to the Trustee both at the time the Trustee is notified of the proposed modification and on the date that such modification takes effect;

(3) the consent of each Secured Creditor which is party to the relevant Transaction Document being modified or which, as a result of the relevant amendment, would be further contractually subordinated to any other Secured Creditor than would otherwise have been the case prior to such amendment has been obtained; and

(4) the Issuer certifies in writing to the Trustee (upon which certificate the Trustee shall rely absolutely and without enquiry or liability) (which certification may be in the Modification Certificate) that (x) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 10 (*Notifications*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and (y) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have not contacted the Issuer or the Principal Paying Agent in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within such notification period notifying the Issuer or the Principal Paying Agent that such Noteholders do not consent to the modification.

(b) If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes have notified the Principal Paying Agent or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes is passed in favour of such modification in accordance with Condition 15 (*Meeting of Noteholders, Modifications, Waiver and Substitution*).

(c) Objections made in writing other than through the applicable Clearing System must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

(d) Notwithstanding anything to the contrary in this Condition 15.4 (*Additional Right of Modification*) or any other Transaction Document:

(i) when implementing any modification or entry into any new, supplemental or additional documents pursuant to this Condition 15.4 (*Additional Right of Modification*) (save to the extent the Trustee considers that the proposed modification would constitute a Basic Terms Modification), the Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Modification Certificates) or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 15.4 (*Additional Right of Modification*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification or entry into any new, supplemental or additional documents is or may be materially prejudicial to the interests of any such person; and

(ii) the Trustee shall not be obliged to agree to any modification or entry into any new, supplemental or additional documents pursuant to this Condition 15.4 (*Additional Right of Modification*) which, in the sole opinion of the Trustee would have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, discretions, authorisations, indemnities or protections, of the Trustee in the Transaction Documents and/or these Conditions.

(e) Any such modification shall be binding on all Noteholders and shall be notified by or on behalf of the Issuer as soon as reasonably practicable to:

(i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;

(ii) the Secured Creditors; and

(iii) the Noteholders in accordance with Condition 10 (*Notifications*).

15.5 Additional Right of Modification in relation to SONIA Reference Rate

Notwithstanding the foregoing provisions, the Trustee shall be obliged, without any consent or sanction of the Noteholders or, subject to paragraph (C) below, any of the other Secured Creditors, to concur with the Issuer in making any modification (other than any Basic Terms Modification and subject to the Class Z Notes Entrenched Rights) to the Trust Deed, the Conditions and/or any other Transaction Document to which it is a party or in relation to which it holds security to enter into any new, supplemental or additional documents that the Issuer considers necessary in order to:

(a) change the Reference Rate or the benchmark rate that then applies in respect of the SONIA Notes to an alternative benchmark rate (any such rate, an "**Alternative Benchmark Rate**") and make such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (a "**Benchmark Rate Modification**"), **provided that** the Issuer, certifies to the Trustee in writing (upon which the Trustee shall rely absolutely without enquiry or liability, such certificate, a "**Benchmark Rate Modification Certificate**") that:

(i) such Benchmark Rate Modification is being undertaken as result of a Benchmark Rate Disruption;

(ii) such Alternative Benchmark Rate satisfies the Benchmark Rate Eligibility Requirement; and

(iii) the modifications proposed in the context of the Benchmark Rate Modification are required solely for the purpose of applying the Alternative Benchmark Rate and making consequential modifications to the Conditions or any Transaction Document which are, as determined by the Issuer in its commercially reasonable judgement, necessary or advisable, and the modifications have been drafted solely to such effect; or

(b) change the benchmark rate that then applies in respect of the SONIA Transactions under the Interest Rate Hedge Agreement to an Alternative Benchmark Rate solely as a consequence of a Benchmark Rate Modification and solely for the purpose of aligning the benchmark rate of the SONIA Transactions under the Interest Rate Hedge Agreement to the benchmark rate of the Notes following such Benchmark Rate Modification (a "**Hedge Rate Modification**") **provided that**:

(i) the Interest Rate Hedge Counterparty provides its prior written consent to such Hedge Rate Modification; and

(ii) the Issuer certifies to the Trustee in writing (upon which the Trustee shall rely absolutely without enquiry or liability) that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Hedge Rate Modification Certificate**");

provided that, in the case of any modification made pursuant to a Benchmark Rate Modification and/or a Hedge Rate Modification above (as applicable):

(i) at least 30 days' prior written notice of any such proposed modification has been given to the Trustee **provided that** this notice must be delivered prior to publication of any Benchmark Modification Noteholder Notice (defined below);

(ii) the details of and the rationale for any SONIA Note Rate Maintenance Adjustment (defined below) proposed in accordance with Condition 15.5(b)(vii)(D) are as set out in the Benchmark Modification Noteholder Notice published in accordance with Condition 15.5(b)(vii) below;

(iii) the applicable Benchmark Rate Modification Certificate or the Hedge Rate Modification Certificate, as applicable, in relation to such modification is provided to the Trustee both at the time the Trustee is notified of the proposed modification, five Business Days prior to the publication of the Benchmark Rate Modification Noteholder Notice and on the date that such modification takes effect;

(iv) the consent of each Secured Creditor which is a party to any relevant Transaction Document being amended has been obtained;

(v) with respect to each Rating Agency, either:

(A) the Issuer obtains from such Rating Agency written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the SONIA Notes by such Rating Agency or (y) such Rating Agency placing any SONIA Notes on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Trustee; or

(B) the Issuer certifies in writing to the Trustee (upon which the Trustee shall rely absolutely without enquiry or liability) that it has notified such Rating Agency of the proposed modification and that it has been unable to obtain such written confirmation but that such Rating Agency has not indicated that the implementation of such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the SONIA Notes or by such Rating Agency or (y) such Rating Agency placing the SONIA Notes on rating watch negative (or equivalent);

(vi) in respect of a Benchmark Rate Modification only, by no later than the date on which the proposed Benchmark Rate Modification becomes effective, the Issuer has agreed the corresponding Hedge Rate Modification, other than if the Rating Agency provides written confirmation to the Issuer that the Benchmark Rate Modification would not result in a downgrade, withdrawal or suspension of

the then current ratings assigned to the SONIA Notes by such Rating Agency if there is no corresponding Hedge Rate Modification;

(vii) the Issuer has provided at least 30 days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 10 (*Notifications*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, (such notice, the "**Benchmark Modification Noteholder Notice**") notifying the following:

(A) the period during which Noteholders of the Most Senior Class of Notes on the date specified to be the Benchmark Rate Modification Record Date (which shall be five Business Days from and excluding the date of publication of the Benchmark Modification Noteholder Notice (the "**Benchmark Rate Modification Record Date**")), may object to the proposed Benchmark Rate Modification and the method by which they may object;

(B) the Benchmark Rate Disruption on the basis of which the Benchmark Rate Modification and/or Hedge Rate Modification is being proposed;

(C) the Benchmark Rate Eligibility Requirement satisfied by the Alternative Benchmark Rate and, if paragraph (d) of the definition of Benchmark Rate Eligibility Requirement is being applied, the Issuer's rationale for choosing the Alternative Benchmark Rate;

(D) details of the adjustment which the Issuer proposes to make (if any) to the margin payable on each Class of Notes which are the subject of the Benchmark Rate Modification in order to, so far as reasonably and commercially practicable, preserve what would have (been the expected Rate of Interest applicable to each such Class of Notes had no such Benchmark Rate Modification been effected which, for the avoidance of doubt, may effect an increase or a decrease to the Relevant Margin or may be set at zero (the "**SONIA Note Rate Maintenance Adjustment**"), **provided that**:

(1) in the event that the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates has published, endorsed, approved or recognised a note rate maintenance adjustment mechanism which could be used in the context of a transition from SONIA to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the SONIA Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Benchmark Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the SONIA Notes and the proposed Benchmark Rate Modification;

(2) in the event that it has become generally accepted market practice for publicly listed asset backed floating rate notes to use a particular note rate maintenance adjustment mechanism in the context of a transition from SONIA to the Alternative Benchmark Rate, then the Issuer shall propose that note rate maintenance adjustment mechanism as the SONIA Note Rate Maintenance Adjustment, or otherwise the Issuer shall set out in the Benchmark Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the SONIA Notes and the proposed Benchmark Rate Modification;

(3) in the event that neither (1) nor (2) above apply, the Issuer shall use reasonable endeavours to propose an alternative SONIA Note Rate Maintenance Adjustment as reasonably determined by the Issuer and shall set out the rationale for the proposal or otherwise the Issuer shall set out in the Benchmark Modification Noteholder Notice the rationale for concluding that this is not a commercial and reasonable approach in relation to the SONIA Notes and the proposed Benchmark Rate Modification; and

(4) if any SONIA Note Rate Maintenance Adjustment is proposed, the SONIA Note Rate Maintenance Adjustment applicable to each Class of SONIA Notes other than the Most Senior Class of Notes shall be at least equal to that applicable to the Most Senior Class of Notes. In circumstances where the Issuer proposes a lower SONIA Note Rate Maintenance Adjustment on any Class of SONIA Notes other than the Most Senior Class

than that which is proposed for the Most Senior Class of Notes or another Class of Notes which ranks senior to the Class of Notes to which the lower SONIA Note Rate Maintenance Adjustment is proposed to be made, the Benchmark Rate Modification will not be made unless an Ordinary Resolution is passed in favour of such modification in accordance with Condition 15 (*Meetings of Noteholders; Modification; Waiver and Substitution*) by the Noteholders of each Class of SONIA Notes then outstanding to which the lower SONIA Note Rate Maintenance Adjustment is proposed to be made;

(E) details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to Benchmark Rate Modification and/or Hedge Rate Modification;

(viii) Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of SONIA Notes then outstanding have not contacted the Principal Paying Agent or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such SONIA Notes may be held) within the relevant notification period notifying the Principal Paying Agent that such Noteholders do not consent to the Benchmark Rate Modification and/or Hedge Rate Modification; and

(ix) the Issuer pays all costs and expenses (including legal fees) incurred by the Issuer, the Trustee and the Agents in connection with such modification.

If Noteholders representing at least 10 per cent. of the Principal Amount Outstanding of the Most Senior Class of SONIA Notes then outstanding have notified the Principal Paying Agent (acting on behalf of the Issuer) in writing (or otherwise in accordance with the then current practice of any applicable Clearing System through which such SONIA Notes may be held) within such notification period that such Noteholders do not consent to the modification, then any subsequent proposal by the Issuer in respect of a Benchmark Rate Modification or a Hedge Rate Modification (as the case may be) must be sanctioned by an Extraordinary Resolution of the Noteholders of the Most Senior Class of SONIA Notes then outstanding passed in favour of such modification in accordance with Condition 15.1 (*Provisions in the Trust Deed*) and 15.2 (*Decisions and Meetings of Noteholders*), **provided that** in circumstances where the Issuer proposes a lower SONIA Note Rate Maintenance Adjustment on any Class of SONIA Notes other than the Most Senior Class than that which is proposed for the Most Senior Class of SONIA Notes or another Class of SONIA Notes which ranks senior to the Class of SONIA Notes to which the lower SONIA Note Rate Maintenance Adjustment is proposed to be made, such Extraordinary Resolution shall be passed by the Noteholders of the Most Senior Class of SONIA Notes then outstanding and by the Noteholders of each Class of SONIA Notes then outstanding to which the lower SONIA Note Rate Maintenance Adjustment is proposed to be made.

Objections made in writing other than through the applicable Clearing System must be accompanied by evidence to the Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the SONIA Notes.

Any such modifications permitted by this Condition 15.5 shall be binding on the Noteholders and other Secured Creditors and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 10 (*Notifications*). So long as the Rated Notes, or any of them, are rated by the Rating Agencies the Issuer shall notify each of the Rating Agencies of any modification made by it in accordance with this Condition 15.5 as soon as reasonably practicable thereafter.

Notwithstanding anything to the contrary in this Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*) or any Transaction Document:

(a) when implementing any modification, pursuant to this Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*) to the Conditions, and/or any other Transaction Documents to which it is a party or in relation to which it holds security to or enters into any new, supplemental or additional documents, (save to the extent the Trustee considers that the proposed modification would constitute a Notes Basic Terms Modification), the Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate (including any Benchmark Rate

Modification Certificate or Hedge Rate Modification Certificate (as applicable)) or evidence provided to it by the Issuer, as the case may be, pursuant to this Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(b) the Trustee shall not be obliged to agree to any modification of the Trust Deed, the Conditions or any other Transaction Document which (in the sole opinion of the Trustee) would have the effect of: (x) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or (y) increasing the obligations or duties, or decreasing the protections of the Trustee in the Transaction Documents, the Trust Deed and/or the Conditions.

For the avoidance of doubt, the Issuer may propose an Alternative Benchmark Rate on more than one occasion **provided that** the conditions set out in this Condition 15.5 are satisfied.

15.6 Additional Right of Modification in relation to LIBOR Cessation

(a) Notwithstanding the foregoing provisions, the Trustee shall be obliged, without any consent or sanction of the Noteholders or any other Secured Creditor, to concur with the Issuer in making any modification to the Trust Deed or the Conditions or any other Transaction Documents (other than any Basic Terms Modification and subject to the Class Z Notes Entrenched Rights) that the Issuer considers necessary for the purpose of changing the screen rate or the base rate that then applies in respect of the Class A2 Notes (any such rate, a "**LIBOR Replacement Rate**") and making such other related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (including any market standard spread adjustment) (a "**LIBOR Modification**"), **provided that**, in relation to any amendment under this Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation)* the Issuer certifies to the Trustee in writing (upon which the Trustee may rely absolutely without liability or enquiry) (such certificate, a "**LIBOR Modification Certificate**") that:

(i) such LIBOR Modification is being undertaken due to:

(A) a material disruption to LIBOR, a material change in the methodology of calculating LIBOR or LIBOR ceasing to exist or be published, a public statement or publication of information by the administrator of LIBOR that it has invoked or will invoke, permanently or indefinitely, its insufficient submissions policy or the administrator of LIBOR having used a fallback methodology for calculating LIBOR for a period of at least 30 calendar days; or

(B) the insolvency or cessation of business of the LIBOR administrator, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR; or

(C) a public statement or publication of information by or on behalf of the LIBOR administrator announcing that it has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR with effect from a date no later than 6 months after the proposed effective date of such LIBOR Modification; or

(D) a public statement or publication of information by the regulatory supervisor for the LIBOR administrator, the central bank for the currency of such LIBOR, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the LIBOR administrator or a court or an entity with similar insolvency or resolution authority over the LIBOR administrator, which states that the LIBOR administrator has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide LIBOR with effect from a date no later than 6 months after the proposed effective date of such LIBOR Modification; or

(E) a public statement or publication of information by the regulatory supervisor for the LIBOR administrator announcing that LIBOR is no longer representative or may no longer be used or that its use is subject to restrictions or adverse consequences; or

(F) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to the LIBOR Replacement Rate, despite the continued existence of LIBOR; or

(G) it having become unlawful and/or impossible for the Issuer or the Cash Manager and Calculation Agent to calculate any payments due to be made to any Noteholder using LIBOR; or

(H) it being the reasonable expectation of the Issuer that any of the events specified in paragraphs (A), (B) or (G) above will occur or exist within six months of the proposed effective date of such LIBOR Modification; or

(I) a LIBOR Modification is being proposed pursuant to Condition 15.6(d); or

(J) any Rating Agency indicating or it can reasonably be inferred from published methodology that the potential mismatches in cashflows caused by any of the circumstances referred to above will result in a downgrade or withdrawal of the rating of any class of Notes or place any class of Notes on negative watch or equivalent; and

(ii) such LIBOR Replacement Rate is any one or more of the following:

(A) a benchmark rate as published, endorsed, approved or recognised as a replacement to LIBOR by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an alternative LIBOR together with a specified adjustment factor which may increase or decrease the relevant alternative LIBOR); or

(B) a benchmark rate utilised in a material number of publicly-listed new issues of asset backed floating rate notes denominated in sterling, or a benchmark rate which has been used to replace LIBOR in a material number of publicly-listed existing asset backed floating rate notes, in the six months prior to the proposed effective date of such LIBOR Modification; or

(C) the fallback rate to be effective upon the occurrence of an index cessation event with respect to LIBOR according to (and as defined in) the 2006 ISDA Definitions published by International Swaps and Derivatives Association, as amended or supplemented from time to time; or

(D) such other benchmark rate derived from the daily Sterling Overnight Index Average (SONIA) rate as administrated by the Bank of England as the Issuer, reasonably determines, provided that this option may only be used if the Issuer certifies to the Trustee in writing (upon which the Trustee may rely absolutely and without liability or enquiry) that, in the reasonable opinion of the Issuer, neither Condition 15.6(a)(ii)(A) nor Condition 15.6(a)(ii)(B) nor Condition 15.6(a)(ii)(C) are applicable and/or practicable in the context of the Transaction, and sets out the rationale in the LIBOR Modification Certificate for choosing the proposed LIBOR Replacement Rate; and

(iii) the same LIBOR Replacement Rate will be applied to all Class A2 Notes issued in the same currency; and

(iv) the details of and the rationale for any LIBOR Note Rate Maintenance Adjustment proposed in accordance with Condition 15.6(a)(xii)(E) are as set out in the LIBOR Modification Noteholder Notice; and

(v) the modifications proposed are required solely for the purpose of applying the LIBOR Replacement Rate and making any related or consequential amendments as are necessary or advisable in the reasonable judgment of the Issuer to facilitate such change (including any market standard spread adjustment) to any Transaction Document which are, as reasonably determined by the Issuer necessary or advisable, and the modifications have been drafted solely to such effect; and

(vi) the consent of each Secured Creditor which has a right to consent to such modification pursuant to the provisions of the Transaction Documents has been obtained (evidence of which shall be provided by the Issuer to the Trustee with the LIBOR Modification Certificate) and no other consents are required to be obtained in relation to the LIBOR Modification; and

(vii) the Issuer has agreed to pay all reasonable fees, costs and expenses (including legal fees and any initial or ongoing costs associated with the LIBOR Modification) incurred by the Issuer and the Trustee or any other Transaction Party in connection with the LIBOR Modification,

provided that,

(viii) the LIBOR Modification Certificate shall be provided to the Trustee in draft form not less than five Business Days prior to the date on which the LIBOR Modification Noteholder Notice is sent to Class A2 Noteholders; and

(ix) the LIBOR Modification Certificate shall be provided to the Trustee in final form not less than two Business Days prior to the date on which the LIBOR Modification takes effect; and

(x) a copy of the LIBOR Modification Noteholder Notice provided to Class A2 Noteholders pursuant to Condition 15.6(a)(xii) shall be appended to the LIBOR Modification Certificate,

and provided further that:

(xi) either:

(A) the Issuer has obtained from each of the Rating Agencies written confirmation (or certifies in the LIBOR Modification Certificate that it has been unable to obtain written confirmation, but has received oral confirmation from an appropriately authorised person at each of the Rating Agencies) that the proposed LIBOR Modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent) and, if relevant, it has provided a copy of written confirmation to the Trustee with the LIBOR Modification Certificate; or

(B) the Issuer certifies in the LIBOR Modification Certificate that it has given the Rating Agencies at least 10 Business Days prior written notice of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Notes by such Rating Agency or (y) such Rating Agency placing any Notes on rating watch negative (or equivalent); and

(xii) the Issuer has provided written notice of the proposed LIBOR Modification to the Class A2 Noteholders, at least 40 calendar days' prior to the date on which it is proposed that the LIBOR Modification would take effect, in accordance with Condition 10 (*Notifications*) and by publication on Bloomberg on the "Company Filings" screen relating to the Class A2 Notes (such notice, the "**LIBOR Modification Noteholder Notice**") confirming the following:

(A) the period during which the Class A2 Noteholders on the date specified to be the LIBOR Modification Record Date, which shall be five Business Days from the date of the LIBOR Modification Noteholder Notice (the "**LIBOR Modification Record Date**"), may object to the proposed LIBOR Modification (which notice period shall commence at least 40 calendar days prior to the date on which it is proposed that the LIBOR Modification would take effect and continue for a period not less than 30 calendar days) and the method by which they may object; and

(B) the sub-paragraph(s) of Condition 15.6(a)(i) under which the LIBOR Modification is being proposed; and

(C) which LIBOR Replacement Rate is proposed to be adopted pursuant to Condition 15.6(a)(ii), and, where Condition 15.6(a)(ii)(D) is being applied, the rationale for choosing the proposed LIBOR Replacement Rate; and

(D) details of any consequential modifications that the Issuer has agreed will be made to the Interest Rate Hedge Agreement to which it is a party for the purpose of aligning the Interest Rate Hedge Agreement with the proposed LIBOR Modification, if the proposed LIBOR Modification takes effect. The Issuer shall use reasonable endeavours to agree modifications to the Interest Rate Hedge Agreement where commercially appropriate so that the Transaction is hedged following the LIBOR Modification to a similar extent as prior to the LIBOR Modification and that such modifications shall take effect no later than 30 calendar days from the date on which the LIBOR Modification takes effect. If (i) no modifications are proposed to be made to the Interest Rate Hedge Agreement; and/or (ii) modifications will be made to the Interest Rate Hedge Agreement but will not result in the Transaction being similarly hedged; and/or (iii) modifications to the Interest Rate Hedge Agreement would take effect later than 30 calendar days from the date on which the LIBOR Modification takes effect, the Issuer shall set out in the LIBOR Modification Noteholder Notice the rationale for this; and

(E) details of the adjustment which the Issuer proposes to make (if any) to the margin payable on the Class A2 Notes which are the subject of the LIBOR Modification in order to, so far as reasonably and commercially practicable, preserve what would have been the expected Class A2 Rate of Interest applicable to each such Class A2 Notes had no such LIBOR Modification been effected (the "**LIBOR Note Rate Maintenance Adjustment**"), provided that:

(1) in determining the LIBOR Note Rate Maintenance Adjustment, the Issuer should have regard to (a) any note rate maintenance adjustment mechanism published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates or utilised in any standard forms or recommended language published by the International Swaps and Derivatives Association, the Loan Market Association, the Association for Financial Markets in Europe or the International Capital Market Association and (b) any generally accepted market practice in the publicly listed asset backed floating rate notes, Eurobond or swaps market to use a particular note rate maintenance adjustment mechanism in the context of a transition from LIBOR to the LIBOR Replacement Rate; and

(2) whether or not the Issuer proposes to make a LIBOR Note Rate Maintenance Adjustment, the Issuer shall set out the rational for its proposal, including why it is a commercial and reasonable approach, in the LIBOR Modification Noteholder Notice; and

(3) for the avoidance of doubt, the LIBOR Note Rate Maintenance Adjustment may effect an increase or a decrease to the margin or may be set at zero; and

(F) details of (i) other amendments which the Issuer proposes to make (if any) to these Conditions or any other Transaction Document and (ii) any new, supplemental or additional documents into which the Issuer proposes to enter to facilitate the changes envisaged pursuant to this Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*); and

(xiii) Class A2 Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the Class A2 Notes on the LIBOR Modification Record Date have not contacted the Principal Paying Agent (acting on behalf of the Issuer) or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Class A2 Notes may be held) within such notification period notifying the Principal Paying Agent that such Class A2 Noteholders do not consent to the LIBOR Modification.

(xiv) If Class A2 Noteholders representing at least 10 per cent. of the Aggregate Principal Amount Outstanding of the Class A2 Notes on the LIBOR Modification Record Date have notified the Principal Paying Agent (acting on behalf of the Issuer) or the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Class A2 Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Class A2 Noteholders is passed in favour of such modification in accordance with Condition 15.2 (*Decisions and Meetings of Noteholders*).

(xv) Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer or Principal Paying Agent's (as appropriate) satisfaction of the relevant Class A2 Noteholder's holding of the Class A2 Notes on the LIBOR Modification Record Date.

(b) Notwithstanding the foregoing provisions in this Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*) or any Transaction Document:

(i) when implementing any modification pursuant to this Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*), the Trustee shall not consider the interests of the Class A2 Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation, on any LIBOR Modification Certificate or evidence provided to it by the Issuer or the relevant Transaction Party pursuant to this Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*) and shall not be liable to the Class A2 Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(ii) the Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Trustee would have the effect of (A) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee in the Transaction Documents and/or these Conditions.

(c) Any LIBOR Modification shall be binding on all Class A2 Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

(i) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;

(ii) the Secured Creditors; and

(iii) the Noteholders in accordance with Condition 10 (*Notifications*).

(d) Following the making of a LIBOR Modification, if it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a LIBOR of interest which is different from the LIBOR Replacement Rate which had already been adopted by the Issuer in respect of the Class A2 Notes pursuant to a LIBOR Modification, the Issuer is entitled to propose a further LIBOR Modification pursuant to this Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*).

15.7 Waiver

(a) In addition, the Trustee may at any time and from time to time in its sole discretion, without prejudice to its rights in respect of any subsequent breach, condition, event or act and without the consent or sanction of the Noteholders or any other Secured Creditor but subject to the Class Z Notes Entrenched Rights concur with the Issuer in authorising or waiving, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of the covenants or provisions contained in the Trust Deed and the Charge and Assignment, the Notes or any of the other Transaction Documents or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Trust Deed, the Charge and Assignment, the Notes or any other Transaction Document if, in the opinion of the Trustee, the interests of the Noteholders of the Most Senior Class of Notes then outstanding will not be materially prejudiced by such waiver.

(b) The Trustee shall not exercise any powers conferred upon it by Condition 15.7 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes outstanding, but so that no such direction or request (a) shall affect any authorisation, waiver or determination previously given or made or (b) shall authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless the holders of each Class of outstanding Notes have, by Extraordinary Resolution, so authorised its exercise.

15.8 Notification

Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders and the other Secured Creditors in accordance with Condition 10 (*Notifications*) and the Transaction Documents, as soon as practicable after it has been made.

15.9 Binding Nature

Any authorisation, waiver, determination or modification referred to in Condition 15.3 (*Modification*), Condition 15.4 (*Additional Right of Modification*), Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*), Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*) or Condition 15.7 (*Waiver*) shall be binding on the Noteholders and the other Secured Creditors. The Issuer covenants with the Parties to the Trust Deed that it will not propose and agree to any modification or waiver to:

(a) the Conditions or the Priority of Payments that would change, or have the effect of changing, the position of Zopa (in any of its capacities in which it is party to any Transaction Document), the Seller, the Trustee, the Agents, the Retention Holders, the Reporting Agent or the Interest Rate Hedge Counterparty in any Priority of Payments unless the prior written consent of such party has been obtained; and

(b) Schedule 2, paragraph 9 (*Application of Amounts in respect of Hedge Collateral, Excess Hedge Collateral, Hedge Tax Credits and Replacement Hedge Premium*) of the Cash Management and Calculation Agency Agreement unless the prior written consent of the Interest Rate Hedge Counterparty has been obtained.

15.10 Class Z Notes Entrenched Rights consents

Any authorisation, waiver, determination or modification pursuant to Condition 15.3 (*Modification*), Condition 15.4 (*Additional Right of Modification*), Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*), Condition 15.6 (*Additional Right of Modification in relation to LIBOR Cessation*) or Condition 15.7 (*Waiver*) which constitutes a Class Z Notes Entrenched Right will require the consent of the Class Z Noteholders. The Class Z Noteholders shall provide such consent in a certificate signed by the Class Z Noteholders and attaching proof of such holdings in a form satisfactory to the Trustee and the Trustee shall be entitled to rely absolutely on such certificate without enquiry or liability.

16. SUBSTITUTION OF ISSUER

16.1 Substitution of Issuer

Subject to the conditions of substitution pursuant to the Trust Deed, the Trustee may, without the consent of the Noteholders of any Class, or any other Secured Creditor, concur with the Issuer to the substitution in place of the Issuer (or of the previous substitute under the Trust Deed) as the principal debtor under the Trust Deed, the Notes of each Class and the other Transaction Documents of any other company (incorporated in any jurisdiction) (such substituted company being hereinafter called the "**New Company**") if required for taxation reasons as set out in the Trust Deed.

16.2 Notice of Substitution of Issuer

Any substitution agreed by the Trustee pursuant to the Trust Deed shall be binding on the Noteholders, and the Issuer shall procure that such substitution shall be notified to the Noteholders and the other Secured Creditors in accordance with Condition 10 (*Notifications*) as soon as practicable.

16.3 Change of Law

In the case of a substitution pursuant to Condition 16 (*Substitution of Issuer*), the Trustee may in its absolute discretion agree, without the consent of the Noteholders or the other Secured Creditors to a change of the law governing the Notes and/or any of the Transaction Documents **provided that** such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the holders of the Most Senior Class of Notes outstanding, provided further that the Rating Agencies are notified by the Issuer. For the avoidance of doubt, a Transaction Document cannot be amended without the agreement in writing of all the parties thereto.

16.4 No indemnity

No Noteholder shall, in connection with any such substitution, be entitled to claim from the Issuer or the Trustee any indemnification or payment in respect of any tax consequence of any such substitution upon individual Noteholders.

17. NON-RESPONSIVE RATING AGENCY

(a) In respect of the exercise of any right, power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Notes and any of the Transaction Documents, the Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, downgraded, qualified, adversely affected, suspended or withdrawn thereby or that, it would not place any Rated Notes on negative rating watch (or equivalent) (a "**Rating Agency Confirmation**").

(b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Trustee) and within 30 calendar days of delivery of such request:

(i) (A) either or both Rating Agencies 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) 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 (any such Rating Agency, a "**Non-Responsive Rating Agency**"); or

(ii) only one (1) 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 Rating Agency shall be deemed 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 Trustee a certificate signed by two of its directors certifying and confirming that one of the events in paragraphs (b)(i)(A), (b)(i)(B) or (b)(ii) above has occurred, following the delivery by or on behalf of the Issuer of a written request to each Rating Agency.

(c) The Trustee shall be entitled to rely absolutely without enquiry or liability to any person on any certificate delivered to it in connection with a Non-Responsive Rating Agency pursuant to this Condition 17 (*Non-Responsive Rating Agency*). The Trustee shall not be required to investigate any action taken by or on behalf of the Issuer or such Non-Responsive Rating Agency and shall treat the applicable condition or requirement to receive a Rating Agency Confirmation or response from each Rating Agency as having been modified with the consent of all Noteholders and all parties to the relevant Transaction Documents so that there shall be no requirement for such Rating Agency Confirmation or response from such Non-Responsive Rating Agency.

18. MISCELLANEOUS

18.1 Trustee's right to indemnity

Without prejudice to the right of indemnity by law given to Trustees, the Issuer shall indemnify the Trustee and every Appointee and Receiver and keep it or him indemnified against all Liabilities to which it or he may be or become subject or which may be incurred by it or him in the negotiation, preparation and execution of the Trust Deed and the other Transaction Documents, and the execution or purported execution or exercise of any of its trusts, powers, authorities, duties, rights and discretions under the Trust Deed or any other Transaction Document or its or his functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to the Trust Deed or any other Transaction Document or the Charged Property or any such appointment (including, without limitation, Liabilities incurred in disputing or defending any of the foregoing). In particular, and without limitation, the Trustee and every Appointee and Receiver appointed by the Trustee hereunder shall be entitled to be indemnified out of the Charged Property in respect of all Liabilities properly incurred by them or him in the execution or

purported execution of the trusts hereof or of any powers, authorities or discretions vested in them or him pursuant to the Trust Deed, these Conditions or any other Transaction Document and against all Liabilities in respect of any matter or things done or omitted in any way relating to the Charged Property, and the Trustee may retain any part of any moneys in its hands arising from the trusts of the Trust Deed all sums necessary to effect such indemnity and also the remuneration of the Trustee provided and the Trustee shall have a lien on the Charged Property for all moneys payable to it under the Trust Deed or otherwise howsoever. Notwithstanding anything to the contrary herein, the Trustee shall not be indemnified for any Liabilities incurred as a result of the Trustee's gross negligence, wilful misconduct or fraud.

18.2 No responsibility for loss or for monitoring

The Trustee shall not be bound to give notice to any person of the execution of any documents comprised or referred to in the Trust Deed or to take any steps to ascertain whether any Event of Default, Potential Event of Default, Tax Event, Illegality Event, Regulatory Event or other relevant event has happened or if the Issuer or any other party has breached any of its obligations under the Transaction Documents and, until it shall have written notice to the contrary, the Trustee shall be entitled to assume that no Event of Default, Potential Event of Default, Tax Event, Illegality Event, Regulatory Event or any other relevant event which causes or may cause a right to become exercisable by the Issuer or the Trustee under the Trust Deed or any other Transaction Document has happened and that the Issuer and the other parties are observing and performing all their respective obligations under the Trust Deed, the Notes and the other Transaction Documents.

18.3 Regard to Noteholders

In connection with the exercise by it of any of its trusts, powers, duties, authorities and discretions under the Trust Deed or any other Transaction Document, the Trustee shall have regard to the interests of each Class of Noteholders as a Class and, shall not have regard to the consequences of such exercise for individual Noteholders of such Class and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders. For the purpose of determining whether or not any such exercise is materially prejudicial to the interests of the Noteholders of any Class of Notes, the Trustee shall be entitled to consider all such matters, information or any documentation delivered in respect thereof (whether addressed to the Trustee or otherwise) as the Trustee deems appropriate).

18.4 Prescription

In respect of the Notes, claims for (i) principal shall become void where application for payment is made more than ten (10) years; and (ii) interest shall become void where application for payment is made more than five (5) years, in each case, after the due date therefor.

18.5 Replacement of Notes

If any Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the registered office of the Registrar subject to all Applicable Laws and Euronext Dublin requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity, pre-funding and otherwise as the Issuer or the Registrar may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

The Transaction Documents and the Notes and all non-contractual obligations arising from or connected with them are governed by and construed in accordance with English law.

19.2 Jurisdiction

The courts of England and Wales are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Transaction Documents and the Notes (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the such documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Transaction Documents or the Notes may be brought in such courts. The Issuer

has in each of the Transaction Documents to which it is a party irrevocably submitted to the jurisdiction of such courts.

SOME IMPORTANT LEGAL AND REGULATORY CONSIDERATIONS

Business and Regulatory Risks for Vehicles such as the Issuer

Legal, tax and regulatory changes could occur over the course of the life of the Notes that may adversely affect the Issuer. The regulatory environment for vehicles of the nature of the Issuer is evolving, and changes in regulation may adversely affect the Issuer. In addition, the securities and derivatives markets are subject to comprehensive statutory, regulatory and margin requirements. Certain regulators and self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of transactions of a type similar to this transaction and derivative transactions and vehicles that engage in such transactions is an evolving area of law and is subject to modification by government and judicial action. The effect of any future regulatory change on the Issuer could be substantial and adverse.

Centre of Main Interests

The Issuer has its registered office in England. As a result there is a rebuttable presumption that its centre of main interest ("**COMI**") is in England and consequently that any main insolvency proceedings applicable to it would be governed by English law. In the decision by the Court of Justice of the European Union ("**CJEU**") in relation to Eurofood IFSC Limited, the CJEU restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in England, has English directors, is registered for tax in England and has an English corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in England, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in England.

Regulatory Initiatives

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of banks, financial institutions, "shadow banking entities" and the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold or trade 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 Arranger, the Joint Lead Managers, the Trustee or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the impact of such regulation on investors or the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future.

This uncertainty is further compounded by the numerous regulatory efforts underway in Europe, the U.S. and globally. Certain of these efforts overlap. In addition, even where these regulatory efforts overlap, they generally have not been undertaken on a coordinated basis. Areas where divergence between regulation exists or has begun to develop (whether with respect to scope, interpretation, timing, approach or otherwise) include trading, clearing and reporting requirements for derivatives transactions, higher capital and margin requirements relating to uncleared derivatives transactions, and capital and liquidity requirements that may result in mandatory "ring-fencing" of capital or liquidity in certain jurisdictions, among others. Investors should be aware that those risks are material and that the Issuer and, consequently, an investment in the Notes could be materially and adversely affected thereby.

None of the Issuer, the Arranger, the Joint Lead Managers, the Trustee, the Seller nor any of their respective affiliates makes any representation as to the proper characterisation of the Notes for legal investment, financial institution regulatory, financial reporting or other purposes, as to the ability of particular investors to invest in the Notes under applicable legal investment or other restrictions or as to the consequences of an investment in the Notes for such purposes or under such restrictions. All prospective investors in the Notes whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the Notes will constitute legal investments for them or are subject to investment or

other regulatory restrictions, unfavourable accounting treatment, capital charges, reserve requirements or other consequences.

Basel III

The Basel Committee on Banking Supervision (the "**Basel Committee**") has approved significant changes to the Basel II Framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). Basel Committee member countries agreed to implement the initial phase of the Basel III reforms from 1 January 2013 and the second phase from 1 January 2022, subject to transitional and phase-in arrangements for certain requirements. The changes approved by the Basel Committee, subject to any EU regional or national implementation and amendments (including those discussed below), 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 revised framework and, as a result, they may affect the liquidity and/or price of the Notes.

The Basel III reforms have been implemented in the European Economic Area ("**EEA**") through the Capital Requirements Regulation and the Capital Requirements Directive (together "**CRD IV**"). CRD IV became effective in the UK and other EU member states on 1 January 2014. CRD IV permits a transitional period for certain of the enhanced capital requirements and certain other measures.

On 23 November 2016 the European Commission published an extensive package of reforms to prudential standards proposing amendments to the framework applicable to financial groups (the **Banking Reform Package**). The Banking Reform Package implements Basel III in part. The Banking Reform Package was published in the Official Journal of the EU on 6 June 2019 and entered into force 20 days after publication. Requirements set out in the Banking Reform Package include the introduction of a binding leverage ratio and the Net Stable Funding Ratio from June 2021.

On 13 July 2018 the European Commission adopted revisions to Delegated Regulation (EU) 2015/61 for the Liquidity Coverage Ratio. The adopted revisions were published in the Official Journal of the European Union on 30 October 2018. They apply from eighteen months after publication, that is 30 April 2020. If the revisions remain in their currently adopted format, certain securitisations which would currently be designated as high quality liquid assets ("**HQLA**") for the purposes of the Liquidity Coverage Ratio would likely cease to be HQLA following the application date of the revised delegated regulations unless they are at such time classified as Simple, Transparent and Standardised securitisations ("**STS securitisations**") under the Securitisation Regulation (as defined below). No assurance can be given at this stage that the Transaction will be designated as an STS securitisation at any time in the future, although the current intention is that it will qualify as an STS securitisation. There is a risk that any Notes that are not STS as at the application date of the revised delegated regulations will not be eligible as HQLA for the purposes of the Liquidity Coverage Ratio from such date.

CRA3

Regulation (EU) 462/2013 of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies ("**CRA3**") came into force on 20 June 2013. CRA3 has subsequently been supplemented by Delegated Regulation (EU) 2015/3 of 30 September 2014 (the "**CRA3 RTS**").

Article 8(c) of CRA 3 introduced a requirement that where an issuer or a related third party intends to solicit a credit rating of a structured finance instruments, it shall obtain two independent ratings for such instruments. Article 8(d) of CRA 3 has introduced a requirement that where an issuer or a related third party intends to appoint at least two credit rating agencies to rate the same instrument, the issuer or a related third party shall consider appointing at least one rating agency having less than a 10 per cent. market share among agencies capable of rating that instrument. The Issuer intends to have two rating agencies appointed, but does not make any representation as to market share of either agency, and any consequences for the Issuer, related third parties and investors if an agency does not have a less than 10 per cent. market share are not specified.

Investors should consult their legal advisors as to the applicability of CRA 3 and any consequence of non-compliance in respect of their investment in the Notes.

The Securitisation Regulation, the CRR Amendment Regulation and other applicable regulations

A regulation (Regulation (EU) 2017/2401) to amend the CRR (together with any regulatory and implementing technical standards supplementing such regulation from time to time, the "**CRR Amendment Regulation**") and a regulation (Regulation (EU) 2017/2402) aiming to create a general European framework for securitisation and a specific framework for "simple, transparent and standardised" securitisation (together with any regulatory and implementing technical standards supplementing such regulation from time to time and official guidance related thereto, the **"Securitisation Regulation**") were published in the Official Journal of the European Union on 28 December 2017 and entered into force on 17 January 2018. The Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019.

Investors should be aware of the risk retention, due diligence and transparency requirements set out in the Securitisation Regulation and the CRR Amendment Regulation (and of any corresponding implementing rules of their regulator), in addition to any other regulatory requirements that are (or may become) applicable to them and/or with respect to their investment in the Notes. Each investor should consult with its own legal, accounting, regulatory and other advisors and/or its regulator before committing to acquire any Notes to determine whether, and to what extent, the information set out in this Prospectus and in any Quarterly Investor Reports or Quarterly Loan-by-Loan Reports provided in relation to the transaction is sufficient for the purpose of satisfying such requirements.

None of the Issuer, the Arranger, the Joint Lead Managers, the Trustee, or the Seller, their respective Affiliates or any other person makes any representation, warranty or guarantee that any such information is sufficient for such purposes or any other purpose or that the structure of the Notes and the transactions described herein are compliant with the requirements under the Securitisation Regulation or the CRR Amendment Regulation or any other applicable legal, regulatory or other requirements. No such person shall have any liability to any prospective investor with respect to any deficiency in such information or any failure of the transactions contemplated hereby to comply with or otherwise satisfy such requirements.

Due Diligence Requirements for Institutional Investors

Article 5 of the Securitisation Regulation contains due diligence requirements (the "**EU Due Diligence Requirements**") that apply to "institutional investors" as defined in Article 2(12) of the Securitisation Regulation ("**Institutional Investors**"). Institutional Investors comprise institutions for occupational retirement provision, credit institutions, alternative investment fund managers that manage and/or market alternative investment funds in the EU, investment firms as defined in the CRR, insurance and reinsurance undertakings, and management companies of UCITS funds (or internally managed UCITS).

These requirements restrict such Institutional Investors from investing in securitisations unless such investors have verified (among other things) that: (i) the originator, sponsor or original lender will retain, on an ongoing basis, a material net economic interest of not less than five per cent. in the securitisation in accordance with the Securitisation Regulation and the risk retention is disclosed to the Institutional Investor; (ii) the originator, sponsor or securitisation special purpose entity ("**SSPE**") has, where applicable, made available the information required by Article 7 of the Securitisation Regulation (as to which see *"Transparency Requirements"* below) in accordance with the frequency and modalities provided for in that Article; and (iii) where the originator or original lender is established in the EU, and is not a credit institution or an investment firm as defined in the CRR, the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving and, (where relevant), amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in accordance with Article 9(1) of the Securitisation Regulation. The EU Due Diligence Requirements also require Institutional Investors to conduct initial and ongoing due diligence with respect to a securitisation, their securitisation positions and the underlying exposures.

Pursuant to Article 14 of the CRR, consolidated affiliates of credit institutions and investment firms subject to the CRR may also be subject to these due diligence requirements.

Failure to comply with one or more of the requirements may result in various penalties including, in the case of those Institutional Investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor.

Transparency Requirements

The originator, sponsor and SSPE (*i.e.* the Issuer) of a securitisation are required to designate amongst themselves, one entity (the "**reporting entity**") to fulfil the reporting requirements in Article 7(1) of the Securitisation Regulation (the "**Transparency Requirements**"). The reporting entity must, on an ongoing basis, make certain prescribed information available to holders of a securitisation position, to the relevant competent authorities and, upon request, to potential investors in the securitisation. The Retention Holders and the Issuer will designate amongst themselves the Issuer to fulfil the applicable Transparency Requirements applicable to the transaction on or prior to the Closing Date.

Under Article 7(1)(b) of the Securitisation Regulation, certain transaction documents and the prospectus are required to be made available before pricing. It is not possible to make final documentation available before pricing and, therefore, draft documentation will be made available prior to pricing in substantially final form and the final Transaction Documents and prospectus will be available on and after the Closing Date on the website of EuroABS (https://www.euroabs.com/IH.aspx?d=13075) or by such other means as are required or as are permitted (and selected by the Issuer) from time to time by the Securitisation Regulation.

Article 7 of the Securitisation Regulation also includes ongoing reporting obligations which include the publication of quarterly portfolio level information reports and quarterly investor reports (together the "**Regulatory Reports**"); any inside information relating to the securitisation that the reporting entity is obliged to make public under the Market Abuse Regulation (Regulation (EU) No 596/2014) ("**Inside Information**"); and, where applicable, information on "significant events" ("**Significant Events**"). Disclosures relating to any Inside Information and, to the extent applicable, Significant Events are required to be made available "**without delay**". It is intended that these requirements will be satisfied by the Issuer as the reporting entity, procuring the publication of (i) the Quarterly Loan-by Loan Reports and the Quarterly Investor Reports on a quarterly basis, and (ii) any Inside Information and any required information relating to Significant Events without delay.

On 16 October 2019, the European Commission published Delegated Regulation (C(2019) 7334 final) supplementing the Securitisation Regulation with regulatory technical standards specifying the information to be made available for the purposes of the obligations set out in Article 7(1)(a) and (e) of the Securitisation Regulation (the "**Transparency RTS**") by originators, sponsors and/or SSPEs. The Transparency RTS have been laid before the European Council and the European Parliament for a three month review period, during which either may object and veto the Transparency RTS, however this is not expected in view of timing, current politics, and the technical nature of this document. Following the expiration of the three month review period without objection, the Transparency RTS will be published in the Official Journal of the European Union. The Transparency RTS will enter into force on the twentieth day after their publication and the Transparency RTS could enter into force in February 2020.

The transitional provisions of the Securitisation Regulation with respect to the Transparency Requirements provide that until the adoption of the Transparency RTS, for the purposes of the Regulatory Reports, the reporting entity shall make available the information referred to in Annexes I to VIII of the CRA3 RTS to the extent applicable to the relevant transaction (the "**Transitional Reporting Provisions**"). Currently, there is no dedicated CRA3 RTS template for investor reports in relation to SME loan transactions (other than with respect to content of investor reports set out in Annex VIII of the CRA3 RTS), nor is it expected that one will be developed in accordance with the CRA3 RTS. As such, prior to the application of the Transparency RTS, for the purposes of complying with the obligations under subparagraphs (a) and (e) of Article 7(l), the Issuer as the reporting entity, will procure that the information referred to in Annex III and Annex VIII of the CRA3 RTS is made available through the Quarterly Investor Reports and the Quarterly Loan-by-Loan Reports.

On 30 November 2018, the European Banking Authority (the "**EBA**"), ESMA and the European Insurance and Occupational Pensions Authority (the "**ESAs**") published a joint statement (the "**Joint Statement**") regarding the reporting templates to be used for the Regulatory Reports in the period until the Transparency RTS apply.

The ESAs noted the operational difficulties of compliance with the Transparency Requirements using the CRA3 RTS templates and stated that they expect national Competent Authorities to generally apply their supervisory powers in their day-to-day supervision and enforcement of applicable legislation in a proportionate and risk-based manner. This approach entails that the Competent Authorities can, when examining reporting entities' compliance with the disclosure requirements of the Securitisation Regulation, take into account the type and extent of information already being disclosed by reporting entities and does not require general forbearance,

but a case-by-case assessment by the Competent Authorities of the degree of compliance with the Securitisation Regulation.

The Joint Statement is not a legally binding document and there is currently uncertainty in relation to the legal position as regards the form of Quarterly Investor Report and the Quarterly Loan-by-Loan Report until the date of application of the Transparency RTS. However, in light of the Joint Statement, the Transaction will initially seek to comply with subparagraphs (a) and (e) of Article 7(1) and make available the information referred to in Annex III and Annex VIII of the CRA3 RTS through the Quarterly Loan-by-Loan Reports and the Quarterly Investor Reports. Investors should note that it is for relevant Competent Authorities to determine whether they consider that this form of reporting satisfies the Transparency Requirements and none of the Issuer, the Reporting Agent, the Trustee or any other person gives any assurance as to whether this form of reporting will satisfy the applicable Transparency Requirements.

Once the Transparency RTS apply the Issuer as the reporting entity, will be required to procure that publication of the Quarterly Loan-by-Loan Reports and Quarterly Investor Reports in accordance with the requirements of Article 7(1)(a) and (e) of the Securitisation Regulation and the Transparency RTS.

With respect to the transparency obligations of the Issuer under Article 7, please see the information in the section entitled "*Transaction Documents - Reporting Agency Agreement*"

It should be noted that any failure by the Issuer, as the reporting entity (or any party acting on behalf of the reporting entity) to fulfil the Transparency Requirements applicable to the Issuer may cause the transaction to be non-compliant with the Securitisation Regulation.

Securitisation Regulation – STS

The Transaction is intended to qualify as a simple, transparent and standardised ("**STS**") securitisation within the meaning of article 18 of the Securitisation Regulation. The Retention Holders have used the services of PCS, as a verification agent authorised under article 28 of the Securitisation Regulation in connection with the STS Verification and to prepare an assessment of compliance of the Notes with the relevant provisions of Article 243 of the CRR and, in respect of the Class A1 Notes, Article 13 of the LCR Regulation (together with the STS Verification, the "**STS Assessment**"). It is expected that the STS Assessment prepared by PCS will be available on the PCS website (https://www.pcsmarket.org/sts-verificationtransactions/) together with a detailed explanation of its scope at https://www.pcsmarket.org/disclaimer. For the avoidance of doubt, this PCS website and the contents thereof do not form part of this Prospectus. No assurance can be provided that the Transaction does or continues to qualify as an STS securitisation under the Securitisation Regulation on the Closing Date nor at any point in time in the future. None of the Issuer, the Seller, any Retention Holder, the Arranger, the Joint Lead Managers, Zopa or any other party to the Transaction Documents makes any representation or accepts any liability for the Securitisation to qualify as an STS securitisation under the Securitisation Regulation on the Closing Date nor at any point in time in the future.

Within 15 Business Days of the Closing Date, it is intended that the Retention Holders, as originators, will jointly submit the STS Notification to ESMA, in accordance with article 27 of the Securitisation Regulation, and to the FCA confirming that the STS Requirements have been satisfied with respect to the Transaction.

The Retention Holders have (prior to pricing) made available to the holders of the Notes (through the website of EuroABS at https://www.euroabs.com/IH.aspx?d=13075) a cashflow model, either directly or indirectly through one or more entities which provide such cashflow models to investors generally. The Retention Holders shall procure that such cashflow model (i) precisely represents the contractual relationship between the Loans and the payments flowing between the originators, the Sellers, investors in the Notes, other third parties and the Issuer, and (ii) is made available (through the website of EuroABS at https://www.euroabs.com/IH.aspx?d=13075) to investors in the Notes on an ongoing basis and to potential investors in the Notes upon request.

Recourse and Security

The Purchased Loan Assets constitute unsecured obligations of the relevant Zopa Borrower. In the event of a default by a Zopa Borrower, the Issuer would rank alongside, and with full right of recourse to the assets of such Zopa Borrower, as its other general, unsecured creditors. The Issuer would, however, have fewer rights than secured creditors of such Zopa Borrower.

Credit Assessment Process

The Purchased Loan Assets were originated in the ordinary course of Zopa's business (in the sole opinion of Zopa) pursuant to underwriting standards which are no less stringent than those applied to Loan Assets which will not be securitised. Each Loan has been approved in accordance with principles and processes set out in the Zopa Principles and Underwriting Guidelines applicable as at the time of approval, including, among others:

(a) assessment of the potential borrower's creditworthiness, prior to concluding a Loan Agreement, on the basis of information obtained both from the applicant and relevant databases and which takes appropriate account of factors relevant to verifying the prospect of the applicant's meeting its obligations under the Loan Agreement;

(b) Loan Agreements do not envisage and include the ability to significantly increase the amount of credit after conclusion of a Loan Agreement and a request by an existing Zopa Borrower to increase the total amount of credit after the conclusion of the Loan Agreement would therefore be treated as a new application, requiring reassessment of the borrower's creditworthiness and financial information;

(c) the procedures and information on which the assessment is based are documented and maintained in the Platform Servicer's records systems;

(d) there is no option for the investor to cancel or alter the Loan Agreement once concluded to the detriment of the Zopa Borrower, on the grounds that the assessment of creditworthiness was incorrectly conducted;

(e) applications for credit should be approved only where the result of the creditworthiness assessment indicates that the obligations resulting from the Loan Agreement are likely to be met in the manner required under that Loan Agreement.

Loan Portfolio Selection

As of the Loan Portfolio Cut-Off Date, to the best of the knowledge of the Retention Holders:

(a) no Purchased Loan Asset should be considered to be an exposure in default within the meaning of Article 178(1) of Regulation (EU) 575/2013; and

(b) no Obligor in relation to a Purchased Loan Asset should be regarded as credit-impaired within the meaning of Article 20(11)(a), (b) or (c) of the Securitisation Regulation,

in each case, as such requirements are interpreted in the published guidelines of the European Banking Authority of 12 December 2018 on the STS criteria for non-ABCP securitisation.

Arrears and Default Procedures

The Platform Servicer has well documented and adequate policies, procedures and risk management controls pursuant to which it manages the ongoing loan monitoring and servicing for loans originated on the Zopa Platform, subject to and in accordance with the Master Framework Agreement, the Servicing Agreement and the Collections Policy, which contain the relevant definitions, remedies and actions relating to the procedures and policies of the Platform Servicer for addressing delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.

Uncertainties in the Scope of the Requirements of the Securitisation Regulation

Aspects of the detail and effect of the Securitisation Regulation and what is, or will be, required to demonstrate compliance to Competent Authorities remain unclear. The EU authorities have published only

limited binding guidance relating to the satisfaction of the requirements of the Securitisation Regulation by an institution similar to the Retention Holders. Furthermore, any relevant regulator's views with regard to the Securitisation Regulation may not be based exclusively on technical standards, guidance or other information known at this time.

If a Competent Authority determines that the transaction or an Institutional Investor's investment in such transaction did not comply or is no longer in compliance with the Securitisation Regulation, then: (i) investors may be subject to regulatory sanctions and, where relevant, be required by their regulator to set aside additional capital against their investment in the Notes or take other remedial measures in respect of their investment in the Notes; and (ii) the Retention Holders and/or the Issuer may be subject to administrative and/or criminal sanctions. Any such sanctions levied on the Retention Holders and/or Issuer may materially adversely affect their ability to perform their obligations under the Transaction Documents and, in the case of the Issuer, the Notes which may have a negative impact on the price and liquidity of the Notes in the secondary market.

Any changes in the law or regulation, the interpretation or application of any law or regulation or changes in the regulatory capital treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market.

No assurance can be given that the Securitisation Regulation, or the interpretation or application thereof, will not change, and, if any such change is effected, whether such change would affect the regulatory position of current or future investors in the Notes. The Retention Holders do not have an obligation to change the quantum or nature of its holding of the Class Z Notes due to any future changes in the Securitisation Regulation or in the interpretation thereof.

Relevant investors are required to independently assess and determine the sufficiency of the information described herein for the purposes of complying with any relevant requirements. None of the Arranger, the Joint Lead Managers, the Issuer, the Reporting Agent, the Trustee, the Seller, the Principal Paying Agent, the Cash Manager and Calculation Agent, any other Agent, their respective Affiliates or any other Person makes any representation, warranty or guarantee that any information described herein is sufficient in all circumstances for such purposes or any other purpose or that the structure of the Notes, the Retention Holders (including their holding of the Class Z Notes) and the transactions described herein are compliant with the Securitisation Regulation, the EU Due Diligence Requirements thereunder or any other applicable legal or regulatory or other requirements and no such person shall have any liability to any prospective investor or investor with respect to any deficiency in such information or any failure of the transactions or structure contemplated hereby to comply with or otherwise satisfy such requirements.

U.S. Risk Retention Rules

Section 941 of the Dodd-Frank Act amended the Exchange Act to generally require the "securitiser" of a "securitisation transaction" to retain at least 5 per cent. of the "credit risk" of "securitised assets", as such terms are defined for purposes of that statute, and generally prohibit a securitiser from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitiser is required to retain. Final rules implementing the statute (the "**U.S. Risk Retention Rules**") came into effect on 24 December 2016 with respect to non-RMBS securitisations. The U.S. Risk Retention Rules provide that the securitiser of an asset-backed securitisation is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The transaction described herein is not structured to comply with the U.S. Risk Retention Rules, and no party to the transaction intends to retain at least 5 per cent. of the credit risk of the securitized assets for purposes of compliance with the U.S. Risk Retention Rules. Instead, the Seller intends to rely on an exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as Risk Retention U.S. Persons); (3) neither the sponsor nor the issuer is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Seller has advised the Issuer that it has not acquired, and it does not intend to acquire more than 25 per cent. of the assets from an affiliate or branch of the Seller or the Issuer that is organised or located in the United States.

Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules (referred to as Risk Retention U.S. Persons for the purposes of this Prospectus) is substantially similar to, but not identical to, the definition of "U.S. person" under Regulation S, and that persons who are not "U.S persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h), which are different than comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

(a) Any natural person resident in the United States;

(b) Any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;

(c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

(e) Any agency or branch of a foreign entity located in the United States;

(f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) Any partnership, corporation, limited liability company, or other organisation or entity if:

(i) Organised or incorporated under the laws of any foreign jurisdiction; and

(ii) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act;

Each holder of a Note or a beneficial interest acquired in the initial distribution of the Notes, by its acquisition of a Note or a beneficial interest in a Note, will be deemed and, in certain circumstances, will be required to represent to the Issuer, the Seller, the Retention Holder, the Arranger and the Joint Lead Managers that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

The Seller, the Retention Holder, the Issuer, the Arranger and the Joint Lead Managers are relying on the deemed representations made by purchasers of the Notes and may not be able to determine the proper characterisation of potential investors for such restriction or for determining the availability of the exemption provided for in Section 20 of the U.S. Risk Retention Rules, and neither the Arranger, the Joint Lead Managers nor any person who controls it or any director, officer, employee, agent or Affiliate of the Arranger or the Joint Lead Managers accepts any liability or responsibility whatsoever for any such determination or characterisation.

Failure on the part of the Seller to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action against the Seller which may adversely affect the Notes and the ability of the Seller to perform its obligations under the Transaction Documents. Furthermore, a failure by the Seller to comply with the U.S. Risk Retention Rules could negatively affect the value and secondary market liquidity of the Notes.

None of the Arranger, the Joint Lead Managers, the Issuer or any other transaction party or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

European Market Infrastructure Regulation

The European Market Infrastructure Regulation EU 648/2012 as amended by Regulation EU 2019/834 ("**EMIR**") and its various delegated regulations and technical standards impose a range of obligations on parties to "over-the-counter" ("**OTC**") derivative contracts according to whether they are "financial counterparties" such as investment firms, alternative investment funds (see "*Alternative Investment Fund Managers Directive*" below), credit institutions and insurance companies, or other entities which are "non-financial counterparties" (or third country entities equivalent to "**financial counterparties**" or "**non-financial counterparties**").

Financial counterparties (as defined in EMIR) above the clearing threshold (being when the gross notional value of all OTC derivative contracts entered into by the financial counterparty and other entities within its "group" exceeds certain thresholds (set per asset class of OTC derivatives)) will be subject to a general obligation to clear through a duly authorised or recognised central counterparty (the "**clearing obligation**") certain asset classes of OTC derivative contracts entered into with other counterparties subject to the clearing obligation. In addition, under EMIR, counterparties must also report the details of all derivative contracts to a trade repository (the "**reporting obligation**"), and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the "**risk mitigation obligations**"). Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged (the "**margin requirement**"). To the extent that the Issuer becomes a financial counterparty, this may lead to a termination of the Interest Rate Hedge Agreement or restricting of its terms.

Non-financial counterparties (as defined in EMIR) are exempted from the clearing obligation and certain additional risk mitigation obligations (such as the posting of collateral) provided the gross notional value of all OTC derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its "group", excluding eligible hedging transactions, does not exceed certain thresholds (set per asset class of OTC derivatives). If the Issuer is considered to be a member of a "group" (as defined in EMIR) (which may, for example, potentially be the case if the Issuer is consolidated by a Noteholder as a result of such Noteholder's holding of a significant proportion of the Class Z Notes) and if the aggregate notional value of OTC derivative contracts entered into by the Issuer (in addition to the Interest Rate Hedge Agreement) and any non-financial entities within such group exceeds the applicable thresholds, the Issuer would be subject to the clearing obligation, or if the relevant contract is not a type required to be cleared, to the risk mitigation obligations, including the margin requirement.

Key details in respect of the clearing obligation and the margin requirement and their applicability to certain classes of OTC derivative contracts are to be provided through corresponding regulatory technical standards. Whilst regulatory technical standards have largely been published in respect of certain classes of OTC derivative contracts, others may be proposed.

Clearing obligation

To date, three sets of regulatory technical standards governing the mandatory clearing obligation for certain classes of OTC derivative contracts have been published introducing clearing obligations with effect from various dates depending on different categorisations of the parties involved and the relevant class of OTC derivatives contracts.

Margin requirements

On 4 October 2016, the European Commission adopted regulatory technical standards on risk-mitigation techniques for OTC derivative contracts not cleared by a central clearing counterparty to the European Commission (the "**RTS**"). The RTS were published in the Official Journal on 15 December 2016 and entered into force on 4 January 2017.

The RTS detail the risk mitigation obligations and margin requirements in respect of non-cleared OTC derivatives as well as specify the criteria regarding intragroup exemptions and provide that the margin requirement will take effect on dates ranging originally from one (1) month after the RTS entered into force (for certain entities with a non-cleared OTC derivative portfolio above €3 trillion) to 1 September 2020 (for certain entities with a non-cleared OTC derivative portfolio above €8 billion). The margin requirements apply to financial counterparties and non-financial counterparties above the clearing threshold and, depending on the counterparty, will require collection and posting of variation margin and, for the largest counterparties/groups, initial margin.

If the Issuer becomes subject to the clearing obligation or to the margin requirement, it is unlikely that it would be able to comply with such requirements, which would adversely affect the Issuer's ability to enter into the Interest Rate Hedge Agreement or significantly increase the cost thereof, negatively affecting the Issuer's ability to hedge its interest rate risk. As a result of such increased costs, additional regulatory requirements and limitations on ability of the Issuer to hedge interest rate and currency risk, the amounts payable to Noteholders may be negatively affected.

The Interest Rate Hedge Agreement may also contain early termination events which are based on the application of EMIR and which may allow the relevant counterparty to terminate the Interest Rate Hedge Agreement upon the occurrence of an adverse EMIR-related event. The termination of the Interest Rate Hedge Agreement in these circumstances may result in a termination payment being payable by the Issuer.

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts (including the potential for non-financial counterparties such as the Issuer to become subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivatives such as the Interest Rate Hedge Agreement). These changes may adversely affect the Issuer's ability to manage interest rate risk. As a result of such increased costs and/or additional regulatory requirements, investors may receive significantly less or no interest or return, as the case may be. Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") introduced authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If the Issuer were to be considered to be an AIF within the meaning in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). If considered to be an AIF, the Issuer would also be classified as a "financial counterparty" under EMIR, unless it is categorised as a "securitisation special purpose entity" as referred to in point (g) of Article 2(3) of AIFMD (the "**SSPE Exemption**"), and may be required to comply with clearing obligations with respect to the Interest Rate Hedge Agreement and obligations to post margin to any central clearing counterparty or market counterparty. See also "*European Market Infrastructure Regulation*" above.

ESMA has not yet given any formal guidance on the application of the SSPE Exemption or whether a vehicle such as the Issuer would fall within it. However, as regards the position in Ireland, the Central Bank has confirmed that pending such further clarification from ESMA, "registered financial vehicle corporations" with the meaning of Article 1(2) of Regulation (EU) No 1075/2013 of the European Central Bank, such as the Issuer, do not need to seek authorisation as an AIF or appoint an AIFM unless the Central Bank issues further guidance advising them to do so.

Retention Financing

The Retention Holders may enter into financing arrangements in respect of its assets, which will include the Notes. The Class Z Notes having a Principal Amount Outstanding of not less than five (5) per cent. of the Aggregate Collateral Principal Balance which the Retention Holder is required to acquire in order to comply with the Securitisation Regulation (such arrangements in respect of the Notes, if any, the "**Retention Financing Arrangements**") and in respect of any Retention Financing Arrangements, may either grant security over, or transfer title to, such Class Z Notes in connection with such financing. If the collateral arrangements in respect of any Retention Financing Arrangements are by way of title transfer, the Retention Holders would retain the economic risk in such Class Z Notes but not legal ownership of them. None of the Retention Holders, any Agent, the Issuer, the Trustee, the Arranger, the Joint Lead Managers or any of their respective Affiliates makes any representation, warranty or guarantee that any Retention Financing Arrangements will comply with the Securitisation Regulation. In particular, should the Retention Holders default in the performance of their

obligations under Retention Financing Arrangements, the lender or lenders thereunder would have the right to enforce the security granted by the Retention Holders, including effecting the sale or appropriation of some or all of such Notes or, if the collateral arrangements in respect of such Retention Financing Arrangements are by way of title transfer, the Retention Holders would not be entitled to have such Class Z Notes (or equivalent securities) returned to it. In exercising its rights pursuant to any Retention Financing Arrangements, any lender would not be required to have regard to the Securitisation Regulation and any such sale or appropriation may therefore cause the transaction described in this Prospectus to be non-compliant with the Securitisation Regulation.

The term of any Retention Financing Arrangements may be considerably shorter than the effective term of the Notes, and separately, or as a result of other terms of the Retention Financing Arrangements may require the Retention Holders to repay or refinance the Retention Financing Arrangements whilst some or all Classes of Notes are Outstanding. If refinancing opportunities were limited at such time and the Retention Holders were unable to repay the retention financing from its own resources, the Retention Holders could be forced to sell some or all of the Notes held by it in order to obtain funds to repay the retention financing without regard to the Securitisation Regulation, and such sales may therefore cause the transaction described in this Prospectus to be non-compliant with the Securitisation Regulation.

Anti-Money Laundering, Anti-Terrorism, Anti-Corruption, Bribery and Similar Laws May Require Certain Actions or Disclosures

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**AML Requirements**"). Any of the Issuer, the Agents or the Trustee could be requested or required to obtain certain assurances from prospective investors intending to purchase Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that the Issuer, the Agents and the Trustee will comply with AML Requirements to which they are or may become subject and to interpret such AML Requirements broadly in favour of disclosure. In addition, it is expected that each of the Issuer, the Agents and the Trustee intends to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith. A Noteholder may also be obliged to provide information they may have previously identified or regarded as confidential to satisfy the Issuer AML Requirements.

Legal considerations may restrict certain investments

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

The Common Reporting Standard

The common reporting standard framework was first released by the Organisation for Economic Co-Operation and Development ("**OECD**") in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the Common Reporting Standard (the "**CRS**"). The goal of the CRS is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements the CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year (or from 2018 in the case of Austria).

Regulated Banking Activity

While non-bank lending is currently being promoted within the EU, in many jurisdictions, especially in continental Europe, engaging in lending activities "in" certain jurisdictions particularly via the original extension of credit granting a loan, the servicing of a loan and in some cases including purchases of receivables, discounting of invoices, guarantee transactions or otherwise (collectively, "**Regulated Banking Activities"**) is generally considered a regulated financial activity and, accordingly, must be conducted in compliance with applicable local banking laws (or the AIFMD, in the case of European long-term investment funds). Although a number of jurisdictions have consulted and published guidance on non-bank lending, in many such jurisdictions, there is comparatively little statutory, regulatory or interpretive guidance issued by the competent authorities or other authoritative guidance as to what constitutes the conduct of Regulated Banking Activities in such jurisdictions.

As such, if any Zopa Borrower after the date on which the Purchased Loan Asset was advanced, is no longer a UK resident the Purchased Loan Assets may be subject to these local law requirements. Moreover, these regulatory considerations may differ depending on the country in which each Zopa Borrower is located or domiciled, on the type of Zopa Borrower and other considerations. Therefore, at the time when the Purchased Loan Assets are acquired by the Issuer, there can be no assurance that, as a result of the application of regulatory law, rule or regulation or interpretation thereof by the relevant governmental body or agency, or change in such application or interpretation thereof by such governmental body or agency, payments on the Purchased Loan Assets might not in the future be adversely affected as a result of such application of regulatory law or that the Issuer might become subject to proceedings or action by the relevant governmental body or agency, which if determined adversely to the Issuer, may adversely affect its ability to make payments in respect of the Notes.

EU Bank Recovery and Resolution Directive

The EU Bank Recovery and Resolution Directive (2014/59/EU) and amending Directive (EU) 2019/879 (collectively with secondary and implementing EU rules, and national implementing legislation, the "**BRRD**") equips national authorities in Member States (the "**Resolution Authorities**") with tools and powers for preparatory and preventive measures, early supervisory intervention and resolution of credit institutions and significant investment firms (collectively, "**relevant institutions**"). If a relevant institution enters into an arrangement with the Issuer and is deemed likely to fail in the circumstances identified in the BRRD, the relevant Resolution Authority may employ such tools and powers in order to intervene in the relevant institution's failure (including in the case of derivatives transactions, powers to close-out such transactions or suspend any rights to close-out such transactions). In particular, liabilities of relevant institutions arising out of the Transaction Documents not otherwise subject to an exception, could be subject to the exercise of "bail-in" powers of the relevant Resolution Authorities. It should be noted that certain secured liabilities of relevant institutions are excepted. If the relevant Resolution Authority decides to "bail-in" the liabilities of a relevant institution, then subject to certain exceptions set out in the BRRD, the liabilities of such relevant institution could, among other things, be reduced, converted or extinguished in full. As a result, the Issuer and ultimately, the Noteholders may not be able to recover any liabilities owed by such an entity to the Issuer. In addition, a relevant Resolution Authority may exercise its discretions in a manner that produces different outcomes amongst institutions resolved in different EU Member States. It should also be noted that similar powers and provisions are being considered in the context of financial institutions of other jurisdictions.

The European Commission adopted a set of draft regulatory technical standards in respect of the valuation of derivatives for the purposes of the BRRD on 23 May 2016. They were published in the Official Journal on 8 July 2016 and entered into force on 28 July 2016 and provide, among other things, that the relevant Resolution Authorities will have the power to terminate swap agreements (as part of the bail-in process) and to value the position thereunder. This will therefore limit any control the Issuer or the Trustee may have in respect of the valuation process, which may be detrimental to the Issuer and consequently, the Noteholders.

Resolution Authorities also have the right to amend certain agreements, under Applicable Laws, regulations and guidance ("**Stay Regulations**"), to ensure stays or overrides of certain termination rights. Such special resolution regimes ("**SRRs**") vary from jurisdiction to jurisdiction, including differences in their respective implementation dates. In the UK, the Prudential Regulation Authority ("**PRA**") has implemented rules (Appendix 1 to the PRA's policy statement 25/15) which requires relevant institutions to ensure that the discretion of the PRA to temporarily suspend termination and security interests under the relevant SRR is respected by counterparties. Any applicable Stay Regulations may result in the Issuer not being able to immediately enforce liabilities owed by relevant institutions that are subject to "stays" under SRRs.

The resolution mechanisms under the BRRD correspond closely to those available to the Single Resolution Board (the "**SRB**") and the European Commission under the single resolution mechanism provided for in the SRM Regulation.

The SRM Regulation applies to participating Member States (including Member States outside the Eurozone that voluntarily participate through a close co-operation agreement). In such jurisdictions, the SRB will take on many of the functions that would otherwise be assigned to national Resolution Authorities by the BRRD. If a Member State outside the Eurozone (such as the UK) has chosen not to participate in the bank single supervisory mechanism, relevant institutions established in such Member State will not be subject to the SRM Regulation, but to the application of the BRRD by the Resolution Authorities. It is possible, on the specific facts of a case, that resolution plans and resolution decisions made by the SRB may differ from the resolution schemes that would have been applied by the Resolution Authorities. Therefore, the way in which a relevant institution is resolved and ultimately, the effect of any such resolution on the Issuer and the Noteholders may vary depending on the authority applying the resolution framework.

Volcker Rule

Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") prevents "banking entities" (a term which includes U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates, regardless where such affiliates are located) from (i) engaging in proprietary trading in financial instruments, (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund" and (iii) entering into certain relationships with such funds, subject to certain exemptions.

An "ownership interest" is defined widely and may arise through a holder's exposure to the profits and losses of the "covered fund", as well as through certain rights of the holder to participate in the selection or removal of an investment advisor, investment manager, or general partner, trustee, or member of the board of directors of the "covered fund". A "covered fund" is defined widely, and includes any issuer which would be an investment company under the Investment Company Act of 1940 (the "**ICA**") but is exempt from registration solely in reliance on section 3(c)(1) or 3(c)(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations.

The Issuer has structured its operations with the intention of being excluded from being considered a "covered fund" within the meaning of the Volcker Rule. If the Issuer is deemed to be a "covered fund", the provisions of the Volcker Rule and its related regulatory provisions, will severely limit the ability of "banking entities" to hold an "ownership interest" in the Issuer or enter into certain credit related financial transactions with the Issuer. "Ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund or through any right of the holder to participate in the selection of an investment manager or advisor or the board of directors of such covered fund. The Class Z Notes would likely be characterised as ownership interests in the Issuer for this purpose and it is uncertain whether any of the Rated Notes may be similarly characterised as ownership interests.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant individual prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. There is limited interpretive guidance regarding the Volcker Rule, and implementation of the regulatory framework for the Volcker Rule is still evolving. The Volcker Rule's prohibitions and lack of interpretive guidance could negatively impact the liquidity and value of the Notes. Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in "ownership interests" of the Issuer should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally. Each investor must determine for itself whether it is a "banking entity" subject to regulation under the Volcker Rule. If investment by "banking entities" in the Notes of any Class is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Notes. None of the Issuer, the Arranger, the Joint Lead Managers or the Trustee makes any representation regarding (i) the status of the Issuer under the Volcker Rule or (ii) the ability of any purchaser to acquire or hold the Notes, now or at any time in the future.

UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Notes and is an overview of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs (HMRC) practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. It does not necessarily apply to certain classes of person (such as dealers) or where the income is deemed for tax purposes to be the income of any other person. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. References to "interest" refer to interest as that term is understood for United Kingdom tax purposes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future (possibly with retrospective effect). Prospective investors in the Notes should consult their own advisors as to the United Kingdom or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local tax laws.

Interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax provided the Notes are and remain listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in Member States of the European Economic Area and are admitted to trading on Euronext Dublin. The Official List of Euronext Dublin is a "recognised stock exchange" for the purposes of section 1005 of the Income Tax Act 2007. Provided, therefore, that the Official List of Euronext Dublin remains a "recognised stock exchange", the Notes carry a right to interest and the Notes are and remain listed and admitted to trading on the Official List of Euronext Dublin, interest on the Notes will be payable without deduction of or withholding on account of United Kingdom income tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%), subject to any available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to that Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Where Notes are issued at an issue price of less than 100 per cent. of the principal amount, any payments in respect of the discount element on any such Notes should not be subject to any withholding or deduction for or on account of United Kingdom income tax.

Under FATCA, and subject to the proposed regulations discussed below, a "foreign financial institution" may be required to withhold at a rate of 30 per cent. on certain passthru payments it makes to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final regulations defining foreign passthru payments are filed published in the Federal Register generally would be "grandfathered" unless materially modified after such date. Accordingly, if the Issuer is treated as a foreign financial institution, FATCA could apply to payments on the Notes only if there is a significant modification of the Notes for U.S. federal income tax purposes after the expiration of this grandfathering period. Under recently proposed regulations, any withholding on foreign passthru payments on Notes that are not otherwise grandfathered would apply to passthru payments made on or after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued.

Certain governments have entered into agreements with the United States (and additional governments are expected to enter into such agreements) to implement FATCA in a manner that alters the rules described herein.

Investors should consult their own tax advisor to obtain a more detailed explanation of FATCA and how FATCA may affect them. In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Arranger and the Joint Lead Managers will, pursuant to the Subscription Agreement, agree with the Issuer (subject to certain conditions) to subscribe and pay for the Class A1 Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class A1 Notes, the Class A2 Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class A2 Notes, the Class B Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class B Notes, the Class C Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class C Notes, the Class D Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class D Notes and the Class E Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class E Notes.

The Retention Holders will, pursuant to a Retention Notes Subscription Agreement dated on or about the Closing Date between each Retention Holder and the Issuer (the "**Retention Notes Subscription Agreement**"), jointly and severally, agree with the Issuer (subject to certain conditions) to subscribe and pay for the Class Z1 Notes at the issue price of 64.41 per cent. of the aggregate principal amount of such Class Z1 Notes and the Class Z2 Notes at the issue price of 120.15 per cent. of the aggregate principal amount of such Class Z2 Notes. In addition, each Retention Holder has also agreed with the Issuer pursuant to the Retention Note Subscription Agreement to subscribe and pay for the Class F Notes at the issue price of 100 per cent. of the aggregate principal amount of such Class F Notes being acquired.

The Retention Holders undertake in favour of the Arranger and the Joint Lead Managers in the Subscription Agreement that, for so long as any Notes remain outstanding they will, jointly and severally, as "originator" for the purposes of Article 2(3) of the Securitisation Regulation, retain, on an ongoing basis, its Origination Percentage of the Minimum Retained Amount in accordance with the Securitisation Regulation as described in the section entitled "*Certain Regulatory Disclosures*" above. The obligations of the Retention Holders will not be joint and each Retention Holder will undertake severally with respect to the retention of its own Origination Percentage of the Minimum Retained Amount only and not to the retention of the other Retention Holder's Origination Percentage of the Minimum Retained Amount.

Pursuant to the Subscription Agreement and the Zopa Side Agreement, certain parties thereto, including the Issuer, have agreed to indemnify the Arranger and the Joint Lead Managers against certain liabilities and have given certain representations and warranties in favour of the Arranger and the Joint Lead Managers, including with respect to the Loan Portfolio.

Other than admission of the Notes to the Official List and the admission to trading on Euronext Dublin's regulated market (it being understood that such actions alone will not permit a public offering of the Notes to be made), no action has been taken by the Issuer, the Arranger, the Joint Lead Managers or the Retention Holders, which would or has been intended to permit a public offering of the Notes, or possession or distribution of this Prospectus or other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

United Kingdom

Each of the Arranger, the Joint Lead Managers and the Retention Holders has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of 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.

United States

The Notes have not been and will not be registered under the Securities Act or any securities laws or "blue sky" laws of any state or other jurisdiction of the United States 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 Regulation S under the

Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable securities laws. Accordingly, the Notes are being offered outside the United States to persons other than U.S. persons (as defined in and pursuant to Regulation S) in offshore transactions in reliance on Regulation S.

Each of the Arranger and the Joint Lead Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes as part of its distribution at any time or otherwise until 40 days after the later of the commencement of the offering of the Notes and the closing date (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in accordance with Rule 903 or 904 of Regulation S, and it will have sent to each affiliate, distributor, dealer or other person receiving a selling commission, fee or other remuneration (if any)to which it sells 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 of, U.S. persons (as defined in Regulation S).

In addition, until 40 days after the commencement of the offering of any Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States to non-US persons in accordance with Regulation S. The Issuer and the Joint Lead Manager reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Prospectus by any non U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States is prohibited.

Ireland

Each of the Arranger, the Joint Lead Managers and the Retention Holders has represented and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

(a) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and any applicable supporting law, rule or regulation and any Central Bank of Ireland (the "**Central Bank**") rules issued and / or in force pursuant to Section 1363 of the Companies Act;

(b) the Companies Act 2014;

(c) the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. No. 375/2017) (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, and any enactment, imposed or approved by the Central Bank with respect to anything done by it in relation to the Notes, including, without limitation, Parts 6, 7, and 12 thereof and the provisions of the Investor Compensation Act 1998;

(d) Market Abuse Regulation (EU 596/2014), the Market Abuse Directive on Criminal Sanctions for market abuse (Directive 2014/57/EU), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules issued by the Central Bank pursuant thereto or Section 1370 of the Companies Act and will assist the Issuer in complying with its obligations thereunder;

(e) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs); and

(f) the Irish Central Bank Acts 1942 – 2018 (as amended) and any codes of conduct, practices and rules made under Section 117(1) of the Central Bank Act 1989 (as amended) or any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended).

European Economic Area

Each of the Arranger, the Joint Lead Managers and the Retention Holders has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of directive (EU) 2016/97 (known as the Insurance Distribution Directive) as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation;

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes; and

(c) the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129).

General

Each of the Arranger, the Joint Lead Managers and the Retention Holders 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 and all offers and sales of Notes by it will be made on the same terms.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of the Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes (including interests therein represented by a Global Note or a Book-Entry Interest) have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state of the United States or any other relevant jurisdiction and accordingly, may not be offered, sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in accordance with the restrictions described below. The Notes are being offered and sold (i) only outside the United States to persons other than U.S. persons (as defined in Regulation S) or in transactions otherwise exempt from registration under the Securities Act and (ii) to Persons who are not U.S. Risk Retention U.S. Persons.

The Notes may not be offered, sold, pledged or otherwise transferred except in accordance with Regulation S or in transactions otherwise exempt from the registration requirements under the Securities Act, and in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

Any offers, sales or deliveries of the Notes in the United States or to, or for the account or benefit of, U.S. persons (as defined in and pursuant to Regulation S) by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the date that is 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date, may constitute a violation of United States law.

Investors' representations and restrictions on resale

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any purchaser of beneficial interests in the Notes, including interests represented by a Global Note and Book-Entry Interests) will be deemed to have represented and agreed as follows:

(i) if the purchaser is purchasing the Notes within the Distribution Compliance Period, it is located outside the United States and 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 is acquiring such Notes for its own account or as a fiduciary or agent for other non-U.S. persons in an **offshore transaction** (as defined in Regulation S, an offshore transaction) pursuant to an exemption from registration provided by Regulation S;

(ii) if it is acquiring such Notes as part of the initial distribution of the Notes, (1) it is not a Risk Retention U.S. Person and (2) it is not acquiring such Note or a beneficial interest therein in contemplation of selling such Note or beneficial interest therein to a Risk Retention U.S. Person as part of a plan or scheme to evade the requirements of the U.S. Risk Retention Rules;

(iii) 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, and (iii) such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing;

(iv) such Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act and such Notes have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and 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 Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws; and

(v) it understands that the Issuer, the Registrar, the Arranger, the Joint Lead Managers and its Affiliates, and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements contained in this section "*Transfer Restriction*s."

Legend

Unless determined otherwise by the Issuer in accordance with Applicable Law and so long as any of the Notes is outstanding, the Global Note will bear a legend substantially as set forth below:

EACH PURCHASER OF A NOTE OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL DISTRIBUTION OF THE NOTES, BY ITS ACQUISITION OF THIS NOTE OR A BENEFICIAL INTEREST THEREIN WILL BE DEEMED TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON, (2) IS ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING THIS NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 20 OF THE U.S. RISK RETENTION RULES).

NEITHER THIS NOTE NOR BENEFICIAL INTERESTS HEREIN HAVE BEEN OR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

THIS NOTE NOR BENEFICIAL INTERESTS HEREIN MAY NOT BE OFFERED, SOLD OR DELIVERED 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) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR A TRANSACTION NOT SUBJECT TO, 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.

THE FOREGOING PARAGRAPH SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF THIS NOTE FORMS PART.

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, ANY TRANSFER OF THE NOTES MAY ONLY BE MADE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT. ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG TO THE REGISTRAR OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG (AND ANY PAYMENT HEREON IS MADE TO EUROCLEAR OR CLEARSTREAM, LUXEMBOURG OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF EUROCLEAR OR CLEARSTREAM, LUXEMBOURG), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, EUROCLEAR OR CLEARSTREAM, LUXEMBOURG, HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF THE COMMON SAFEKEEPER OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL NOTE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN ANY APPLICABLE REGULATIONS.

THE PURCHASER OR ACQUIROR ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

THE ISSUER HAS THE RIGHT TO COMPEL ANY HOLDER OF NOTES REPRESENTED BY THIS GLOBAL NOTE OR BENEFICIAL OWNER OF ANY INTEREST THEREIN THAT IS (1) A U.S. PERSON

WITHIN THE MEANING OF REGULATION S OR (2) ON THE CLOSING DATE, A RISK RETENTION U.S. PERSON, IN EACH CASE TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, AT THE LOWEST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF. IN ADDITION, THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF NOTES OR ANY INTEREST THEREIN TO A PERSON WHO IS A NOT AN ELIGIBLE TRANSFEREE.

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

LISTING AND GENERAL INFORMATION

It is expected that the admission of the Notes to the Official List and the admission of the Notes to trading on Euronext Dublin's regulated market will be granted on or around 18 December 2019.

The Issuer's LEI number is 213800T5XS8XOE1XCJ21.

For the purposes of the Securitisation Regulation, the securitisation transaction unique identifier number is 213800T5XS8XOE1XCJ21N201901.

The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), since 31 October 2019 (being the date of incorporation of the Issuer) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer.

The auditors for the Issuers are PricewaterhouseCoopers. PricewaterhouseCoopers is a member of the Institute of Chartered Accountants in England and Wales. So long as the Notes are admitted to trading on the Euronext Dublin's regulated market, the most recently published audited annual accounts of the Issuer from time to time shall be filed with Euronext Dublin and shall be available at the registered office of the Issuer in London.

The Issuer does not publish interim accounts.

Since 31 October 2019 (being the date of incorporation of the Issuer), there has been (a) no material adverse change in the financial position or prospects of the Issuer and (b) no significant change in the financial or trading position of the Issuer.

Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.

The issue of the Notes was authorised pursuant to a resolution of the board of directors of the Issuer passed on 16 December 2019.

The following Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISIN and Common Codes:

Class of Notes	ISIN	Common Code
Class A1	XS2083973466	208397346
Class A2	XS2083974274	208397427
Class B	XS2083974431	208397443
Class C	XS2083974514	208397451
Class D	XS2083974860	208397486
Class E	XS2083975081	208397508
Class F	XS2083975164	208397516
Class Z1	XS2083975321	208397532
Class Z2	XS2083975594	208397559

From the date of this Prospectus and for so long as the Notes are listed on the Euronext Dublin's regulated market, physical copies of the following documents may be inspected at (i) the offices of the Issuer at 35 Great St. Helen's, London EC3A 6AP, upon reasonable request, during usual business hours, on any weekday (public holidays excepted); and (ii) on the website of EuroABS at https://www.euroabs.com/IH.aspx?d=13075:

(a) the Constitution of the Issuer incorporating the Memorandum and Articles of Association of the Issuer and any applicable certificates of change of name;

(b) copies of the Marketing Information; and

(c) copies of each of the Transaction Documents.

The contents of the website, https://www.euroabs.com/IH.aspx?d=13075, are for information purposes only and do not form part of this Prospectus. Notwithstanding that the Issuer has selected the same website in compliance with its obligations under Article 7(1) of the Securitisation Regulation and on and following the

authorisation of a Securitisation Repository, it shall select a Securitisation Repository through which the Issuer wishes to fulfil its obligations under Article 7(1) of the Securitisation Regulation, the Issuer shall continue to maintain this website for the purposes of complying with its obligations under the Prospectus Regulation.

Upon reasonable request, the Principal Paying Agent will allow copies of such documents to be taken by Noteholders.

The Cash Manager and Calculation Agent on behalf of the Issuer will publish the Investor Report detailing, among other things, certain aggregated loan data in relation to the Loan Portfolio. Such Investor Reports will be made electronically available and sent to Bloomberg on or prior to each Note Payment Date. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus. Investor Reports will also be made available to the Rating Agencies. For the avoidance of doubt, the posting of such information is not intended to satisfy the Issuer's obligations under the Securitisation Regulation and the website on which the Investor Reports are posted will not be the website that conforms to the requirements set out in Article 7(2) of the Securitisation Regulation.

The Issuer confirms that the Loan Portfolio backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. Investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Investors are advised to review carefully any disclosure in the Prospectus together with any amendments or supplements thereto.

With respect to the regulatory reporting obligations of the Issuer under the Securitisation Regulation, please see the information under the section entitled "*Transaction Documents – Reporting Agency Agreement*".

The total expenses to be paid in relation to admission of the Notes to the Official List and trading on Euronext Dublin's regulated market are estimated to be approximately €22,441.20.

GLOSSARY

"**A* Market Loans**" means Loans which fall within the parameters of Zopa's A* Market specified in the Underwriting Guidelines.

"**A1 Market Loans**" means Loans which fall within the parameters of Zopa's A1 Market specified in the Underwriting Guidelines.

"**A2 Market Loans**" means Loans which fall within the parameters of Zopa's A2 Market specified in the Underwriting Guidelines.

"**Account Bank Agreement**" means the account bank agreement entered into by the Issuer Account Bank, the Cash Manager and Calculation Agent, the Trustee and the Issuer on or before the Closing Date.

"**Account Bank Rating**" means (i) a long-term, issuer default rating by Fitch of A and long term, unsecured, unguaranteed and unsubordinated debt obligations rated by DBRS or a DBRS Critical Obligations Rating of at least A or (ii) a short-term, issuer default rating by Fitch of F1 and long term, unsecured, unguaranteed and unsubordinated debt obligations rated by DBRS or a DBRS Critical Obligations Rating of at least A or (iii) in each case, such other short-term or long-term rating which will not have an adverse effect on the ratings of the Rated Notes.

"**Additional Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

"**Additional List of Loans**" means any list of Additional Loans to be sold by the Seller to the Issuer delivered in accordance with the Loan Sale and Purchase Agreement.

"**Additional Loan Conditions**"" means if, as at the date of the acquisition of an Additional Loan (taking into account all Additional Loans, including those proposed to be sold on such date):

(a) the related Zopa Borrower has made at least one scheduled monthly payment under the Additional Loan;

(b) the weighted average interest rate of all Additional Loans (for the avoidance of doubt, disregarding any Zopa Loan Servicing Fee deductible from the collections relating to such Additional Loans) (weighted by Collateral Principal Balance) is not less than 8.00 per cent. per annum;

(c) the Aggregate Collateral Principal Balance of Additional Loans that are A* Zopa Market Loans with an original term lower or equal to 36 months should not be less than 22.30 per cent. of Aggregate Collateral Principal Balance of all A* Zopa Market Loans comprised in the Additional Loan Portfolio;

(d) the Aggregate Collateral Principal Balance of Additional Loans that are A1 Zopa Market Loans and A2 Zopa Market Loans with an original term lower or equal to 36 months should not be less than 22.50 per cent. of the Aggregate Collateral Principal Balance of all A1 Zopa Market Loans and A2 Zopa Market Loans comprised in the Additional Loan Portfolio;

(e) the Aggregate Collateral Principal Balance of Additional Loans that are B Zopa Market Loans with an original term lower or equal to 36 months should not be less than 26.75 per cent. of the Aggregate Collateral Principal Balance of all B Zopa Market Loans comprised in the Additional Loan Portfolio;

(f) the Aggregate Collateral Principal Balance of Additional Loans that are C1 Zopa Market Loans with an original term lower or equal to 36 months should not be less than 35 per cent. of the Aggregate Collateral Principal Balance of all C1 Zopa Market Loans comprised in the Additional Loan Portfolio;

(g) the Aggregate Collateral Principal Balance of Additional Loans that are A* Zopa Market Loans should not be less than 35 per cent of the Aggregate Collateral Principal Balance of all Additional Loans in the Additional Loan Portfolio;

(h) the Aggregate Collateral Principal Balance of Additional Loans that are A1 Zopa Market Loans and A2 Zopa Market Loans should not be less than 17 per cent of the Aggregate Collateral Principal Balance of all Additional Loans in the Additional Loan Portfolio;

(i) the Aggregate Collateral Principal Balance of Additional Loans that are B Zopa Market Loans should not be less than 8.5 per cent of the Aggregate Collateral Principal Balance of all Additional Loans in the Additional Loan Portfolio; and

(j) the Aggregate Collateral Principal Balance of Additional Loans that are D Zopa Market Loans and E Zopa Market Loans should not be more than 10 per cent of the Aggregate Collateral Principal Balance of all Additional Loans in the Additional Loan Portfolio.

"**Additional Loan Portfolio Cut-Off Date**" means a date prior to the Purchase Date of the Additional Loan as may be agreed between the Issuer and the Seller.

"**Additional Loan Portfolio**" means the aggregate of all Additional Loans purchased by the Issuer and included in the Loan Portfolio.

"**Additional Loan Purchase Price**" means an amount equal to the Collateral Principal Balance of the relevant Loan as at the Additional Loan Portfolio Cut-Off Date.

"**Additional Loans**" means any further Loans sold by the Seller to the Issuer in the period from and including the Issue Date to and including the Final Additional Loan Purchase Date.

"**Administrative Expenses**" means all properly incurred costs, fees and expenses (including legal fees and expenses) and any other amounts due and payable on each Note Payment Date (in the following order of priority and in accordance with the applicable Priority of Payments) by the Issuer pursuant to or as contemplated by the Transaction Documents together with any VAT thereon other than the Zopa Loan Servicing Fee payable to Zopa while the Platform Servicer is Zopa but including, without limitation:

(a) *first*, on a *pro rata* and *pari passu* basis to the fees, costs and expenses and any other amount including without limitation, any indemnities under the Transaction Documents, of the Issuer Account Bank, the Cash Manager and Calculation Agent, the Principal Paying Agent or the Registrar;

(b) *second*, on a *pro rata* and *pari passu* basis to the fees, costs and expenses and any other amount including without limitation, any indemnities under the Transaction Documents, of:

(i) any indemnities to the Platform Servicer, Back-up Servicer and Issuer Corporate Services Provider under the Transaction Documents;

(ii) the Back-Up Servicer Fee;

(iii) the Corporate Services Fee;

(iv) any fees and expenses payable to the Custodian;

(v) any fees and expenses payable to Euronext Dublin, or such other stock exchange or exchanges upon which the Notes are listed from time to time;

(vi) the Loan Servicing Fee due to the Back-Up Servicer following its appointment as Successor Servicer;

(vii) any fees and expenses of the Share Trustees;

(viii) any fees and expenses of the Rating Agencies or any Clearing System;

(ix) any amounts due to Zopa and its Affiliates from the Issuer (excluding the Loan Servicing Fee);

(x) any legal, tax, audit, listing advisor or other professional fees or costs incurred by the Issuer to the extent not covered by the paragraphs above;

(xi) any other amounts due in connection with the continued maintenance of the Issuer's corporate existence and ultimate solvent wind-up, liquidation or dissolution;

(xii) any fees, costs and expenses due to be reimbursed by the Issuer to the Reporting Agent and any other regulatory costs incurred by the Issuer in connection with CRA 3 or the Securitisation

Regulation (including, without limitation, the costs and expenses due to any delegate of the Reporting Agent and payable by the Issuer and to any Reporting Medium); and

(c) *third*, to any other fees, costs and expenses of the Issuer (including by way of indemnity) incurred without breach by the Issuer of the Transaction Documents including any annual filing fees, other fees incurred in connection with it maintaining its corporate existence, any legal, or other professional advisory fees or any amounts due and payable by the Issuer in respect of its liquidation and/or dissolution to the extent not provided for elsewhere to the satisfaction of the Issuer),

in each case, to the extent such amounts are not otherwise provided for (including, for the avoidance of doubt, at a lower level of priority of the Pre-Acceleration Interest Priority of Payments) in the Pre-Acceleration Interest Priority of Payments, and together in each case with any VAT thereon, if any, and to the extent such Administrative Expenses relate to costs and expenses, such VAT to be limited to irrecoverable VAT payable by the Issuer pursuant to or as contemplated by the Transaction Documents.

"**Affected Loan**" means any Purchased Loan Asset in respect of which a failure to satisfy, or a breach of, a Zopa Loan Warranty or a Retention Holder Warranty, or where a Fraud Event has occurred.

"**Affected Property**" has the meaning given to it in the Charge and Assignment.

"**Affiliate**" or "**Affiliated**" means with respect to a Person:

(a) any other Person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such Person;

(b) any account, fund, client or portfolio established and controlled by such Person or an Affiliate thereof or for which such Person or an Affiliate thereof acts as the investment adviser or with respect to which such Person or an Affiliate thereof exercises discretionary control thereover; and

(c) any other Person who is a director, officer or employee:

(i) of such Person;

(ii) of any subsidiary or parent company of such Person; or

(iii) of any Person described in paragraphs (a) or (b) above,

and for the purposes of this definition, "control" of a Person shall mean the power, direct or indirect:

(A) to vote more than 50 per cent. of the securities having ordinary voting power for the election of directors of such Person; or

(B) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"**Agent**" means each of the Issuer Account Bank, the Platform Servicer, the Back-Up Servicer, the Cash Manager and Calculation Agent, the Issuer Corporate Services Provider, the Registrar, the Principal Paying Agent and any other Paying Agent (together, the "**Agents**").

"**Aggregate Collateral Principal Balance**" means the aggregate Collateral Principal Balance of the relevant Loan Assets.

"**Aggregate Initial Collateral Principal Balance**" means, with respect to any specified Loan Assets, the aggregate Initial Collateral Principal Balance of such Loan Assets.

"**AIFMD**" means EU Directive 2011/61/EU on Alternative Investment Fund Managers (as may be effective from time to time with any amendments of any successor or replacement provisions included in any European Union directive or regulation and as implemented by Member States of the European Union together with any implementing or delegated regulations, technical standards and guidance related thereto as may be amended, replaced or supplemented from time to time).

"**Applicable Law**" means any law, decree, order, rule or regulation of any court or regulatory, administrative or governmental agency, body or authority or arbitration having or asserting jurisdiction over a person or its properties.

"**Appointee**" means any attorney, manager, agent, delegate or other person properly appointed by the Trustee under the terms of the Trust Deed or the Charge and Assignment to discharge any of its functions or to advise it in relation thereto.

"**Arranger**" means Deutsche Bank AG, London Branch.

"**Audit Report**" means an audit report with regard to the Servicer and the Loans on the Zopa Platform, including and not exclusively relating to the Purchased Loan Assets (including, without limitation, the origination and servicing of the Purchased Loan Assets), the operation of the Zopa Platform, the Lender Accounts (including the Issuer Client Account) and the bank accounts relating to the Zopa Platform (including the Zopa Customer Funds Account) which is compliant with the International Standard on Assurance Engagements No. 3402 (Assurance Reports on Controls at a Service Organization) prepared by PriceWaterhouseCoopers LLP or any other reputable firm of accountants or other person satisfactory to the Retention Holders, addressed to the Issuer, the Trustee and the Retention Holders.

"**Authorisations**" means all licences, authorisations, permissions, consents, approvals and qualifications required by Law.

"**Authorised Representative**" means any Person or Persons who are duly authorised to sign or act on behalf of another Person and in respect of whom a certificate has been provided signed by a director or another Authorised Representative setting out the name and signature of such person and confirming such Person's authority to act.

"**Available Interest Proceeds**" means, on any Note Payment Date, the following amounts each calculated as of the immediately preceding Reporting Cut-Off Date:

(a) Interest Proceeds received during the immediately preceding Collection Period after deducting the Zopa Loan Servicing Fee in accordance with the Servicing Agreement; *plus*

(b) interest paid to the Issuer on the Issuer Accounts during the immediately preceding Collection Period (other than any Hedge Collateral Account); *plus*

(c) amounts received by the Issuer under the Interest Rate Hedge Agreement (other than (i) any early termination amount received by the Issuer under an Interest Rate Hedge Agreement which is to be applied in acquiring a replacement swap or cap, (ii) any Excess Hedge Collateral or Hedge Collateral, except to the extent that the value of such Hedge Collateral or part thereof has been applied, pursuant to the provisions of the Interest Rate Hedge Agreement, to reduce the amount that would otherwise be payable by the Interest Rate Hedge Counterparty to the Issuer on early termination of the Interest Rate Hedge Agreement and, to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Hedge Counterparty, such Hedge Collateral is not to be applied in acquiring a replacement cap in which case such amounts will be included in Available Interest Proceeds, (iii) amounts in respect of Hedge Tax Credits on such Note Payment Date, and (iv) any premium the Issuer receives in respect of a replacement Interest Rate Hedge Agreement which is applied in paying an early termination amount due to the outgoing Interest Rate Hedge Counterparty); *plus*

(d) all amounts standing to the credit of the Cash Reserve Account; *plus*

(e) the lesser of (i) an amount equal to any deficiency in the Available Interest Proceeds under paragraphs (a) to (d) above to the amount required to pay a Senior Interest Deficiency, and (ii) all amounts standing to the credit of the Liquidity Reserve Account (either amount(s) in sub-paragraphs (i) or (ii) to be transferred to the Issuer Payment Account from the Liquidity Reserve Account and applied as Available Interest Proceeds on such Note Payment Date); *plus*

(f) any deficiency in the Available Interest Proceeds under paragraphs (a) to (e) above required to pay any Remaining Senior Interest Deficiency (such amount to be applied as Available Interest Proceeds from amounts otherwise constituting Available Principal Proceeds), up to an amount equal to the Available Principal Proceeds on such Note Payment Date; *plus*

(g) for the purposes of this paragraph (g) only, after application of the Available Principal Proceeds in accordance with the Pre-Acceleration Principal Priority of Payments on such Note Payment Date, any Available Principal Proceeds remaining after application of the Available Principal Proceeds pursuant to items (a) to (h) of the Pre-Acceleration Principal Priority of Payments; *plus*

(h) on the Final Rated Note Payment Date, any amounts left standing to the credit of the Cash Reserve Account; *plus*

(i) any Liquidity Reserve Excess after the transfer of any amounts from the Liquidity Reserve Account to the Issuer Payment Account in accordance with paragraph (e) above; *plus*

(j) in respect of the second Note Payment Date, an amount (if any) standing to the credit of the Expenses Reserve Ledger on the Calculation Date immediately prior to the second Note Payment Date.

"**Available Principal Proceeds**" means, on any Note Payment Date, the following amounts, each calculated as of the immediately preceding Reporting Cut-Off Date:

(a) any Principal Proceeds received during the immediately preceding Collection Period; *plus*

(b) in respect of the second Note Payment Date, an amount (if any) standing to the credit of the Pre-Funding Reserve Ledger on the Final Additional Loan Purchase Date; *plus*

(c) the amounts (if any) to be credited to the Principal Deficiency Ledgers pursuant to the Pre-Acceleration Interest Priority of Payments on such Note Payment Date; *less*

(d) an amount equal to the Available Principal Proceeds to be applied as Available Interest Proceeds pursuant to paragraph (f) of the definition thereof on such Note Payment Date.

"**Average Collateral Principal Balance**" means the average Collateral Principal Balance of the relevant Loan Assets.

"**Average Initial Collateral Principal Balance**" means the average Initial Collateral Principal Balance of such Loan Assets.

"**B Market Loans**" means Loans which fall within the parameters of Zopa's B Market specified in the Underwriting Guidelines.

"**Back-Up Servicer**" means Target Servicing Limited or any successor back-up servicer as may be appointed by the Issuer.

"**Back-Up Servicing Agreement**" means the back-up servicing agreement between the Back-Up Servicer, the Issuer, the Trustee and Zopa dated on or around the Closing Date.

"**Back-Up Servicer Fee**" shall have the meaning given to it in the Back-Up Servicing Agreement.

"**Back-Up Servicing Termination Event**" means the occurrence of one or more of the following events:

(a) the Back-Up Servicer fails to observe or perform any term, covenant, undertaking or agreement under the Back-Up Servicing Agreement and:

(i) such failure is materially prejudicial in the reasonable opinion of the Issuer or, (at any time (x) following the delivery of written notice to the Back-Up Servicer that an Event of Default has occurred and is continuing unremedied and unwaived, or (y) following the delivery of an Enforcement Notice) the Trustee (in each case, acting on the instructions of the Noteholders of the Most Senior Class of Notes and the Class Z Noteholders acting by way of Extraordinary Resolution) to the ability of the Back-Up Servicer to perform its obligations under the Back-Up Servicing Agreement or to assume Full Servicing in accordance with and in the time periods set out in the Invocation Plan; and

(ii) if capable of remedy, such failure remains unremedied for 15 calendar days after the Back-Up Servicer obtained knowledge or notice thereof;

(b) any representation, warranty, certification or statement made by the Back-Up Servicer in the Back-Up Servicing Agreement (or in any report or other document delivered pursuant thereto) shall prove to have been incorrect in any material respect when made or deemed made and if capable of remedy, remains unremedied for 15 calendar days after the Back-Up Servicer obtained knowledge or received notice thereof;

(c) proceedings are initiated against the Back-Up Servicer under any Insolvency Law, or a Receiver is appointed in relation to the Back-Up Servicer or in relation to the whole or any substantial part of the undertaking or assets of the Back-Up Servicer; or the Back-Up Servicer is, or initiates or consents to judicial proceedings relating to itself under any applicable Insolvency Law, or seeks the appointment of a Receiver, or makes a conveyance or assignment for the benefit of its creditors generally or otherwise becomes subject to any insolvent reorganisation or amalgamation (other than on terms previously approved by the Issuer in writing), provided however, with respect to any involuntary proceedings, such proceedings are not withdrawn or dismissed within 14 calendar days after presentment thereof;

(d) a court judgment is entered against the Back-Up Servicer in an amount greater than £2,000,000 and such judgment remains unremedied for 21 calendar days; or

(e) at any time the Back-Up Servicer does not have, in full force and effect, and to the extent required for the conduct of its obligations following Invocation, interim permission or full authorisation under FSMA or any other licence, authorisation, approval or consent required from any other Official Body.

"**Basic Terms Modification**" has the meaning given thereto in Condition 15.2(e) (*Extraordinary Resolution*).

"**Benchmark Rate Disruption**" means the occurrence of any of the following:

(a) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest in the publicly listed asset backed floating rate notes market;

(b) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA, SONIA ceasing to exist or be published or the administrator of SONIA having used a fallback methodology for calculating SONIA for a period of at least 30 calendar days;

(c) the insolvency or cessation of business of the administrator of SONIA (in circumstances where no successor administrator has been appointed);

(d) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA) in each case with effect from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(e) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or there will be a material change to the methodology of calculating SONIA with effect from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(f) a public statement by the supervisor of the SONIA administrator that means SONIA will be prohibited from being used or that its use is subject to restrictions or adverse consequences with effect from a date no later than 6 months after the proposed effective date of such Benchmark Rate Modification;

(g) a change in the generally accepted market practice in the publicly listed asset backed floating rate notes market to refer to a Benchmark Rate endorsed in a public statement by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates, despite the continued existence of SONIA;

(h) it having become unlawful and/or impossible and/or impracticable for any Account Bank, the Issuer or the Cash Manager and Calculation Agent or the Principal Paying Agent to calculate any payments due to be made to any Noteholder using SONIA;

(i) following the implementation of a Benchmark Rate Modification, it becomes generally accepted market practice in the publicly listed asset backed floating rate notes market to use a Benchmark Rate of interest which is different from the Alternative Benchmark Rate which had already been adopted by the Issuer in respect of the Notes pursuant to a Benchmark Rate Modification; or

(j) it being the reasonable expectation of the Issuer that any of the events specified in sub-paragraphs (b) to (i) (inclusive) above will occur or exist within six months of the proposed effective date of such Benchmark Rate Modification.

"**Benchmark Rate Eligibility Requirement**" means the Alternative Benchmark Rate being any one of the following:

(a) a benchmark rate published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates (which, for the avoidance of doubt, may be an alternative benchmark rate together with a specified adjustment factor which may increase or decrease the relevant alternative benchmark rate);

(b) a reference rate utilised in 5 publicly-listed new issues of Sterling denominated asset backed floating rate notes prior to the effective date of such Benchmark Rate Modification;

(c) a reference rate utilised in a publicly-listed new issue of Sterling denominated asset backed floating rate notes where the originator of the relevant assets is any of the Retention Holders or an Affiliate of any such Retention Holder; or

(d) such other reference rate as the Issuer reasonably determines, **provided that** this option may only be used if the Issuer certifies to the Trustee that, in its reasonable opinion, none of sub-paragraph (a) to (c) above (inclusive) are applicable and/or practicable in the context of this transaction, and sets out the rationale in the Benchmark Rate Modification Certificate for choosing the proposed Alternative Benchmark Rate.

"**Benchmark Rate Modification**" has the meaning given to that term in Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*).

"**Benchmark Rate Modification Certificate**" has the meaning given to that term in Condition 15.5 (*Additional Right of Modification in relation to the Reference Rate*).

"**Benchmarks Regulation**" means the EU Benchmarks Regulation (Regulation (EU) 2016/1011).

"**Book-Entry Interests**" means the beneficial ownership interests in the Global Certificates, the ownership of which shall be evidenced, and transfers of which shall be made, through book entries by the Clearing System from time to time.

"**Business Day**" means a TARGET Business Day on which commercial banks and foreign exchange markets settle payments in London (other than a Saturday, Sunday or public holiday).

"**C1 Market Loans**" means Loans which fall within the parameters of Zopa's C1 Market specified in the Underwriting Guidelines.

"**Calculation Date**" means the date falling five (5) Business Days prior to a Note Payment Date **provided that** if any Calculation Date would otherwise fall on a day which is not a Business Day, it shall be adjusted to the prior day that is a Business Day.

"**Cash Management and Calculation Agency Agreement**" means the cash management and calculation agency agreement entered into by, among others, the Cash Manager and Calculation Agent, the Issuer and the Trustee on or around the Closing Date.

"**Cash Manager and Calculation Agent**" means Citibank, N.A. London Branch or any of its successors or assigns appointed in accordance with the Cash Management and Calculation Agency Agreement.

"**Cash Reserve Account**" means the account described as such in the name of the Issuer with the Issuer Account Bank.

"**Cash Reserve Ledger**" means the ledger maintained by the Cash Manager and Calculation Agent, recording the balance from time to time of the Cash Reserve Account.

"**Cash Reserve Required Amount**" means (i) on the Closing Date and on each Note Payment Date thereafter prior to the Final Rated Note Payment Date, an amount equal to 3.00 per cent. of the aggregate Principal Amount Outstanding of the Rated Notes as at the Closing Date *minus* the Liquidity Reserve Required Amount; and (ii) on each Note Payment Date on and from the Final Rated Note Payment Date, zero.

"**CCA**" means the Consumer Credit Act 1974, as amended, extended or re-enacted from time to time and any relevant secondary legislation.

"**Central Bank**" means the Central Bank of Ireland.

"**Certificate**" means a Global Certificate or a Definitive Certificate, as the context may require.

"**Charge and Assignment**" means the charge and assignment dated on or about the Closing Date between the Issuer and the Trustee.

"**Charged Property**" means the assets and property charged and assigned in the manner set out in the paragraphs entitled *Assignments*, *Fixed Charges*, *Accounts* and *Floating Charge* in the section entitled "*Overview of the Terms and Conditions of the Notes – Security*" and references to the Charged Property include references to any part of the Charged Property.

"**Class**" means a class of Notes.

"**Class A Notes**" means the Class A1 Notes and the Class A2 Notes.

"**Class A Principal Deficiency Ledger**" means the principal deficiency ledger established on behalf of the Issuer by the Cash Manager and Calculation Agent in respect of the Class A1 Notes and the Class A2 Notes in order to record as debits Default Amounts and the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date.

"**Class A Principal Deficiency Limit**" means an amount equal to the then Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes.

"**Class A1 Interest Amount**" means the amount of interest payable in respect of the Class A1 Notes held by a Class A1 Noteholder on any Note Payment Date.

"**Class A1 Margin**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Class A1 Noteholder**" means a holder of any Class A1 Note from time to time.

"**Class A1 Notes**" has the meaning given to it in the Conditions.

"**Class A1 Rate of Interest**" means the rate of interest from time to time in respect of the Class A1 Notes calculated in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**Class A1 Repayment Amount**" means, on any Note Payment Date, an amount equal to:

(a) the Net Principal Amount Outstanding of all Class A1 Notes divided by the Net Principal Amount Outstanding of all Rated Notes (in each case immediately following application of the Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments); multiplied by

(b) the amount of all Available Principal Proceeds on such Note Payment Date (immediately following application of Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments).

"**Class A2 Interest Amount**" means the amount of interest payable in respect of the Class A2 Notes held by a Class A2 Noteholder on any Note Payment Date.

"**Class A2 Margin**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Class A2 Noteholder**" means a holder of any Class A2 Note from time to time.

"**Class A2 Notes**" has the meaning given to it in the Conditions.

"**Class A2 Rate of Interest**" means the rate of interest from time to time in respect of the Class A2 Notes calculated in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**Class A2 Repayment Amount**" means, on any Note Payment Date, an amount equal to:

(a) the Net Principal Amount Outstanding of all Class A2 Notes divided by the Net Principal Amount Outstanding of all Rated Notes (in each case immediately following application of the Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments); multiplied by

(b) the amount of all Available Principal Proceeds on such Note Payment Date (immediately following application of Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments).

"**Class B Interest Amount**" means the amount of interest payable in respect of the Class B Notes held by a Class B Noteholder on any Note Payment Date (including any Deferred Interest and any Additional Interest thereon).

"**Class B Margin**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Class B Noteholder**" means a holder of any Class B Note from time to time.

"**Class B Notes**" has the meaning given to it in the Conditions.

"**Class B Principal Deficiency Ledger**" means the principal deficiency ledger established on behalf of the Issuer by the Cash Manager and Calculation Agent in respect of the Class B Notes in order to record as debits Default Amounts and the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date.

"**Class B Principal Deficiency Limit**" means an amount equal to the then Principal Amount Outstanding of the Class B Notes.

"**Class B Rate of Interest**" means the rate of interest from time to time in respect of the Class B Notes calculated in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**Class B Repayment Amount**" means, on any Note Payment Date, an amount equal to:

(a) the Net Principal Amount Outstanding of all Class B Notes divided by the Net Principal Amount Outstanding of all Rated Notes (in each case immediately following application of the Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments); multiplied by

(b) the amount of all Available Principal Proceeds on such Note Payment Date (immediately following application of Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments).

"**Class C Interest Amount**" means the amount of interest payable in respect of the Class C Notes held by a Class C Noteholder on any Note Payment Date (including any Deferred Interest and any Additional Interest thereon).

"**Class C Margin**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Class C Noteholder**" means a holder of any Class C Note from time to time.

"**Class C Notes**" has the meaning given to it in the Conditions.

"**Class C Principal Deficiency Ledger**" means the principal deficiency ledger established on behalf of the Issuer by the Cash Manager and Calculation Agent in respect of the Class C Notes in order to record as debits Default Amounts and the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date.

"**Class C Principal Deficiency Limit**" means an amount equal to the then Principal Amount Outstanding of the Class C Notes.

"**Class C Rate of Interest**" means the rate of interest from time to time in respect of the Class C Notes calculated in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**Class C Repayment Amount**" means, on any Note Payment Date, an amount equal to:

(a) the Net Principal Amount Outstanding of all Class C Notes divided by the Net Principal Amount Outstanding of all Rated Notes (in each case immediately following application of the Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments); multiplied by

(b) the amount of all Available Principal Proceeds on such Note Payment Date (immediately following application of Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments).

"**Class D Interest Amount**" means the amount of interest payable in respect of the Class D Notes held by a Class D Noteholder on any Note Payment Date (including any Deferred Interest and any Additional Interest thereon).

"**Class D Margin**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Class D Noteholder**" means a holder of any Class D Note from time to time.

"**Class D Notes**" has the meaning given to it in the Conditions.

"**Class D Principal Deficiency Ledger**" means the principal deficiency ledger established on behalf of the Issuer by the Cash Manager and Calculation Agent in respect of the Class D Notes in order to record as debits Default Amounts and the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date.

"**Class D Principal Deficiency Limit**" means an amount equal to the then Principal Amount Outstanding of the Class D Notes.

"**Class D Rate of Interest**" means the rate of interest from time to time in respect of the Class D Notes calculated in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**Class D Repayment Amount**" means, on any Note Payment Date, an amount equal to:

(a) the Net Principal Amount Outstanding of all Class D Notes divided by the Net Principal Amount Outstanding of all Rated Notes (in each case immediately following application of the Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments); multiplied by

(b) the amount of all Available Principal Proceeds on such Note Payment Date (immediately following application of Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments).

"**Class E Interest Amount**" means the amount of interest payable in respect of the Class E Notes held by a Class E Noteholder on any Note Payment Date (including any Deferred Interest and any Additional Interest thereon).

"**Class E Margin**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Class E Noteholder**" means a holder of any Class E Note from time to time.

"**Class E Notes**" has the meaning given to it in the Conditions.

"**Class E Principal Deficiency Ledger**" means the principal deficiency ledger established on behalf of the Issuer by the Cash Manager and Calculation Agent in respect of the Class E Notes in order to record as debits Default Amounts and the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date.

"**Class E Principal Deficiency Limit**" means an amount equal to the then Principal Amount Outstanding of the Class E Notes.

"**Class E Rate of Interest**" means the rate of interest from time to time in respect of the Class E Notes calculated in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**Class E Repayment Amount**" means, on any Note Payment Date, an amount equal to:

(a) the Net Principal Amount Outstanding of all Class E Notes divided by the Net Principal Amount Outstanding of all Rated Notes (in each case immediately following application of the Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments); multiplied by

(b) the amount of all Available Principal Proceeds on such Note Payment Date (immediately following application of Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments).

"**Class F Interest Amount**" means the amount of interest payable in respect of the Class F Notes held by a Class F Noteholder on any Note Payment Date (including any Deferred Interest and any Additional Interest thereon).

"**Class F Margin**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Class F Noteholder**" means a holder of any Class F Note from time to time.

"**Class F Notes**" has the meaning given to it in the Conditions.

"**Class F Principal Deficiency Ledger**" means the principal deficiency ledger established on behalf of the Issuer by the Cash Manager and Calculation Agent in respect of the Class F Notes in order to record as debits Default Amounts and the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on a Note Payment Date.

"**Class F Principal Deficiency Limit**" means an amount equal to the then Principal Amount Outstanding of the Class F Notes.

"**Class F Rate of Interest**" means the rate of interest from time to time in respect of the Class F Notes calculated in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**Class F Repayment Amount**" means, on any Note Payment Date, an amount equal to:

(a) the Net Principal Amount Outstanding of all Class F Notes divided by the Net Principal Amount Outstanding of all Rated Notes (in each case immediately following application of the Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments); multiplied by

(b) the amount of all Available Principal Proceeds on such Note Payment Date (immediately following application of Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments).

"**Class Z Notes**" " means the Class Z1 Notes and the Class Z2 Notes.

"**Class Z1 Noteholder**" means a holder of any Class Z1 Note from time to time.

"**Class Z1 Notes**" has the meaning given in the Conditions.

"**Class Z1 Principal Deficiency Ledger**" means the principal deficiency ledger established on behalf of the Issuer by the Cash Manager and Calculation Agent in respect of the Class Z1 Notes in order to record as debits

Default Amounts and the application of Available Principal Proceeds to pay any Remaining Senior Interest Deficiency on any Note Payment Date.

"**Class Z1 Principal Deficiency Limit**" means an amount equal to the then Principal Amount Outstanding of the Class Z1 Notes.

"**Class Z2 Interest Amount**" means the amount of interest payable in respect of the Class Z2 Notes held by a Class Z2 Noteholder on any Note Payment Date in accordance with the applicable Priority of Payments.

"**Class Z2 Noteholder**" means a holder of any Class Z2 Note from time to time.

"**Class Z2 Notes**" has the meaning given in the Conditions.

"**Clearing Systems**" means Euroclear or Clearstream, as applicable.

"**Clearstream**" or "**Clearstream Luxembourg**" means Clearstream Banking, S.A.

"**Client Asset Rules**" means the Client Asset Sourcebook (CASS) in the FCA Handbook maintained at https://www.handbook.fca.org.uk/ as amended from time to time.

"**Closing Date**" means 18 December 2019.

"**Collateral Principal Balance**" means, as of any date, with respect to any Loan Asset, the then outstanding principal amount thereof.

"**Collection Account Bank**" means The Royal Bank of Scotland plc (or such other institution as the Issuer may specify from time to time in accordance with the terms of the Servicing Agreement).

"**Collection Period**" means the period from but excluding a Reporting Cut-Off Date or, in the case of the first Collection Period, the Loan Portfolio Cut-Off Date, to and including the next following Reporting Cut-Off Date.

"**Collections Agency**" means any collections agency as Zopa may use at any time in accordance with the Servicing Agreement.

"**Collections Policy**" means the Platform Servicer's current policy and procedures related to the collection of missed payments, as amended from time to time.

"**Common Reporting Standard**" means the common reporting standard more fully described as the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development and United Kingdom International Tax Compliance Regulations 2015.

"**Common Safekeeper**" means a common safekeeper for a Clearing System.

"**Compounded Daily SONIA**" means "**Compounded Daily SONIA**" means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Cash Manager and Calculation Agent as at the Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 per cent. being rounded upwards:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SONIA_{i-5LBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\boldsymbol{d_0}$" is the number of Banking Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to d_0, each representing the relevant Banking Day in chronological order from, and including the first Banking Day in the relevant Interest Period;

"$\boldsymbol{n_i}$", for any day "**i**", means the number of calendar days from and including such day "i" up to but excluding the following Banking Day; and

"$\boldsymbol{SONIA_{i-5LBD}}$" means, in respect of any Banking Day falling in the relevant Interest Period, the Reference Rate for the Banking Day falling five Banking Days prior to the relevant Banking Day "i".

"**Conditions**" means the terms and conditions of the Notes set out at Schedule 2 (*Conditions of the Notes*) of the Trust Deed.

"**Constitution**" means, in respect of the Issuer, its constitution, comprising the memorandum and articles of association of the Issuer (as may be amended from time to time).

"**Corporate Benefit Account**" means the account described as such in the name of the Issuer held with the Issuer Account Bank.

"**Corporate Services Fee**" means the fees payable by the Issuer to the Issuer Corporate Services Provider as may be amended from time to time in accordance with the Transaction Documents.

"**Credit Support Annex**" or "**CSA**" means the credit support annex annexed to the Interest Rate Hedge Agreement and forming part of it.

"**CRA**" means the Consumer Rights Act 2015, as amended from time to time.

"**CRA 3 Regulation**" means Regulation of the European Parliament and of the European Council amending Regulation EC 1060/2009 on credit rating agencies (as amended from time to time and as implemented by the Member States of the European Union) together with any guidelines, technical standards or Q&A responses published in relation thereto by the European Banking Authority (or any successor or replacement agency or authority).

"**CRR**" means the European Union Regulation (EU) 575/2013 of 26 June 2013 (as amended from time to time) on prudential requirements for credit institutions and investment firms and amending Regulation (EU) 648/2012 (as amended from time to time and as implemented by the Member States of the European Union) together with any guidelines, technical standards or Q&A responses published in relation thereto by the European Banking Authority (or any successor or replacement agency or authority).

"**Custodial Services Agreement**" means a custody services agreement to be entered into between the Issuer and the Custodian in respect of any Hedge Collateral Custody Accounts established in accordance with the Account Bank Agreement.

"**Custodian**" means Citibank N.A., London Branch.

"**D Market Loans**" means Loans which fall within the parameters of Zopa's D Market specified in the Underwriting Guidelines.

"**Data Tape**" means 20191031_MOCA_ESMA_ProvisionalPool.xlsx containing certain loan-by-loan data on the Loans as at 31 October 2019.

"**Days Past Due**" means, as at the date of determination, in respect of any Loan that has not been fully repaid, the bucket that a Loan falls into subject to the below calculation determined by (C):

(C)=(A)/(B)

where:

(A) is the Loan Arears Amount; and

(B) is the contractual monthly repayment amount (disregarding the effect of any Payment Arrangements agreed in respect of such Loan) as at the date when the Loan most recently went into arrears

The Days Past Due status is then determined by the one bucket that a Loan falls into per the below:

(a) If (C) = 0, the loan is "Current"

(b) If 0 < (C) ≤ 1.01, the loan is "1-30 Days Past Due"

(c) If 1.01 < (C) ≤ 2.01, the loan is "31-60 Days Past Due"

(d) If 2.01 < (C) ≤ 3.01, the loan is "61-90 Days Past Due"

(e) If 3.01 < (C), the loan is "91+ Days Past Due.

"**DBRS**" means DBRS Ratings Limited together with any successor in interest to such person.

"**DBRS Critical Obligations Rating**" or "**COR**" means, in relation to a relevant entity, the public rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. A COR assigned by DBRS to the relevant entity will be indicated on the website of DBRS (www.dbrs.com).

"**Deed Poll**" means the deed poll dated the Closing Date executed by the Issuer in favour of the Portfolio Option Holder from time to time.

"**Deemed Collection**" means in relation to any Affected Loan, the deposit of the Remedy Amount for such Affected Loan in the Issuer Transaction Account by Zopa (pursuant to the Servicing Agreement) or the Retention Holders (pursuant to the Loan Sale and Purchase Agreement), as applicable.

"**Deemed Effective Date**" has the meaning given to it under section herein entitled "*Certain Transaction Documents – Back-Up Servicing Agreement*".

"**Default Amount**" means, in any Collection Period, an amount equal to the Aggregate Collateral Principal Balance of all Purchased Loan Assets which became Defaulted Loans during such Collection Period as at the time they became Defaulted Loans.

"**Defaulted Loan**" means a Purchased Loan Asset:

(a) which is 91 Days Past Due or more (irrespective of whether or not a Payment Arrangement has been entered into with respect of such Purchased Loan Asset); or

(b) which the Platform Servicer has declared to be in default in accordance with its terms.

"**Defaulting Party**" has the meaning given to it in the Interest Rate Hedge Agreement.

"**Deferred Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

"**Definitive Certificate**" means a certificate in definitive form representing one or more Notes of a Class in or substantially in the form set out in the Trust Deed.

"**Definitive Exchange Date**" means a day falling not less than 30 days after the date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located.

"**Delinquent Loan**" means a Purchased Loan Asset which is 31 Days Past Due or more (irrespective of whether or not a Payment Arrangement has been entered into with respect of such Purchased Loan) and is not a Defaulted Loan.

"**Detailed Loan Data**" means:

(a) all current and historical loan data for all Purchased Loan Assets;

(b) a detailed monthly analysis of the Purchased Loan Assets;

(c) details of all late payments, defaults or prepayments in respect of all Purchased Loan Assets;

(d) such other information as the Issuer may reasonably request from time to time in respect of Purchased Loan Assets,

to the extent under the care, custody or control of Zopa or any other Collections Agency, subcontractor or professional advisers that Zopa may use at any time.

"**DPA**" means the Data Protection Act 2018.

"**E Market Loans**" means Loans which fall within the parameters of Zopa's E Market specified in the Underwriting Guidelines.

"**EEA**" means the European Economic Area.

"**Electronic Resolution**" means any resolution of the Noteholders given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee), as described in Condition 15 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

"**Eligibility Criteria**" means if, as at the Loan Warranty Date (unless specifically stated otherwise),

(1) the Loan:

(a) represents the legally valid, binding and, in all material respects (other than in respect of any payment obligations which shall not be qualified by materiality), enforceable obligations of the relevant Zopa Borrower in accordance with its terms, subject to any limitations arising from time to time in effect relating to bankruptcy, insolvency, liquidation or general principles of equity but excluding the effect of any amendments, modifications or other actions taken or omitted to be taken by any Successor Servicer or pursuant to any instruction or direction from the Issuer;

(b) was originated in the ordinary course of Zopa's business and is in compliance with all Applicable Laws and regulations including the CCA, CRA, UTCCR (other than a minor defect of a technical nature in the form or procedure of precontract information or in the form or execution of such Loan Contract (i) which defect, for the avoidance of doubt, would not prejudice the rights of the relevant Zopa Borrower and (ii) which order would not be likely to be refused under section 127 of the CCA) and that no term of the Loan Contract is unfair within the meaning of Part 2 of the CRA or the UTCCR, as applicable;

(c) the date such Loan was originated, has been created, in all material respects, in compliance with the Zopa Principles and Underwriting Guidelines and using the standard documentation which are then applicable in accordance applicable at the time of origination;

(d) is denominated in GBP;

(e) is not an interest only Loan and interest accrues at a fixed rate and the Loan is fully amortizing in equal monthly payments;

(f) is for an amount of no more than £25,000 (or £30,000 including any capitalised fees);

(g) has a maximum term of five (5) years from the date of the initial advance under the Loan Contract;

(h) has a maximum interest rate of 34.95 per cent. per annum;

(i) at the time of origination, is payable by direct debit from the Zopa Borrower's account;

(j) is fully disbursed with no possible or potential future funding obligations;

(k) has not been the subject of a Loan Modification other than a Permitted Loan Modification;

(l) may be assigned by the Issuer pursuant to the Transaction Documents and may be assigned following the occurrence of a Servicing Termination Event or an Enforcement Event without the consent of Zopa or any other party which has not been duly granted;

(m) all Records relating to the Loan Contract are held by or on behalf of the Seller in custody for the benefit of the Issuer;

(n) can be identified by the Seller;

(o) in respect of which legal title is free and clear of any Security Interest; and

(p) at the time of origination, has not been selected under a procedure or in a manner that would adversely prejudice the position of the Issuer relative to that of the Seller;

(2) the Zopa Borrower thereof as at the date the Loan was entered into:

(a) has declared themselves to be resident in the United Kingdom;

(b) to the best of Zopa's knowledge, having made due and careful inquiry, is not insolvent or bankrupt and has not been declared bankrupt in the last 5 years;

(c) was a natural person;

(d) had passed an affordability test in accordance with the Zopa Principles and Zopa's applicable credit guidelines and Underwriting Guidelines;

(e) is not a Borrower in respect of (i) a Defaulted Loan; or (ii) a Delinquent Loan.

"**Eligible Institution**" means a financial institution which satisfies the Account Bank Rating in accordance with the Account Bank Agreement.

"**EMIR**" means Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 and any related technical standards, implementing regulation and guidance thereto as amended by Regulation EU 2019/834.

"**Enforcement Event**" means the service of an Enforcement Notice in accordance with Condition 13.2 (*Delivery of an Enforcement Notice*).

"**Enforcement Notice**" means a notice delivered to the Issuer, with a copy sent to each Agent (other than the Issuer Corporate Services Provider) and the Seller and the Retention Holders, in accordance with Condition 13.2 (*Delivery of an Enforcement Notice*) following an Event of Default as set out in Condition 13.1 (*Events of Default*).

"**EU**" or "**European Union**" means the European Union.

"**Eurobond**" means an international bond that is denominated in a currency not native to the country where it is issued.

"**Euroclear**" means Euroclear Bank SA/NV , as operator of the Euroclear System.

"**Euronext Dublin**" means the Irish Stock Exchange plc, trading as Euronext Dublin.

"**Event of Default**" has the meaning given to it in Condition 13.1 (*Events of Default*).

"**Excess Hedge Collateral**" means, in respect of the Interest Rate Hedge Agreement, an amount (which will be transferred directly to the Interest Rate Hedge Counterparty in accordance with the Interest Rate Hedge Agreement) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Interest Rate Hedge Counterparty to the Issuer pursuant to the Interest Rate Hedge Agreement exceeds the Interest Rate Hedge Counterparty's liability under the Interest Rate Hedge Agreement as determined on or as soon as reasonably practicable after the date of termination of such Interest Rate Hedge Agreement (such liability shall be determined in accordance with the terms of the Interest Rate Hedge Agreement except that for the purpose of this definition only the value of the collateral will not be applied as an unpaid amount owed by the Issuer to the Interest Rate Hedge Counterparty) or which it is otherwise entitled to have returned to it under the terms of the Interest Rate Hedge Agreement.

"**Excluded Taxes**" means, with respect to any Person:

(a) income taxes imposed on (or measured by) its net income or franchise taxes imposed on (or measured by) its net income by the jurisdiction under the Laws of which such Person is organised or in which its principal office is located including any political subdivision thereof; and

(b) any branch profit taxes imposed by any jurisdiction described in paragraph (a) above.

"**Expenses Reserve**" means an amount equal to £2,000,000 credited by the Issuer to the Expenses Reserve Ledger on the Issue Date.

"**Expenses Reserve Ledger**" means the ledger by that name of the Issuer on the Issuer Transaction Account to record the Expenses Reserve.

"**Extension**" means, with respect to a Purchased Loan Asset, an extension to the term of a Purchased Loan Asset by up to three (3) such monthly repayments beyond the original number of such monthly repayments.

"**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than $66^2/_3$ per cent. of all applicable Notes which are represented and are voted at such meeting or which satisfies the requirements of the Trust Deed in respect of such resolution other than in respect of a Basic Terms Modification which requires not less than 75 per cent. of all applicable Notes which are represented and are voted at such meeting.

"**FATCA**" means Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, any intergovernmental agreement entered into pursuant to such Sections of the U.S. Internal Revenue Code of 1986, as amended, and any legislation, regulations, rules guidance notes adopted pursuant to any such intergovernmental agreement.

"**FATCA Deduction**" means a deduction or withholding from a payment under the Transaction Documents required by FATCA.

"**FATCA Exempt Party**" means a Person that is entitled to receive payments free from any FATCA Deduction.

"**FCA**" means the Financial Conduct Authority or any successor body or bodies.

"**Final Additional Loan Purchase Date**" means the earlier to occur of (i) 31 January 2020, and (ii) an Event of Default.

"**Final Class A and B Note Payment Date**" means the Note Payment Date on which the Available Principal Proceeds to be applied on such Note Payment Date is greater than or equal to the Principal Amount Outstanding of the Class A Notes and Class B Notes.

"**Final Maturity Date**" means the Note Payment Date falling in December 2028.

"**Final Rated Note Payment Date**" means the Note Payment Date on which the Available Principal Proceeds to be applied on such Note Payment Date is greater than or equal to the Principal Amount Outstanding of the Rated Notes.

"**First Interest Period**" means the interest period commencing on the Closing Date and ending on (but excluding) the First Note Payment Date.

"**First Note Payment Date**" means the Note Payment Date falling in January 2020.

"**Fitch**" means Fitch Ratings Limited and any subsidiary of it together with any successor in interest to such person.

"**Floating Amount**" means the 'Floating Amount' as defined in the relevant Interest Rate Confirmation under the Interest Rate Hedge Agreement payable by the Interest Rate Hedge Counterparty to the Issuer under the relevant Interest Rate Confirmation.

"**Fraudulent Activity**" means fraud, misrepresentation or omission.

"**Fraud Event**" means, in relation to any Purchased Loan Asset, any occurrence of identity fraud (including by way of impersonating another Person) or fraud achieved by hacking another Person's account on the Zopa Platform or the Zopa Platform itself or any other fraud in which Zopa or its officers, employees or agents are complicit, in each case in respect of such Purchased Loan Asset.

"**FSMA**" means the Financial Services and Markets Act 2000, as amended from time to time.

"**Full Servicing**" the provision by Target of the Target Services in respect of the Loan Portfolio, in accordance with the Servicing Agreement as amended by the Back-Up Servicing Agreement.

"**Further Purchase Date**" means if applicable, in relation to any sale and purchase of Additional Loans, each day on which a sale and purchase is completed subject to, and in accordance with, the terms of the Loan Sale and Purchase Agreement.

"**GAAP**" means the Generally Accepted Accounting Principles of the United Kingdom.

"**Global Certificate**" means a certificate in global form representing all or part of the Notes of a Class in or substantially in the form set out in the Trust Deed.

"**Global Note**" means, in respect of a Class of Notes, one or more permanent global notes in fully registered form without interest coupons.

"**Government Entity**" means any country or nation, any political subdivision, state or municipality of such country or nation, and any entity exercising executive legislative, judicial, regulatory or administrative functions of or pertaining to the government of any country or nation or political subdivision thereof.

"**Group**" means, in relation to a party, that party and its Affiliates from time to time.

"**Hedge Collateral**" means an amount equal to the value of collateral (other than Excess Hedge Collateral) provided by the Interest Rate Hedge Counterparty to the Issuer under the Interest Rate Hedge Agreement and includes any interest, distributions and liquidation proceeds in respect thereof.

"**Hedge Collateral Account**" means any Hedge Collateral Cash Account and/or Hedge Collateral Custody Account, as applicable.

"**Hedge Collateral Cash Account**" means any Hedge Collateral Account opened and maintained solely for the purpose of holding Hedge Collateral in the form of cash.

"**Hedge Collateral Custody Account**" means any agreement entered into by the Issuer pursuant to which the Issuer appoints a custodian to hold any Hedge Collateral posted under the Interest Rate Hedge Agreement to the extent such Hedge Collateral is in the form of securities credited to the Hedge Collateral Account.

"**Hedge Notional Amount**" means the notional amount under the relevant Interest Rate Confirmation pursuant to the Interest Rate Hedge Agreement.

"**Hedge Fixed Rate**" means the rate defined in the relevant Interest Rate Confirmation pursuant to the Interest Rate Hedge Agreement.

"**Hedge Subordinated Amounts**" means any termination payment due to the Interest Rate Hedge Counterparty which arises due to either (i) an Event of Default (as defined in the Interest Rate Hedge Agreement) where the Interest Rate Hedge Counterparty is the Defaulting Party (as defined in the Interest Rate Hedge Agreement) or (ii) an Additional Termination Event (as defined in the Interest Rate Hedge Agreement) which occurs as a result of an Interest Rate Hedge Counterparty Downgrade Event.

"**Hedge Tax Credits**" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities in any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Interest Rate Hedge Counterparty to the Issuer.

"**Hedge Termination Payment**" means, each and collectively, any termination payment under the Interest Rate Hedge Agreement, any Replacement Hedge Premium, the Hedge Collateral, Hedge Tax Credits, Excess Hedge Collateral and related interest on the Hedge Collateral Account plus any interest due pursuant to Section 2(e) of the Interest Rate Hedge Agreement in respect of the any unpaid portion of such termination payment.

"**HMRC**" means H.M. Revenue and Customs.

"**HoldCo**" means Marketplace Originated Consumer Assets 2019-1 Holdings Limited.

"**IDR**" means issuer default rating.

"**Illegality Event**" has the meaning given to it in Condition 8.4 (*Optional Redemption in whole upon the occurrence of an Illegality Event*).

"**In-Flight Loan**" means any Loan to be purchased and assigned to the Issuer as of the Closing Date or any Further Purchase Date in respect of which payment of principal or interest is being processed but has not yet resulted in funds being credited to Zopa Customer Funds Account but which will be processed by the In-Flight Transfer Date for onward allocation to the Issuer Client Account, unless such Loan is repaid in full before the In-Flight Transfer Date.

"**In-Flight Transfer Date**" means each Business Day following the Closing Date or Further Purchase Date (as applicable) up to and including the tenth (10th) Business Day following such date.

"**Indebtedness**" means, with respect to any Person, any obligation (whether incurred as principal or as surety) for the payment or repayment, whether present or future, actual or contingent, of any indebtedness for or in respect of moneys borrowed or raised by such Person by whatever means (including, without limitation, by means of acceptances, the issue of loan stock and finance leases and any liability evidenced by bonds, debentures, notes or similar instruments) and includes any indebtedness under any interest rate or currency swap or forward currency sale or purchase or similar form of interest or currency hedging transaction.

"**Indirect Participants**" means persons that hold interest in the Book-Entry Interests through Participants.

"**Initial Collateral Principal Balance**" means, with respect to any Loan Asset, the Collateral Principal Balance of the Loan Asset on the date of the advance of such Loan Asset.

"**Initial Loan Portfolio**" means the Purchased Loan Assets held by the Issuer from time to time, comprising, as at the Loan Portfolio Cut-Off Date, Loan Assets selected from the Provisional Loan Portfolio and additional Loan Assets originated between the Provisional Loan Portfolio Cut-Off Date and the Loan Portfolio Cut-Off Date.

"**Initial Purchase Price**" means an amount equal to £227,734,000.33.

"**Initial Servicing Report**" means the initial servicing report which contains information about each Purchased Loan Asset including but not limited to applicable interest rates of such Purchased Loan Asset.

"**Insolvency Event**" means, with respect to any Person, the occurrence of any of the following:

(a) such Person shall commence any case, proceeding or other action, or present a petition or make an application under any applicable Insolvency Law:

(i) relating to bankruptcy, insolvency, court protection, reorganisation or relief of debtors, seeking to have an order for relief entered with respect to it or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganisation (other than a solvent reorganisation in the ordinary course of business), arrangement, adjustment, winding-up, liquidation, dissolution, court protection, composition, declaration or other similar relief with respect to it or its debts; or

(ii) seeking the appointment of a liquidator, receiver, administrative receiver, trustee in bankruptcy, custodian, administrator or other similar official for it or for all or any substantial part of its assets;

(b) there shall be commenced, presented or made against such Person any case, proceeding or other action referred to in (a) above which is not dismissed by the relevant court, tribunal or authority within 21 days of its commencement;

(c) there shall be commenced against such Person any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets which is not dismissed within 21 days of its commencement; or

(d) such Person ceasing or threatening to cease to carry on its business or stopping payment or threatening to stop payment of its debts or being, being deemed to be or becoming, unable to pay its debts within the meaning of section 123(1)(a) or (b) of the Insolvency Act 1986 as that section may be amended, (or as the case may be, any analogous provision in any applicable jurisdiction) or otherwise unable to pay its debts as they fall due or the value of its assets falling to less than the amount of its liabilities (taking into account for both these purposes its contingent and prospective liabilities) or such Person otherwise becoming insolvent or a moratorium is declared in relation to any indebtedness of such Person.

"**Insolvency Law**" means any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar Laws.

"**Interest Amount**" means the Class A1 Interest Amount, the Class A2 Interest Amount, the Class B Interest Amount, the Class C Interest Amount, the Class D Interest Amount, the Class E Interest Amount, the Class F Interest Amount and/or the Class Z2 Interest Amount, as applicable.

"**Interest Determination Date**" means the fifth Banking Day before the Note Payment Date for which the Rate of Interest to be determined on such date will apply.

"**Interest Period**" means the First Interest Period and, thereafter, each period commencing on (and including) a Note Payment Date, and ending on (but excluding) the following Note Payment Date.

"**Interest Period Issuer Amount**" means, in respect of the SONIA Swap Confirmation, the amount produced by applying the Hedge Fixed Rate to the applicable notional amount of such Interest Rate Hedge Agreement and multiplying the resulting amount by the applicable day count fraction specified in the Interest Rate Hedge Agreement.

"**Interest Period Swap Counterparty Amount**" means, in respect of the SONIA Swap Confirmation, the amount produced by applying a rate equal to Compounded Daily SONIA for the relevant Interest Period to the applicable notional amount of such Interest Rate Hedge Agreement and multiplying the resulting amount by the applicable day count fraction specified in the Interest Rate Hedge Agreement.

"**Interest Proceeds**" means all Purchased Loan Proceeds in the form of interest, fees and any other amounts in respect of interest received in respect of the Purchased Loan Assets or in respect of any such amounts, and any Recoveries.

"**Interest Rate Confirmation**" means the SONIA Swap Confirmation, the SONIA Cap Confirmation and/or the LIBOR Cap Confirmation, as applicable.

"**Interest Rate Hedge Agreement**" means the 1992 ISDA Master Agreement, including the schedule, the Credit Support Annex and each Interest Rate Confirmation related thereto each between the Issuer and the Interest Rate Hedge Counterparty dated on or before the Closing Date, or any replacement thereof.

"**Interest Rate Hedge Counterparty**" means Natwest Markets Plc, or any successor or replacement thereof.

"**Interest Rate Hedge Counterparty Default**" means the occurrence of an Event of Default (as defined in the Interest Rate Hedge Agreement) where the Interest Rate Hedge Counterparty is the Defaulting Party (as defined in the Interest Rate Hedge Agreement).

"**Interest Rate Hedge Counterparty Downgrade Event**" means the occurrence of an Additional Termination Event (as defined in the Interest Rate Hedge Agreement) following the failure by the Interest Rate Hedge Counterparty to comply with the requirements of the ratings downgrade provisions set out in the Interest Rate Hedge Agreement.

"**Investment Company Act**" or "**ICA**" means the United States Investment Company Act of 1940, as amended.

"**Investor Presentation**" means the investor presentation attached to the Subscription Agreement approved as such by the Arranger, the Joint Lead Managers, the Issuer and the Retention Holders.

"**Investor Report**" means an investor report in the form set out in the Cash Management and Calculation Agency Agreement.

"**Invocation**" means the receipt by the Back-Up Servicer of:

(a) a copy of the Platform Servicer Termination Notice terminating the appointment of the Platform Servicer under the Servicing Agreement; or

(b) formal written notice confirming that the appointment of the Platform Servicer under the Servicing Agreement has automatically terminated as a result of a Servicing Insolvency Event with respect to the Platform Servicer.

"**Invocation Plan**" means the invocation plan set out in the Back-Up Servicing Agreement (as may be amended from time to time by agreement in writing between the Parties thereto).

"**Issue Date**" means the Closing Date.

"**Issuer**" means Marketplace Originated Consumer Assets 2019-1 PLC.

"**Issuer/ICSD Agreement**" means the agreement so named dated on or before the Closing Date between the Issuer and the ICSDs.

"**Issuer Accounts**" means the Issuer Transaction Account, the Cash Reserve Account, the Liquidity Reserve Account, the Issuer Payment Account and any Hedge Collateral Account.

"**Issuer Account Bank**" means Citibank, N.A. London Branch, or any successor or replacement account bank appointed pursuant to the Account Bank Agreement.

"**Issuer Client Account**" means the segregated bank account called "ZOPA LTD RE DESIGNATED CLIENT MOCA 2019-1 CLIENT MONEY" with sort code 160030 and account number 11320669 which the Platform Servicer maintains with the Collection Account Bank for the sole purpose of holding funds which the Issuer is beneficially entitled, or such other segregated bank account as may be established in accordance with the terms of the Servicing Agreement and the Client Asset Rules.

"**Issuer Client Account Holder**" means Zopa Limited, as Platform Servicer.

"**Issuer Corporate Benefit**" means £100 per calendar month, to be paid to the Corporate Benefit Account of the Issuer on each Note Payment Date in accordance with the Priority of Payments.

"**Issuer Corporate Services Agreement**" means the issuer corporate services agreement entered into by the Issuer and the Issuer Corporate Services Provider on or around the Closing Date.

"**Issuer Corporate Services Provider**" means Intertrust Management Limited.

"**Issuer Covenants**" means the covenants of the Issuer set out in the Trust Deed.

"**Issuer Payment Account**" means the account described as such in the name of the Issuer with the Issuer Account Bank.

"**Issuer Transaction Account**" means the account described as such in the name of the Issuer with the Issuer Account Bank.

"**ITA**" means the Income Tax Act 2007.

"**Joint Lead Managers**" means Deutsche Bank AG, London Branch and Standard Chartered Bank.

"**Last Purchased Loan Asset Maturity Date**" means as of the Loan Portfolio Cut-Off Date, 30 November 2024, and following the Closing Date, the latest contractual monthly repayment date on which a monthly repayment is due in respect of the Purchased Loan Asset as the same may be subject to not more than one Extension permitted in accordance with the Servicing Agreement.

"**Law**" means any law (including common law), constitution, statute, treaty, regulation, directive, rule (including, for the avoidance of doubt, rules of the FCA and PRA (or any successor regulatory authorities)), ordinance, order, injunction, writ, decree or award of any Official Body.

"**LCR Regulation**" means the Commission Delegated Regulation (EU) 2015-61 of 10 October 2014 (supplementing Regulation (EU) 575/2013 with regard to the Liquidity Coverage Requirement for Credit Institutions, as amended).

"**Ledgers**" means the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger; the Class C Principal Deficiency Ledger; the Class D Principal Deficiency Ledger; the Class E Principal Deficiency Ledger; the Class F Principal Deficiency Ledger, the Class Z1 Principal Deficiency Ledger; the Cash Reserve Ledger, the Liquidity Reserve Ledger and the Pre-Funding Reserve Ledger.

"**Lender Account**" means a data account in the Zopa Platform that is unique to a user of the Zopa Platform, in which Zopa records certain information relating to that Person's Loan Contracts, including the names of the lender and the borrower thereunder, the amount of credit, interest rate, fees and repayments made and amounts outstanding.

"**Liability**" or "**Liabilities**" means any losses, claims, damages, judgments, interest on judgments, assessments, costs, fees, charges, surcharges, amounts paid in settlement, expenses (including legal fees and expenses) or other liabilities (including any tax thereon).

"**LIBOR**" means the London interbank offered rate.

"**LIBOR Cap Transaction**" means the confirmation of the interest rate cap referencing LIBOR entered into between the Issuer and the Interest Rate Hedge Counterparty pursuant to the Interest Rate Hedge Agreement.

"**Liquidity Reserve Account**" means the account described as such in the name of the Issuer with the Issuer Account Bank.

"**Liquidity Reserve Excess**" means any amount standing to the credit of the Liquidity Reserve Account in excess of the Liquidity Reserve Required Amount.

"**Liquidity Reserve Ledger**" means the liquidity reserve ledger established on behalf of the Issuer by the Cash Manager and Calculation Agent in accordance with the Cash Management and Calculation Agency Agreement.

"**Liquidity Reserve Required Amount**" means an amount equal to, (i) on the Closing Date and on each Note Payment Date prior to the Final Class A and B Note Payment Date an amount equal to 3.00 *per cent.* of the then aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes, and (ii) on each Note Payment Date on and from the Final Class A and B Note Payment Date, zero.

"**Listing Agent**" means Matheson.

"**List of Loans**" means the list of Loans selected on the Loan Portfolio Cut-Off Date being offered to be sold and assigned to the Issuer including any such Loans that will be In-Flight Loans as of the Closing Date, pursuant to the Loan Sale and Purchase Agreement, and attached as a Schedule thereto.

"**Loan**" means all of the rights or purported rights (whether actual or contingent) of the Seller against any Zopa Borrower under or in connection with a Loan Contract.

"**Loan Arrears Amount**" means at any date of determination, the cumulative total of contractual repayments due on a Loan Contract that have not been fully paid by the Borrower. Any Purchased Loan Proceeds received from the Borrower will reduce the cumulative Loan Arrears Amount by such amount received. The Loan Arrears Amount cannot be negative.

"**Loan Asset**" means any Loan and its Related Security.

"**Loan Conditions**" means the standard terms and conditions displayed on the Zopa Platform and incorporated in a Loan Contract and the Zopa Principles.

"**Loan Contract**" means the credit agreement(s) incorporating the Loan Conditions entered into by the Zopa Lender with each Zopa Borrower via the Zopa Platform.

"**Loan Documentation**" means each Loan Contract and each other document governing the provisions of a Loan Asset.

"**Loan Modification**" means, with respect to any Purchased Loan Asset, any termination, release, amendment, modification, waiver or variance of that Purchased Loan Asset or any consent to the postponement of compliance with any such term or any other grant of an indulgence or forbearance to the related Zopa Borrower (excluding any Payment Arrangement).

"**Loan Portfolio**" " means the Initial Loan Portfolio and the Additional Loan Portfolio.

"**Loan Portfolio Cut-Off Date**" means 30 November 2019.

"**Loan Sale and Purchase Agreement**" means the loan sale and purchase agreement to be entered into between the Seller, the Issuer and the Trustee on or about the Closing Date.

"**Loan Servicing Fee**" has the meaning given to such term in the Back-Up Servicing Agreement.

"**Loan Warranties**" means the Retention Holder Warranties and/or the Zopa Loan Warranties, as applicable.

"**Loan Warranty Date**" means in respect of the Loan Asset purchased on the Closing Date, the Loan Portfolio Cut Off Date or the Closing Date as applicable, and in respect of the Additional Loans, the date of the acquisition of such Additional Loan.

"Local Business Day" has the meaning given to it in the Interest Rate Hedge Agreement.

"**Marketing Information**" means the Investor Presentation and the Data Tape.

"**Master Framework Agreement**" means the master framework agreement entered into between the Issuer, the Trustee, the Issuer Account Bank, the Cash Manager and Calculation Agent, the Principal Paying Agent, the Registrar, the Interest Rate Hedge Counterparty, the Seller, each Retention Holder, the Reporting Agent, the Platform Servicer, the Back-Up Servicer and the Issuer Corporate Services Provider, dated on or about the Closing Date.

"**Material Adverse Effect**" means with respect to any event or circumstance, a material adverse effect, individually or in the aggregate with other events or circumstances, on (a) the ability of the relevant party to perform its duties under the Transaction Documents to which it is party, or (b) the validity, enforceability or collectability of all or any portion of the Loan Portfolio.

"**MiFID**" means the Markets in Financial Instruments Directive (Directive 2004/39/EC).

"**Minimum Denomination**" means £100,000.

"**Minimum Retained Amount**" means the material net economic interest of not less than five (5) per cent. in the securitisation in accordance with the Securitisation Regulation jointly retained by the Retention Holders.

"**Moody's**" means Moody's Investors Service Limited and any successor or successors thereto.

"**Most Senior Class of Notes**" means the Class A Notes; or, if there are no Class A Notes then outstanding, the Class B Notes; or, if there are no Class A Notes or Class B Notes then outstanding, the Class C Notes; or, if there are no Class A Notes, Class B Notes or Class C Notes then outstanding, the Class D Notes; or, if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes then outstanding, the Class E Notes; or, if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes then outstanding, the Class F Notes; or if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes or Class F Notes then outstanding, the Class Z1 Notes; or, if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes or Class Z1 Notes then outstanding, the Class Z2 Notes.

"**Net Principal Amount Outstanding**" means, on any Note Payment Date, in relation to any Class of Notes, the Principal Amount Outstanding of that Class of Notes *less* the debit balance of the Principal

Deficiency Ledger of that Class immediately following application of the Available Interest Proceeds in accordance with the Pre-Acceleration Interest Priority of Payments.

"**New Company**" means such company as is substituted for the Issuer in accordance with the Trust Deed.

"**Non-Responsive Rating Agency**" has the meaning given to it in Condition 1.1(b)(i) (*Non-Responsive Rating Agency*).

"**Noteholder**" means a Class A1 Noteholder, a Class A2 Noteholder, a Class B Noteholder, a Class C Noteholder, a Class D Noteholder, a Class E Noteholder, a Class F Noteholder, a Class Z1 Noteholder and/or a Class Z2 Noteholder, as applicable.

"**Note Payment Date**" means the First Note Payment Date and, thereafter, the 20th day of each calendar month **provided that** if any Note Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day that is a Business Day.

"**Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class Z1 Notes and the Class Z2 Notes.

"**OECD Member States**" means the member states of the Organisation for Economic Co-operation and Development Council.

"**Obligor**" means, in respect of a Loan Asset, the Zopa Borrower.

"**Official Body**" means any government, nation or supranational body or political subdivision thereof or any agency, authority, bureau, central bank, commission, department or instrumentality of any such government or political subdivision, or any court, tribunal, grand jury or arbitrator, or any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, or any accounting board or authority (whether or not a part of government) which is responsible for the establishment or interpretation of national or international accounting principles.

"**Official List**" means the Official List of Euronext Dublin.

"**Ordinary Resolution**" means a resolution passed in a meeting duly convened and held in accordance with the Trust Deed by more than 50 per cent. of all applicable Notes which are represented and are voted at such meeting or which satisfies the requirements of the Trust Deed in respect of such resolution.

"**Other Secured Contractual Rights**" means any other agreement, instrument or notice to which the Issuer is or becomes a party or in respect of which it has or may have any right, interest, title or benefit, either existing now or at any time in the future.

"**Outstanding**" or "**outstanding**" means in relation to the Notes of any Class, as of any date of determination, all of the Notes of such Class issued other than:

(a) those Notes which have been redeemed with the exception of the Class Z2 Notes in relation to which amounts of Interest Proceeds and Principal Proceeds have, or may, become payable;

(b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including premium (if any) and all interest payable in respect thereof and any interest payable under the relevant Conditions after such date) have been duly paid to the Trustee or to the Principal Paying Agent in the manner provided in the Principal Paying Agency Agreement (and where appropriate notice to that effect has been given to the relative Noteholders in accordance with Condition 10 (*Notifications*)) and remain available for payment against presentation of the relevant Notes;

(c) those Notes which have become void under Condition 18.4 (*Prescription*);

(d) any mutilated or defaced Notes which have been surrendered and for which replacement Notes have been issued in accordance with Condition 18.5 (*Replacement of Notes*);

(e) (for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and for which replacement Notes have been issued in accordance with Condition 18.5 (*Replacement of Notes*); and

(f) Notes represented by any Global Certificate to the extent that such Global Certificate shall have been exchanged for Notes represented by Definitive Certificates 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 a Class;

(ii) the determination of how many and which of the relevant Notes are for the time being Outstanding for the purpose of Condition 13 (*Events of Default*) and Condition 14 (*Enforcement*);

(iii) any discretion, power or authority (whether contained in the Trust Deed or vested by operation of law) which the Trustee is required, expressly or implicitly, to exercise in or by reference to the interests of the Noteholders or any of them;

(iv) and the determination (where relevant) by the Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders of any Class,

those Notes (if any) which are for the time being held or controlled by, for the benefit of, or on behalf of, the Issuer or Zopa, any holding company of the Issuer or Zopa and/or any subsidiary of such holding company and not cancelled shall (unless and until ceasing to be so held) be deemed not to remain Outstanding. The Trustee shall be entitled to assume that there are no such holdings except to the extent it is otherwise expressly notified in writing and shall not be bound or concerned to make any enquiry.

"**Participants**" means persons that have accounts in Euroclear and Clearstream.

"**Paying Agent**" means the Principal Paying Agent and any additional paying agent appointed in accordance with the Principal Paying Agency Agreement.

"**Payment Arrangement**" means, with respect to any Loan, any temporary amendment, modification, waiver or variance of such Loan pursuant to which any payment, or part thereof, of interest or principal is not paid in full when originally due, in circumstances where it is expected that the Zopa Borrower will satisfy the Loan in full, in accordance with the Collections Policy.

"**Payment Netting Agreement**" means the payment netting agreement dated on or before the Closing Date between the Issuer, the Seller, each Retention Holder, the Arranger, the Joint Lead Managers, the Interest Rate Hedge Counterparty, the Issuer Corporate Services Provider and the Back-Up Servicer.

"**Perfection Trigger Event**" means any of the following events:

(a) a Servicing Termination Event has occurred;

(b) an Event of Default has occurred;

(c) Zopa is required to perfect the Issuer's legal title to the Purchased Loan Assets by an order of a court of competent jurisdiction or by a regulatory authority which has jurisdiction over Zopa or by any organisation of which Zopa is a member;

(d) it becomes necessary by law or regulation to do any or all of the acts referred in paragraph (iii) above;

(e) the security created pursuant to the Charge and Assignment or any material part of that security is, in the opinion of the Trustee, in danger of being seized or sold under any form of distress, diligence attachment, execution or other legal process or otherwise in jeopardy; or

(f) Zopa's auditor raises a qualifies statement in a financial report around the ability of the business to continue as a going concern and such circumstances have not been remedied within three (3) months of the publication of such report.

"**Permitted Loan Modification**" means a loan modification which (i) is required by Law or directed by the FCA; or (ii) is in respect of a Defaulted Loan, in each case, made by the Platform Servicer in accordance with the Standard of Care.

"**Person**" means an individual, corporation (including a business trust), partnership, joint venture, association, joint stock company, trust (including any beneficiary thereof), unincorporated association or government or any agency or political subdivision thereof.

"**Platform Servicer**" means Zopa.

"**Platform Servicer Termination Notice**" means notice given to the Platform Servicer of the automatic termination of its appointment in accordance with the Servicing Agreement.

"**Portfolio Option Exercise Date**" means any Note Payment Date falling on or after the First Optional Redemption Date but prior to the delivery of an Enforcement Notice

"**Portfolio Option Holder"**" means the holder of at least 50 per cent of the Class Z1 Notes and the Class Z2 Notes.

"**Portfolio Sale Minimum Purchase Price**" means the amount required to redeem the Notes (other than the Class Z Notes) together with accrued and unpaid interest thereon and to meet the Issuer's payment obligations of a higher priority under the Post-Acceleration Priority of Payments on the Portfolio Option Exercise Date (taking account of any amounts expected to be held by the Issuer on the Portfolio Option Exercise Date).

"**Portfolio Sale Purchase Price**" means the amount paid by the Portfolio Option Holder or a third party purchaser in respect of a Portfolio Sale and which shall be at least equal to the Portfolio Sale Minimum Purchase Price.

"**Post-Acceleration Priority of Payments**" has the meaning given to it in Condition 9 (*Priority of Payments*).

"**Potential Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute an Event of Default.

"**PRA**" means the Prudential Regulatory Authority or any successor body or bodies.

"**Pre-Acceleration Interest Priority of Payments**" has the meaning given to it in Condition 9 (*Priority of Payments*).

"**Pre-Acceleration Principal Priority of Payments**" has the meaning given to it in Condition 9 (*Priority of Payments*).

"**Pre-Funding Reserve**" means an amount equal to £17,000,000 credited by the Issuer to the Pre-Funding Reserve Ledger on the Issue Date.

"**Pre-Funding Reserve Ledger**" means the ledger by that name of the Issuer on the Issuer Transaction Account to record the Pre-Funding Reserve.

"**Principal Amount Outstanding**" means, on any date, in relation to a Note, the initial principal amount of such Note, less the aggregate of all principal redemptions that have been paid by the Issuer in respect of that Note on or prior to that date.

"**Principal Deficiency Ledger**" means the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger, the Class E Principal Deficiency Ledger, the Class F Principal Deficiency Ledger and/or the Class Z1 Principal Deficiency Ledger, as applicable.

"**Principal Paying Agency Agreement**" means the principal paying agency agreement entered into between the Issuer, the Trustee, the Principal Paying Agent and the Registrar on or about the Closing Date.

"**Principal Paying Agent**" means Citibank, N.A. London Branch or any of its permitted successors or assigns.

"**Principal Proceeds**" means the Purchased Loan Proceeds other than Interest Proceeds.

"**Priority of Payments**" means the Pre-Acceleration Interest Priority of Payments, the Pre-Acceleration Principal Priority of Payments and/or the Post-Acceleration Priority of Payments, as applicable.

"**Prohibited Sectors**" means the following as defined in the Zopa Principles: (a) the production of tobacco products or alcoholic drinks (other than locally based specialist producers of beers, wines and/or spirits); (b) the production, distribution or sale of arms, ammunition, weapons, military equipment and/or pornography; and (b) any activity which, in the reasonable opinion of the Secretary of State for Business, Innovation and Skills (i) poses or could pose a threat to national security or (ii) results, or is likely to result in a Reputational Event.

"**Prospectus**" means this prospectus relating to the Notes.

"**Prospectus Regulation**" means Regulation (EU) 2017/1129.

"**Provisional Loan Portfolio** means the pool of Loan Assets selected as at the Provisional Loan Portfolio Cut-Off Date.

"**Provisional Loan Portfolio Cut-Off Date**" means 31 October 2019.

"**Purchase Date**" means the Closing Date or the Further Purchase Date, as applicable.

"**Purchased Loan Asset**" means any Loan Asset on the List of Loans which has been transferred (or purported to be transferred) by the Seller to the Issuer pursuant to the Loan Sale and Purchase Agreement and which is not an Affected Loan repurchased pursuant to a Zopa Purchase Obligation.

"**Purchased Loan Proceeds**" means, with respect to any Purchased Loan Asset, all cash collections and other cash proceeds of such Purchased Loan Asset, including, without limitation, all interest, principal and fees under such Purchased Loan Asset, the cash proceeds of the enforcement of such Purchased Loan Asset, the proceeds of the sale of the Purchased Loan Asset and any Deemed Collections.

"**Quarterly Investor Report**" means an investor report or reports containing the information specified in Article 7(1)(e) of the Securitisation Regulation whose publication is procured by the Reporting Agent on behalf of the Issuer on a quarterly basis.

"**Quarterly Loan-by-Loan Report**" means a report containing certain loan by loan information in relation to the Loan Portfolio whose publication is procured by the Reporting Agent on behalf of the Issuer on a quarterly basis for the purposes of Article 7(1)(a) of the Securitisation Regulation.

"**Quarterly Reporting Date**" means the date falling 30 calendar days after the Note Payment Date falling in March, June, September and December of each year, or if such date is not a Business Day, the immediately preceding Business Day), commencing on the date falling 30 calendar days after the Note Payment Date falling in March 2020.

"**Ratecard**" means the process and methodology used to determine loan pricing to Zopa Borrowers as applicable from time to time.

"**Rated Noteholder**" means a holder of any Rated Note.

"**Rated Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**Rate of Interest**" means the SONIA Rate of Interest and the Class A2 Rate of Interest.

"**Rating Agencies**" means DBRS and Fitch, and "**Rating Agency**" means either of them, as applicable.

"**Rating Agency Confirmation**" has the meaning given to it in Condition 1.1(a) (*Non-Responsive Rating Agency*).

"**Receiver**" means a receiver, trustee, administrator, custodian, conservator, liquidator or other similar official appointed by a statute, court or otherwise.

"**Recognised Stock Exchange**" means a recognised stock exchange for the purposes of section 1005 of the Income Tax Act 2007.

"**Records**" means, with respect to any Loan Asset, all documents (including the Loan Documentation), books and records relating to the Loan Asset, which are necessary to enforce the Loan Asset to which the relevant Zopa Lender is entitled.

"**Recoveries**" means any proceeds received in respect of Defaulted Loans.

"**Reference Rate**" means, in respect of any Banking Day, a reference rate equal to the daily SONIA rate for such Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Reference Screen or, if the Reference Screen is unavailable, as otherwise published by such authorised distributors (on the Banking Day immediately following such Banking Day).

"**Reference Screen**" means the Reuters Screen SONIA Page (or such replacement page on that service which displays the relevant information) or, if that service ceases to display the information, such other screen as may be determined by the Issuer

"**Register**" means the register of holders of the legal title to the Notes kept by the Registrar pursuant to the Principal Paying Agency Agreement.

"**Registrar**" means Citigroup Global Markets Europe AG or any of its permitted successors or assigns.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulatory Event**" has the meaning given to it in Condition 8.5 (*Optional Redemption in whole upon the occurrence of a Regulatory Event*).

"**Related Security**" means, in respect of any Loan at any time:

(a) any Security Interest securing or attaching to such Loan from time to time, if any, whether purporting to secure payment of such Loan Asset or otherwise;

(b) all deposits, insurance, guarantees, letters of credit, indemnities, warranties and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Loan whether pursuant to the Loan Contract, Zopa Principles, terms of trade or otherwise; and

(c) all rights to receive and obtain payment under the Loan Contract for such Loan including rights of enforcement under that document against the relevant Zopa Borrower.

"**Relevant Margin**" means:

(a) in the case of the Class A1 Notes: 0.85 per cent. per annum (the "**Class A1 Margin**");

(b) in the case of the Class A2 Notes: 0.81 per cent. per annum (the "**Class A2 Margin**");

(c) in the case of the Class B Notes: 1.55 per cent. per annum (the "**Class B Margin**");

(d) in the case of the Class C Notes: 2.00 per cent. per annum (the "**Class C Margin**");

(e) in the case of the Class D Notes: 2.50 per cent. per annum (the "**Class D Margin**");

(f) in the case of the Class E Notes: 3.10 per cent. per annum (the "**Class E Margin**"); and

(g) in the case of the Class F Notes: 3.60 per cent. per annum (the "**Class F Margin**").

"**Remaining Senior Interest Deficiency**" means, on any Note Payment Date an amount equal to any deficiency in the Available Interest Proceeds (other than paragraph (f) of the definition thereof) to the amount required to pay all items of the Pre-Acceleration Interest Priority of Payments up, to and including, an amount sufficient to pay all Interest Amounts then due and payable in respect of the then Most Senior Class of Notes.

"**Remedy Amount**" means in relation to an Affected Loan, an amount equal to the Collateral Principal Balance of such Affected Loan as of the date of such becoming an Affected Loan plus an amount equal to accrued but unpaid interest in relation to such Affected Loan up to the date on which such Affected Loan is purchased in accordance with the Zopa Purchase Obligation or in respect of which an indemnity amount has been paid pursuant to the Retention Holder Indemnification Obligation, as applicable.

"**Replacement Hedge Agreement**" means an agreement between the Issuer and a replacement interest rate hedge provider to replace the Interest Rate Hedge Agreement.

"**Replacement Hedge Premium**" means (i) an amount received by the Issuer from a replacement Interest Rate Hedge Counterparty upon entry by the Issuer into an agreement with such replacement Interest Rate Hedge Counterparty to replace the outgoing Interest Rate Hedge Counterparty, which shall be applied by the Issuer in accordance with the Cash Management and Calculation Agency Agreement, the Charge and Assignment and the Trust Deed, and/or (ii) an amount payable by the Issuer to a replacement Interest Rate Hedge Counterparty upon entry by the Issuer into an agreement with such replacement Interest Rate Hedge Counterparty to replace the outgoing Interest Rate Hedge Counterparty, as applicable.

"**Reporting Agency Agreement**" means a reporting agency agreement entered into between, among others, the Reporting Agent and the Issuer on or about the Closing Date.

"**Reporting Agent**" means M&G Specialty Finance (Luxembourg) No.1 S.à r.l.

"**Reporting Cut-Off Date**" means the last day of each calendar month.

"**Reporting Date**" means each date falling five (5) Business Days after a Reporting Cut-Off Date.

"**Reputational Event**" means the publication or broadcast (or proposed or threatened publication or broadcast) of any negative publicity, or publicity which might reasonably be expected to materially damage the reputation of the Secretary of State for Business, Innovation and Skills.

"**Requisite Majority**" means the Noteholders representing at least 75 per cent. of the aggregate Principal Amount Outstanding of the Class or Classes of Notes Outstanding.

"**Resolution**" means any Ordinary Resolution or Extraordinary Resolution or any other resolution passed at a meeting duly convened and held in accordance with the Trust Deed by the majority required in respect of such resolution or which satisfies the requirements the Trust Deed in respect of such resolution.

"**Retention Holder Notes**" means 100 per cent. of the aggregate principal amount of the Class Z1 and Class Z2 Notes, to be subscribed for by the Retention Holder pursuant to the Retention Notes Subscription Agreement.

"**Retention Holder Warranties**" or "**Retention Holder Warranty**" means the representations and warranties of the Retention Holders set out in clause 4.2 (*Retention Holder Warranties*) of the Loan Sale and Purchase Agreement, as set out herein under the section entitled "*Certain Transaction Documents – Loan Sale and Purchase Agreement – Retention Holder Warranties*".

"**Retention Holders**" means M&G Specialty Finance (Luxembourg) No. 1 S.à r.l. and Prudential Loan Investments 1 S.à r.l. and each, a "**Retention Holder**".

"**Retention Notes Subscription Agreement**" means the retention notes subscription agreement between the Issuer and each Retention Holder dated on or about the Closing Date.

"**Risk Retention Confirmation**" means the notice given to the Cash Manager and Calculation Agent in which the Retention Holders will confirm and disclose: (a) any change in the manner in which the Minimum Retained Amount is held (if applicable); (b) such information as is required by the Securitisation Regulation; and (c) that its net economic interest shall not be subject to any credit risk mitigation or any short positions or any other hedge and shall not be sold by itself or any of its affiliates, to be included in each Investor Report.

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited.

"**Secured Creditor(s)**" means each Noteholder, the Trustee, any Receiver or other Appointee, the Arranger, the Joint Lead Managers, the Registrar, the Issuer Account Bank, the Platform Servicer, any Successor Servicer,

the Back-Up Servicer, the Cash Manager and Calculation Agent, the Issuer Corporate Services Provider, the Principal Paying Agent, any other Paying Agent, each Retention Holder, the Reporting Agent, the Seller, the Interest Rate Hedge Counterparty and any other party from time to time acceding to any of the Transaction Documents as a secured creditor.

"**Secured Obligations**" means any and all monies and Liabilities which from time to time are or may become due or owing or payable, and all obligations and other actual or contingent liabilities from time to time incurred, by the Issuer to each Secured Creditor pursuant to the Notes and each Transaction Document and all claims, demands and damages for breach of any such obligations or covenant;

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Securitisation Regulation**" means any regulation of the European Union relating to simple, transparent and standardised securitisation including any implementing regulations, technical standards and official guidance relating thereto.

"**Security**" means the security created pursuant to the Charge and Assignment.

"**Security Interest**" means, with respect to any Person's assets, any lien, security interest, assignment by way of security, mortgage, hypothecation, charge, floating charge (or any promise or irrevocable mandate therefor) or encumbrance, or other right or claim under the Laws of any jurisdiction, of or on that Person's assets or properties in favour of any other Person (including any retention of title claims by any Person).

"**Seller**" means London Bay Loans Warehouse 1 Limited.

"**Seller Eligibility Criteria**" means the eligibility criteria set out in paragraphs 1(a) to 1(e), 1(g) to 1(i), 1(k), 1(m) and 2 of the definition of Eligibility Criteria.

"**Seller Records**" means, with respect to any Loan Asset, Records relating to such Loan Asset which are held by or within the control of the Seller, including Records held on behalf of the Issuer pursuant to clause 8 (*Custody Services*) of the Loan Sale and Purchase Agreement.

"**Retention Holder Indemnification Obligation**" has the meaning given to it in clause 2.5 (*Retention Holder Indemnification Obligation and Deemed Collection*) of the Loan Sale and Purchase Agreement as set out under section entitled "*Overview of the Loan Portfolio and Servicing – Retention Holder Indemnification Obligation*".

"**Senior Expenses**" means any senior expenses of the Issuer which rank in priority to the Most Senior Class of Notes in the relevant Priority of Payments.

"**Senior Interest Deficiency**" means, on any Note Payment Date, an amount equal to any deficiency in the Available Interest Proceeds (other than paragraphs (e) to (h) of the definition thereof) to the amount required to pay all items of the Pre-Acceleration Interest Priority of Payments up to and including an amount sufficient to pay all Interest Amounts then due and payable up to the Class B Note Interest Amount.

"**Sequential Amortisation Trigger Event**" shall occur on the earliest to occur of:

(a) the date on which the Aggregate Collateral Principal Balance of Defaulted Loans divided by the aggregate Principal Amount Outstanding of all Notes (other than the Class Z2 Notes) as of the Closing Date exceeds 0.5% multiplied by the number of Note Payment Dates or months (whichever is higher) since the Loan Portfolio Cut-Off Date, capped at 6.0%;

(b) the date on which the aggregate of the Net Principal Amount Outstanding of each Class of Notes (other than the Class Z Notes) prior to payment being made on the immediately following Note Payment Date is equal to or less than 50 per cent. of the Principal Amount Outstanding of all of the Notes (other than the Class Z Notes) as at the Closing Date;

(c) on any Note Payment Date after the first date on which the credit balance of the Cash Reserve Account was equal to or greater than the Cash Reserve Required Amount, the credit balance of the Cash Reserve Account is less than the Cash Reserve Required Amount (after giving effect to any payments to be made by the Issuer on such date);

(d) the date on which:

(i) on the First Note Payment Date, the ratio, expressed as a percentage, given by calculating (A) the Aggregate Collateral Principal Balance of Purchased Loan Assets (other than Additional Loans purchased in the immediately preceding Collection Period) that are not Delinquent Loans or Defaulted Loans, divided by (B) the aggregate Principal Amount Outstanding of the Notes (other than the Class Z2 Notes) as at the Closing Date *less* the Aggregate Collateral Principal Balance of all Affected Loans *less* the credit balance of the Pre-Funding Reserve Ledger on the Closing Date, is lower than 96.10%;

(ii) on the second Note Payment Date, the ratio, expressed as a percentage, given by calculating (A) the Aggregate Collateral Principal Balance of Purchased Loan Assets (other than Additional Loans purchased in the immediately preceding Collection Period) that are not Delinquent Loans or Defaulted Loans, divided by (B) the aggregate Principal Amount Outstanding of the Notes (other than the Class Z2 Notes) as at the Closing Date *less* the Aggregate Collateral Principal Balance of all Affected Loans *less* the credit balance of the Pre-Funding Reserve Ledger on the first day of the relevant Collection Period, is lower than 91.75%;

(iii) on the third Note Payment Date, the ratio, expressed as a percentage, given by calculating (A) the Aggregate Collateral Principal Balance of Purchased Loan Assets (other than Additional Loans purchased in the immediately preceding Collection Period) that are not Delinquent Loans or Defaulted Loans, divided by (B) the aggregate Principal Amount Outstanding of the Notes (other than the Class Z2 Notes) as at the Closing Date *less* the Aggregate Collateral Principal Balance of all Affected Loans *less* the credit balance of the Pre-Funding Reserve Ledger on the first day of the relevant Collection Period, is lower than 87.75%; and

(iv) on the sixth Note Payment Date, the ratio, expressed as a percentage, given by calculating (A) the Aggregate Collateral Principal Balance of Purchased Loan Assets that are not Delinquent Loans or Defaulted Loans, divided by (B) the aggregate Principal Amount Outstanding of the Notes (other than the Class Z2 Notes) as at the Closing Date *less* the Aggregate Collateral Principal Balance of all Affected Loans *less* the credit balance of the Pre-Funding Reserve Ledger on the first day of the relevant Collection Period, is lower than 72%; and

(e) on any Note Payment Date on which Compounded Daily SONIA or 1 month LIBOR is negative,

provided that, for the avoidance of doubt, upon the occurrence of any of the events set out above, the Sequential Amortisation Trigger Event cannot be cured.

"**Sequential Order**" means the following order: *first*, to the Class A Notes until the Class A Notes have been redeemed in full, *second*, to the Class B Notes until the Class B Notes have been redeemed in full, *third*, to the Class C Notes until the Class C Notes have been redeemed in full, *fourth*, to the Class D Notes until the Class D Notes have been redeemed in full, *fifth*, to the Class E Notes until the Class E Notes have been redeemed in full, *sixth*, to the Class F Notes until the Class F Notes have been redeemed in full, and *seventh*, to the Class Z1 Notes until the Class Z1 Notes have been redeemed in full, and *eighth*, to the Class Z2 Notes until the Class Z2 Notes have been redeemed in full.

"**Services**" means the services described in the Servicing Agreement.

"**Servicer Disruption**" means a failure by the Platform Servicer to provide the complete Servicing Report on any Reporting Date in accordance with the terms of the Servicing Agreement.

"**Servicing Agreement**" means the servicing agreement between, among others, the Issuer, the Platform Servicer, the Seller and the Trustee dated on or before the Closing Date.

"**Servicing Fee Rate**" means an amount applied to each Loan between 0.25% and 0.46% inclusive per annum and is fixed for the life of the Loan.

"**Servicing Insolvency Event**" means the occurrence of any of the events specified in paragraphs (i) and (j) of the definition of Servicing Termination Event.

"**Servicing Records**" means the records to be maintained by the Platform Servicer in respect of the Purchased Loan Assets, which shall include (without limitation):

(a) the total amounts outstanding in respect of the Purchased Loan Assets;

(b) the total amount of advances made to each Zopa Borrower in respect of each Purchased Loan Asset;

(c) the rate of interest applicable to each Purchased Loan Asset;

(d) the personal data of each Zopa Borrower;

(e) the loan profile of each Zopa Borrower which shall include the amount of original advance, repayment history and Collateral Principal Balance; and

(f) any fees or charges made by the Platform Servicer.

"**Servicing Report**" means a report furnished by the Platform Servicer pursuant to the Servicing Agreement in such form as agreed in writing between the parties thereto.

"**Servicing Termination Event**" or "**Servicing Termination Events**" has the meaning given to it in the Servicing Agreement, as set out herein under the section entitled "*Overview of the Loan Portfolio and Servicing – Servicing Termination Events*".

"**Share Trustee**" means Intertrust Corporate Services Limited.

"**SONIA**" means Sterling Overnight Index Average.

"**SONIA Cap Transaction**" means the confirmation of the interest rate cap referencing Compounded Daily SONIA entered into between the Issuer and the Interest Rate Hedge Counterparty pursuant to the Interest Rate Hedge Agreement.

"**SONIA Notes"** means the Class A1 Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

"**SONIA Rate of Interest**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**SONIA Swap Transaction**" means the confirmation of the fixed floating swap referencing Compounded Daily SONIA entered into between the Issuer and the Interest Rate Hedge Counterparty pursuant to the Interest Rate Hedge Agreement.

"**SONIA Transactions**" means the SONIA Cap Transaction and/or the SONIA Swap Transaction, as applicable.

"**Standard of Care**" means the Platform Servicer acting in good faith and with the due care and skill that would be exercised by a prudent and informed servicer of loans similar to the Purchased Loan Assets administered for the account of others and, where it is a higher standard, with the equivalent diligence and level of care and skill that it would exercise concerning other loans, similar to the Purchased Loan Assets, originated on the Zopa Platform; and in accordance with (i) its Collections Policy, (ii) the Zopa Principles (as the same may be amended pursuant to the Servicing Agreement), (iii) the Loan Contracts, (iv) all applicable Laws, and (v) the Servicing Agreement.

"**Sterling**", "**pound**", "**GBP**" and "**£**" means the lawful currency of the United Kingdom.

"**STS Assessment**" means, together with the STS Verification, an assessment of compliance of the Notes with the relevant provisions of Article 243 of the CRR and Article 13 of the LCR Regulation provided by PCS, as a verification agent authorised under article 28 of the Securitisation Regulation.

"**STS Notification**" means a notification to the ESMA in accordance with article 27 of the Securitisation Regulation that the requirements of articles 19 to 22 of the Securitisation Regulation have been satisfied with respect to the Notes.

"**STS Requirements**" means the requirements of articles 19 to 22 of the Securitisation Regulation.

"**STS Verification**" means an assessment of the compliance of the Notes with the requirements of articles 19 to 22 of the Securitisation Regulation.

"**STS Verification Agent**" means Prime Collateralised Securities (PCS) UK Limited with registered office at 40 Gracechurch Street, London EC3V 0BT.

"**Subscription Agreement**" means the subscription agreement between the Issuer, the Arranger, the Joint Lead Managers and each Retention Holder dated on or about the Closing Date.

"**Subscription Agreements**" means the Subscription Agreement and the Retention Notes Subscription Agreement.

"**Successor Servicer**" means a successor servicer (which shall be the Back-Up Servicer pursuant to the Back-Up Servicing Agreement unless such appointment has been terminated or has lapsed in accordance with the same).

"**Successor Servicer Effective Date**" has the meaning given to it under section herein entitled "*Certain Transaction Documents – Back-Up Servicing Agreement*".

"**Target**" means Target Servicing Limited as Back-Up Servicer.

"**TARGET Business Day**" means a day on which the TARGET System or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

"**Target Policies**" means the documents setting out the detailed breakdown of the Full Servicing, in the form prepared by the Back-Up Servicer and approved by the Issuer (as such policies may be amended from time to time by agreement in writing between the Back-Up Servicer and the Issuer).

"**Target Services**" means, in respect of the Loan Portfolio:

(a) ensuring all payments made by Zopa Borrowers in connection with the Purchased Loan Assets are, once received by it, paid to the accounts of the Issuer in accordance with the Invocation Plan;

(b) initiating and prosecuting (or ensuring another person initiates and prosecutes) in the name of the Issuer or its nominee as lender of record and/or legal title holder and on its/their behalf, in accordance with the Target Policies, against a Zopa Borrower in respect of any Purchased Loan Asset which has defaulted in accordance with its terms;

(c) monitoring whether or not Zopa Borrowers are making repayments;

(d) issuing notice and statements of arrears and notices of default on a timely basis;

(e) taking action for the timely collection of all principal and interest payments under each Purchased Loan Asset when due and payable;

(f) producing Servicing Reports in respect of the Loan Portfolio, in accordance with the Servicing Agreement (provided that sufficient information as to any newly Purchased Loan Assets (since the last Servicing Report and/or Back-Up Servicing Data provided to Target) is provided to Target in sufficient time by or on behalf of the Platform Servicer or any replacement originator of Purchased Loan Assets);

(g) the grant of Loan Modifications in accordance with the Servicing Agreement;

(h) appointing and liaising with any collections agency, professional person or firm to advise on or guide or carry out the enforcement process; and

(i) handling complaints by Zopa Borrowers, including conducting claims before Financial Ombudsman Service in the name of the Issuer or its nominee (as lender of record and/or legal title holder) and on the Issuer's behalf (as lender of record and/or legal title holder).

"**TARGET System**" means the Trans European Automated Real Time Gross Settlement Express Transfer System (known as TARGET 2) or, if such system ceases to be operative, such other system (if any) approved by the Trustee.

"**Tax Event**" has the meaning given to it in Condition 8.3 (*Optional Redemption in whole following a Tax Event*).

"**Tax**" or "**Taxes**" or "**Taxation**" means all present and future forms of taxation, duties, rates, levies, contributions, withholdings, deductions, liabilities to account, charges, surcharges and imposts whether imposed in the United Kingdom or elsewhere in the world, and all penalties, charges, surcharges, costs and interest relating thereto or otherwise imposed by any taxing authority.

"**Tax Deduction**" means any withholding or deduction for or on account of any Tax that is required by Law (including FATCA).

"**Transaction**" means the transaction contemplated by the Transaction Documents.

"**Transaction Documents**" means the Master Framework Agreement, the Account Bank Agreement, the Servicing Agreement, the Cash Management and Calculation Agency Agreement, the Principal Paying Agency Agreement, the Issuer Corporate Services Agreement, the Charge and Assignment, the Trust Deed, the Back-Up Servicing Agreement, the Loan Sale and Purchase Agreement, the Conditions (including the Notes), the Interest Rate Hedge Agreement, the Payment Netting Agreement, the Deed Poll, the Issuer/ICSD Agreement, the Reporting Agency Agreement and any Custodial Services Agreement.

"**Transaction Party**" means any person who is a party to a Transaction Document and "**Transaction Parties**" means some or all of them.

"**Trust Corporation**" means a corporation entitled by the rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England and Wales to act as trustee and carry on trust business under the laws of the country of its incorporation.

"**Trust Deed**" means the trust deed between the Issuer, the Trustee, the Principal Paying Agent and the Registrar dated on or about the Closing Date and any schedules and trust deeds supplemental thereto, all as from time to time amended in accordance with the provisions set out therein.

"**Trust Property**" has the meaning given to it in the Charge and Assignment.

"**Trustee**" means Citibank, N.A. London Branch or any of its permitted successors or assigns.

"**Underwriting Guidelines**" means the underwriting guidelines of Zopa for its program for originating Loan Contracts as amended from time to time.

"**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

"**U.S.**" means the United States of America.

"**USD**" or "**$**" means US Dollar.

"**UTCCR**" means the Unfair Terms in Consumer Contract Regulations 1999, as amended.

"**VAT**" means any tax imposed in conformity with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) (including, in relation to the United Kingdom, value added tax imposed by the Value Added Tax Act 1994 and legislation supplemental thereto) and any other tax of a similar fiscal nature substituted for, or levied in addition to such tax whether in the European Union or elsewhere in any jurisdiction together with any interest and penalties thereon.

"**Warehouse Loan Sale and Purchase Agreement**" means the warehouse loan sale and purchase agreement entered into on 24 December 2018 between the Seller and Zopa, and amended by a deed of amendment on 27 September 2019 between the Seller and Zopa.

"**Written Resolution**" has the meaning given to it in the Trust Deed.

"**Zopa**" means Zopa Limited.

"**Zopa Borrower**" means, in respect of a Loan, the borrower thereunder.

"**Zopa Customer Funds Account**" means the segregated bank account which the Platform Servicer maintains with the Collection Account Bank or such replacement account as may be established in accordance with the Servicing Agreement.

"**Zopa Eligibility Criteria**" means the eligibility criteria set out in paragraphs 1(a) to (g), 1(i) to 1(l), 1(o) and 2 of the definition of Eligibility Criteria.

"**Zopa Lender**" means, in respect of a Loan, the lender (or an assignee, other than by way of security only, of such lender's right, title and interest in the Loan, as the case may be) thereunder.

"**Zopa Loan Servicing Fee**" means an amount per annum deducted from the Interest Proceeds of each payment made in respect of each Purchased Loan Asset that a Borrower makes when its Loan is not a Delinquent Loan or a Defaulted Loan, such that the annualised interest rate received by the Issuer in respect of such Purchased Loan Asset is equal to the contractual interest rate applicable to such Loan less the applicable Servicing Fee Rate.

"**Zopa Loan Warranty**" or "**Zopa Loan Warranties**" means the representations and warranties of Zopa set out in clause 9.2 (*Zopa Loan Warranties*) of Servicing Agreement, as set out herein under the section entitled "*Certain Transaction Documents – Servicing Agreement - Zopa Loan Warranties*".

"**Zopa Market**" has the meaning given to it in the section entitled "*Zopa Limited – The Zopa Platform – Origination and Underwriting – Credit Approval Process*".

"**Zopa Platform**" means the peer to peer lending platform operated by Zopa.

"**Zopa Principles**" means the Zopa principles governing the operation of the Zopa Platform, published at www.zopa.com/principles, as the same may be amended according to its terms and the terms of the Transaction Documents from time to time.

"**Zopa Purchase Obligation**" has the meaning given to it the Servicing Agreement as set out herein under the section entitled "*Overview of the Loan Portfolio and Servicing – Zopa Purchase Obligation*".

"**Zopa Safeguard**" means the arrangements under Principle 6 of the Zopa Principles.

"**Zopa Side Agreement**" means the agreement between the Arranger, the Joint Lead Managers, Zopa and the Retention Holders dated on or about the Closing Date.

INDEX OF DEFINED TERMS

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AND JOINT LEAD MANAGER
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Winchester Street
London EC2N 2DB

JOINT LEAD MANAGER
Standard Chartered Bank
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London EC2V 5DD

REGISTERED OFFICE OF
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Marketplace Originated
Consumer Assets 2019-1 PLC
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TRUSTEE
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PRINCIPAL PAYING AGENT
AND CASH MANAGER AND
CALCULATION AGENT
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London E14 5LB

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