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MARKETPLACE ORIGINATED CONSUMER ASSETS 2016-1 PLC

(*incorporated with limited liability in England and Wales under number 10027160*)

Note Class	Initial Principal Amount (GBP)	Issue Price	Reference Rate	Relevant Margin	Pre-acceleration Redemption Profile	Final Maturity Date	Ratings (Fitch/ Moody's)
A	114,000,000	100%	1 month LIBOR	1.45% p.a.	Sequential pass-through redemption	October 2024	AA-(sf)/ Aa3(sf)
B	7,500,000	100%	1 month LIBOR	2.90% p.a.	Sequential pass-through redemption	October 2024	A(sf)/ A2(sf)
C	7,500,000	100%	1 month LIBOR	4.00% p.a.	Sequential pass-through redemption	October 2024	BBB+(sf)/ Baa2(sf)
D	9,000,000	100%	1 month LIBOR	7.00% p.a.	Sequential pass-through redemption	October 2024	BB(sf) / Ba3(sf)
Z	12,144,000	100%	N/A	Variable interest amount	Sequential pass-through redemption	October 2024	Unrated

Closing Date .... 4 October 2016, or such later date agreed between the Issuer and the Arranger and notified to Zopa.

Standalone/programme issuance .... Standalone 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 P2P Global Investments PLC (the "**Seller**") through the Zopa Platform (the "**Loan Portfolio**") which will be purchased by the Issuer on the Closing Date. Please refer to the section entitled "*The Loan Portfolio*" for further information.

Cashflow... HSBC Bank PLC 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;
- 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.....................................

- Liquidity 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 can be found under the section entitled "*Overview of the*

Terms and Conditions of the Notes" and is set out in full in Condition 8 (*Redemption*).

Credit Rating Agencies............................. Fitch Ratings Limited ("**Fitch**") and Moody's Investors Service Limited ("**Moody's**" and together with Fitch, the "**Rating Agencies**").

As of the date hereof, each of Moody's 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 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 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 Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Credit Ratings... Ratings are expected to be assigned to the Class A Notes, the Class B Notes, the Class C Notes and the Class D 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 assigned by Fitch and Moody's address the likelihood of: (a) 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 and the Class D Notes; and (b) 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 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 prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended, to the extent for the purposes of this Prospectus such amendments have been implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State (the "**Prospectus Directive**"). This document comprises a prospectus for the purpose of the Prospectus Directive. The Central Bank only approves this prospectus as meeting the requirements imposed under Irish and

	EU law pursuant to the Prospectus Directive. Such approval relates only to Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area.
	Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes to be admitted to the official list of the Irish Stock Exchange (the "**Official List**") and to trading on its regulated market. References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the Irish Stock Exchange's regulated market. A copy of this Prospectus will be filed with the Companies Registration Office in Ireland in accordance with Regulation 38(1)(b) of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the "**Prospectus Regulations**").
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	P2P Global Investments PLC, as "originator" for the purposes of Article 405(1) of the CRR will, for the life of the Transaction, retain a material net economic interest of not less than five (5) per cent. in the securitisation in accordance with each of Article 405 of Regulation (EU) No. 575/2013 (the Capital Requirements Regulation (the "**CRR**")); Article 51 of Regulation (EU) No 231/2013, referred to as the Alternative Investment Fund Managers Regulation (the "**AIFMR**"); and Article 254 of Regulation (EU) 2015/35 (the "**Solvency II Regulation**" and together with the CRR and the AIFMR, the "**Retention Requirement Laws**") (which, in each case, does not take into account any corresponding national measures). As at the Closing Date, such interest will take the form of a first loss tranche in accordance with Article 405(1)(d) of the CRR; Article 51(1)(d) of the AIFMR; and Article 254(2)(d) of the Solvency II Regulation comprising of the Class Z Notes having a Principal Amount Outstanding of not less than five (5) per cent. of the Aggregate Collateral Principal Balance. Any change to the manner in which such interest is held will be notified to the Noteholders in the Investor Reports. Please refer to the sections entitled "*Certain Regulatory Disclosures*" and "*Subscription and Sale*" for further information.
Significant Investor	P2P Global Investments PLC, will, on the Closing Date, purchase 100 *per cent.* of the Class D Notes and the Class Z Notes.
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.

A "RISK FACTORS" SECTION BEGINNING ON PAGE 42 OF THIS PROSPECTUS 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 DETAILED WITHIN THAT SECTION.

Arranger

Deutsche Bank AG, London Branch

The date of this Prospectus is 3 October 2016.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information sourced from third parties contained in this Prospectus has been accurately reproduced (and is clearly sourced where it appears in this Prospectus) and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

P2P Global Investments PLC ("**P2PGI**") accepts responsibility for the information set out in the section headed "*The Seller and the Retention Holder*". To the best of the knowledge and belief of P2PGI (having taken all reasonable care to ensure that such is the case), the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, expressed or implied, is made, and no responsibility or liability is accepted by P2PGI 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.

Zopa Limited ("**Zopa**" and/or the "**Platform Servicer**") accepts responsibility for the information set out in the sections headed "*Zopa Limited*", "*The Platform Servicer and the Servicing Procedures*", "*The Loan Portfolio*" (other than the sub-sections "*The Loan Portfolio – Origination – Platform Lending Agreement*" and "*- Loan Portfolio Selection*") and "*Certain Other Transaction Documents – Servicing Agreement*". To the best of Zopa's knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Zopa as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above) or any other information supplied in connection with the Notes or their distribution.

MW Eaglewood Europe LLP (the "**Investment Manager**") accepts responsibility for the information set out in the section headed "*The Investment Manager*". To the best of the knowledge and belief of the Investment Manager (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, express or implied, is made and no responsibility or liability is accepted by the Investment Manager as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

HSBC Bank PLC (the "**Cash Manager and Calculation Agent**", the "**Issuer Account Bank**", the "**Principal Paying Agent**" and the "**Registrar**") accepts responsibility for the information set out in the section headed "*The Cash Manager and Calculation Agent, the Issuer Account Bank, the Principal Paying Agent and the Registrar*". To the best of the knowledge and belief of HSBC Bank PLC (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, express or implied, is made and no responsibility or liability is accepted by HSBC Bank PLC as to the accuracy or completeness of any information contained in this Prospectus (other than in the section referred to above) or any other information supplied in connection with the Notes or their distribution.

Target Servicing Limited (the "**Back-Up Servicer**") has provided and accepts responsibility for the information set out in the sections entitled "*The Back-Up Servicer*" and "*Certain Other Transaction Documents – Back-Up Servicing Agreement*". To the best of the knowledge and belief of the Back-Up Servicer (having taken all reasonable care to ensure that such is the case), the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or Liability is accepted by the Back-Up Servicer as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above) or any other information supplied in connection with the Notes or their distribution.

BNP Paribas in its capacity as the Interest Rate Cap Provider (the "**Interest Rate Cap Provider**") has provided and accepts responsibility for the information set out in the sections entitled "*The Interest Rate Cap Provider*" and "*Certain Other Transaction Documents – Interest Rate Cap*". To the best of the knowledge and

belief of the Interest Rate Cap Provider (having taken all reasonable care to ensure that such is the case), the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Interest Rate Cap Provider as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above) or any other information supplied in connection with the Notes or their distribution.

DISCLAIMER

Except as otherwise stated above, none of the Arranger, the Principal Paying Agent, the Cash Manager and Calculation Agent, the Issuer Account Bank, the Registrar, P2PGI, the Investment Manager, 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 Principal Paying Agent, the Issuer Account Bank, the Cash Manager and Calculation Agent, the Registrar, P2PGI, the Investment Manager, 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 Principal Paying Agent, the Cash Manager and Calculation Agent, the Issuer Account Bank, the Registrar, P2PGI, the Investment Manager, 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 Principal Paying Agent, the Cash Manager and Calculation Agent, the Issuer Account Bank, the Registrar, P2PGI, the Investment Manager, 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 "*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 (the "**Companies Act**") to subscribe for any Notes.

The distribution of this Prospectus, or any part thereof, and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by any Transaction Party that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, save for obtaining the approval of this Prospectus as a prospectus for the purposes of the Prospectus Directive by the Central Bank (it being understood that such approval alone will not permit a public offering of the Notes), no action has been or will be taken by any Transaction Party which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required.

Accordingly, the Notes 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**"), 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.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES SECURITIES LAWS AND THEREFORE MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE

ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, SUCH REGISTRATION REQUIREMENTS. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN UNDER THE GLOBAL NOTES.

None of the Issuer, the Arranger, the Principal Paying Agent, the Issuer Account Bank, P2PGI, the Back-Up Servicer, the Cash Manager and Calculation Agent, the Registrar, Zopa, the Interest Rate Cap Provider, or the Trustee 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.

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 Issuer, the Arranger, the Principal Paying Agent, the Issuer Account Bank, P2PGI, the Back-Up Servicer, the Cash Manager and Calculation Agent, the Registrar, the Investment Manager, Zopa, the Interest Rate Cap Provider, the Subordinated Loan Provider, or the Trustee. 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 or the Arranger other than as set out in the paragraph headed "*Listing*" on page 2 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.

INFORMATION AS TO PLACEMENT

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

CURRENCIES

In this Prospectus, unless otherwise specified, references to "**euro**", "**EUR**" and "**€**" are to the lawful currency of Member States of the European Union that adopt the single currency in accordance with the Treaty, as amended and references to "**Sterling**", "**pound**", "**£**" and "**GBP**" are to the lawful currency of the United Kingdom. References in this Prospectus to Ireland mean Ireland (excluding Northern Ireland).

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 Principal Paying Agent, the Cash Manager and Calculation Agent, the Issuer Corporate Services Provider, the Issuer Account Bank, the Registrar, the Trustee, P2PGI, the Investment Manager, Zopa, or the Subordinated Loan Provider 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 Principal Paying Agent, the Cash Manager and Calculation Agent, the Issuer Corporate Services Provider, the Issuer Account Bank, the Registrar, the Trustee, the Investment Manager, Zopa, the Subordinated Loan Provider or P2PGI 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.

RETENTION REQUIREMENTS

The Retention Holder will represent and undertake to acquire and hold 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 the Retention Requirement Laws or any other regulatory requirement. Notwithstanding anything to the contrary herein, none of the Issuer, the Arranger, the Principal Paying Agent, the Issuer Account Bank, P2PGI, the Back-Up Servicer, the Cash Manager and Calculation Agent, the Registrar, Zopa, the Interest Rate Cap Provider, the Trustee, 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 thereby to satisfy the Retention Requirement Laws or any other applicable legal, regulatory or other requirements. Each prospective investor in the Notes which is subject to the Retention Requirement Laws 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 "*Risk Factors – Certain Regulatory Considerations - Regulatory Initiatives", "Risk Factors – Certain Regulatory Considerations – EU Risk Retention and Due Diligence Requirements"*, "*Certain Regulatory Disclosures*" and "*The Seller and the Retention Holder*" below.

NO STABILISATION

In connection with the issue of the Notes, no stabilisation will take place and the Arranger will not be acting as stabilising manager in respect of the Notes.

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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 2016-1 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 will be incorporated for the purpose of entering into the Transaction 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 Notes to pay the Purchase Price to the Seller in respect of the Loan Portfolio pursuant to the Loan Sale and Purchase Agreement. In addition, the Issuer will, on the Closing Date, make a drawing under the Subordinated Loan Agreement entered into with P2PGI as Subordinated Loan Provider. The Issuer will use the proceeds of the Subordinated Loan as follows: (i) to make a deposit in an amount equal to the Cash Reserve Required Amount into the Cash Reserve Account; (ii) to make a deposit in an amount equal to the Liquidity Reserve Required Amount into the Liquidity Reserve Account; (iii) to purchase the Interest Rate Cap on the Closing Date; and (iv) to make payments in respect of the fees, costs and expenses in connection with the issuance of the Notes.

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 between the Seller and the related Zopa Borrower 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 "*The Loan Portfolio – The Loan Contracts*".

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 Cap, 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 Cap, 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 one month 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 respectively.

Each Class Z 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

Save to the extent previously redeemed in full and cancelled in accordance with the Conditions, the Notes of each Class will be redeemed at their respective Principal Amount Outstanding together with accrued (and unpaid) interest on the Final Maturity Date in accordance with the applicable Priority of Payments.

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 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 acting by way of Extraordinary Resolution; deliver an Enforcement Notice to the Issuer and institute such proceedings and take any other steps as may be required in order to enforce the Security (subject, in each case to being indemnified and/or prefunded and/or secured to its satisfaction). 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, and (ii) on each Note Payment Date (or on such other date as the Trustee instructs in writing in accordance with the Transaction Documents) 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 (A) any Excess Swap Collateral which shall be returned directly to an Interest Rate Cap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (B) any Replacement Swap Premium (only to the extent it is applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Interest Rate Cap Provider), (C) any Swap Tax Credits, which shall be applied directly to an Interest Rate Cap Provider 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 Cap and the resulting application of the Swap Collateral by way of netting or set-off, all Swap Collateral provided by an Interest Rate Cap Provider to the Issuer pursuant to an Interest Rate Cap (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) upon the exercise of the Clean-Up Call Option or (b) upon the occurrence of a Regulatory Event (or shall if requested by prescribed Noteholders). The Issuer shall redeem the Notes in whole (but not in part) subject to and in accordance with the Conditions upon the occurrence of (a) a Tax Event or (b) an Illegality Event. Any such redemption in whole pursuant to Conditions 8.2 (*Optional Redemption in whole – Clean-up Call*), 8.3 (*Mandatory Redemption in whole following a Tax Event*), 8.4 (*Mandatory 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 Notes and meet its payment obligations of a higher priority under the Pre-Acceleration Principal Priority of Payments.

Listing

Application has been made to the Irish Stock Exchange 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 A Notes be assigned a credit rating of (i) Aa3(sf) by Moody's and (ii) AA-(sf) by Fitch;

(b) the Class B Notes be assigned a credit rating of (i) A2(sf) by Moody's and (ii) A(sf) by Fitch;

(c) the Class C Notes be assigned a credit rating of (i) Baa2(sf) by Moody's and (ii) BBB+(sf) by Fitch; and

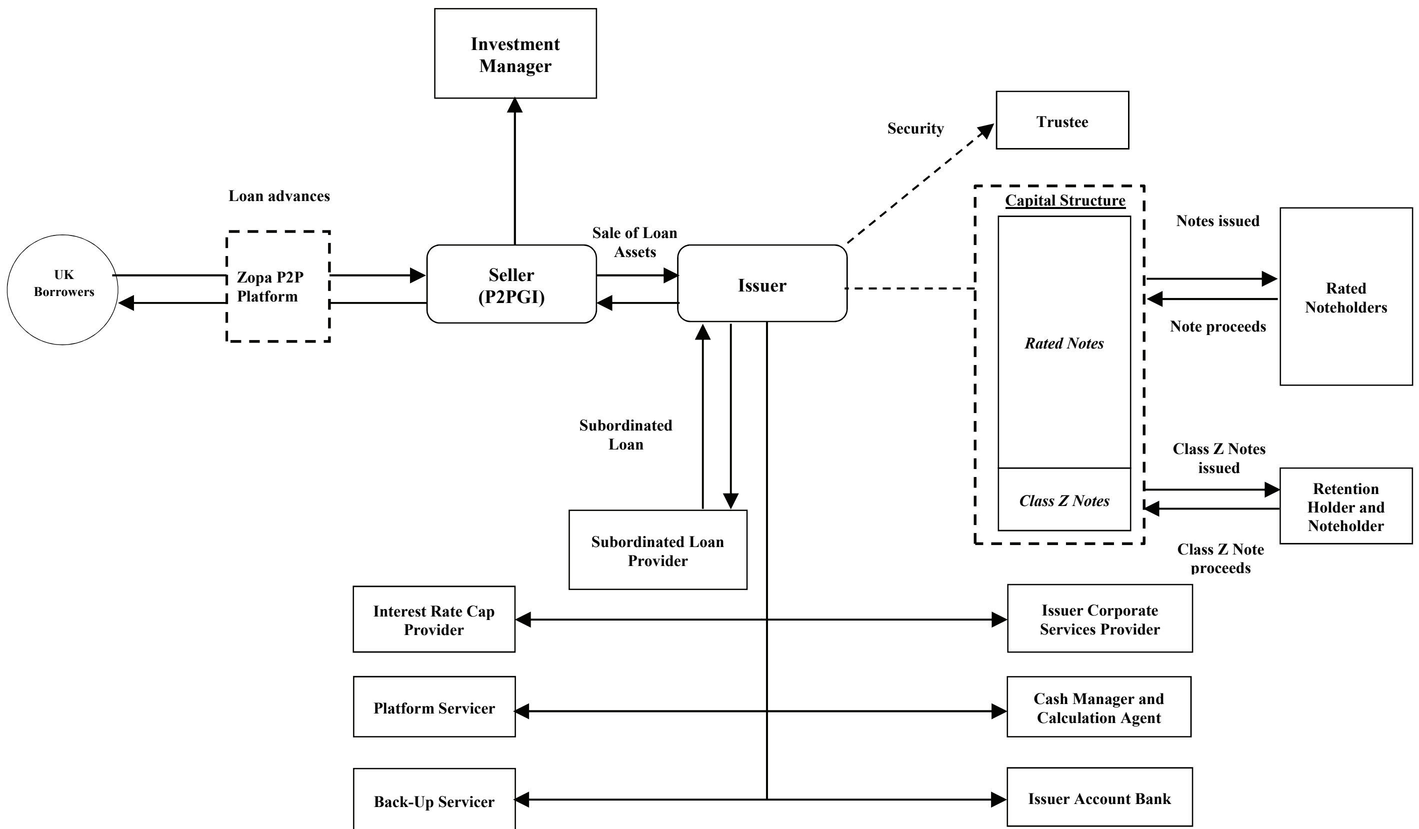
(d) the Class D Notes be assigned a credit rating of (i) Ba3(sf) by Moody's and (ii) BB(sf) by Fitch.

The Class Z Notes will not be rated.

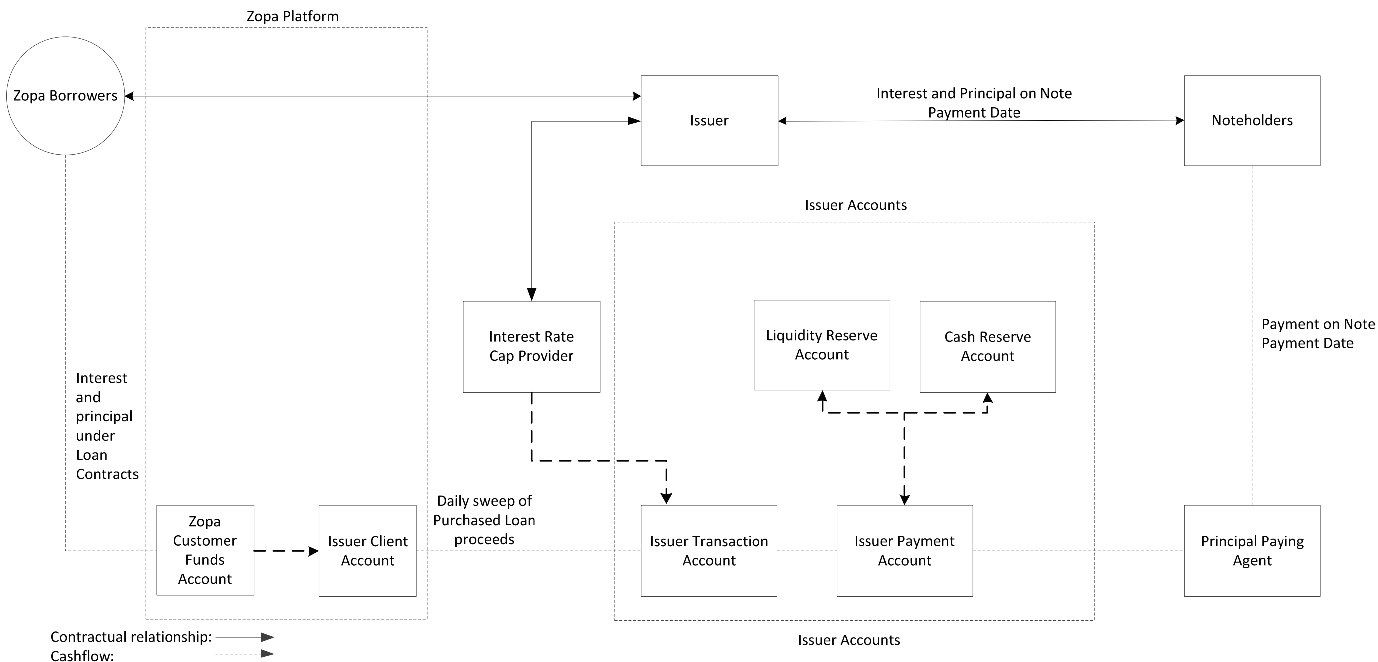
Certain Risks

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 42 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 Cap). 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.

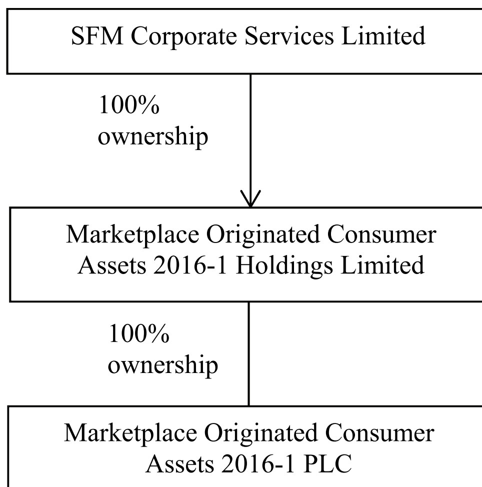
DIAGRAMMATIC OVERVIEW OF THE TRANSACTION AT ISSUE



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 2016-1 Holdings Limited ("**HoldCo**").
- The entire issued share capital of HoldCo is held on trust by SFM Corporate Services Limited under the terms of a declaration of trust for discretionary purposes for the benefit of certain beneficiaries (the "**Share Trustee**").

OVERVIEW OF THE TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed/ Further Information
Arranger	Deutsche Bank AG, London Branch	Winchester House, 1 Great Winchester Street, London, EC2N 2DB	N/A
Back-Up Servicer	Target Servicing Limited	Target House, Cowbridge Road East, Cardiff CF11 9AU	Back-Up Servicing Agreement See further the section entitled *"Certain Other Transaction Documents – Back-Up Servicing Agreement"*
Cash Manager and Calculation Agent	HSBC Bank PLC	8 Canada Square, London, E14 5HQ	Cash Management and Calculation Agency Agreement. See further the section entitled "*Overview of Credit Structure and Cashflow", "Cashflows and Cash Management" and "The Cash Management and Calculation Agency Agreement"*
HoldCo	Marketplace Originated Consumer Assets 2016-1 Holdings Limited	35 Great St Helen's, London EC3A 6AP	N/A
Interest Rate Cap Provider	BNP Paribas	10 Harewood Avenue, London NW1 6AA	Interest Rate Cap See further the section entitled *"Certain Other Transaction Document – Interest Rate Cap"*
Investment Manager	MW Eaglewood Europe LLP	George House, 131 Sloane Street, London, SW1X 9AT	N/A

Party	Name	Address	Document under which appointed/ Further Information
Issuer	Marketplace Originated Consumer Assets 2016-1 PLC	35 Great St. Helen's, London EC3A 6AP	N/A
Issuer Account Bank	HSBC Bank PLC	8 Canada Square, London, E14 5HQ	Account Bank Agreement See further the section entitled "*Certain Other Transaction Documents – Account Bank Agreement*"
Issuer Corporate Services Provider	Structured Finance 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	Irish Stock Exchange plc	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 Other Transaction Documents – Servicing Agreement*"
Principal Paying Agent	HSBC Bank PLC	8 Canada Square, London, E14 5HQ	Principal Paying Agency Agreement See further the section entitled "*Certain Other Transaction Documents – Principal Paying Agency Agreement*"
Retention Holder	P2P Global Investments PLC	1st Floor, 40 Dukes Place, London, EC3A 7NH	See further the section entitled "*Certain Regulatory Disclosures*" and "*Subscription and Sale*"
Seller	P2P Global Investments PLC	1st Floor, 40 Dukes Place,	Loan Sale and Purchase Agreement

Party	Name	Address	Document under which appointed/ Further Information
		London, EC3A 7NH	See further the section entitled "*Certain Other Transaction Documents – Loan Sale and Purchase Agreement*"
Share Trustee	SFM Corporate Services Limited	35 Great St. Helen's, London EC3A 6AP	Share Trust Deed
Subordinated Loan Provider	P2P Global Investments PLC	1st Floor, 40 Dukes Place, London, EC3A 7NH	Subordinated Loan Agreement See further the section entitled "*Certain Other Transaction Documents – Subordinated Loan Agreement*"
Trustee	HSBC Corporate Trustee (UK) Company Limited	8 Canada Square, London, E14 5HQ	Trust Deed See further the section entitled "*Certain Other Transaction Documents – Trust Deed*" Charge and Assignment See further the section entitled "*Certain Other Transaction Documents – Charge and Assignment*"

OVERVIEW OF THE LOAN PORTFOLIO AND SERVICING

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 made through the Zopa Platform prior to the Closing Date. The Loan Contracts were 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, on the Closing Date, the Issuer will purchase the Loan Portfolio at the Purchase Price from the Seller. All Purchased Loan Assets will be required to have satisfied the Eligibility Criteria and the Loan Warranties as at the Closing Date (unless stated otherwise).

The Seller shall procure that Zopa shall notify on the Closing Date, each Zopa Borrower in respect 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 Borrowers). In the case of any In-Flight Loans that have not been repaid in full by the In-Flight Transfer Date, the related Zopa Borrower will be notified on the In-Flight Transfer Date.

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 Purchase Price payable on the Closing Date by the Issuer in respect of the sale of the Loan Portfolio will be an amount equal to the Aggregate Collateral Principal Balance of the Loan Assets as of the Loan Portfolio Cut-Off Date together with any accrued (and unpaid) interest being purchased by the Issuer on the Closing Date. The Purchase Price 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 on the Closing 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 Loan Portfolio – Provisional Loan Portfolio Stratification Tables*."

Number of Loans:	27,137
Number of Zopa Borrowers:	26,918
Aggregate Initial Collateral Principal Balance:	£194,350,900

Aggregate Collateral Principal Balance:	£149,422,240
Average Initial Collateral Principal Balance:	£7,162
Average Collateral Principal Balance:	£5,506
Weighted average contractual interest rate:	7.6 *per cent.*
Weighted average seasoning:	10.17 months
Weighted average original term:	50.73 months
Weighted average remaining term:	40.56 months
Top 1 Zopa Borrower percentage:	0.02 *per cent.*
Top 3 Zopa Borrower percentage:	0.05 *per cent.*
Top 5 Zopa Borrower percentage:	0.08 *per cent.*
Top 10 Zopa Borrower percentage:	0.17 *per cent.*

Loan Warranties .... (i) Pursuant to the Loan Sale and Purchase Agreement, the Seller will make the Seller Loan 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 Closing 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 Closing Date:

(i) each Loan included in the List of Loans satisfied the Zopa Eligibility Criteria, as at the Closing Date (unless stated otherwise in 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 (A) which defect, for the avoidance of doubt, would not prejudice the rights of the relevant Zopa Borrower and (B) which order would not be likely to be refused under section 127 of the CCA); and

(b) the Seller will represent and warrant to the Issuer that, among other things as at the Closing Date:

(i) each Loan included in the List of Loans being offered for sale to the Issuer satisfied the Seller Eligibility Criteria as at the Closing Date (unless stated otherwise in the Eligibility Criteria);

(ii) immediately prior to the sale and assignment of the Seller's right, title, benefit 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

(iii) immediately following each sale of any Loan Asset, the Seller will have no continuing equitable interest in such Loan Asset and immediately following notification of the relevant Zopa Borrower in accordance with the Loan Sale and Purchase Agreement, the Seller will have no legal title to such Loan Assets.

For further information see section entitled "*Certain Other Transaction Documents – Servicing Agreement — Zopa Loan Warranties*" and "*Certain Other Transaction Documents – Loan Sale and Purchase Agreement – Seller Loan 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 Closing Date, any Zopa Loan Warranty was untrue with respect to such Purchased Loan Asset,

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 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**").

Seller Repurchase Obligation ....

Pursuant to the Loan Sale and Purchase Agreement, if either (A) a First Payment Default has occurred in respect of any Purchased Loan Asset, or (B) as at the Closing Date, any Seller Loan 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; 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 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 Seller requiring the Seller to repurchase such Purchased Loan Asset within ten (10) Business Days after the date of such notice for the Remedy Amount (the "**Seller Repurchase Obligation**").

Deemed Collections.................................. If Zopa or the Seller is unable to purchase or repurchase an Affected Loan pursuant to the Zopa Purchase Obligation or the Seller Repurchase Obligation (respectively) (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 or the Seller does not have, in full force and effect, the appropriate permissions under FSMA), Zopa or the Seller (as applicable) shall, on the date it is due to purchase or repurchase 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 the Seller Repurchase Obligation, as applicable.

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

(1) the Loan:

(a) represents a legally valid, binding and enforceable Loan Contract, subject to general principles of equity and insolvency;

(b) was originated in the ordinary course of Zopa's operation of the Zopa Platform in accordance with the Zopa Principles and underwritten in accordance with Zopa's credit guidelines and Underwriting Guidelines and approved credit models applicable at the time of origination and is in compliance with all applicable Laws;

(c) was originated with the Seller as the original Zopa Lender of such Loan;

(d) is not an interest only Loan and is fully amortizing in equal monthly payments;

(e) the initial advance was for a principal loan amount (excluding fees) of no more than £25,000 and is denominated in pound sterling;

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

(g) was at the time of origination payable by direct debit from the Zopa Borrower's own payment account;

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

(i) is not as at the Loan Portfolio Cut-Off Date (i) a Defaulted Loan; or (ii) a Delinquent Loan;

(j) is not as at the Loan Portfolio Cut-Off Date subject to a Loan Modification which (i) would result in an Extension that is not a Permitted Extension; and/or (ii) which 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;

(k) 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;

(l) all Seller Records relating to the Loan Contract are held by or on behalf of the Seller;

(m) can be identified by Zopa;

(n) is free and clear of any Security Interest.

(2) the Zopa Borrower thereof as at the date of the initial advance of the related Loan:

(a) was resident in the United Kingdom;

(b) was not a Government Entity;

(c) was not insolvent or bankrupt and has not been declared bankrupt in the last six (6) years;

(d) was a natural person; and

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

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;

(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 Senior 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 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. The Zopa Loan Servicing Fee shall comprise of the Senior Servicing Fee and the Junior Servicing Fee (the "**Zopa Loan Servicing Fee**") as set out below:

(i) the Senior Servicing Fee shall be an amount per annum equal to the sum of (i) 0.50 per cent. multiplied by (ii) the Aggregate Collateral Principal Balance of all Purchased Loan Assets (excluding Defaulted Loans) (the "**Senior Servicing Fee**"); and

(ii) the Junior Servicing Fee shall be an amount per annum equal to the sum of (i) 0.50 per cent. multiplied by (ii) the Aggregate Collateral Principal Balance of all Purchased Loan Assets (excluding Defaulted Loans) (the "**Junior Servicing Fee**"),

which, in each case, shall accrue daily on the then Aggregate Collateral Principal Balance of all Purchased Loan Assets.

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

(ii) the Junior Servicing Fee will be payable in accordance with the applicable Priority of Payments; and

(iii) for the avoidance of doubt, no Senior 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 shall fail 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;

(b) other than as set forth in paragraphs (a), (f) or (g), 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 (k) 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 £500,000 (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 fails to deliver any Servicing Report within five (5) Business Days of the date when due;

(g) 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;

(h) the occurrence of a Material Adverse Effect;

(i) 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 reorganisation or amalgamation;

(j) a court judgment is entered against the Platform Servicer in an amount greater than £2,000,000 and such judgment remains unremedied for 15 calendar days; or

(k) 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) 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,

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 holders of at least 25 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 and the Cash Manager and Calculation Agent), 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.

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, including each other (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 A	Class B	Class C	Class D	Class Z
Currency	GBP	GBP	GBP	GBP	GBP
Initial Principal Amount	£114,000,000	£7,500,000	£7,500,000	£9,000,000	£12,144,000
Note Credit Enhancement	Subordination of the Class B Notes, the Class C Notes, the Class D 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 and the Class Z Notes, the Cash Reserve Account and excess Available Interest Proceeds	Subordination of the Class D 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
Reserve Credit Enhancement	0.5%	0.5%	0.5%	0.5%	0.5%
Issue Price	100%	100%	100%	100%	100%
Interest Reference Rate	1 month LIBOR	1 month LIBOR	1 month LIBOR	1 month LIBOR	N/A
Relevant Margin	1.45%	2.90%	4.00%	7.00%	Variable interest amount
Interest Accrual Method	Actual/365	Actual/365	Actual/365	Actual/365	N/A
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				
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.				
Business Day Convention	Following	Following	Following	Following	Following
First Note Payment Date	20 November 2016	20 November 2016	20 November 2016	20 November 2016	20 November 2016
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	Sequential pass-through redemption by seniority of Notes on each Note Payment Date to the extent of Available Principal Proceeds subject to and in accordance with the Pre-Acceleration Principal Priority of Payments				
Post-Acceleration Redemption Profile	Sequential pass-through redemption by seniority of Notes on each Note Payment Date to the extent of 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.				

	Class A	**Class B**	**Class C**	**Class D**	**Class Z**
Clean Up Call	10%	10%	10%	10%	10%
Final Maturity Date	October 2024	October 2024	October 2024	October 2024	October 2024
Form of the Notes	Global, registered	Global, registered	Global, registered	Global, registered	Global, registered
Application for Listing	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
ISIN	XS1488428332	XS1488428506	XS1488429066	XS1488429736	XS1488429900
Common Code	148842833	148842850	148842906	148842973	148842990
Clearance/Settlement	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream	Euroclear/ Clearstream
Minimum Denomination	£100,000	£100,000	£100,000	£100,000	£100,000
Notes Retained by Retention Holder on the Closing Date	N/A	N/A	N/A	N/A	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) the Class A Notes will rank senior in priority to the other Classes of Notes as to payments of interest and principal at all times;

(b) the Class B Notes will rank junior in priority to the Class A Notes and senior in priority to the Class C Notes, the Class D Notes and the Class Z Notes as to payments of interest and principal at all times;

(c) the Class C Notes will rank junior in priority to the Class A Notes and the Class B Notes and senior in priority to the Class D Notes and the Class Z Notes as to payments of interest and principal at all times;

(d) the Class D Notes will rank junior in priority to the Class A Notes, the Class B Notes and the Class C Notes and senior in priority to the Class Z Notes as to payments of interest and principal at all times; and

(e) the Class Z Notes will rank junior in priority to the other Classes of Notes as to payments of interest and principal at all times.

Form of Notes.. The Notes of each Class will be represented upon issue by Global Certificates of each Class, in fully registered form without interest coupons or principal receipts, deposited with, and registered in the name of a nominee of, the Common Depositary for Euroclear and Clearstream, Luxembourg on or about the Closing Date.

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 (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 Swap 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 Swap 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 Swap Account and any Swap Collateral and all moneys from time to time standing to the credit of each Swap Account and the debts represented thereby or, where applicable, all of its contractual rights thereto, provided that, in each case, that such security interest: (i) shall not extend to Excess Swap Collateral, and (ii) is subject to the rights of any Interest Rate Cap Provider to the return of any Swap Collateral pursuant to the terms of the relevant Interest Rate Cap and the Conditions (for the avoidance of doubt, after any close out netting 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; (ii) shall not extend to Excess Swap Collateral, and (iii) is subject to the rights of any Interest Rate Cap Provider to the return of Swap Collateral pursuant to the terms of the relevant Interest Rate Cap and the Conditions (for the avoidance of doubt, after any close out netting 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 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 shall bear interest on its Principal Amount Outstanding.

Interest on the 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 Z Notes) for the First Interest Period shall be based on a rate determined by a linear interpolation of the offered rate for one month and two months Sterling LIBOR, 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 LIBOR01 (or such other page or service as may replace it for the purpose of displaying LIBOR rates).

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 Notes (other than the Class Z 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 a leap year, beginning in 2016).

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 nor 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) optional redemption in whole, but not in part, on any Note Payment Date upon the exercise of the Clean-Up Call Option (see Condition 8.2 (*Optional Redemption in whole – Clean-up Call*));

(c) mandatory 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 (*Mandatory Redemption in whole following a Tax Event*));

(d) mandatory 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 (*Mandatory Redemption upon the occurrence of an Illegality Event*));

(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*)); and

(f) mandatory redemption in whole on the Final Maturity Date (see Condition 8.6 (*Final Maturity Date*)).

Any Note redeemed pursuant to paragraphs (b) 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.

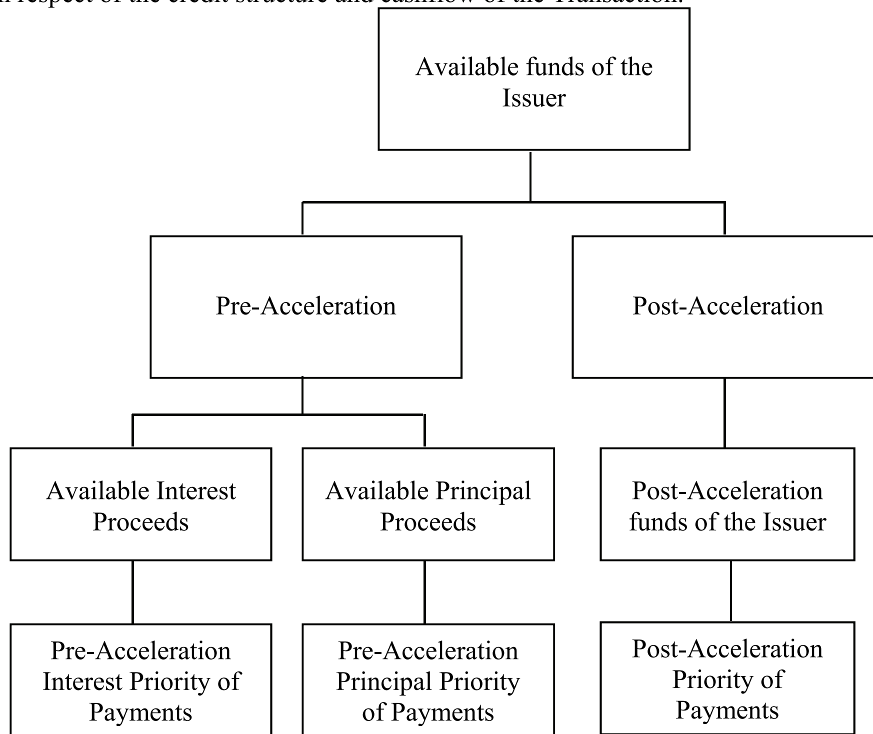
Risk Retention .... For so long as any Note remains outstanding, the Retention Holder as "originator" for the purposes of Article 405(1) of the CRR will, for the life of the Transaction, retain a material net economic interest of not less than five (5) per cent. in the securitisation in accordance with the Retention Requirement Laws. Such interest will take the form of a first loss tranche in accordance with Article 405(1)(d) of the CRR, Article 51(1)(d) of the AIFMR and Article

	254(2)(d) of the Solvency II Regulation comprising of the Class Z Notes having a Principal Amount Outstanding of not less than five (5) per cent. of the Aggregate Collateral Principal Balance.
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 principal in respect of the Most Senior Class of Notes within five (5) days following the due date for payment of such principal or 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*), or (b) an Insolvency Event in respect of the Issuer occurs; or (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.
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 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 acting by way of Extraordinary Resolution, deliver an Enforcement Notice to the Issuer and institute such proceedings or take any other steps as may be required in order to enforce the Security (subject in each case to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction). See Condition 14 (*Enforcement*).
Listing and Admission to Trading	Application has been made to the Irish Stock Exchange 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.
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 Senior Servicing Fee; *plus*

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

(c) amounts received by the Issuer under the Interest Rate Cap (other than (i) any early termination amount received by the Issuer under an Interest Rate Cap which is to be applied in acquiring a replacement cap, (ii) any Excess Swap Collateral or Swap Collateral, except to the extent that the value of such Swap Collateral or part thereof has been applied, pursuant to the provisions of the Interest Rate Cap, to reduce the amount that would otherwise be payable by the Interest Rate Cap Provider to the Issuer on early termination of the Interest Rate Cap and, to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Cap Provider, such Swap 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 Swap Tax Credits on such Note Payment Date and (iv) any premium the Issuer receives in respect of a replacement Interest Rate Cap which is

applied in paying an early termination amount due to the outgoing Interest Rate Cap Provider); *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 in respect of a Senior Interest Deficiency on the immediately following Note Payment Date); *plus*

(f) any deficiency in the Available Interest Proceeds under paragraphs (a) to (e) above required to pay a 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) on the Final Rated Note Payment Date, any amounts left standing to the credit of the Liquidity Reserve Account or the Cash Reserve Account; *plus*

(h) any Liquidity Reserve Excess.

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) 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*

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

(ii) the Issuer Corporate Benefit; and

(iii) the Loan Servicing Fee payable to a Successor Servicer after the termination of the appointment of Zopa as the Platform Servicer;

(d) *fourth*, to the payment on a *pro rata* and *pari passu* basis to each Class A Noteholder their respective Class A Interest Amount;

(e) *fifth*, to credit (while any Class A Notes will remain outstanding following such Note Payment Date) 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);

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

(g) *seventh*, to credit (while any Class B Notes will remain outstanding following such Note Payment Date) 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);

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

(i) *ninth*, to credit (while any Class C Notes will remain outstanding following such Note Payment Date) 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);

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

(k) *eleventh*, to credit (while any Class D Notes will remain outstanding following such Note Payment Date) 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);

(l) *twelfth*, to credit (i) first, the Liquidity Reserve Account so that the positive balance thereon is equal to the Liquidity Reserve Required Amount, and (ii) second, the Cash Reserve Account so that the positive balance thereon is equal to the Cash Reserve Required Amount;

(m) *thirteenth*, to the payment of the Junior Servicing Fee;

(n) *fourteenth,* in or towards payment of all amounts due and payable to the Interest Rate Cap Provider under any Interest Rate Cap, including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Interest Rate Cap Provider, of any premium the Issuer receives in respect of a replacement Interest Rate Cap;

(o) *fifteenth*, (i) first in or towards satisfaction of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement, and (ii) second, in or towards satisfaction of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(p) *sixteenth*, to credit (while any Class Z Notes will remain outstanding following such Note Payment Date) the Class Z 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

(q) *seventeenth*, the remainder, to the payment on a *pro rata* and *pari passu* basis to each Class Z Noteholder by way of interest.

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

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

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

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

(e) *fifth*, to the redemption of the Class Z Notes *pro rata* and *pari passu* until the Class Z Notes are redeemed in full; and

(f) *sixth*, 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) 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 Swap Collateral which shall be returned directly to an Interest Rate Cap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Swap Premium (only to the extent it is applied directly to pay a Swap

Termination Payment due and payable by the Issuer to the outgoing Interest Rate Cap Provider), (iii) any Swap Tax Credits, which shall be applied directly to an Interest Rate Cap Provider 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 Cap and the resulting application of the Swap Collateral by way of netting or set-off, all Swap Collateral provided by an Interest Rate Cap Provider to the Issuer pursuant to an Interest Rate Cap (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 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;

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

   (iii) the Loan Servicing Fee payable to a Successor Servicer only after the termination of the appointment of the Platform Servicer;

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

(e) *fifth*, to the redemption of the Class A Notes pro rata and pari passu until the Class A Notes are redeemed in full;

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

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

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

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

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

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

(l) *twelfth*, in or towards payment of all amounts due and payable to the Interest Rate Cap Provider under any Interest Rate Cap, including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Interest Rate Cap Provider, of any premium the Issuer receives in respect of a replacement Interest Rate Cap;

(m) *thirteenth*, to the payment of any outstanding Junior Servicing Fee;

(n) *fourteenth*, to the payment of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(o) *fifteenth*, to the payment of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

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

(q) *seventeenth*, 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

(r) *eighteenth*, the remainder, to the payment on a *pro rata* and *pari passu* basis to each Class Z Noteholder by way of interest.

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;

- junior Classes of Notes will be subordinated to more senior Classes of Notes, thereby ensuring that available funds are applied to the Most Senior Class of Notes in priority to more junior Classes of Notes; and

- Principal Deficiency Ledgers will be established for each Class of 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 Most Senior Class of 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; and

(c) Hedging:

- availability of an interest rate cap provided by the Interest Rate Cap Provider 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 Rated 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 occurring 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 allocation 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 Z Principal Deficiency Ledger up to a maximum of the Class Z Principal Deficiency Limit;

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

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

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

(e) *fifth*, 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 Senior 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 Cap terms .... The Interest Rate Cap confirmation has the following key commercial terms:

- Notional Amount: 138,000,000 amortising in accordance with a fixed notional amount schedule
- Initial Interest Rate Cap Payment payer: Issuer
- Initial Interest Rate Cap Payment: an amount equal to the Initial Interest Rate Cap Payment payable by the Issuer to the Interest Rate Cap Provider
- Frequency of Initial Interest Rate Cap Payment: one (1) payment on the Closing Date
- Floating Amount payer: Interest Rate Cap Provider
- Frequency of Floating Amount payment: monthly
- Floating Rate: GBP – LIBOR – BBA with a designated monthly maturity of one (1) month
- Strike price: two (2) per cent.

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 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, 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, which requires one or more persons holding or representing not less than $66^{2}/_{3}$ per cent. of the aggregate Principal Amount Outstanding of the Notes.	Two or more persons holding or representing more than 25 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, 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., 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, 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 and 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 and the Class Z Noteholders, (b) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, (c) the Class C Noteholders over the Class D Noteholders and the Class Z Noteholders, (d) the Class D Noteholders over the Class Z 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) 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, as further set out in Condition 15.4 (*Additional Right of Modification*).

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);

(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.

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 including, but not limited to, ratings of the 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 Holder's 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 Retention Requirements Laws. 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.

RISK FACTORS

The following is a description of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes. Prospective Noteholders should carefully read and consider the detailed information set out in this Prospectus, including the risk factors set out in this section, and reach their own views, together with their own professional advisers, prior to making any investment decision. Prospective Noteholders should read the sections of this Prospectus entitled "*Transaction Overview*" to "*Triggers Tables*" (inclusive) before reading and considering the risks described below. The order in which these considerations are presented is not intended to represent the magnitude of the risks involved.

The Issuer believes that the risks described below are the material risks inherent in the Transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks relating to the Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Notes. Although the risks below are generally described separately, Prospective Noteholders should consider the potential interplay of multiple risk factors. Where more than one risk factor is present, the risk of loss to an investor may be significantly increased.

General

General

It is intended that the Issuer will acquire Loan Assets from P2PGI pursuant to the Loan Sale and Purchase Agreement. Such Loan Assets have been originated through the Zopa Platform. There can be no assurance as to the adequacy of the levels of the Purchased Loan Proceeds and interest earned on the Issuer Accounts or that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. Prospective investors are therefore advised to review this entire Prospectus carefully and should consider, among other things, the risk factors set out in this section before deciding whether to invest in the Notes. Except as is otherwise stated below, such risk factors are generally applicable to all Classes of Notes, although the degree of risk associated with each Class of Notes will vary in accordance with the position of such Class of Notes in the Priority of Payments, see Condition 9 (*Priority of Payments*). None of the Arranger, the Trustee or P2PGI undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger, P2PGI or the Trustee which is not included in this Prospectus.

Suitability

An investment in the Notes is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to suffer any potential loss stemming therefrom. Prospective purchasers of the Notes of any Class should ensure that they understand the nature of such Notes and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisers to make their own legal, tax, regulatory, accounting and financial evaluation of the merits and risks of investment in such Notes and that they consider the suitability of such Notes as an investment in light of their own circumstances and financial condition and that of any accounts for which they are acting.

Projections, Forecasts and Estimates

Estimates, together with any projections and forecasts provided to prospective purchasers of the Notes, are forward-looking statements. Projections are necessarily speculative in nature, and it should be expected that some or all of the assumptions underlying the projections will not materialise or will vary significantly from actual results. Accordingly, actual results will vary from the projections, and such variations may be material. Some important factors that could cause actual results to differ materially from those in any forward-looking statements include changes in default, delinquency and recovery rates, and market, financial or legal uncertainties. None of the Issuer, the Arranger or any other party to this transaction or any of their respective Affiliates has any obligation to update or otherwise revise any projections, forecasts or estimates, including any revisions to reflect changes in economic conditions or other circumstances arising after the date of this Prospectus or to reflect the occurrence of unanticipated events.

Limited Resources of Funds to Pay Expenses of the Issuer

The funds available to the Issuer to pay its expenses on any Note Payment Date are limited as provided in the Priority of Payments. In the event that 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 it may not be able to defend or prosecute legal proceedings brought against it or which it might otherwise bring to protect its interests or be able to pay the expenses of legal proceedings against persons it has indemnified.

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 amounts available in accordance with the Priority of Payments. 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.

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.

Macroeconomic Risk Factors

European Union and Euro Zone Risk

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to 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 Euro zone countries from July 2013 onward.

Despite these measures, concerns persist regarding the growing risk that other Euro zone 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 Euro zone (either voluntarily or involuntarily), 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 Euro zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro zone 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 Euro zone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Issuer and the Notes. These potential developments, or market perceptions concerning these and related issues, could

adversely affect the value of the Notes. Investors should carefully consider how changes to the Euro zone may affect their investment in the Notes.

Referendum on the UK's EU Membership

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. Whilst the result of the Referendum itself is clear, the next steps of the UK executive and UK Parliament and the reaction of the other Member States to these steps is not. In particular, the format of the negotiation, negotiation positions of the participants and timeframe are uncertain, with any limited public statements subject to change.

There is at present uncertainty as to whether or not the UK will formally decide to withdraw from the EU and subsequently invoke Article 50 of the Treaty on European Union ("**Article 50**"). 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. If notice is given under Article 50 by a Member State, the EU will negotiate and conclude an agreement with such Member State, setting out the arrangements for its withdrawal. There is currently limited information as to the proposed timing of any formal decision to withdraw from the EU or the subsequent notification by the UK government of its intention to withdraw from the EU pursuant to Article 50. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

- *Applicability of EU law in the UK*

It is at present unclear what type of relationship between the UK and the EU will be established, or at what date (whether by the time when, or after, the UK ceases to be a member of the EU), or what would be the content of such a relationship. It is possible that a new relationship would preserve the applicability of certain EU rules (or equivalent rules) in the UK. At this time it is not possible to state with any certainty to what extent that might be so.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future EU-UK relationship, EU laws (other than those EU laws transposed into English law (see below)) will cease to apply within the UK pursuant to the terms and timing of a future withdrawal agreement. This would be achieved by the UK ceasing to be party to the Treaty on European Union and the Treaty on the Functioning of the European Union, and by the parallel repeal of the European Communities Act 1972. The UK may therefore cease to be a member of the EU if a notice is served under Article 50 and a period of two years expires without (i) conclusion of a withdrawal agreement or (ii) the European Council agrees with the UK to extend such two year period. At this time it is not possible to state with any certainty what might be the terms and effective date of any withdrawal agreement or the date when such a two year period (or any extension thereof) would expire. Until such date, EU law will remain in force in the UK.

Upon any withdrawal from the EU by the UK, and subject to agreement on (and the terms of) any future UK-EU relationship, EU law will cease to apply in the UK. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Over the years, English law has been devised to function in conjunction with EU law (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 occur. Consequently, English law may change 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. There is uncertainty as to how, following a UK exit from the EU or the EEA (whatever the form thereof), the existing passporting regime will apply (if at all). Depending on the terms of the UK's exit and the terms of any replacement relationship, it is likely that, UK regulated entities may, on the UK's withdrawal from the EU, lose the right to passport their services to EEA countries, and EEA entities may lose the right to reciprocal passporting into the UK. Also, UK

entities may no longer have access rights to market infrastructure across the EU and the recognition of insolvency, bank recovery and resolution regimes across the EU may no longer be mutual.

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.

- *Regulatory Risk – Retention Holder*

In particular, if the UK were, as a consequence of leaving the EU, no longer within the scope of MiFID and a passporting regime or third country recognition of the UK is not in place, then the Investment Manager may not be able to act as retention holder to the extent it was required to hold the retention solely as "sponsor" in accordance with the Retention Requirements Laws (even if the Investment Manager were to remain subject to UK financial services regulation). However, we note that P2PGI intends to act as an "originator" retention holder for the purposes of this transaction. As of the date hereof, an "originator" retention holder is not required to be regulated in the EU in order to act in such capacity. See (*Certain Regulatory Considerations – EU Risk Retention and Due Diligence Requirements*) below.

- *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 Cap 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 "*Change of counterparties*" below.

- *Ratings actions*

Following the result of the Referendum, S&P and Fitch have each downgraded the UK's sovereign credit rating and each of S&P, Fitch and Moody's 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 "*Change of counterparties*" below.

- *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 "*European Union and Euro Zone 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 Euro zone 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.

Credit Structure

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 Platform Servicer, the Seller, the Retention Holder, 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 Cap, 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 Seller Repurchase Obligation in respect of any First Payment Defaults and the Seller Loan 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 Other Transaction Documents – Loan Sale and Purchase Agreement – Sale of the Loan Portfolio*", "*Certain Other Transaction Documents – Loan Sale and Purchase Agreement – Seller Loan Warranties*" and "*Certain Other Transaction Documents – Servicing Agreement – Zopa Loan Warranties*").

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 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.

Each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and 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; 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.

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 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 "*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.

Credit enhancement limitations

Credit enhancement for the Notes will be provided by the excess Available Interest Proceeds and amounts on deposit in the Cash Reserve Account. In addition, 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 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 and the Class Z Notes. The Class C Notes will benefit from additional credit enhancement provided by the subordination of the Class D Notes and the Class Z Notes. The Class D 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.

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 may also be deferred.

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.

Average Life

The Final Maturity Date of the Notes is the Note Payment Date falling in October 2024 (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 the principal of such Note has been repaid in full to the investor. 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.

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.

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.

Calculation of Rate of Interest

If the relevant LIBOR screen rate does not appear, 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 appoint four Reference Banks to provide quotations, in order to determine any Rate of Interest in respect of the Notes. 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 Prospectus.

If a LIBOR Screen Rate does not appear, or the relevant page is unavailable, and the Issuer (or the Cash Manager and Calculation Agent on its behalf) is unable to appoint Reference Banks to provide quotations in the manner described in Condition 6(e)(i)(B) (*Rate of Interest*), the relevant Rate of Interest in respect of such Note Payment Date shall be determined, pursuant to Condition 6(e)(i)(C) (*Rate of Interest*), as the 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 Notes are determined by reference to a previously calculated rate, Noteholders may be adversely affected.

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 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 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 Priority of Payments and/or at a time when enforcement thereof may be adverse to the interests to certain Classes of Notes.

Payment of principal and interest in respect of the Classes of Notes is sequential.

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

Basis risk

The Issuer is subject to:

- the risk of a mismatch between the fixed rates of interest payable on the Loans and the LIBOR-based interest rate payable in respect of the Rated Notes; and
- 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 may 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 Cap to hedge a part of its interest rate exposure in a notional amount from time to time as set out in an annex thereto. There will be some residual unhedged interest rate exposure given that the Class Z Notes shall remain unhedged, and this may adversely affect the position of the Class Z Notes. However, the Issuer will not enter into swap transactions to hedge such interest rate exposure in respect of each individual Purchased Loan Asset.

The Issuer will depend upon the Interest Rate Cap Provider to perform its obligations under the Interest Rate Cap entered into to cover part of its interest rate exposure. If the Interest Rate Cap Provider defaults or becomes unable to perform due to insolvency or otherwise, or if the Interest Rate Cap is terminated as a result of certain termination events, the Issuer may not receive payments it would otherwise be entitled to from such Interest Rate Cap Provider to cover its interest rate exposure.

Although the Interest Rate Cap will be entered into to hedge a part of its interest rate exposure, losses may be incurred by the Noteholders in the event of a default or termination event under such Interest Rate Cap.

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 and sale proceeds arising on enforcement of a Purchased Loan Asset and purchases or repurchases 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, among other things, a higher or lower than anticipated rate of prepayments on the Purchased Loan Assets.

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 Other Transaction Documents – Loan Sale and Purchase Agreement – Sale of the Loan Portfolio*".

The Notes are subject to Optional Redemption

On any Note Payment Date on which the aggregate Principal Amount Outstanding of all the Notes is equal to or less than 10 per cent. of the Principal Amount Outstanding of all the Notes on the Closing Date, the Issuer may (or, for so long as any Class Z Notes remain outstanding, shall if so directed in writing by the Retention Holder), subject to certain conditions, redeem all of the Notes. See Condition 8.2 (*Optional Redemption in whole – Clean-up Call*) for further information. In addition, on any Note Payment Date on which a Regulatory Event has occurred, the Issuer may (or shall (i) 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 outstanding, or (ii) if so directed by the Noteholders of the Most Senior Class of Notes outstanding acting by way of Extraordinary Resolution; or (iii) for so long as any Class Z Notes remain outstanding, if so directed in writing by the Retention Holder) subject to certain conditions, redeem all of the Notes. See Condition 8.5 (*Optional Redemption in whole upon the occurrence of a Regulatory Event*) for further information.

The Notes may also be subject to mandatory redemption. See Condition 8.3 (*Mandatory Redemption in whole following a Tax Event*) and Condition 8.4 (*Mandatory Redemption in whole upon the occurrence of an Illegality Event*) for further information.

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

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

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 (or 10 calendar days in respect of any request under Condition 15.4(a)(ii) (*Additional Right of Modification*) only) 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 (or 10 calendar days in respect of any request under Condition 15.4(a)(ii) (*Additional Right of Modification*) only), 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.

Absence of secondary market for the Notes

There can be no assurance that there is an active and liquid secondary market for the Notes and no assurance is provided that a secondary market for the Notes will develop or, if it does develop, that such market will 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.

Rights of Noteholders and Secured Creditors

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 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 and the Class Z Noteholders,

(b) the Class B Noteholders over the Class C Noteholders, the Class D Noteholders and the Class Z Noteholders, (c) the Class C Noteholders over the Class D Noteholders and the Class Z Noteholders, (d) the Class D Noteholders over the Class Z 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.

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 the right to attend and vote at any meeting of the Noteholders of any Class or any written resolution.

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.

P2PGI invests in consumer loans, small and medium enterprise loans, corporate loans, and advances and loans against corporate trade receivables and other assets which have been originated via platforms or by other originators including, from time to time, P2PGI or its affiliates. P2PGI may also invest in facilities, securities or other interests backed by a portfolio of any of the aforementioned loans, assets or receivables and in listed or unlisted securities of certain platforms. As a result of such investments, P2PGI 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 P2PGI 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 as 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 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*).

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, concur with the Issuer and any other relevant parties 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 holders of the Most Senior Class of Notes then Outstanding; or

(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.

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 holders 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, agree 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.

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 27,137 Loan Assets with an Aggregate Collateral Principal Balance of £149,422,240. 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.

Servicing and Third Party 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 has agreed to provide certain agency services to the Issuer in connection with the Notes. In the event that any of the above parties were to fail to perform its obligations under the respective agreement(s) to which it is a party, payments on the Notes may be adversely affected.

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 "*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 Seller Repurchase Obligation of such Affected Loan or the obligation of Zopa or the Seller, as applicable, 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 Seller fails to honour its obligation to purchase or repurchase (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 Seller will have the financial resources to honour their respective obligations to purchase or repurchase (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, 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.

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. 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 without the prior written consent of the Issuer and the Trustee (acting on the instructions of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution) unless such amendment (a) is required to be made to comply with any change in Law or (b) such amendment could not reasonably be expected to have a Material Adverse Effect. If Zopa were to amend the terms of the Collections Policy or the Zopa Principles in contravention of these restrictions, the revised terms would apply to the relevant Purchased Loan Assets and the Issuer would have recourse only against Zopa for breach of contract or under the accompanying indemnity provisions of the Servicing Agreement.

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 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.

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.

Certain material interests

The Arranger 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.

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

Subject to the terms of the Trust Deed and the Charge and Assignment, the Trustee may, at any time, at its discretion and without notice, take such steps, actions or proceedings against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of the Notes or the Transaction Documents (including the Conditions) to which it is a party and at any time after the delivery of an Enforcement Notice, the Trustee may, at its discretion and without notice, take such steps, actions or proceedings as it may think fit to enforce the Security. However, the Trustee shall not be bound to take any such proceedings, actions or steps (including, but not limited to, the delivery of an Enforcement Notice in accordance with Condition 13 (*Events of Default*) unless it shall have been (i) directed by the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution or (ii) requested in writing by the holders in aggregate of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Most Senior Class of Notes, and (in each case) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

Change of counterparties

The Interest Rate Cap 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 Cap are required to satisfy the applicable Rating Agency requirements, upon entry into the applicable contract or instrument.

If, following entry into an Interest Rate Cap, 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 Cap 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 Cap. Such cures include a counterparty transferring its obligations under the Interest Rate Cap 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 Swap 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 the SRM Regulation. See "*EU Bank Recovery and Resolution Directive*" below.

The Loan Portfolio

The Loan Portfolio

This Prospectus does not contain any information regarding the individual Purchased Loan Assets which form the Loan Portfolio, on which the Notes will be ultimately secured. Neither the Issuer nor the Arranger or 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 or the Arranger 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 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 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.

Title of the Issuer

Pursuant to the Loan Sale and Purchase Agreement, the Issuer shall acquire the beneficial and, following notification as described below, legal title to each Purchased Loan Asset on the Closing Date.

Pursuant to the Loan Sale and Purchase Agreement, the Seller shall procure that Zopa shall notify, on the Closing Date, 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). In the case of any In-Flight Loans that have not been repaid in full by the In-Flight Transfer Date, the related Zopa Borrower will be notified on the In-Flight Transfer Date.

Notwithstanding it is intended that the sale of the Purchased Loan Assets be immediately notified to the relevant Zopa Borrower on the Closing Date (or the In-Flight Transfer Date in the case of In-Flight Loans), prior to the Issuer obtaining legal title to the Purchased Loan Assets (as described above), 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.

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 clause 3.6 (*Non Petition and Limited Recourse*) of 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.

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 or the Seller, as applicable, in which case they will no longer form part of the Loan Portfolio.

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.

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 "*Key Structural Features– Credit Enhancement and Liquidity Support – The Principal Deficiency Ledgers*") will be recorded *first*, to the Class Z Principal Deficiency Ledger up to a maximum of the Class Z Principal Deficiency Limit; *second*, to the Class D Principal Deficiency Ledger up to a maximum of the Class D Principal Deficiency Limit; *third*, to the Class C Principal Deficiency Ledger up to a maximum of the Class C Principal Deficiency Limit; *fourth*, to the Class B Principal Deficiency Ledger up to a maximum of the Class B Principal Deficiency Limit; and *fifth*, 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 and *fifth* the Class Z 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:

- 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
- 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 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 which (i) would result in an Extension that is not a Permitted Extension; and/or (ii) 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.

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 Warranties

On the Closing Date, Loan Warranties in respect of the Purchased Loan Assets will be made to the Issuer.

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 Seller Repurchase 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 Platform Servicer and the Seller 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 Seller will give the 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 and/or the Seller, 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 Trustee may require Zopa or the Seller, as applicable, to purchase or repurchase, as applicable, such Affected Loan. If Zopa or the Seller is unable to purchase or repurchase, as applicable, such Affected Loan, Zopa or the Seller, as applicable, 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.

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*".

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 Seller Loan 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.

Risks relating to the Marketplace Lending Industry

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 further interest in relation to the period of time after the date of the prepayment.

The effects of normal market fluctuations may impact the Issuer

As noted above, normal market fluctuations are outside the Issuer's control and may affect the volatility of underlying asset values and the liquidity and the value of the Loan Portfolio. Changes in economic conditions in the areas in which Zopa Borrowers under the Purchased Loan Assets reside (for example, interest rates and rates of inflation, industry conditions, competition, political and diplomatic events, unemployment, consumer spending, consumer sentiment and other factors) could substantially and adversely affect the Issuer.

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.

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.

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

Zopa must hold either interim permission or full authorisation from the FCA in order to engage in the regulated activity relevant to its business. Zopa currently holds interim permissions for peer to peer platform lending activities and credit broking among other activities. The FCA introduced application periods giving firms with interim permission a three-month window in which to apply for full authorisation. Zopa applied for full authorisation for peer to peer platform lending activities and credit broking among other activities on 30 September 2015, within the FCA imposed three month window. If Zopa were not to obtain full authorisation from the FCA, this would result in Zopa being legally obliged to alter or cease some of its operations (insofar as they relate to retail investors and sole trader borrowers), which may cause disruption to the servicing of Purchased Loan Assets which the Issuer has acquired indirectly through the Zopa Platform. Any such disruption may impact the quality of debt collection procedures in relation to those loans, and may result in reduced returns to the Issuer from those Purchased Loan Assets.

The FCA has introduced regulatory controls for peer-to-peer lending platform operators, such as Zopa, including conduct of business rules (in particular, around disclosure and promotions), minimum capital requirements, client money protection rules, dispute resolution rules and a requirement for firms to take reasonable steps to ensure existing loans continue to be administered if the firm goes out of business. The increasing scrutiny and uncertainty surrounding the new rules governing the peer-to-peer lending sector coupled with any further legislation could have a material adverse effect on Zopa's business and may result in interruption of operations of the Zopa Platform. The definitions of the relevant regulated activities and exclusions to them are difficult to interpret and have not been subject to significant judicial consideration or specific regulatory guidance in respect of their application to existing business models within the industry. As a result, it is possible that the FCA or the courts might conclude that the Zopa Platform has not been or is not operating in strict technical compliance in all respects with the FCA's regime, and there is a risk that any specific guidance received from the FCA or future findings may result in sanction or in required changes to Zopa's business model in relation to regulated lending and related servicing, which may potentially adversely affect or constrain Zopa's ability to operate the Zopa Platform in this respect. Although Zopa intends to fully comply with the existing rules and any new rules, or new application or interpretation of existing rules, it may be subject to significant additional regulatory compliance costs and Zopa might seek to pass on such increased regulatory compliance costs to users of the Zopa Platform.

These requirements as well as any tightening in the law, regulations, or rules related to collections activity in relation to regulated credit agreements might delay, limit or prevent recovery activities.

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.

Risk relating to the Seller

Since 1 April 2014, when responsibility for consumer credit regulation transferred from the Office of Fair Trading (the "**OFT**") to the FCA, consumer credit activities have become subject to the FSMA authorisation regime and to rules made under the 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 the regime previously contained in the CCA and the OFT guidance, as well as setting out rules on, among other things, 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 the 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 Seller 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 Seller, as applicable, will, upon receipt of written notice from the Issuer or the Trustee, be required to purchase or repurchase, as applicable, the relevant Loans within 10 Business Days.

Risks relating to the Issuer

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.

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 undertakes that in respect of each Purchased Loan Asset (other than a Defaulted Loan) it will not agree to any Loan Modification which (i) would result in an Extension that is not a Permitted Extension; and/or (ii) 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.

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.

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 has agreed that it shall not make any material amendment to the Collections Policy or the Zopa Principles without the prior written consent of the Issuer and the Trustee (acting on the instructions of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution) unless such amendment (i) is required to be made to comply with any change in Law or (ii) such amendment could not reasonably be expected to have a Material Adverse Effect.

Exemption from FCA authorisation requirements

The Issuer is not and does not propose to be an authorised person under the 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 thirty days since the day on which such servicing arrangement came to an end. The Platform Servicer currently holds interim permission 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.

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.

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 has purported 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 Swap Collateral and subject to the rights of any Interest Rate Cap Provider to the return of any Swap Collateral pursuant to the terms of the relevant Interest Rate Cap 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.

Lack of operating history

The Issuer is a newly incorporated public limited company under the laws of England and Wales that has no prior operating history or revenues upon which may be used to evaluate its likely performance.

No regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation. In particular, the Issuer is not and will not be regulated by the Central Bank as a result of issuing the Notes. 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.

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.

Certain Regulatory Considerations

Regulatory Initiatives

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of banks, financial institutions 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 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 Arranger, the Issuer, P2PGI nor the Trustee nor 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.

Basel III

The Basel Committee on Banking Supervision ("**BCBS**") has approved significant changes to the Basel regulatory capital and liquidity framework (such changes being commonly referred to as "**Basel III**") and has proposed certain revisions to the securitisation framework. Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the Liquidity Coverage Ratio ("**LCR**" and the Net Stable Funding Ratio ("**NSFR**")). BCBS member countries agreed to implement Basel III from 1 January 2013, subject to transitional and phase-in arrangements for certain requirements (for example, the LCR requirements referred to implementation from the start of 2015, with full implementation by January 2019, and the NSFR requirements referred to implementation from January 2018). As implementation of any changes to the Basel framework (including those made via Basel III) requires legislation in each jurisdiction, the final rules and the timetable for its implementation in each jurisdiction, as well as the treatment of asset-backed securities (for example, as LCR eligible assets or not), may be subject to some level of variation between jurisdictions. It should also be noted that changes to regulatory capital requirements have been introduced for insurance and reinsurance undertakings through jurisdiction specific initiatives, such as the Solvency II framework in the European Union.

Prospective investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

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. Article 8(b) of CRA3 requires issuers, sponsors and originators of structured finance instruments such as the Notes to make detailed disclosures of information relating to those structured finance instruments. The European Commission has adopted a delegated regulation, detailing the scope and nature of the required disclosure however, the disclosure reporting requirements will only become effective on 1 January 2017. Such disclosures will need to be made via a website to be set up by the European Securities and Markets Authority ("**ESMA**"). As yet, this website has not been set up and ESMA has announced that it is unlikely that such website will be available by 1 January 2017 so issuers, originators and sponsors would not be able to comply with Article 8(b) from such date. ESMA

has confirmed that it does not expect to be in a position to receive the required disclosure from 1 January 2017. In their current form, the regulatory technical standards only apply to structured finance instruments for which a reporting template has been specified. If a website for disclosure for transactions similar to the Transaction were to be set up by ESMA, on and after the application date of the disclosure obligations, the Issuer may incur additional costs and expenses to comply with such disclosure obligations. Such costs and expenses would be payable by the Issuer as Administrative Expenses. In accordance with the current draft of the Securitisation Regulation, it is intended that Article 8(b) of CRA3 will be repealed, and that disclosure requirements will be governed thereafter by the Securitisation Regulation. However, it is uncertain at this time if the Securitisation Regulation will be adopted in its current form.

Additionally, Article 8(c) of CRA3 has 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 CRA3 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 CRA3 and any consequence of non-compliance in respect of their investment in the Notes.

EU Risk Retention and Due Diligence Requirements

Investors should be aware and in some cases are required to be aware of the risk retention and due diligence requirements in Europe ("**EU Risk Retention and Due Diligence Requirements**") which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including institutions for occupational retirement, credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Among other things, such requirements restrict an investor who is subject to the EU Risk Retention and Due Diligence Requirements from investing in securitisations unless: (i) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed that it will retain, on an on-going basis, a net economic interest of not less than five per cent. in respect of certain specified credit risk tranches or securitised exposures; and (ii) such investor is able to demonstrate that they have undertaken certain due diligence in respect of various matters including but not limited to its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. Though some aspects of the detail and effect of all of these requirements remain unclear, these requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Notes for investors may negatively impact the regulatory position of individual holders. In addition such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

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 Investor Report provided in relation to the transaction is sufficient for the purpose of satisfying such requirements. Investors are required to independently assess and determine the sufficiency of such information. None of the Issuer, the Arranger, the Platform Servicer, the Seller, the Retention Holder or the Trustee, 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 EU Risk Retention and Due Diligence Requirements or any other applicable legal regulatory or other requirements and no such person shall have any liability to any prospective investor or any other person with respect to any deficiency in such information or any failure of the transactions contemplated thereby to comply with or otherwise satisfy such requirements. If a regulator determines that the transaction did not comply or is no longer in compliance with the EU Risk Retention and Due Diligence Requirements or any applicable legal, regulatory or other requirement, then investors may 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. In addition, such regulations could have a negative impact on the price and liquidity of the Notes in the secondary market.

Investors should note that the European Banking Authority ("**EBA**") published a report on 22 December 2014 (the "**EBA Report**"). In the EBA Report, the EBA suggested, among other things, that the definition of "Originator" should be narrowed in order to avoid potential abuses. Without limiting the foregoing, investors should be aware that at this time save for the EBA Report described above, the EBA has not published any binding guidance relating to the satisfaction of the CRR retention requirements by an originator similar to the Retention Holder. Furthermore, the EBA's or any other applicable regulator's views with regard to the CRR retention requirements may not be based exclusively on technical standards, guidance or other information known at this time.

On 30 September 2015, the European Commission published a proposal to amend the CRR (the "**Draft CRR Amendment Regulation**") and a proposed regulation relating to a European framework for simple, transparent and standardised securitisation (such proposed regulation, including any implementing regulation, technical standards and official guidelines related thereto and, together with the Draft CRR Amendment Regulation, the "**Securitisation Regulation**") which would, among other things, re-cast the EU risk retention rules as part of wider changes to establish a "Capital Markets Union" in Europe. The Presidency of the Council of Ministers of the European Union has also published compromise proposals concerning the Securitisation Regulation. It is not clear whether, and in what form the legislative proposals (and any corresponding technical standards) will be adopted and when any such adoption will occur. It is unclear at this time when the Securitisation Regulation will become effective. Investors should be aware that there are material differences between the current EU Risk Retention and Due Diligence Requirements and the Securitisation Regulation. The Securitisation Regulation may also enter into force in a form that differs from the published proposals and drafts. If any changes to the Conditions or the Transaction Documents are required as a result of the implementation of the Securitisation Regulation, the Issuer may be required to bear the costs of making such changes.

There can therefore be no assurances as to whether the transactions described herein will be affected by a change in law or regulation relating to the EU Risk Retention and Due Diligence Requirements (including the Securitisation Regulation), including as a result of any changes recommended in future reports or reviews. Investors should therefore make themselves aware of the EU Risk Retention and Due Diligence Requirements, the proposed Securitisation Regulation (and 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. Any costs incurred by the Issuer in connection with satisfying the requirements of the Securitisation Regulation may be paid by the Issuer as Administrative Expenses. In such circumstances an agent on behalf of the Issuer may establish and maintain a website or procure that a website is established and maintained, in each case, for the purposes of ensuring compliance with the Securitisation Regulation.

With respect to the commitment of the Retention Holder to retain a material net economic interest in the securitisation, please see Sections "*The Seller and the Retention Holder*" and "*Certain Regulatory Disclosures*"

U.S. Risk Retention Requirements

On 21 October 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "**U.S. Risk Retention Rules**") were issued. The U.S. Risk Retention Rules generally require the "originator" to retain not less than five per cent. of the credit risk of the assets in the respective securitisation. While the U.S. Risk Retention Rules will not apply to the issuance and sale of the Notes on the Issue Date, the U.S. Risk Retention Rules may have other adverse effects on the Issuer and/or the holders of the Notes. The U.S. Risk Retention Rules would apply to any additional Notes issued after the Issue Date or any refinancing, if such subsequent issuance or refinancing occurs on or after the effective date of the U.S. Risk Retention Rules. In addition, the SEC has indicated in contexts separate from the U.S. Risk Retention Rules that an "offer" and "sale" of securities may arise when amendments to securities are so material as to require holders to make a new "investment decision" with respect to such securities. Thus, if the SEC were to take a similar position with respect to the U.S. Risk Retention Rules, they could apply to material amendments to the terms of the Notes, including a re-pricing, to the extent such amendments require investors to make a new investment decision with respect to the Notes. As a result, the U.S. Risk Retention Rules may adversely affect the Issuer (and the performance and market value of the Notes) if the Issuer is unable to undertake any such additional issuance or refinancing and may affect the liquidity of the Notes. Furthermore, no assurance can be given as to whether the U.S. Risk Retention Rules would have any future material adverse effect on the business, financial condition or prospects of the Issuer or on the market value or liquidity of the Notes. No assessment has been carried out on whether the Transaction complies with U.S. Risk Retention Requirements and each investor should consult its own legal advisors and determine for itself the impact of U.S. Risk Retention Rules in respect of such investments and on the Loan Portfolio generally.

European Market Infrastructure Regulation

The European Market Infrastructure Regulation EU 648/2012 ("**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".

Financial counterparties (as defined in EMIR) will be subject to a general obligation to clear through a duly authorised or recognised central counterparty (the "**clearing obligation**") all "eligible" OTC derivative contracts entered into with other counterparties subject to the clearing obligation. They 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 Cap or restricting of their 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 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 the notional value of derivative contracts entered into by the Issuer 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.

If the Issuer exceeds the applicable thresholds and its swaps become subject to mandatory clearing, this may also lead to a termination of the Interest Rate Cap.

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 been published in respect of certain classes of OTC derivative contracts, others are yet to be proposed.

- *Clearing obligation*

The regulatory technical standards governing the mandatory clearing obligation for certain classes of OTC derivative contracts which entered into force on 21 December 2015 specify that the clearing obligation in respect of interest rate OTC derivative contracts that are (i) basis swaps and fixed-to floating swaps denominated in euro, GBP, USD and Japanese Yen and (ii) forward rate agreements and overnight swaps denominated in euro, GBP and USD, in each case, will take effect on dates ranging from 21 June 2016 (for major market participants grouped under "**Category 1**") to 21 December 2018 (for non-financial counterparties that are not AIFs grouped under "**Category 4**").

- *Margin requirements*

On 8 March 2016, the European supervisory authorities (comprising the EBA, ESMA and EIOPA) submitted their final draft regulatory technical standards on risk-mitigation techniques for OTC derivative contracts not cleared by a central clearing counterparty to the European Commission (the "**Margin RTS**"). The European Commission had three months to decide whether to endorse the Margin RTS, but is yet to do so. If so endorsed, this will be followed by a period of non-objection by the European Parliament and Council of the EU before the regulatory technical standards enter into force.

The Margin 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 1 September 2016 (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. However, given the delay in endorsement by the European Commission, the timeline for entry into effect of those requirements is now uncertain. The delay has created significant uncertainty about the overall implementation of the margin rules in cross-border situations.

If the Issuer becomes subject to the clearing obligation or 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 Cap or significantly increase the cost thereof, negatively affecting the Issuer's ability to acquire non-Euro obligations and/or 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 Cap 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 Cap upon the occurrence of an adverse EMIR-related event. The termination of the Interest Rate Cap 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 Cap). These changes may adversely affect the Issuer's ability to manage interest rate risk.

Prospective investors should also be aware that on 13 August 2015 ESMA published four reports on the functioning of EMIR and providing input and recommendations to the European Commission's official review of EMIR (in accordance with Article 85(1) thereof). ESMA's reports recommend a number of changes to the EMIR framework, including potentially significant changes to the clearing obligation and the process for classifying non-financial counterparties. The ESMA reports are expected to feed into the general report on EMIR that the European Commission shall prepare an submit to the European Parliament and the Council; however the extent to which ESMA's recommendations will be integrated into the European Commission's report and ultimately endorsed is not known at this time and cannot be predicted.

Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") became effective on 22 July 2013, and 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 and may be required to comply with clearing obligations with respect to the Interest Rate Cap and obligations to post margin to any central clearing counterparty or market counterparty. See also "*European Market Infrastructure Regulation*" above.

There is an exemption from the definition of AIF in AIFMD for "securitisation special purpose entities" (the "**SSPE Exemption**"). The European Securities and Markets Authority ("**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, 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.

Reliance on Rating Agency Ratings

The U.S. Dodd-Frank Act requires that federal banking agencies amend their regulations to remove reference to or reliance on credit agency ratings, including but not limited to those found in the federal banking agencies' risk-based capital regulations. New regulations have been proposed but have not yet been fully implemented in all respects. When such regulations are fully implemented, investments in asset-backed securities like the Notes by such institutions may result in greater capital charges to financial institutions that own such securities, or otherwise adversely affect the treatment of such securities for regulatory capital purposes. Furthermore, 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 or reserve requirements.

Retention Financing Risk factor

The Retention Holder has in the past entered into and may in the future enter into financing arrangements in respect of its assets, which will include the Class D Notes and the Class Z Notes. The Class Z Notes being those which the Retention Holder is required to acquire in order to comply with the Retention Requirements (such arrangements in respect of the Class Z Notes, if any, the "**Retention Financing Arrangements**") and in respect of any Retention Financing Arrangements, may either grant security over, or transfer title to, the 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 Holder would retain the economic risk in the Class Z Notes but not legal ownership of them. None of the Retention Holder, any Agent, the Issuer, the Trustee, the Arranger or any of their respective Affiliates makes any representation, warranty or guarantee that any Retention Financing Arrangements will comply with the Retention Requirements. In particular, should the Retention Holder default in the performance of its obligations under Retention Financing Arrangements, the lender or lenders thereunder would have the right to enforce the security granted by the Retention Holder, including effecting the sale or appropriation of some or all of the Class Z Notes or, if the collateral arrangements in respect of such Retention Financing Arrangements are by way of title transfer, the Retention Holder would not be entitled to have the 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 Retention Requirements and any such sale or appropriation may therefore cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements.

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 Holder 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 Holder was unable to repay the retention financing from its own resources, the Retention Holder could be forced to sell some or all of the Class Z Notes in order to obtain funds to repay the retention financing without regard to the Retention Requirements, and such sales may therefore cause the transaction described in this Prospectus to be non-compliant with the Retention Requirements.

LIBOR and EURIBOR Reform

The London Interbank Offered Rate ("**LIBOR**") has been reformed, with developments including:

(a) the activities of administering a specified benchmark and of providing information in relation to a specified benchmark becoming regulated activities in the United Kingdom (LIBOR has been a specified benchmark since April 2013);

(b) ICE Benchmark Administration Limited becoming the LIBOR administrator in place of the British Bankers' Association in February 2014;

(c) a reduction in the number of currencies and tenors for which LIBOR is calculated; and

(d) the introduction of a LIBOR code of conduct for contributing banks.

ICE Benchmark Administration Limited intends to make further reforms to the submission methodology for LIBOR panel banks.

The Euro Interbank Offered Rate (for the purposes of this risk factor, "**EURIBOR**"), together with LIBOR, and other so-called "benchmarks" are the subject of reform measures by a number of international authorities and other bodies.

In the EU, in September 2013, the European Commission published a proposal for a regulation (the "**Benchmark Regulation**") on indices used as benchmarks in financial instruments and financial contracts. The Benchmark Regulation was published in the Official Journal of the EU on 29 June 2016 and entered into force

on 30 June 2016. It is directly applicable law across the EU. The majority of its provisions will not, however, apply until 1 January 2018.

The Benchmark Regulation applies principally to "administrators" and also, in some respects, to "contributors" and certain "users" of "benchmarks", and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors) and (ii) prevent certain uses of "benchmarks" provided by unauthorised administrators by supervised entities in the EU. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue, financial contracts and investment funds. By way of a European Commission Implementing Regulation published on 12 August 2016, EURIBOR was identified as a "critical benchmark" for the purposes of the Benchmark Regulation.

Benchmarks such as LIBOR or EURIBOR may be discontinued if they do not comply with the requirements of the Benchmark Regulation, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator.

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

(a) 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

(b) 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.

Investors should be aware that:

(a) any of the international, national or other measures or proposals for reform or general increased regulatory scrutiny of "benchmarks" could have a material adverse effect on the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks";

(b) any of these changes or any other changes could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be;

(c) if the applicable rate of interest on any Loan Asset calculated with reference to a benchmark (or currency or tenor) which is discontinued:

    (i) such rate of interest will then be determined by the provisions of the affected Loan Asset, which may include determination by the relevant calculation agent in its discretion; and

    (ii) there may be a mismatch between the replacement rate of interest applicable to the affected Loan Asset and the replacement rate of interest the Issuer must pay under any applicable Interest Rate Cap. This could lead to the Issuer receiving amounts from affected Loan Asset which are insufficient to make the due payment under the Interest Rate Cap, and potential termination of the Interest Rate Cap;

(d) if any of the relevant LIBOR benchmarks referenced in Condition 6 (*Interest*) is discontinued, interest on the Notes will be calculated under Condition 6(e) (*Interest on the Rated Notes*); and

(e) the administrator of a relevant benchmark will not have any involvement in the Loan Assets or the Notes and may take any actions in respect of such benchmark without regard to the effect of such actions on the Loan Assets or the Notes.

Any of the above or any other significant changes to LIBOR or any other benchmark could have a material adverse effect on the value of, and the amount payable under (i) any Loan Asset which pay interest linked to a LIBOR rate or other benchmark (as applicable), and (ii) the Notes.

Financial Transaction Tax

In February 2013 the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a financial transaction tax ("**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "**Participating Member States**"). However, on 16 March 2016, Estonia completed the formalities required to cease participation in the enhanced cooperation on FTT.

In its current form, the proposed FTT would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State, or the financial instrument in which the parties are dealing is issued in a Participating Member State. The FTT will apply to both parties where one of these circumstances applies. The FTT may apply to dealings in the Charged Property to the extent the Charged Property constitutes financial instruments within its scope, such as bonds. In such circumstances, there will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

At this stage, it is too early to say whether the proposed FTT will be adopted and in what form. Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to implementation. While the proposal for a Council Directive in February 2013 identified the date of introduction of the FTT across the Participating Member States as being 1 January 2014, this anticipated introduction date has been extended on several occasions. The meeting of the European Union Economic and Financial Affairs Council on 7 November 2014 confirmed the aim among the Participating Member States of implementing the first phase of the FTT with effect from 1 January 2016. However, a publication by the Luxembourg Presidency of the Council of the European Union on 3 December 2015 setting out the 'state of play' in relation to the FTT indicated that a decision on the remaining open issues regarding the FTT would only be made at some point before the end of June 2016. A subsequent publication by the Netherlands Presidency of the Council of the European Union (the "**Netherlands Presidency**") on 3 June 2016 updating the 'state of play' in relation to the FTT identified that debate remains on-going between the Participating Member States regarding a number of key issues concerning the scope and application of the FTT. The 'state of play' report by the Netherlands Presidency concludes that discussions on these key issues should continue between the Participating Member States at ECOFIN level.

The anticipated implementation date for the FTT of 1 January 2016 was not met. The most recent 'state of play' report by the Netherlands Presidency on 3 June 2016 noted that implementation of the FTT (if it takes place at all) was most likely to be at some date after 30 June 2016. The precise date for implementation of the FTT is therefore uncertain; the minutes of the meeting of the Council of the European Union held on 17 June 2016 merely noted that work on the FTT would continue during the second half of 2016.

Additional Member States may also decide to participate in the FTT. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes before investing.

EU Anti-Tax Avoidance Directive

As part of its anti-tax avoidance package the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the "**Anti-Tax Avoidance Directive**"). The Anti-Tax Avoidance Directive must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. Amongst the measures contained in the Anti-Tax Avoidance Directive is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The Anti-Tax Avoidance Directive provides that interest costs in excess of the higher of (a) EUR 3,000,000 or (b) 30% of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would remain available for carry forward. However, the restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets". Accordingly, as the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under the Purchased Loan Assets (that is such that the Issuer pays limited or no net interest), the restriction may be of

limited relevance to the Issuer even if the Anti-Tax Avoidance Directive were implemented as originally published. There is also a carve out in the Anti-Tax Avoidance Directive for financial undertakings, although as currently drafted the Issuer would not be treated as a financial undertaking.

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 (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) 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.

EU Savings Directive

Under Council Directive 2003/48/EC (as amended) on the taxation of savings income (the "**EU Savings Directive**"), member states of the European Union have been required to provide to the tax authorities of other member states details of certain payments of interest or similar income paid or secured by a person established in a member state to or for the benefit of an individual resident in another member state or certain limited types of entities established in another member state. For a transitional period, Austria has been required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

However, in order to prevent overlap between the EU Savings Directive and provisions relating to a common reporting standard framework (being the Standard for Automatic Exchange of Financial Account Information in Tax Matters published on 21 July 2014 by the OECD and Council Directive 2014/107/EU on Administrative Co-operation in the Field of Taxation), the Council of the European Union, on 10 November 2015, published a direction which repealed the EU Savings Directive from 1 January 2017 in the case of Austria, and 1 January 2016 in the case of all other Member States. The repeal is subject to transitional provisions imposing on-going requirements to fulfil certain administrative obligations such as reporting and exchange of information relating to, or accounting for withholding taxes, on payments made before those dates.

If a payment were to be made or collected through a member state of the European Union which operates a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Principal Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Pursuant to the Principal Paying Agency Agreement, the Issuer is required to maintain a paying agent in an EU member state that is not obliged to withhold or deduct tax pursuant to, the EU Savings Directive, or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with, or introduced in order to conform to, the EU Savings Directive or any arrangement entered into between the EU member states and certain third countries and territories in connection with such Directive.

The Common Reporting Standard

The common reporting standard framework was first released by the 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 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) (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 Regulation (EU) No 806/2014 (the "**SRM Regulation**"). The SRM Regulation applies to participating Member States (including Member States outside the Euro zone 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 Euro zone (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.

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 shall be redeemed in whole but not in part subject to certain conditions as set out in Condition 8.3 (*Mandatory Redemption in whole following a Tax Event*).

FATCA

Under FATCA, the Issuer may be subject to a 30 per cent. withholding tax on certain income, and on the gross proceeds from the sale, maturity, or other disposition of certain of its assets. Under an intergovernmental agreement entered into between the United States and the United Kingdom, the Issuer will not be subject to withholding under FATCA if it complies with UK implementing regulations that require the Issuer to provide the name, address and taxpayer identification number of, and certain other information with respect to, certain holders of Notes to HM Revenue & Customs, which would then provide this information to the IRS. The Issuer shall use reasonable best efforts to comply with the intergovernmental agreement and these regulations; however, there can be no assurance that the Issuer will be able to do so. Moreover, FATCA could be amended to require the Issuer to withhold on "passthru" payments to holders that fail to provide certain information to the Issuer or are certain "foreign financial institutions" that do not comply with FATCA.

If a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder.

Investors should consult their own tax advisor to obtain a more detailed explanation of FATCA and how FATCA may affect them.

Action Plan on Base Erosion and Profit Shifting

At a meeting in Paris on 29 May 2013, the Organisation for Economic Co-operation and Development ("**OECD**") Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD's Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner. In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting ("**BEPs**"), identifying fifteen specific actions to achieve this. Subsequently, the OECD published discussion papers and held public consultations in relation to those actions, also publishing interim reports, analyses and sets of recommendations in September 2014 for seven of the actions. On 5 October 2015, the OECD published final reports, analyses and sets of recommendations for all of the fifteen actions it identified as part of its Action Plan, which G20 finance ministers then endorsed during a meeting on 8 October 2015 in Lima, Peru (the "**Final Report**"). The Final Report was endorsed by G20 Leaders during their annual summit on 15-16 November 2015 in Antalya, Turkey.

Action 4

In the Final Report relating to Action 4, the OECD recommends as a best practice that countries introduce a general limitation on tax deductions for net interest and economically equivalent payments under which, broadly speaking, a company would be denied those deductions to the extent they exceeded a particular percentage of the company's EBITDA ranging from 10 to 30 per cent.

The OECD recommends that, as a minimum, countries would apply this restriction to companies that form part of domestic and multinational groups only, or to companies that form part of multinational groups. However, the OECD acknowledges that countries may also apply such restriction more broadly to include companies in a domestic group and standalone companies which are not part of a domestic group.

However, the restriction recommended would only apply to tax deductions for net interest and economically equivalent payments. As a result, since the Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled under Purchased Loan Assets (that is, such that Issuer pays limited or no net interest), the restriction may be of limited relevance to the Issuer even if the UK chose to apply such a restriction to companies such as the Issuer.

Action 6

The focus of one of the actions (Action 6) is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The Final Report recommends, as a minimum, that countries should include in their tax treaties: (i) an express statement that the common intention of each contracting state which is party to such treaties is to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance; and one, or both, of (ii) a "limitation-on-benefits" ("**LOB**") rule; and (iii) a "principal purposes test" ("**PPT**") rule.

The PPT rule could deny a treaty benefit (such as a reduced rate of withholding tax) if it is reasonable to conclude, having regard to all facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a PPT, if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Issuer.

In contrast, the LOB rule has a more objective focus. More particularly, the OECD has included both a detailed and simplified version of the LOB rule in its Final Report relating to Action 6, albeit recommending in the related commentary to the LOB rule that the simplified version of the LOB rule should be included in a double tax treaty in combination with a PPT rule. The more detailed version of the LOB provision would limit the benefits of treaties, in the case of companies and in broad terms, to: (i) certain publicly listed companies and their affiliates; (ii) certain not-for-profit organisations and companies which carry on a pensions business; (iii) companies owned by a majority of persons who would be eligible for treaty benefits provided that the majority of the company's gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments); (v) companies which were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits; and (vi) certain collective investment vehicles ("**CIVs**"). The simplified version of the LOB provision would limit these benefits to companies in similar but, generally speaking, less prescriptive circumstances. The ability to claim treaty benefits under (v) above, however, would be included in both versions, albeit that it would require a company to apply to the tax authorities of the other contracting state for the granting of that benefit. The LOB rule proposed in the Final Report is subject to further review and consideration following the finalisation in February 2016 of a revised LOB rule included in the United States' model tax treaty. The LOB rule and the related commentary in the Final Report for Action 6 were expected to be reviewed further in the first part of 2016. However, no further announcements were made by the OECD in relation to the LOB rule and the related commentary in the Final Report for Action 6 before the end of June 2016. The OECD is now expected to finalise the multilateral instrument (which should include the LOB rule) by the end of 2016.

In addition, whilst the Final Report makes provision for the inclusion of a CIV as a "qualified person" for the purposes of the LOB rule, the Final Report does not include specific provision for non-CIVs, such as the Issuer. In the Final Report, the OECD acknowledges the economic importance of non-CIV funds and the need to grant such vehicles treaty benefits where appropriate. Further work on the treaty benefits to be afforded to non-CIV funds has continued to be undertaken in the first part of 2016, including the publication on 24 March 2016 by the OECD of a public discussion draft document on the entitlement of non-CIV funds to treaty benefits. The OECD's further work in this area may also include a "derivative benefits" provision in the LOB rule, which would allow certain entities owned by residents of third-country states to obtain treaty benefits provided that such residents would have been entitled to equivalent benefits if they had invested directly, rather than through an investment vehicle.

Action 7

The focus of another action point (Action 7) was to develop changes to the treaty definition of a permanent establishment and the scope of the exemption for an "agent of independent status" to prevent the artificial avoidance of having a permanent establishment in a particular jurisdiction. The Final Report on Action 7 sets out the changes that will be made to the definition of a "permanent establishment" in Article 5 of the OECD Model Convention and the OECD Model Commentary. Among other recommendations, the Final Report on Action 7 recommended two specific changes to the OECD Model Convention: (i) the expansion of the circumstances in which a "permanent establishment" is created to include the negotiation of contracts where certain conditions are satisfied; and (ii) narrowing the exemption for agents of independent status where contracts are concluded by an "independent agent" and that agent is connected to the foreign enterprise on behalf of which it is acting.

Implementation of the recommendations in the Final Report

The OECD Action Plan noted the need for a swift implementation of any measures which are finally decided upon and suggested that Actions 6 and 7, among others, could be implemented by way of multilateral instrument, rather than by way of negotiation and amendment of individual tax treaties. However, the Final Report on Action 6 acknowledges that the proposed changes will require a degree of negotiation between treaty jurisdictions and observes that there are various reasons as to why OECD Member States may not implement the proposed amendments to the OECD Model Convention in an identical manner and/or to the same extent. On 31 May 2016, the OECD released a discussion draft on the multilateral instrument to implement the tax-treaty related BEPS measures. This discussion draft requested input relating to the relationship between the provisions of the proposed multilateral instrument and the existing tax treaty networks of OECD member states. An accompanying press release noted that the OECD's aim was to finalise the multilateral instrument for signature by 31 December 2016. More generally, it is still not clear whether, when, how and to what extent particular jurisdictions will decide to adopt any of the recommendations that the OECD has published in its Final Reports

for the fifteen actions relating to its BEPS project and what further recommendations, if any, will follow through the course of 2016.

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 Depositary 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 Depositary 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 "*Description of the Notes in Global Form – Transfers 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.

Change of law

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.

Volcker Rule

Section 619 of the Dodd-Frank Act (the "**Volcker Rule**") prevents "banking entities" (a term which includes affiliates of a U.S. banking organisation as well as affiliates of a foreign banking organisation that has a branch or agency office in the U.S., regardless where such affiliates are located) from (i) engaging in proprietary trading in financial instruments, or (ii) acquiring or retaining any "ownership interest" in, or in "sponsoring", a "covered fund," 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 not 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", then in the absence of regulatory relief, 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 will 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 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.

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, permission, rules and guidance on conduct of business under the FSMA. Firms carrying out consumer credit activities must apply for authorisation under FSMA. Firms may apply for either full permission where they carry out higher risk consumer credit activities or limited permission for lower risk activities. Firms that held an OFT licence and had registered with the FCA by 31 March 2014 have been granted interim permission and must apply to the FCA for authorisation during an application period notified by the FCA to each firm in order to continue to perform those activities. Firms which hold an interim permission and make an application to the FCA for authorisation within the period notified to them by the FCA will keep their interim permission until such time as a determination is made on their application for authorisation. In other cases, the interim permission will expire at the end of the application period notified by the FCA if no application is made or, in any other case, 1 April 2016. Authorised firms and interim permission holders must comply with the relevant provisions of FSMA and related secondary legislation, the FCA's rules in CONC, the provisions of the CCA and the Consumer Rights Act 2015 and related secondary legislation which have been retained following the transfer of consumer credit regulatory functions from the OFT to the FCA.

Although the scope of consumer credit regulation under the new FCA regime is similar to that under the OFT (subject to certain specific exceptions), various changes have been made both in scope and in the drafting of specific provisions. As a result of these changes, and given the comparative novelty of the new regime under the FCA, there is some uncertainty as to how the consumer credit rules will be applied and enforced going forward.

A credit agreement is regulated by the CCA where: (a) the borrower is or includes an "individual" or "relevant person" as defined in the CCA (which includes certain small partnerships and certain unincorporated associations); (b) if the credit agreement was made before the financial limit was removed (as described below), the amount of credit did not exceed the financial limit of £25,000 for credit agreements made on or after 1 May 1998 or lower amounts for credit agreements made before that date; and (c) the credit agreement is not an exempt agreement.

Credit agreements entered into before 1 April 2014, with persons who are not authorised to enter into a regulated consumer credit agreement as lender will be unenforceable against the borrower: (a) unless the OFT has, prior to 1 April 2014, made an order in favour of enforcement; or (b) the FCA, upon being satisfied that it is just and equitable to do so, by written notice allows the agreement to be enforced or the money paid or the property transferred under the agreement to be retained. An improperly executed agreement is only enforceable with a court order and, in exercising its discretion whether to make the order, the court would take into account any prejudice suffered by the borrower and any culpability by the lender.

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 the 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 Consumer Credit Act 2006 (the "**CCA 2006**"), which amended the CCA, replaced the "extortionate credit" regime with the "unfair relationship" test which applies to all existing and new credit agreements. If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make an order, among other things, requiring the originator or any assignee such as the Issuer to repay amounts received from the borrower. In applying the unfair relationship test, the courts can consider a wide range of circumstances surrounding the transaction, including the creditor's conduct before and after making the agreement. There is no statutory definition of the word "unfair" as the intention is for the test to be flexible and subject to judicial discretion. However, the word "unfair" is not an unfamiliar term in United Kingdom legislation, due to the Consumer Rights Act 2015.

The courts may, but are not obliged to, look solely to the CCA 2006 for guidance; however the courts are required to have regard to all matters it believes relevant, including the manner of enforcement of a lender's rights and the lender's conduct prior to and after making a credit agreement. The principle of "treating customers fairly" under the FSMA and guidance published by the FSA (and, as of 1 April 2013, the FCA) on that principle and by the OFT on the unfair relationship test may also be relevant. Once the debtor alleges that an unfair relationship exists, the burden of proof is on the creditor to prove the contrary. In recent cases concerning the scope of the "unfair relationship" test the courts have generally adopted an interpretation which is favourable to borrowers. In *Plevin v Paragon Personal Finance Limited* [2014] UKSC 61, the UK Supreme Court has clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules. The determination of a court that a relationship is unfair in relation to an underlying credit agreement may result in unrecoverable losses.

The financial limit of £25,000 for CCA regulation has been removed for credit agreements made on or after 6 April 2008, except for certain matters such as changes to credit agreements. To the extent that a credit agreement is regulated under the consumer credit regime or treated as such, it is unenforceable for any period when the lender fails to comply with requirements as to default notices. From 1 October 2008, (a) a credit agreement is also unenforceable for any period when the lender fails to comply with further requirements as to periodic statements and arrears notices, (b) the borrower is not liable to pay interest or, in certain cases, default fees for any period in which the lender fails to comply with further requirements as to post contract disclosure and (c) interest upon default fees is restricted to nil until the 29th day after the day on which a prescribed notice is given and then to simple interest. (i.e. interest may only be calculated on the principal amount of the default sum. In particular, there have been publicised breaches by other institutions of section 77A of the CCA which sets out certain requirements in connection with the statements provided during the term of a regulated credit agreement. In the case of such a breach, the agreement would be unenforceable by the lender during the period of non-compliance with the CCA requirements and the borrower is not required to pay interest arising during the period of non-compliance.

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. There are no early repayment charges under the Purchased Loan Assets, however, early repayment charges are restricted by a formula under the CCA which applies to the extent that the credit agreement is regulated by the CCA or treated as such. A more restrictive formula applies generally to all such credit agreements made on or after 11 June 2010. These changes to the CCA may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

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.

Unfair Terms in Consumer Contracts Regulations

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 by a "consumer" within the meaning of the UTCCR, where the term 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 (see *"–Certain Regulatory Considerations – Consumer Rights Act 2015*" below).

The UTCCR 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 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).

The UTCCR will not affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal (provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer's attention), but may affect terms that are not considered to

be terms which define the main subject matter of the contract, such as a lender's power to vary the interest rate and certain terms imposing early repayment charges or exit administration fees.

For example, if a term permitting the lender to vary the interest rate is found to be unfair, the borrower will not be liable to pay interest at the increased rate or, to the extent that the borrower has paid it, will be able, as against the lender, or any assignee, to claim repayment of the extra interest amounts paid or to set-off the amount of the claim against the amount owing by the borrower under the loan or any other loan that the borrower has taken. Any such non-recovery, claim or set-off in respect of the Purchased Loan Assets entered into between 1 October 1999 and 30 September 2015 may adversely affect the Issuer's ability to make payments on the Notes.

In July 2012, the Law Commission launched a consultation in order to review and update the recommendations set out in their 2005 Report on Unfair Terms in Contracts. In March 2013, the Law Commission published its advice, in a paper entitled "Unfair Terms in Consumer Contracts: Advice to the Department for Business, Innovation and Skills". This advice paper repeats the recommendation from the 2005 Report on Unfair Terms in Contracts that the Unfair Contract Terms Act 1977 and the UTCCR should be consolidated, as well as providing new recommendations, including extending the protections of unfair terms legislation to notices and some additions to the "grey list" of terms which are indicatively unfair. The Law Commission also recommends that the UTCCR should expressly provide that, in proceedings brought by consumers, the court is required to consider the fairness of the term, even if the consumer has not raised the issue, where the court has available to it the legal and factual elements necessary for that task.

Historically the OFT, FSA and FCA (as appropriate) have issued guidance on the UTCCR. This has included: (i) OFT guidance on fair terms for interest variation in mortgage contracts dated February 2000; (ii) an FSA statement of good practice on fairness of terms in consumer contracts dated May 2005; (iii) an FSA statement of good practice on mortgage exit administration fees dated January 2007; and (iv) FSA finalised guidance on unfair contract terms and improving standards in consumer contracts dated January 2012.

On 2 March 2015, the FCA updated its online unfair contract terms library by removing some of its material (including the abovementioned guidance) relating to unfair contract terms. Such material "no longer reflects the FCA's views on unfair contract terms" and firms should no longer rely on the content of the documents that have been removed.

The extremely broad and general wording of the UTCCR makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Purchased Loan Assets which have been made to borrowers covered by the UTCCR may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans. If any term of the Purchased Loan Assets entered into between 1 October 1999 and 30 September 2015 is found to be unfair for the purpose of the UTCCR, this may adversely affect the ability of the Issuer to make payments to Noteholders on the Notes.

Consumer Rights Act 2015

The main provisions of the CRA came into force on 1 October 2015. The CRA significantly reformed and consolidated consumer law in the UK. The CRA involved the creation of a single regime out of the Unfair Contract Terms Act 1977 (which essentially deals with attempts to limit liability for breach of contract) and the UTCCR. The CRA has revoked the UTCCR and introduced a new regime for dealing with unfair contractual terms as follows.

Under Part 2 of the CRA an unfair term of a consumer contract (a contract between a trader and a consumer) is not binding on a consumer (an individual acting for purposes that are wholly or mainly outside that individual's trade, business, craft or profession). Additionally, an unfair notice is not binding on a consumer, although a consumer may rely on the term or notice if the consumer chooses to do so. A term will be unfair where, contrary to the requirement of good faith, it causes significant imbalance in the parties' rights and obligations under the contract to the detriment of the consumer. In determining whether a term is fair it is necessary to: (i) take into account the nature of the subject matter of the contract; (ii) refer to all the circumstances existing when the term was agreed; and (iii) refer to all of the other terms of the contract or any other contract on which it depends.

Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 6 lists "a term which has the object or effect of requiring a consumer who fails to fulfil his obligations under the contract to pay a disproportionately high sum in compensation." If, for example, the fees charged to a borrower by a Collections Agency were deemed disproportionately high, they may not be binding on a borrower.

A consumer contract may not be assessed for fairness to the extent that (i) it specifies the main subject matter of the contract; and/or (ii) the assessment is of the appropriateness of the price payable under the contract by comparison with the goods, digital content or services supplied under it; unless it appears on the "grey list" referenced above. A trader must ensure that a written term of a consumer contract, or a consumer notice in writing, is transparent i.e. that it is expressed in plain and intelligible language and is legible.

Where a term of a consumer contract is "unfair" it will not bind the consumer. However, the remainder of the contract, will, so far as practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible of multiple different meanings, the meaning most favourable to the consumer will prevail. It is the duty of the court to consider the fairness of any given term. This can be done even where neither of the parties to proceedings have explicitly raised the issue of fairness.

The provisions in the CRA governing unfair contractual terms came into force on 1 October 2015. The Unfair Contract Terms Regulatory Guide (UNFCOG in the FCA handbook) explains the FCA's policy on how it uses its formal powers under the CRA and the Competition and Markets Authority (the "**CMA**") published guidance on the unfair terms provisions in the CRA on 31 July 2015. This new regime does not seem to be significantly different from the regime under the UTCCR. However, this area of law is rapidly developing and we can expect new regulator guidance and case law as a result of this new legislation. No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the Seller, the Platform Servicer, the Issuer or any other party and their respective businesses and operations. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the Purchased Loan Assets.

Case law of the ECJ on unfair terms

The CMA's guidance on unfair terms took into account recent developments in ECJ case law on the interpretation of the Unfair Terms Directive (93/13/EEC) (which was initially implemented in the UK by the UTCCR) including: (i) Nemzeti Fogyasztóvédelmi Hatóság v Invitel Távközlési Zrt where the ECJ ruled that mandatory rules on variation and termination rights must be set out clearly in consumer contracts; and (ii) RWE Vertrieb AG v VerbraucherzentraleI which emphasises the foundations of consumer protection on inequality of bargaining power and imbalances in information.

In the case of Árpad Kásler and Hajnalka Káslerné Rábai v OTP Jelzálogbank ZRT the ECJ ruled that, under the Unfair Terms Directive the expression the "main subject matter of a contract" covers such a term only in so far as it lays down an essential obligation of that agreement that, as such, characterises it and that such a term, in so far as it contains a pecuniary obligation for a consumer to pay, in repayment of instalments of a loan, a difference between the selling rate of exchange and the buying rate of exchange of a foreign currency, cannot be considered as "remuneration" the adequacy of which as consideration for a service supplied by the lender that cannot be the subject of an examination as regards unfairness. Secondly, the requirement for a contractual term to be drafted in plain intelligible language is to be understood as requiring not only that the relevant term should be grammatically intelligible to the consumer, but also that the contract should set out transparently the specific functioning of the mechanism of conversion for the foreign currency to which the relevant term refers and the relationship between that mechanism and that provided for by other contractual terms relating to the advance of the loan, so that the consumer is in a position to evaluate, on the basis of clear, intelligible criteria, the economic consequences for him that derive from it. Finally, where a contract concluded between a seller or supplier and a consumer cannot continue in existence after an unfair term has been deleted, that provision does not preclude a rule of national law enabling the national court to cure the invalidity of that term by substituting for it a supplementary provision of national law.

It remains to be seen how these judgments will impact the position in the UK. No assurance can be given that this case law will not have a material adverse effect on the Seller, the Platform Servicer, the Issuer or any other party and their respective businesses and operations. No assurance can be made that this case law will not impact on the Issuer's ability to make payments in full when due on the Notes, although the impact of this partly depends on the number of Purchased Loan Assets which involve a borrower which experiences payment difficulties.

Consumer Protection from Unfair Trading Regulations 2008

On 11 May 2005, the European Parliament and Council adopted a directive on unfair business-to-consumer commercial practices (the "**Unfair Practices Directive**"). Generally, the Unfair Practices Directive applies full harmonisation, which means that member states of the European Union may not impose more stringent provisions in the fields to which full harmonisation applies. By way of exception, this Directive permits member states of the European Union to impose more stringent provisions in the fields of financial services and immovable property, such as mortgage loans. The Unfair Practices Directive was implemented into United Kingdom law through the Consumer Protection from Unfair Trading Regulations 2008 ("**CPUTRs**"). The CPUTRs came into effect on 26 May 2008 and affect all contracts entered into with persons who are natural persons and acting for purposes outside their respective business. Although the CPUTRs are not concerned solely with financial services, they do apply to the residential mortgage market.

Under the CPUTRs a commercial practice is to be regarded as unfair and therefore prohibited if it is:

(a) contrary to the standard of special skill and care which a trader may reasonably be expected to exercise towards consumers, commensurate with honest market practice and/or general principles of good faith in the trader's field of activity; and

(b) materially distorts or is likely to materially distort the economic behaviour of the average consumer (who is reasonably well-informed and reasonably observant and circumspect, and taking into account social, cultural and linguistic factors) whom the practice reaches or to whom it is addressed (or where a practice is directed at or is of a type which may affect a particular group of consumers, the average consumer of that group).

In addition to the general prohibition on unfair commercial practices, the CPUTRs contain provisions aimed at aggressive and misleading practices (including, but not limited to: (i) pressure selling; (ii) misleading marketing (whether by action or omission); and (iii) falsely claiming to be a signatory to a code of conduct) and a list of practices which will in all cases be considered unfair. The effect (if any) of the CPUTRs on the Purchased Loan Assets, the Seller, the Platform Servicer or the Issuer and their respective businesses and operations will depend on whether those entities engage in any of the practices described in the CPUTRs. Whilst engaging in an unfair commercial practice does not render a contract void or unenforceable, to do so is an offence punishable by a fine and/or imprisonment. In practical terms, the CPUTRs have not added much to the regulatory requirements already in place, such as treating customers fairly and conduct of business rules. Breach of the CPUTRs would be likely to initiate intervention by a regulator and may lead to criminal sanctions.

The Law Commission and the Scottish Law Commission reviewed the current private law in this area and found it to be fragmented and unclear. They published a joint report on 28 March 2012 entitled "Consumer Redress for Misleading and Aggressive Practices", which set out recommendations for reform, particularly with respect to liability and remedies, such as allowing consumers to have the right to unwind a transaction or receive a discount.

On 14 March 2013, the EU Commission published the results of its review on the application of the Unfair Practices Directive. The EU Commission does not propose extending the directive but has indicated that intensified national enforcement and re-enforced co-operation in cross-border enforcement are needed. Going forward the EU Commission will consider how it can pay a more active role in enforcement and will continue to perform in-depth reviews of how the directive works in practice.

The CPUTRs have been amended by the Consumer Protection (Amendment) Regulations 2014, which came into force on 1 October 2014 and included the recommendations for reform published by the Law Commission and the Scottish Law Commission. The CPUTRs were amended so as to give consumers a direct right of action including a right to unwind agreements within 90 days of entering into the contract if a misleading or aggressive practice under the CPUTRs were a significant factor in the consumer's decision to enter into the contract. The amendments to CPUTRs also extend the regime so that it covers misleading and aggressive demands for payment. It applies to demands for payment for restricted-use credit (where the credit must be used to finance a particular transaction) where the misleading or aggressive commercial practice:

(a) began before 1 October 2014 and continues after that date – however, a consumer will only be able to exercise his new direct rights of action if a contract is entered into, or payments are made, after the date the legislation comes into force; and

(b) occurs on or after 1 October 2014.

The effect (if any) of the CPUTRs on the Purchased Loan Assets, the Seller, the Platform Servicer or the Issuer and their respective businesses and operations will depend on whether those entities engage in any of the practices described in the CPUTRs. Whilst engaging in an unfair commercial practice does not render a contract void or unenforceable, to do so is an offence punishable by a fine and/or imprisonment. In practical terms, the CPUTRs have not added significantly to the regulatory requirements already in place, such as treating customers fairly and conduct of business rules. Breach of the CPUTRs would initiate intervention by a regulator and may lead to criminal sanctions.

No assurance can be given that the CPUTRs will not adversely affect the ability of the Issuer to make payments to Noteholders.

Financial Ombudsman Service

Under the FSMA, the Financial Ombudsman Service (the "**Ombudsman**") is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all circumstances of the case, taking into account, among other things, law and guidance. Complaints brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. 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.

TRIGGERS TABLES

Ratings Triggers Table

Transaction Party	Required Ratings	Possible effects of Ratings Trigger being breached include the following
Issuer Account Bank:	"**Account Bank Rating**" means (i) a long-term, unsecured, unsubordinated and unguaranteed deposit rating by Moody's of A2 and a long-term IDR by Fitch of AA- or (ii) a short-term, unsecured, unsubordinated and unguaranteed deposit rating by Moody's of P-1 and the short-term IDR by Fitch of F1+ or (iii) in each case, such other short-term or long-term rating which will not have an adverse effect on the Rated Notes. "**Account Bank Remedial Ratings**" means (i) a long-term, unsecured, unsubordinated and unguaranteed deposit rating by Moody's of A3 and a long-term IDR by Fitch of A or (ii) a short-term, unsecured, unsubordinated and unguaranteed debt obligation rating by Fitch of F1 or (iii) in each case, such other short-term or long-term rating which will not have an adverse effect on the Rated Notes.	Where (A) the rating of the Issuer Account Bank falls below the Account Bank Rating and one of the events set out in (i) to (iv) below has not occurred within 60 calendar days of such downgrade (provided that such event shall not occur earlier than 30 calendar days from the date of such downgrade), or (B) if the Issuer Account Bank has elected to apply the Account Bank Remedial Ratings and has not revoked the application of the Account Bank Remedial Ratings and applied the Account Bank Rating in accordance with the Account Bank Agreement, the rating of the Issuer Account Bank falls below the Account Bank Remedial Ratings and one of the events set out in (i) to (iii) below has not occurred within 30 calendar days of such downgrade, then the Issuer Account Bank will cease to be an Eligible Institution under the Account Bank Agreement: (a) the Issuer closes the Issuer Accounts and the Corporate Benefit Account held with the Issuer Account Bank once it has opened new replacement accounts and such accounts are opened with a financial institution that is: (A) an Eligible Institution or has the requisite Account Bank Remedial Ratings and (B) a "**bank**" as defined in Section 991 of the ITA 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) a guarantee in support of the Issuer Account Bank's obligations under the Account Bank Agreement from a financial institution that is an Eligible Institution is obtained; (c) if applicable, such other actions as may be reasonably requested by the parties to the Account Bank Agreement are

Transaction Party	Required Ratings	Possible effects of Ratings Trigger being breached include the following
		taken to ensure that the rating 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; or (d) for so long as the Issuer Account Bank has not elected to apply the Account Bank Remedial Ratings (or if any such election made by the Issuer Account Bank has been revoked), the Issuer Account Bank elects (or re-elects as the case may be) to apply the Account Bank Remedial Ratings and has provided notice of such election (or re-election as the case may be) to the Cash Manager and Calculation Agent and the Issuer in accordance with the Account Bank Agreement. The Issuer Account Bank shall reimburse the administrative costs, including reasonable administrative costs properly incurred by the Issuer and the Trustee in connection with the replacement of the Issuer Account Bank where it is no longer an Eligible Institution and in accordance with the Account Bank Agreement.
Interest Rate Cap Provider	Long term unsecured, unsubordinated, unguaranteed debt obligations being rated at least Ba1(cr) in the case of Moody's. Long term IDR at least as high as "A-" (or its equivalent) or (b) a short-term IDR at least as high as "F1" (or its equivalent) from Fitch.	The consequences of breach include: (1) in the event of a Moody's downgrade, the Interest Rate Cap Provider will be required within 30 Business Days, to, at its own expense, transfer eligible 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 Fitch downgrade, the Interest Rate Cap Provider will be required within 14 days, to post collateral in accordance with the terms of the CSA.

Non-Ratings Triggers Table

Transaction Party	Description of Trigger	Possible effects of Trigger 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; (b) other than as set forth in paragraphs (a), (f) or (g), 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 (k) 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 £500,000 (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	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 holders of at least 25 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 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 and the Cash Manager and Calculation Agent), 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.

Transaction Party	Description of Trigger	Possible effects of Trigger being breached include the following
	described) and such event or circumstance remains unremedied for 15 calendar days; (f) the Platform Servicer fails to deliver any Servicing Report within five (5) Business Days of the date when due; (g) 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; (h) the occurrence of a Material Adverse Effect; (i) 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 reorganisation or amalgamation; (j) a court judgment is entered against the Platform Servicer in an amount greater than £2,000,000 and such judgment remains unremedied for 15 calendar days; or (k) 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	

Transaction Party	Description of Trigger	Possible effects of Trigger being breached include the following
	performance of any of the Services it is required to provide thereunder.	
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 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 Class Z Noteholders acting reasonably in the interest of all Noteholders) 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 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 Target 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 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 acting by way of Extraordinary Resolution).

Transaction Party	Description of Trigger	Possible effects of Trigger 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 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 15 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 becoming aware of such default and (ii) receipt by the Cash Manager and	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) to terminate its appointment as Cash Manager and Calculation Agent under the

Transaction Party	Description of Trigger	Possible effects of Trigger being breached include the following
	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 reorganisation or amalgamation (other than on terms previously approved by the Noteholders of the Most Senior Class of Notes acting by way of Ordinary Resolution), provided however, with respect to any involuntary proceeding, any such	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	Possible effects of Trigger being breached include the following
	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 (i) a Registrar (for so long as the Notes of any Class are listed on the regulated market of the Irish Stock Exchange) 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; and (ii) a principal paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48 EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 to 27 November 2000, 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,	(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 reasonable 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	Possible effects of Trigger being breached include the following
	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.	
Issuer Account Bank Termination Events	(a) The Issuer (with prior written notice to the Trustee) 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) (*Termination Events*) 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	(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 35 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

Transaction Party	Description of Trigger	Possible effects of Trigger being breached include the following
	specified in sub-paragraphs (b)(ii) to (v) (inclusive) below occur, 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	Bank shall at the cost of the Issuer but subject to provisions relating to the Issuer Account Bank's loss of 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	Possible effects of Trigger 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 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 within 14 calendar days after presentment thereof; or	

Transaction Party	Description of Trigger	Possible effects of Trigger being breached include the following
	(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, each a "**Termination Event**" and together "**Termination Events**".	

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
Senior Servicing Fee and Junior Servicing Fee (collectively the "Zopa Loan Servicing Fee")	Each an amount per annum equal to the sum of (i) 0.50 per cent. multiplied by (ii) the Aggregate Collateral Principal Balance of all Purchased Loan Assets (excluding Defaulted Loans), which, in each case, shall accrue daily on the then Aggregate Collateral Principal Balance of all Purchased Loan Assets	Where the Platform Servicer is Zopa, it shall be entitled to deduct the Senior Servicing Fee from the Interest Proceeds transferred to the Issuer Client Account. The Junior Servicing Fee shall be payable in item (m) (*thirteenth*) in the Pre-Acceleration Interest Priority of Payments.	Monthly
Loan Servicing Fee	0.70 per cent. multiplied by the Aggregate Collateral Principal Balance of all Purchased Loan Assets per annum (inclusive of VAT)	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
Other fees and expenses of the Issuer	Estimated at £108,750 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	€6,000 (approximately)	Ahead of all outstanding Notes.	Annually

CERTAIN REGULATORY DISCLOSURES

The Retention Holder will, for the life of the Transaction, retain, as "originator" for the purposes of Article 405(1) of the CRR, a material net economic interest of not less than five (5) per cent. in the securitisation comprised in the Transaction in accordance with the Retention Requirement Laws. Such interest will take the form of a first loss tranche in accordance with Article 405(1)(d) of the CRR, Article 51(1)(d) of the AIFMR and Article 254(2)(d) of the Solvency II 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**"). Any change to the manner in which such interest is held will be notified to the Noteholders in the Investor Reports. Please refer to the section entitled "*Subscription and Sale*" for further information.

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

(a) sell, hedge, transfer or otherwise dispose of the Minimum Retained Amount;

(b) allow the Minimum Retained Amount to become subject to any form of credit risk mitigation, short position or any other credit risk hedge;

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

(d) take any other action which would reduce the Retention Holder's aggregate exposure to the economic risk of the Minimum Retained Amount in such a way that the Retention Holder ceases to hold the Minimum Retained Amount,

in each case, except to the extent permitted (if permitted) under the Retention Requirement Laws.

The Retention Holder will undertake in favour of the Issuer and the Trustee (pursuant to the Master Framework Agreement) and the Arranger (pursuant to the Subscription Agreement), that in each Investor Report it will confirm and disclose: (i) any change in the manner in which the Minimum Retained Amount is held (if applicable); (ii) such information as is required by the applicable Retention Requirement Laws; (iii) 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, and (iv) that it shall give notice of the same to the Cash Manager and Calculation Agent no later than two (2) Business Days immediately preceding each Calculation Date in respect of any such applicable Investor Report (the "**Risk Retention Confirmation**").

Articles 405-409 of the CRR also require an EU regulated credit institution to, among other things, be able to demonstrate that it has undertaken certain due diligence in respect of each of its individual securitisation positions and that it has a comprehensive and thorough understanding of, and has implemented formal 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. Similar provisions apply under the AIFMR and the Solvency II Regulation.

The Trustee shall have the benefit of certain protections contained in the Trust Deed in relation to the compliance of the Retention Holder with such undertaking. For further information please refer to the Risk Factor entitled "*The Trustee is not obliged to act in certain circumstances*".

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 Retention Requirement Laws and none of the Issuer, the Seller, Zopa, the Retention Holder, the Subordinated Loan Provider, the Trustee nor the Arranger 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 Retention Requirement Laws 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.

Credit Rating Agency Regulation

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

For further information please refer to the Risk Factor entitled "*Certain 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 Seller is not required to repurchase 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:

(i) the Class A Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 76 per cent.;

(ii) the Class B Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 5 per cent.;

(iii) the Class C Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 5 per cent.;

(iv) the Class D Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 6 per cent.;

(v) the Class Z Notes to the Principal Amount Outstanding of the Notes as at the Closing Date is 8 per cent.;

(h) one-month LIBOR remains at a rate of 0.25 per cent., for so long as any Notes are outstanding;

(i) the Notes are issued on or about 5 October 2016. The weighted average life on the Notes is calculated using actual/365 day count convention (or 366 days in the case of a leap year, beginning in 2016);

(j) amounts credited to the Issuer Accounts have a yield of 0 per cent.; and

(k) 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/365 day count convention (or 366 days in the case of a leap year, beginning in 2016).

No Clean Up Call

Class/CPR	**0.00 %**	**2.50 %**	**5.00 %**	**10.00 %**	**15.00 %**	**20.00 %**	**25.00 %**	**30.00 %**	**35.00 %**	**40.00 %**
A	1.29	1.23	1.18	1.08	0.99	0.91	0.84	0.77	0.71	0.66
B	2.9	2.82	2.73	2.56	2.4	2.25	2.1	1.95	1.81	1.67
C	3.17	3.1	3.03	2.87	2.7	2.53	2.37	2.22	2.07	1.93
D	3.5	3.43	3.37	3.24	3.09	2.94	2.77	2.61	2.44	2.28
Z	4.04	4.01	3.97	3.89	3.79	3.69	3.57	3.45	3.31	3.16

With Clean Up Call

Class/CPR	0.00 %	2.50 %	5.00 %	10.00 %	15.00 %	20.00 %	25.00 %	30.00 %	35.00 %	40.00 %
A	1.29	1.23	1.18	1.08	0.99	0.91	0.84	0.77	0.71	0.66
B	2.9	2.82	2.73	2.56	2.4	2.25	2.1	1.95	1.81	1.67
C	3.17	3.1	3.03	2.87	2.7	2.53	2.37	2.22	2.07	1.93
D	3.5	3.43	3.37	3.24	3.09	2.93	2.76	2.59	2.43	2.27
Z	3.67	3.58	3.5	3.42	3.25	3.08	2.92	2.75	2.58	2.41

The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic. They must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of the average lives estimated above, see "*Risk Factors – Credit Structure – 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 Notes to pay the Purchase Price to the Seller in respect of the Loan Portfolio pursuant to the Loan Sale and Purchase Agreement.

In addition, the Issuer will, on the Closing Date, make a drawing under the Subordinated Loan Agreement entered into with the Seller as Subordinated Loan Provider. The Issuer will apply the proceeds of the Subordinated Loan Agreement as follows: (i) to make a deposit in an amount equal to the Cash Reserve Required Amount into the Cash Reserve Account; (ii) to make a deposit in an amount equal to the Liquidity Reserve Required Amount into the Liquidity Reserve Account; (iii) to purchase the Interest Rate Cap on the Closing Date; and (iv) to make payments in respect of the fees, costs and expenses in connection with the issuance of the Notes (see further "*Certain Other 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 10027160) as a public limited company on 25 February 2016. 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 £1.00 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 2016-1 Holdings Limited incorporated under the Laws of England and Wales as a private limited company on 25 February 2016, with company registration number 10027109, ("**HoldCo**") which is wholly owned by SFM 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 +44(0) 207 398 6300.

Structured Finance 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 31 August 2017. The Issuer will not prepare interim financial statements. The auditors of the Issuer are PricewaterhouseCoopers LLP, 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
SFM Directors Limited	35 Great St. Helen's, London, EC3A 6AP	Corporate Director
SFM Directors (No.2) Limited	35 Great St. Helen's, London, EC3A 6AP	Corporate Director

The company secretary of the Issuer is SFM Corporate Services limited.

Activities

On the Closing Date, the Issuer will acquire from the Seller the Loan Portfolio. 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 currently holds interim permissions for such activities and the Back-Up Servicer is currently authorised to carry out such activities.

THE SELLER AND THE RETENTION HOLDER

P2PGI was incorporated and registered in England and Wales (under company registration number 8805459) as a public limited company. The registered office of the Seller is at 1st Floor, 40 Dukes Place, London, EC3A 7NH.

P2PGI is authorised and regulated by the FCA under interim permission number 664582 and has applied for full authorisation on 29 October 2015.

On the Closing Date, the Seller will sell to the Issuer the Loan Portfolio on receipt of the Purchase Price.

The Seller will make the Seller Loan Warranties to the Issuer in respect of the Purchased Loan Assets comprising of the Loan Portfolio.

The Retention Holder will, as "originator" for the purposes of Article 405(1) of the CRR, retain, on an ongoing basis, the Minimum Retained Amount in accordance with the Retention Requirement Laws. See further the section "*Certain Regulatory Disclosures*" above.

The Retention Holder has in place internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Retention Holder in this regard broadly include (without limitation) the following:

(a) investment policies and procedures for agreeing to minimum required credit and underwriting criteria or standards for any investment in loans or loan portfolios;

(b) systems in place to administer and monitor the various credit-risk bearing portfolios and exposures;

(c) diversification of credit portfolios taking into account the Retention Holder's target market and overall credit strategy (as to which, in relation to the Loan Portfolio, please see the section of this Prospectus headed "*The Loan Portfolio – Loan Portfolio Selection*"); and

(d) a risk management policy that includes risk management processes and portfolio monitoring tools.

THE INVESTMENT MANAGER

MW Eaglewood Europe LLP (the **"Investment Manager"**) is a limited liability partnership in England and Wales established on 22 October 2013 with partnership number OC388668. Its registered office is at George House, 131 Sloane Street, London, SW1X 9AT.

MW Eaglewood (through its subsidiaries) specialises in direct lending and marketplace investment strategies. It is part of the Marshall Wace Group ("**MW**"), a group of affiliated investment managers established in London in 1997 focused principally on equity strategies. MW Eaglewood was formed in 2014 through the acquisition and merger of two boutique investment advisors in the United Kingdom and the United States. MW Eaglewood operates through its two subsidiaries, MW Eaglewood Americas LLC ("**MW-EW Americas**"), an SEC-registered investment adviser based in New York, and the Investment Manager, a London-based investment advisor authorised by the FCA. The Investment Manager and MW-EW Americas together comprise the MW Eaglewood Group ("**MW Eaglewood**").

MW Eaglewood focuses on strategies that offer a compelling combination of yield, credit quality and duration while minimising volatility of returns and correlation to other asset classes. MW Eaglewood provides investment advisory services to investment funds for sophisticated, qualified investors, including high net worth individuals, funds of funds, family offices, endowments and other institutions, and separate accounts on behalf of high net worth individuals, certain retirement plans, trusts, partnerships, corporations, or other institutional clients and businesses. As of 30 June 2016, MW Eaglewood has approximately $1.28 billion assets under management.

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.

Zopa Limited is authorised and regulated by the FCA under interim permission no. 563134 and has applied for full authorisation on 30 September 2015.

The Zopa Business

Zopa Limited operates a consumer-focused marketplace lending platform which allows retail investors, government bodies 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.

Between 4 March 2005 and 31 July 2016, Zopa has facilitated approximately £1,600,000,000 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 with an annual turnover not exceeding £75,000,000;

(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.

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. If the shortfall is not collected within 45 calendar days, the collections team might refer such shortfall 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 and Zopa may engage field agents to attempt to collect the total amount outstanding.

Default

The Recoveries 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 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.

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 with brief details of their complaint. Zopa will acknowledge the complaint within one business day. Zopa will then investigate and send an initial response which should take no longer than five Business Days. Zopa aims to resolve any complaint within four weeks of receipt of complaint.

If within eight 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 "*Certain Other 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 27,137 Loan Assets to 26,918 Zopa Borrowers and has an Aggregate Collateral Principal Balance of £149,422,240.

Origination – Platform Lending Agreement

A platform lending agreement (the "**Platform Lending Agreement**") was entered into by, among others, Zopa and P2PGI on 16 January 2015 pursuant to which Zopa makes available to P2PGI a specified number of loan applications, and pursuant to which the Purchased Loan Assets were originally advanced. The Investment Manager, on behalf of P2PGI, was involved in the negotiation of the Platform Lending Agreement and setting the criteria that applied pursuant to the Platform Lending Agreement to the origination of Purchased Loan Assets thereunder. Under the Platform Lending Agreement, the Investment Manager was appointed by the Seller to provide certain investment management services including in relation to the Loan Assets advanced by the Seller pursuant to the Platform Lending Agreement. Under the Platform Lending Agreement the Investment Manager agrees to procure the investment by the Seller in certain Loan Assets.

Pursuant to the Platform Lending Agreement, Zopa agreed to allocate to the Seller for an initial 12 month period and thereafter 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 were required to be advanced by the Seller, provided that it had sufficient funds available for that purpose and such Loans satisfied certain conditions, in accordance with the terms of the Platform Lending Agreement.

Pursuant to the Platform Lending Agreement, Zopa has agreed to make available to the Investment Manager, on behalf of P2PGI, on a daily basis certain detailed information with respect to loans (including the Purchased Loan Assets), including, without limitation:

(a) all current and historical loan data for all Purchased Loan Assets,

(b) a detailed monthly analysis of all Purchased Loan Assets,

(c) details of all late payments, defaults or prepayments in respect of all Purchased Loan Assets; and

(d) such other information as the Investment Manager may reasonably request from time to time in respect of the Purchased Loan Assets,

in each case, under the care, custody or control of Zopa (including where such information is held by any collections agency, subcontractor or professional advisers that Zopa may use at any time).

The Platform Lending Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

The Loan Contracts

Each of the Loans in the Loan Portfolio was originated with the Seller as the original Zopa Lender of such Loan through the Zopa Platform pursuant to the Platform Lending Agreement using the Loan Documentation in all material respects.

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.

Loan Portfolio Selection

On the Provisional Loan Portfolio Cut-Off Date the Provisional Loan Portfolio is comprised of 27,137 Loan Assets to 26,918 Zopa Borrowers and has an Aggregate Collateral Principal Balance of £149,422,240. 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.

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 Closing Date (unless stated otherwise). See further sections entitled "*Certain Other Transaction Documents – Loan Sale and Purchase Agreement*" and "*Certain Other 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.

PROVISIONAL LOAN PORTFOLIO STRATIFICATION TABLES

Provisional Loan Portfolio Summary
Number of Loans: 27,137
Number of Zopa Borrowers: 26,918
Aggregate Initial Collateral Principal Balance: £194,350,900
Aggregate Collateral Principal Balance: £149,422,240
Average Initial Collateral Principal Balance: £7,162
Average Collateral Principal Balance: £5,506
Weighted average contractual interest rate (%): 7.6
Weighted average seasoning (months)*: 10.17
Weighted average original term (months)**: 50.73
Weighted average remaining term (months)***: 40.56
Top 1 Zopa Borrower by Collateral Principal Balance expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio: 0.02% Top 3 Zopa Borrowers by Collateral Principal Balance expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio: 0.05% Top 5 Zopa Borrowers by Collateral Principal Balance expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio: 0.08% Top 10 Zopa Borrowers by Collateral Principal Balance expressed as a percentage of the Aggregate Collateral Principal Balance of the Provisional Loan Portfolio: 0.17%

* '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.

** '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.

*** '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

Collateral Principal Balance range (£)	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
<= 2,000	7,547,494	5.05	6,975	25.7
2,001 to 4,000	18,496,080	12.38	6,322	23.3
4,001 to 6,000	21,500,866	14.39	4,425	16.31
6,001 to 8,000	20,035,630	13.41	2,889	10.65
8,001 to 10,000	21,625,307	14.47	2,427	8.94
10,001 to 12,000	12,972,772	8.68	1,184	4.36
12,001 to 14,000	13,555,021	9.07	1,047	3.86
14,001 to 16,000	8,576,480	5.74	577	2.13
16,001 to 18,000	7,844,123	5.25	461	1.7
18,001 to 20,000	5,911,799	3.96	313	1.15
20,001 to 22,000	5,935,403	3.97	283	1.04
22,001 to 24,000	4,395,371	2.94	192	0.71
24,001 to 26,000	1,025,894	0.69	42	0.15
Total:	149,422,240	100	27,137	100

Maximum Collateral Principal Balance: £25,444

Minimum Collateral Principal Balance: £1

Average Collateral Principal Balance: £5,506

Distribution by Zopa Borrower

Collateral Principal Balance range (£)	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Zopa Borrowers	Percentage of Loans
<= 2,000	7,372,299	4.93	6,815	25.32
2,001 to 4,000	18,307,911	12.25	6,258	23.25
4,001 to 6,000	21,448,269	14.35	4,413	16.39
6,001 to 8,000	19,993,611	13.38	2,882	10.71
8,001 to 10,000	21,501,490	14.39	2,413	8.96
10,001 to 12,000	13,055,960	8.74	1,192	4.43
12,001 to 14,000	13,681,750	9.16	1,056	3.92
14,001 to 16,000	8,621,333	5.77	580	2.15
16,001 to 18,000	8,028,931	5.37	472	1.75
18,001 to 20,000	5,969,039	3.99	316	1.17
20,001 to 22,000	5,998,121	4.01	286	1.06
22,001 to 24,000	4,417,632	2.96	193	0.72
24,001 to 26,000	1,025,894	0.69	42	0.16
Total:	149,422,240	100	26,918	100

Maximum Collateral Principal Balance: £25,444

Minimum Collateral Principal Balance: £1

Average Collateral Principal Balance: £5,551

Distribution by Seasoning

Seasoning* (in months)	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
<= 3.00	7,042,823	4.71	1,176	4.33
3.01 to 6.00	27,559,910	18.44	4,879	17.98
6.01 to 9.00	37,499,022	25.1	6,550	24.14
9.01 to 12.00	34,770,903	23.27	6,236	22.98
12.01 to 15.00	23,214,581	15.54	4,308	15.88
15.01 to 18.00	11,756,455	7.87	2,274	8.38
18.01 to 21.00	5,292,158	3.54	1,142	4.21
21.01 to 24.00	2,286,387	1.53	572	2.11
Total:	149,422,240	100	27,137	100
Weighted average seasoning: 10.17				

* '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 range (in months)*	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
12	2,312,575	1.55	2,296	8.46
24	9,523,415	6.37	4,458	16.43
36	28,152,839	18.84	6,743	24.85
48	21,261,571	14.23	3,385	12.47
60	88,171,840	59.01	10,255	37.79
Total:	149,422,240	100	27,137	100
Weighted average original term: 50.73				

* '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 range (in months)*	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
<= 12.00	4,720,151	3.16	3,937	14.51
12.01 to 24.00	16,611,567	11.12	5,657	20.85
24.01 to 36.00	26,142,604	17.5	5,280	19.46
36.01 to 48.00	45,354,508	30.35	6,025	22.2
48.01 to 60.00	56,593,411	37.87	6,238	22.99
Total:	149,422,240	100	27,137	100
Weighted average remaining term: 40.56				

* '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 Loan Status

Loan Cycle	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
Current	148,275,245	99.23	26,930	99.24
1 - 30 days past due	1,146,995	0.77	207	0.76
Total:	149,422,240	100	27,137	100

Distribution by original contractual interest rate

Contractual interest rate range (%)	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
<= 5.0	52,818,856	35.35	7,861	28.97
5.1 to 6.0	10,500,892	7.03	2,485	9.16
6.1 to 7.0	9,761,994	6.53	2,942	10.84
7.1 to 8.0	19,265,064	12.89	4,036	14.87
8.1 to 9.0	4,977,492	3.33	1,072	3.95
9.1 to 10.0	9,677,936	6.48	1,891	6.97
10.1 to 11.0	12,483,890	8.35	1,763	6.5
11.1 to 12.0	6,846,672	4.58	1,105	4.07
12.1 to 13.0	6,659,977	4.46	1,157	4.26
13.1 to 14.0	6,830,283	4.57	1,307	4.82
14.1 >=	9,599,183	6.42	1,518	5.59
Total:	149,422,240	100	27,137	100

Maximum contractual interest rate: 18.2

Minimum contractual interest rate: 2.9

Weighted average contractual interest rate: 7.6

Distribution by Loan Usage

Loan Usage	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
Debt consolidation	50,811,034	34.01	7,710	28.41
Home improvements	33,287,844	22.28	6,277	23.13
Other	11,256,713	7.53	2,906	10.71
Vehicles	54,066,649	36.18	10,244	37.75
Total:	149,422,240	100	27,137	100

Distribution by declared Employment Type

Employment Type	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
Company Owner/Partner	693,442	0.46	83	0.31
Employed full-time	134,304,084	89.88	24,742	91.17
Employed part-time	2,347,747	1.57	580	2.14
Other	235,936	0.16	45	0.17
Retired	1,452,775	0.97	306	1.13
Self-employed	10,388,257	6.95	1,381	5.09
Total:	149,422,240	100	27,137	100

Distribution by Equifax Score

Equifax Score	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
0.00 to 49.99	1,593	0	1	0
100.00 to 149.99	34,191	0.02	3	0.01
150.00 to 199.99	53,653	0.04	11	0.04
200.00 to 249.99	267,443	0.18	50	0.18
250.00 to 299.99	1,009,755	0.68	209	0.77
300.00 to 349.99	4,983,603	3.34	1,023	3.77
350.00 to 399.99	14,873,288	9.95	2,836	10.45
400.00 to 449.99	27,479,716	18.39	5,253	19.36
450.00 to 499.99	40,362,521	27.01	7,419	27.34
500.00 to 549.99	44,509,356	29.79	7,772	28.64
550.00 to 599.99	12,713,454	8.51	2,093	7.71
600.00 to 649.99	2,235,550	1.5	344	1.27
650.00 to 699.99	752,007	0.5	106	0.39
700.00 to 749.99	107,081	0.07	14	0.05
750.00 to 799.99	39,031	0.03	3	0.01
Total:	149,422,240	100	27,137	100

Distribution by Region

Region	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
East Anglia	18,919,390	12.66	3,273	12.06
London	11,525,695	7.71	1,782	6.57
Midlands	17,162,485	11.49	3,351	12.35
Northern Ireland	3,143,342	2.1	642	2.37
North East	18,056,471	12.08	3,660	13.49
North West	18,359,308	12.29	3,592	13.24
Scotland	13,711,159	9.18	2,483	9.15
South Central	16,757,687	11.21	2,667	9.83
South East	15,358,111	10.28	2,541	9.36
South West	10,510,291	7.03	1,995	7.35
Wales	5,918,303	3.96	1,151	4.24
Total:	149,422,240	100	27,137	100

Distribution by Zopa Market

Zopa Market*	Aggregate Collateral Principal Balance (£)	Percentage of the Aggregate Collateral Principal Balance	Number of Loans	Percentage of Loans
A*	44,313,139	29.66	7,643	28.16
A1	23,657,134	15.83	4,116	15.17
A2	20,540,357	13.75	3,930	14.48
B	31,268,597	20.93	5,790	21.34
C1	29,643,013	19.84	5,658	20.85
Total:	149,422,240	100	27,137	100

* 'Zopa Market' for these purposes is based upon the Zopa Market assigned by Zopa at the time of the origination of the relevant Loan.

Historical Data

Between 4 March 2005 and 31 July 2016 approximately £1,600,000,000 of 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 'D', 'E', '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 'D', 'E', '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

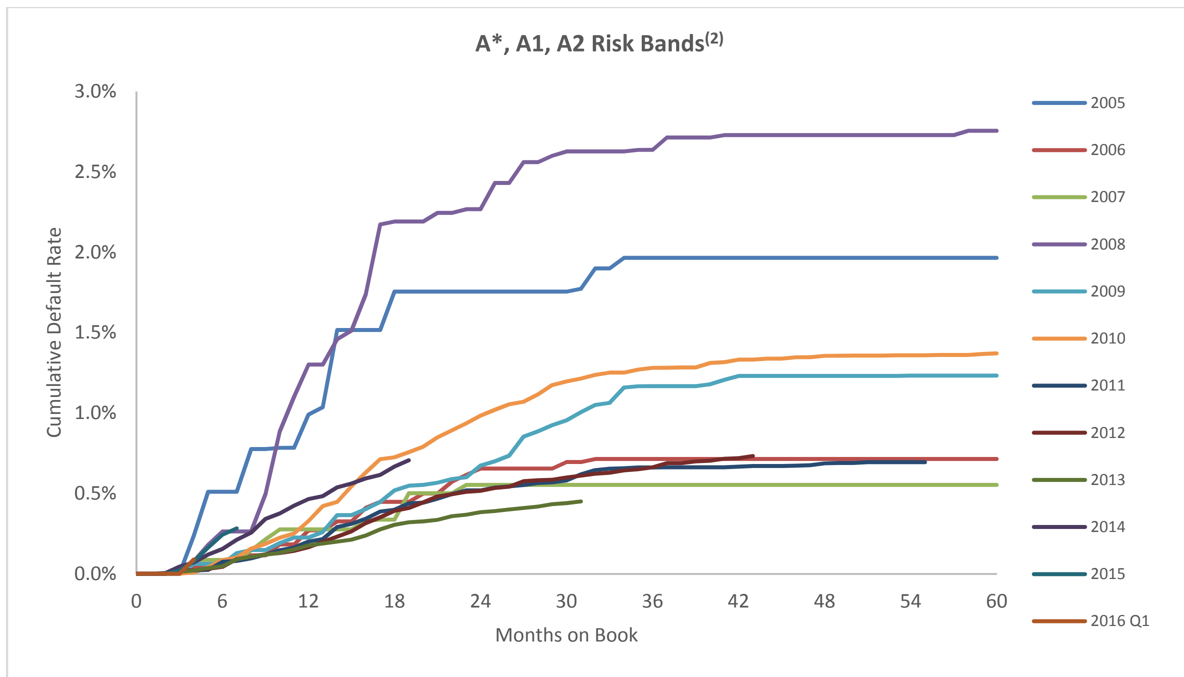
The figures shown below are for the total portfolio of unsecured consumer loans intermediated on the Zopa Platform from 4 March 2005 to 31 July 2016, excluding ‘D’, ‘E’, ‘Y’ and ‘S’ risk band loans.

Disbursals in £MM						
Disbursal Year	**A***	**A1**	**A2**	**B**	**C1**	**Total**
2005	1.22	0.00	0.00	0.28	0.00	**1.50**
2006	4.36	0.00	1.34	0.86	0.12	**6.67**
2007	1.42	0.00	4.15	2.56	1.03	**9.15**
2008	3.76	0.00	3.02	2.53	2.53	**11.84**
2009	14.09	0.00	9.30	5.08	2.47	**30.93**
2010	25.25	0.00	10.21	8.33	3.25	**47.04**
2011	37.25	0.00	9.84	7.16	1.83	**56.08**
2012	65.78	0.00	11.67	6.89	1.38	**85.72**
2013	125.62	6.28	31.31	17.13	1.40	**181.74**
2014	131.87	34.43	44.23	32.24	16.94	**259.71**
2015	164.15	82.95	76.55	78.81	66.84	**469.31**
2016 YTD	105.76	57.61	49.34	50.74	61.45	**324.91**
Total	**680.53**	**181.27**	**250.96**	**212.60**	**159.25**	**1484.61**

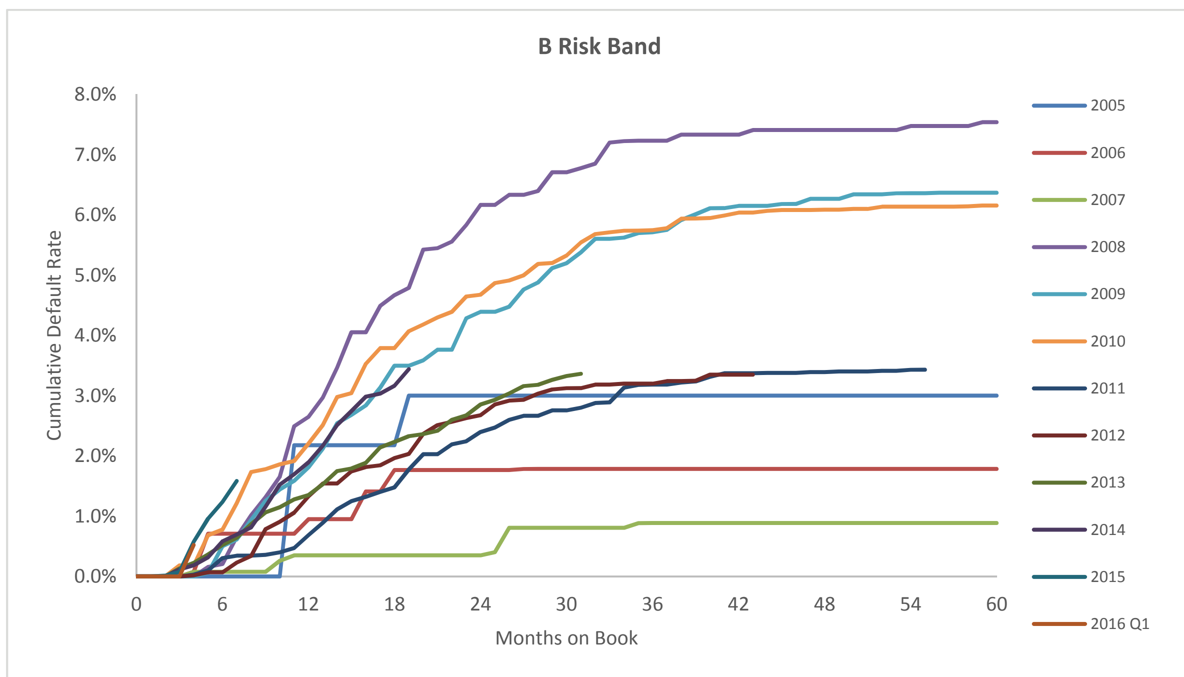
Zopa Historical Loss Performance

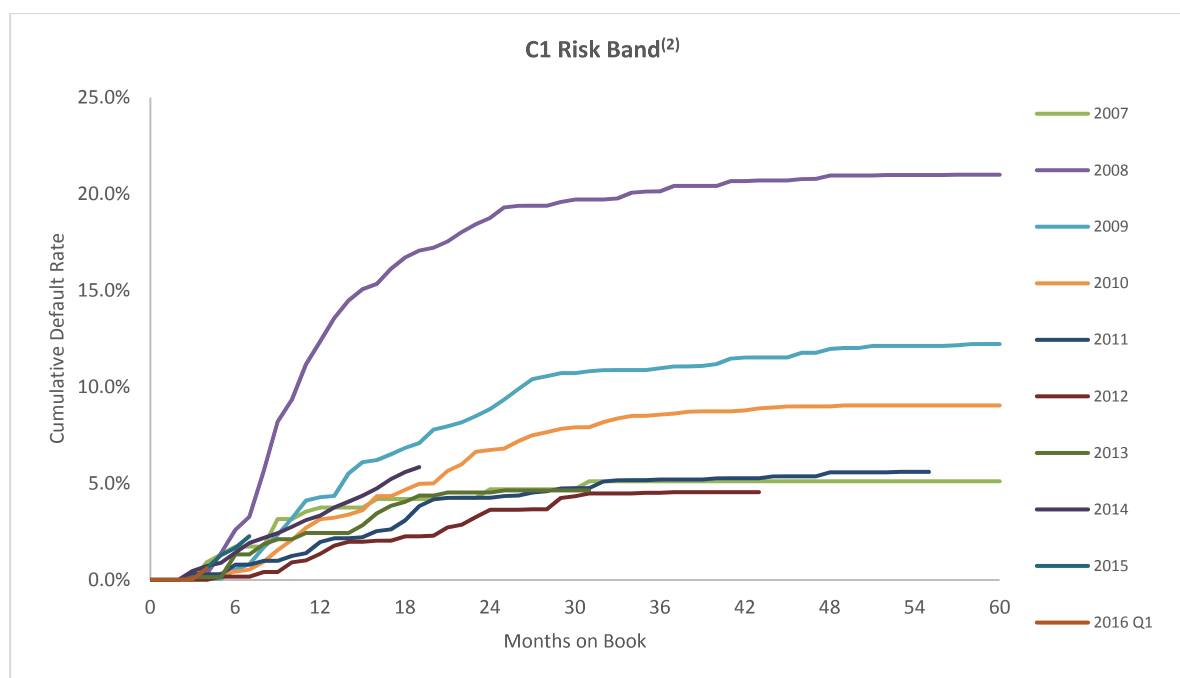
The graphs below include gross loss performance for all loans originated on the Zopa Platform between 4 March 2005 to 31 July 2016. Loss rates are shown in annual cohorts, by outstanding principal balance at the time of default before any realised recoveries, as a percentage of the original loan amount.

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.



1) There was an 'A' market from 4 March 2005 that was discontinued in 25 October 2013. Reclassified as A* for loans originated before 25 August 2006, otherwise classified as A2.





2) There was a 'C' market from 13 September 2006 that was discontinued in 30 October 2012. These were reclassified as C1.

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 July 2016) in respect of the loan book as at that date.

3) The default date for all defaulted loans is assumed as the date where the total arrears are equal to at least 4 scheduled monthly payments.

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).

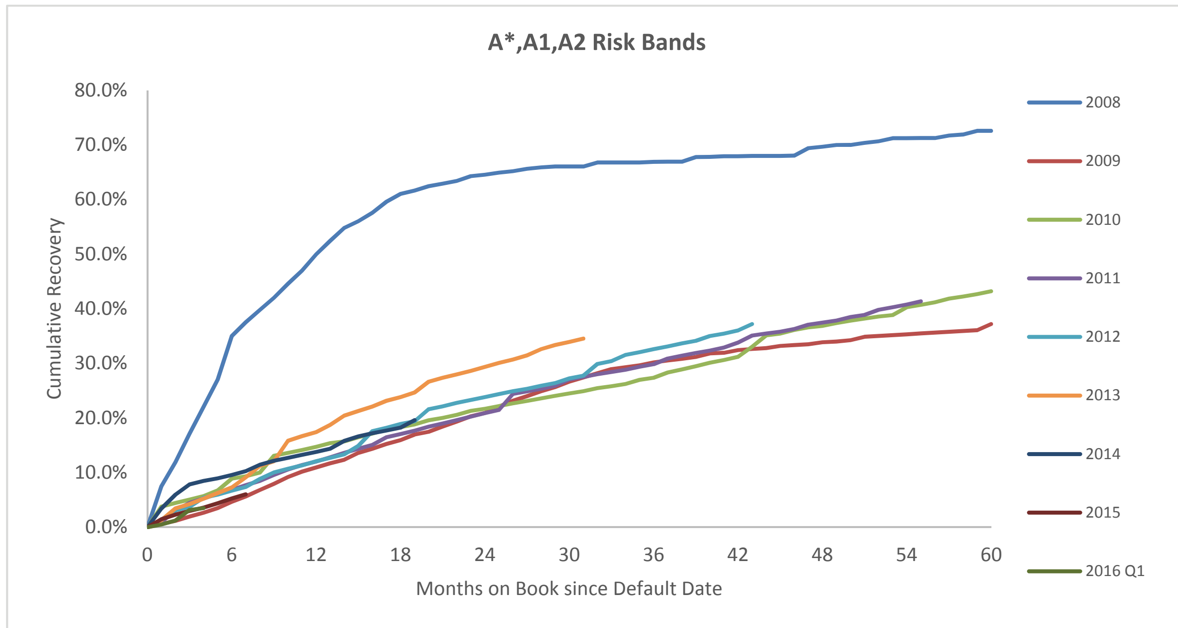
6) A cumulative realised loss vector is calculated by cumulating the month-on-month marginal loss rate, up to the maximum seasoning that applies to every loan in that annual cohort.

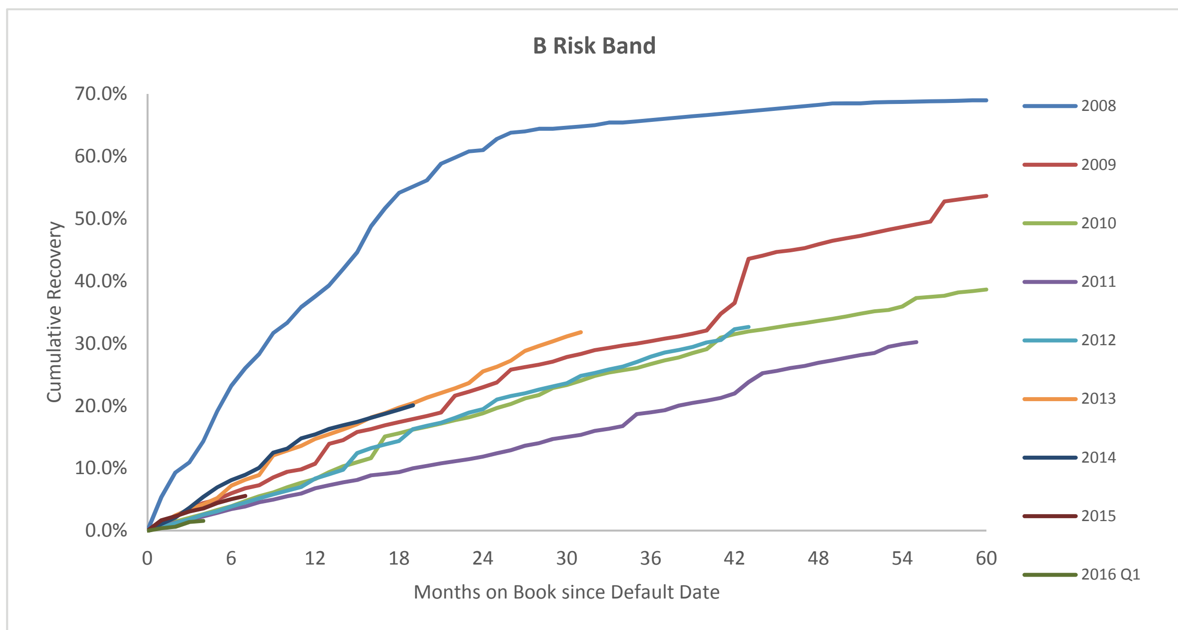
Zopa Historical Recovery Performance

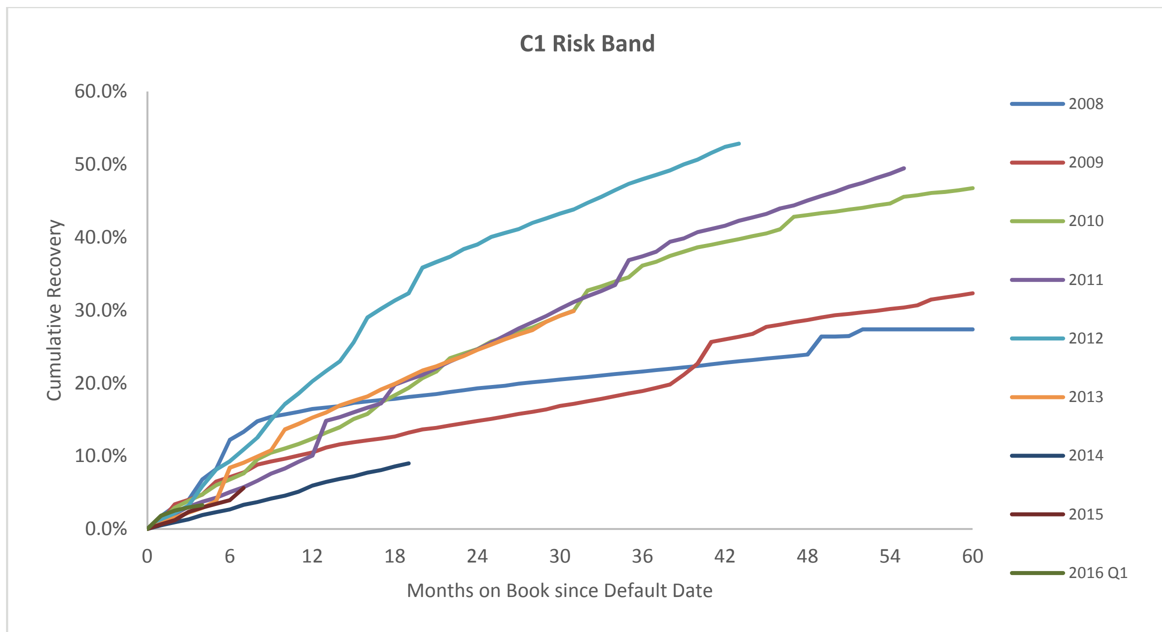
The table below includes all defaulted loans from 2006 to 2015, excluding 'D', 'E', 'Y' and 'S' risk band loans. The recovery percentage is the total amount recovered up until 31 July 2016 as a percentage of the aggregate outstanding principal balance of the loans at the time of default.

Year	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	168,962	83,865	49.6%
2009	627,269	283,786	45.2%
2010	654,328	320,536	49.0%
2011	994,117	439,895	44.2%

Year	Total Defaulting Amount	Total Subsequent Recoveries on defaulting amount	As a percentage
2012	950,754	410,944	43.2%
2013	870,328	334,126	38.4%
2014	1,635,737	356,887	21.8%
2015	4,921,432	464,285	9.4%
2016	7,219,526	114,435	1.6%

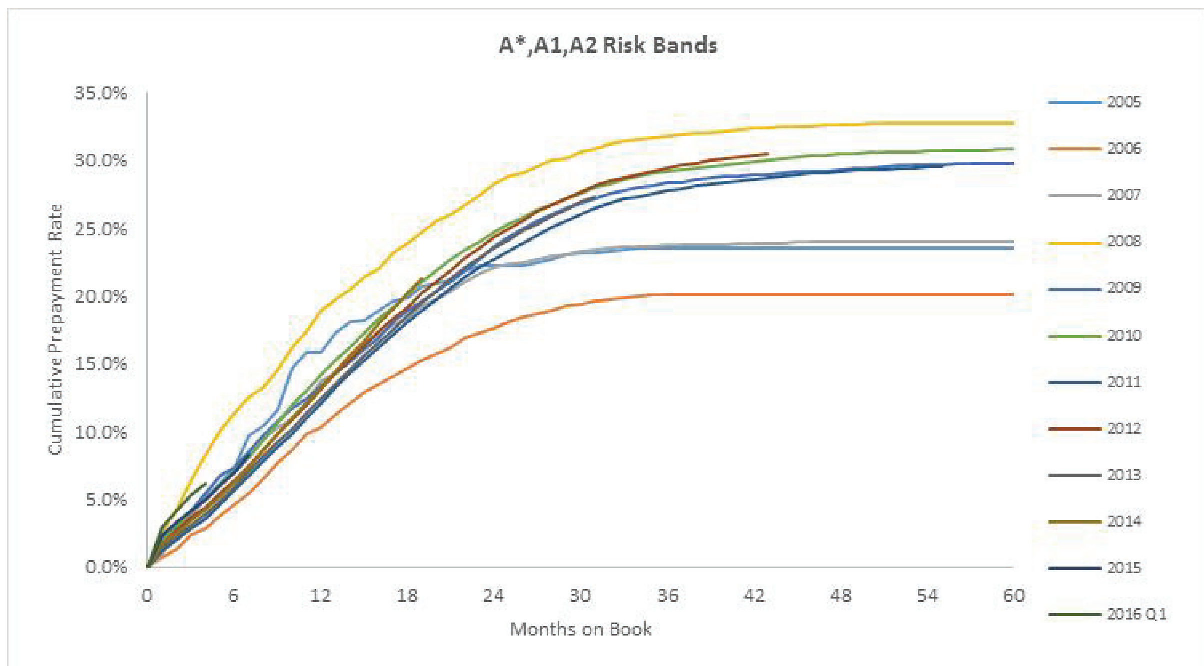


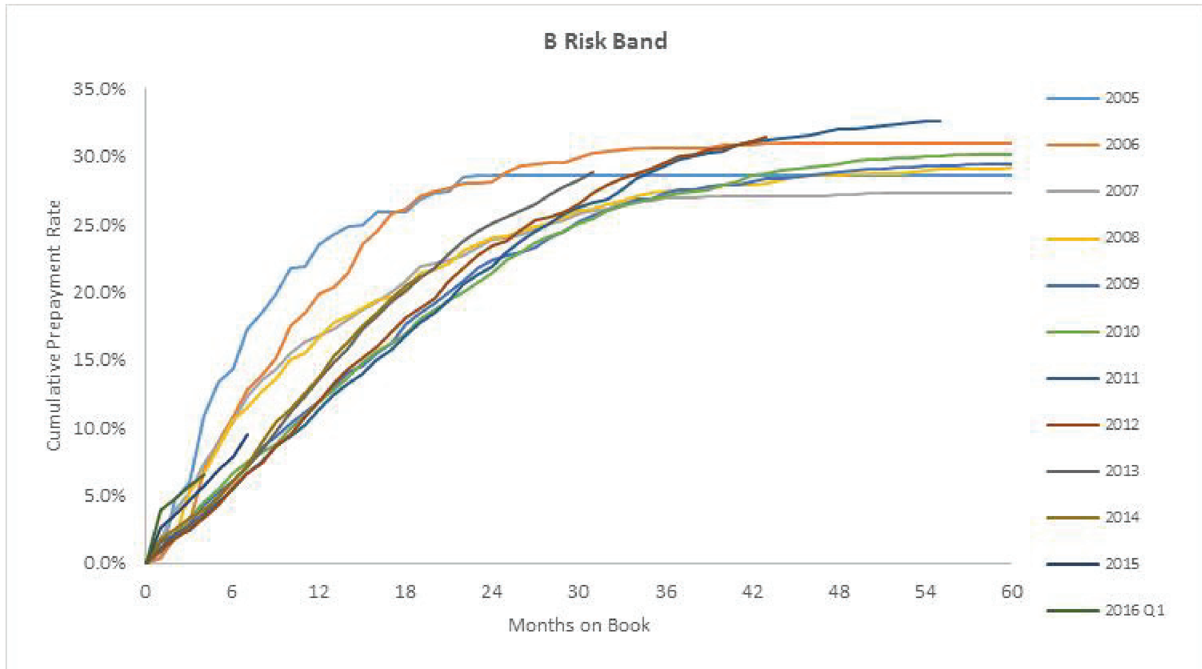


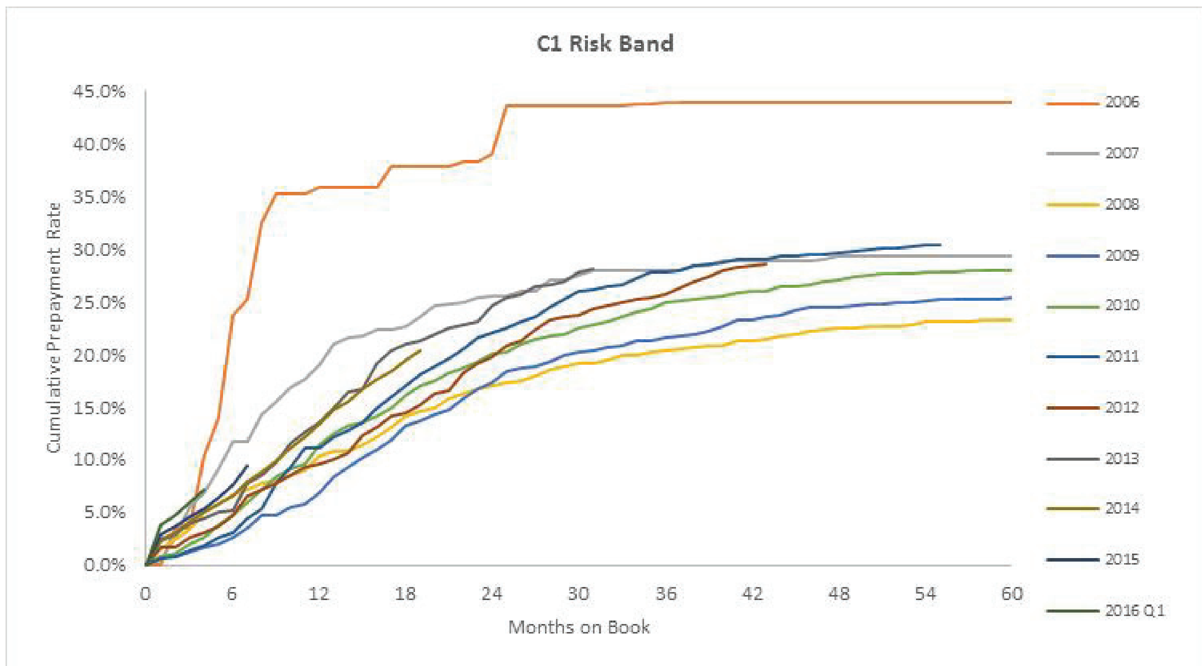


Zopa Historical Prepayments

The graphs below include cumulative prepayment rates for all loans originated on the Zopa Platform from 4 March 2005 to 31 July 2016. Prepayment rates are shown in annual cohorts, as a percentage of the original loan amount. ‘D’, ‘E’, ‘Y’ and ‘S’ risk band loans are excluded.




B Risk Band
Cumulative Prepayment Rate
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
0
6
12
18
24
30
36
42
48
54
60
Months on Book
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016 Q1


C1 Risk Band
Cumulative Prepayment Rate
45.0%
40.0%
35.0%
30.0%
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
0
6
12
18
24
30
36
42
48
54
60
Months on Book
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016 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 the Section headed "*Certain Other Transaction Documents – Servicing Agreement - Right of Delegation by the Platform Servicer*" below).

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 the CCA and maintains applicable registrations under the Data Protection Act 1998.

THE INTEREST RATE CAP PROVIDER

BNP Paribas is a French multinational bank and financial services company with its registered office located at 16 boulevard des Italiens 75009 Paris, France, and its corporate website in English is http://www.bnpparibas.com/en.

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

It is present in 75 countries and has more than 189,000 employees, including close to 147,000 in Europe. BNP Paribas holds positions in two main businesses: (1) Retail Banking and Services, which includes Domestic Markets (comprising French Retail Banking, BNL banca commerciale, Italian retail banking, Belgian Retail Banking and other Domestic Markets activities, including Luxembourg Retail Banking) and International Financial Services (comprising Europe-Mediterranean, BancWest, Personal Finance, Insurance and Wealth and Asset Management) and (2) Corporate and Institutional Banking, which includes Corporate Banking, Global Markets and Securities Services.

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

At 30 June 2016, the BNP Paribas Group had consolidated assets of €2,171.9 billion (compared to €1,994.2 billion at 31 December 2015), consolidated loans and receivables due from customers of €693.3 billion (compared to €682.5 billion at 31 December 2015), consolidated items due to customers of €725.6 billion (compared to €700.3 billion at 31 December 2015) and shareholders' equity (Group share) of €97.5 billion (compared to €96.3 billion at 31 December 2015).

Pre-tax income at 30 June 2016 was €6.2 billion (compared to €6.2 billion at 30 June 2015). Net income, attributable to equity holders, at 30 June 2016 was €4.4 billion (compared to €4.2 billion at 30 June 2015).

At the date of this Prospectus, the BNP Paribas Group currently has long-term senior debt ratings of "A" with stable outlook from S&P, "A1" with stable outlook from Moody's Investors Service, Inc. and "A+" with stable outlook from Fitch Ratings, Ltd.

BNP Paribas is incorporated in France with Limited Liability. Registered Office: 16 boulevard des Italiens, 75009 Paris, France. 662 042 449 RCS Paris. BNP Paribas London Branch is lead supervised by the European Central Bank (ECB) and the Autorité de Contrôle Prudentiel et de Résolution (ACPR). BNP Paribas London Branch is authorised by the ECB, the ACPR and the Prudential Regulation Authority and subject to limited regulation by the FCA and Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the FCA are available from us on request. BNP Paribas London Branch is registered in England and Wales under no. FC13447.

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

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

For up-to-date financial information, including quarterly results since the last fiscal year end, please refer to http://invest.bnpparibas.com/en.

THE CASH MANAGER AND CALCULATION AGENT, THE ISSUER ACCOUNT BANK, THE PRINCIPAL PAYING AGENT AND THE REGISTRAR

HSBC Bank plc and its subsidiaries form a UK based group providing a comprehensive range of banking and related financial services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a limited company in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Group Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

The HSBC Group is one of the world's largest banking and financial services organisations, with around 4,400 offices in 71 countries and territories in Europe, Asia, Middle East and North Africa, North America and Latin America. Its total assets at 30 June 2016 were U.S.$2,608 billion. HSBC Bank plc is the HSBC Group's principal operating subsidiary undertaking in Europe.

The short term senior unsecured and unguaranteed obligations of HSBC Bank plc are, as at the date of this Prospectus, rated P-1 by Moody's and A-1+ by Standard & Poor's and HSBC Bank plc has a short term issuer default rating of F1+ from Fitch. The long term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated Aa2 by Moody's and AA- by Standard & Poor's and HSBC Bank plc has a long term issuer default rating of AA- from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and is regulated by the FCA and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ.

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 and principal on the Classes of Notes are made in Sequential Order and interest payments on a Class of Notes (other than the Most Senior Class of Notes) may be deferred where the Issuer has insufficient proceeds.

- 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 Z Principal Deficiency Ledger, *second*, to the Class D Principal Deficiency Ledger, *third*, to the Class C Principal Deficiency Ledger, *fourth*, to the Class B Principal Deficiency Ledger, and *fifth* 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 pay the Purchase Price to the Seller in respect of the Loan Portfolio pursuant to the Loan Sale and Purchase Agreement. In addition, the Issuer will, on the Closing Date, make a drawing under the Subordinated Loan Agreement entered into with the Seller as Subordinated Loan Provider. The Issuer will apply the proceeds of the Subordinated Loan Agreement as follows: (i) to make a deposit in an amount equal to the Cash Reserve Required Amount into the Cash Reserve Account; (ii) to make a deposit in an amount equal to the Liquidity Reserve Required Amount into the Liquidity Reserve Account; (iii) to purchase the Interest Rate Cap on the Closing Date; and (iv) to make payments in respect of the fees, costs and expenses in connection with the issuance of the Notes (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 (q) 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 items (a) to (l), sub-paragraph (i) 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 items (g), (i) or (k) of the Pre-Acceleration Interest Priority of Payments, as applicable, depending on which Class of Notes is the then Most Senior Class of Notes, 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), **provided that** no Available Principal Proceeds may be applied in order to cure a Remaining Senior Interest Deficiency if and to the extent the debit balance of the Class A Principal Deficiency Ledger is or would exceed 100 per cent. of the then aggregate Principal Amount Outstanding of the Class A Notes.

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 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 on the Class Z Notes will be subordinated to payments on the Class D Notes, the Class C Notes, the Class B Notes and the Class A Notes; payments on the Class D Notes will be subordinated to payments on the Class C Notes, the Class

B Notes and the Class A Notes; payments on the Class C Notes will be subordinated to payments on the Class B Notes and the Class A Notes; and payments on the Class B Notes will be subordinated to payments 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 or the Class D 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.

In accordance with Condition 6(c) (*Deferral of Interest*) the case of the Class B Notes, the Class C Notes or the Class D Notes, for so long as they are not the Most Senior Class of Notes, 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.

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 the Class Z 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.

Failure to pay any Deferred Interest or Additional Interest to holders of the Class B Notes, the Class C Notes or the Class D Notes (for so long as they are not the Most Senior Class of 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

Five Principal Deficiency Ledgers (one relating to each Class of 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.

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 A 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 Z Principal Deficiency Ledger shall be recorded in respect of the Class Z 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 Z Principal Deficiency Ledger up to a maximum of the Class Z Principal Deficiency Limit;

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

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

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

(e) *fifth*, to the Class A Principal Deficiency Ledger 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*, 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; and

(e) *fifth*, to the Class Z 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 excess Available Interest Proceeds to cure any debit entries on the immediately following Note Payment Date in accordance with the Pre-Acceleration Interest Priority of Payments.

Interest Rate Cap

Availability of an interest rate cap provided by the Interest Rate Cap Provider 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 Rated Notes. Payments made by the Interest Rate Cap Provider under the Interest Rate Cap (if any) 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.

Issuer Transaction Account and Issuer Payment Account

All moneys 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 Swap Collateral delivered pursuant to the Interest Rate Cap. 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.

CASHFLOWS AND CASH MANAGEMENT

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 by way of a drawing under the Subordinated Loan 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 £750,722 (being an amount equal to 0.5 per cent. of the Aggregate Collateral Principal Balance of the Loan Portfolio as at the Loan Portfolio Cut-Off Date); (ii) on each Note Payment Date thereafter prior to the redemption of the Rated Notes in full, an amount equal to 1.0 per cent. of the then aggregate Principal Amount Outstanding of the Rated Notes, and (iii) upon redemption of the Rated Notes in full, 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 (with the exception of amounts applied as Available Principal Proceeds on the Final Rated Note Payment Date) 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 by way of a drawing under the Subordinated Loan 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: on and from the Closing Date and each Note Payment Date until the Final Rated Note Payment Date 1.0 per cent. of the aggregate Principal Amount Outstanding of the Notes.

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 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 (with the exception of amounts applied as Available Principal Proceeds on the Final Rated Note Payment Date) 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 and Liquidity 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 and 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 Cap Provider 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 paragraphs (d) and (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 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 paragraphs (d) and (e) 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), provided that no Available Principal Proceeds may be applied in order to cure a Remaining Senior Interest Deficiency if and to the extent the debit balance of the Class A Principal Deficiency Ledger is or would exceed 100 per cent. of the then aggregate Principal Amount Outstanding of the Class A Notes.

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) 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 Swap Collateral which shall be returned directly to an Interest Rate Cap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Swap Premium (only to the extent it is applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Interest Rate Cap Provider), (iii) any Swap Tax Credits, which shall be applied directly to an Interest Rate Cap Provider 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 Cap and the resulting application of the Swap Collateral by way of netting or set-off, all Swap Collateral provided by an Interest Rate Cap Provider to the Issuer pursuant to an Interest Rate Cap (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 CASH MANAGEMENT AND CALCULATION AGENCY AGREEMENT

The Cash Manager and Calculation Agent

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.

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

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 5:00p.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 (including sending them to Bloomberg) to the Issuer, the Trustee (if requested by the Trustee), the Rating Agencies 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 Holder 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 Holder fails 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 and/or the Risk Retention Confirmation 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 headed "*Calculations in the event of a Servicer Disruption*" and "*Notification of Risk Retention Confirmation*".

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.

Notification of Risk Retention Confirmation

If the Retention Holder fails to deliver the Risk Retention Confirmation two (2) Business Days immediately preceding each Calculation Date or the Risk Retention Confirmation fails to contain any part of the stipulated information the Cash Manager and Calculation Agent shall record such information on the applicable Investor Report as "unconfirmed".

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 and of the Subordinated Loan;

(b) all Available Interest Proceeds;

(c) all Available Principal Proceeds;

(d) any Deemed Collections;

(e) any amounts received under an Interest Rate Cap; 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.

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) 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 reorganisation or amalgamation (other than on terms previously approved by the Noteholders of the Most Senior Class of Notes 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.

CERTAIN OTHER TRANSACTION DOCUMENTS

The following section contains an overview of the material terms of the Transaction Documents. The overview does not purport to be complete and is subject to the provisions of the respective Transaction Documents. See further the sections headed "*Listing and General Information*" and "*Terms and Conditions of the Notes*".

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 right, title, interest and benefit in, to and under the Loan Portfolio to the Issuer on the Closing Date. The purchase of the 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, within two (2) Business Days of the last In-Flight Transfer Date.

The Seller shall procure that Zopa shall notify, on the Closing Date, 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). In the case of any In-Flight Loans that have not been repaid in full by the In-Flight Transfer Date, the related Zopa Borrower will be notified on the In-Flight Transfer Date.

Seller Loan Warranties

Pursuant to the Loan Sale and Purchase Agreement on the Closing Date, the Seller will represent and warrant the Seller Loan Warranties to the Issuer, being:

(a) **Accuracy of Information**: the information contained in the List of Loans offered for sale to the Issuer is complete and accurate in all material respects as at its date;

(b) **Eligible Loan**: each Loan included in the List of Loans being offered for sale to the Issuer satisfied the Seller Eligibility Criteria as at the Closing Date (unless stated otherwise in the Eligibility Criteria);

(c) **Good title**: immediately prior to the sale and assignment of the Seller's right, title, benefit 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;

(d) **Identification of Loan Assets**: 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; and

(e) **Interest following sale**: immediately following each sale of any Loan Asset, the Seller will have no continuing equitable interest in such Loan Asset and immediately following notification of the relevant Zopa Borrower in accordance with the Loan Sale and Purchase Agreement, the Seller will have no legal title to such Loan Assets.

Seller Repurchase Obligation and Deemed Collection

If either (A) a First Payment Default has occurred in respect of any Purchased Loan Asset, or (B) as at the Closing Date, any Seller Loan 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; 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 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 Seller requiring the Seller to repurchase

such Purchased Loan Asset within ten (10) Business Days after the date of such notice for the Remedy Amount (the "**Seller Repurchase Obligation**").

If the Seller is unable to repurchase an Affected Loan pursuant to the Seller Repurchase 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 repurchased or because the Seller does not have, in full force and effect, the appropriate permissions under FSMA), the Seller shall, on the date it is due to repurchase such Affected Loan, make a Deemed Collection in respect of such Affected Loan without requiring the transfer of such Affected Loan.

Payment by the Seller in full of the amount due in respect of any First Payment Default or any breach of a Seller Loan Warranty in accordance with the Seller Repurchase Obligation on the date on which it is due will remedy such First Payment Default or breach of a Seller Loan 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 First Payment Default or a breach of a Seller Loan Warranty.

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 Closing Date, Zopa will represent and warrant the Zopa Loan Warranties to the Issuer being:

(a) **Eligible Loan**: each Loan included in the List of Loans satisfied the Zopa Eligibility Criteria as at the Closing Date (unless stated otherwise in 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) **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);

(f) **Cancellation**: no such Loan Contract has been cancelled by any party pursuant to any provision of the CCA;

(g) **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;

(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;

(h) **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

(i) **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 Closing Date, any Zopa Loan Warranty was untrue with respect to such Purchased Loan Asset,

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 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 interim permission or full authorisation and obtain and thereafter maintain full authorisation from the FCA to conduct the regulated activity specified in articles 60B(2) and 36H of the Regulated Activities Order; and

(e) **Inspection**: it (i) at any time on reasonable notice of the Issuer or the Trustee, 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 or the Trustee and/or their representatives or agents to its offices or procure that the Issuer or the Trustee 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;

(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 of 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 interim permission or authorisation under FSMA, (i) notice that it has received full authorisation and the regulated activities in respect of which such authorisation relates, (ii) notice of any rejection of its application for full authorisation and (iii) notice of any lapse or other defect in its interim permission);

(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) **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 and/or the Trustee, 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.

(j) **Financial Reporting**: it shall at its own expense, deliver to each of the Issuer and the Trustee within six months after the close of each of its financial years starting from its financial year ending in 2016, a copy of its audited financial statements prepared in accordance with GAAP or other approved accounting procedures;

(k) **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 (k));

(l) **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;

(m) **Collections and Zopa Principles**: it shall not make any material amendments to the Collections Policy or the Zopa Principles without the prior written consent of the Issuer and the Trustee (acting on the instructions of the Noteholders of the Most Senior Class of Notes acting by way of Extraordinary Resolution) unless such amendment (A) is required to be made to comply with any change in Law or (B) such amendment could not reasonably be expected to have a Material Adverse Effect;

(n) **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; and

(o) **Recovery Plan**: it shall establish and maintain a commercially reasonable disaster recovery plan in relation to the operation of the Zopa Platform.

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; and

(g) 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 (as defined below), 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. The fees payable to Zopa hereunder shall be comprised of the Senior Servicing Fee and the Junior Servicing Fee (the "**Zopa Loan Servicing Fee**") as set out below:

(a) the Senior Servicing Fee shall be an amount per annum equal to the sum of (i) 0.50 per cent. multiplied by (ii) the Aggregate Collateral Principal Balance of all Purchased Loan Assets (excluding Defaulted Loans) (the "**Senior Servicing Fee**"); and

(b) the Junior Servicing Fee shall be an amount per annum equal to the sum of (i) 0.50 per cent. multiplied by (ii) the Aggregate Collateral Principal Balance of all Purchased Loan Assets (excluding Defaulted Loans) (the "**Junior Servicing Fee**"),

which, in each case, shall accrue daily on the then Aggregate Collateral Principal Balance of all Purchased Loan Assets.

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 calculations of the Senior Servicing Fee and the Junior Servicing Fee, ensuring that in each such Servicing Report that the calculation for the Senior Servicing Fee is the same as Junior Servicing Fee.

Payment of Servicing Fees

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

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

(b) the Junior Servicing Fee will be payable in accordance with the applicable Priority of Payments; and

(c) for the avoidance of doubt, no Senior 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 Senior 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; and

(f) ensure that following the In-Flight Transfer Date, all Purchased Loan Assets which were In-Flight 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.

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 which (i) would result in an Extension that is not a Permitted Extension; and/or (ii) 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.

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;

(b) other than as set forth in paragraphs (a), (f) or (g), 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 (k) 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 £500,000 (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 fails to deliver any Servicing Report within five (5) Business Days of the date when due;

(g) 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;

(h) the occurrence of a Material Adverse Effect;

(i) 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 reorganisation or amalgamation;

(j) a court judgment is entered against the Platform Servicer in an amount greater than £2,000,000 and such judgment remains unremedied for 15 calendar days; or

(k) 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 holders of at least 25 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 and the Cash Manager and Calculation Agent), 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.

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.

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 this 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, 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**").

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

Subject to the general exclusions of liability of the Back-Up Servicer and the exclusions of liability of the Successor Servicer as set out in the Back-Up Servicing Agreement, the Back-Up Servicer's total liability 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 shall be limited to:

(a) in respect of the time period from the Closing Date and up to the Successor Servicer Effective Date, £2,500,000 in aggregate; and

(b) in respect of the time period on or following the Successor Servicer Effective Date, £5,000,000 in aggregate.

Nothing in the Back-Up Servicing Agreement excludes or limits 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 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 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 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 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, deposited with, and registered in the name of a nominee of, the Common Depositary of Euroclear and Clearstream, Luxembourg.

Covenants 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 falling 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) 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 Swap Collateral which shall be returned directly to an Interest Rate Cap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Swap Premium (only to the extent it is applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Interest Rate Cap Provider), (iii) any Swap Tax Credits, which shall be applied directly to an Interest Rate Cap Provider 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 Cap and the resulting application of the Swap Collateral by way of netting or set-off, all Swap Collateral provided by an Interest Rate Cap Provider to the Issuer pursuant to an Interest Rate Cap (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% 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 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

Any authorisation, waiver, determination or modification referred to in Condition 15.3 (*Modification*), Condition 15.4 (*Additional Right of Modification*) or Condition 15.5 (*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 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), P2PGI (in any of its capacities except for as Retention Holder), the Agents or the Interest Rate Cap Provider 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 Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium*) of the Cash Management and Calculation Agency Agreement unless the prior written consent of the Interest Rate Cap Provider 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 Swap 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 Swap 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 Swap Account and any Swap Collateral and all moneys from time to time standing to the credit of each Swap Account and the debts represented thereby or, where applicable, all of its contractual rights thereto, provided that, in each case, that such security interest: (A) shall not extend to Excess Swap Collateral, and (B) is subject to the rights of any Interest Rate Cap Provider to the return of any Swap Collateral pursuant to the terms of the relevant Interest Rate Cap and the Conditions (for the avoidance of doubt, after any close out netting 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; (ii) shall not extend to Excess Swap Collateral; and (iii) is subject to the rights of any Interest Rate Cap Provider to the return of any Swap Collateral pursuant to the terms of the relevant Interest Rate Cap and the Conditions (for the avoidance of doubt, after any close out netting 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.

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 HSBC Bank PLC as the initial Issuer Account Bank.

Pursuant to the Account Bank Agreement, HSBC Bank PLC, 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) Where (A) the rating of the Issuer Account Bank falls below the Account Bank Rating and one of the events set out in (i) to (iv) below has not occurred within 60 calendar days of such downgrade (provided that such event shall not occur earlier than 30 calendar days from the date of such downgrade), or (B) if the Issuer Account Bank has elected to apply the Account Bank Remedial Ratings and has not revoked the application of the Account Bank Remedial Ratings and applied the Account Bank Rating in accordance with paragraph (c) below, the rating of the Issuer Account Bank falls below the Account Bank Remedial Ratings and one of the events set out in (i) to (iii) below has not occurred within 30 calendar days of such downgrade, then the Issuer Account Bank will cease to be an Eligible Institution:

(i) the Issuer closes the Issuer Accounts and the Corporate Benefit Account held with the Issuer Account Bank once it has opened new replacement accounts with a financial institution that is: (A) an Eligible Institution or has the requisite Account Bank Remedial Ratings and (B) a "**bank**" as defined in Section 991 of the ITA 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) a guarantee in support of the Issuer Account Bank's obligations under the Account Bank Agreement from a financial institution that is an Eligible Institution is obtained; or

(iii) if applicable, such other actions as may be reasonably requested by the parties to the Account Bank Agreement are taken) to ensure that the rating 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; or

(iv) for so long as the Issuer Account Bank has not elected to apply the Account Bank Remedial Ratings (or if any such election made by the Issuer Account Bank has been revoked), the Issuer Account Bank elects (or re-elects as the case may be) to apply the Account Bank Remedial Ratings and has provided notice of such election (or re-election as the case may be) to the Cash Manager and Calculation Agent and the Issuer in accordance with paragraph (c) below.

(b) The Issuer Account Bank shall reimburse the administrative costs, including reasonable administrative costs properly incurred by the Issuer and the Trustee in connection with the replacement of the Issuer Account Bank where the Issuer Account Bank is no longer an Eligible Institution following production of properly documented invoices. Such administrative costs shall be limited to the costs properly incurred in identifying and appointing a replacement account bank under the Account Bank Agreement but shall not extend to:

(i) any legal costs incurred in the preparation, negotiation or execution of the documentation required to give effect to the appointment of the replacement account bank; or

(ii) any differential between the rate of interest and/or fees and expenses provided or charged or incurred by the outgoing Issuer Account Bank and (a) the rate of interest available from such replacement account bank and/or (b) the fees charged or expenses incurred by such replacement account bank; or

(iii) any costs incurred by the Issuer in connection with any meeting of Noteholders convened or Written Resolution obtained in connection with the replacement of the account bank, if applicable; or

(iv) any costs incurred by any party in obtaining the consent of or any Rating Agency Confirmation to the appointment of such replacement account bank; or

(v) any costs, indemnities or other amounts which the Issuer is required to pay to any other party (including the replacement Issuer Account Bank) in connection with the appointment of a replacement Issuer Account Bank.

(c) The Issuer Account Bank will notify the Cash Manager and Calculation Agent, the Issuer and the Trustee in writing of (i) any election to apply the Account Bank Remedial Ratings in accordance with paragraph (a)(iv) above or (ii) following the rating of the Issuer Account Bank subsequently meeting the Account Bank Rating, the revocation of the notice referred to in paragraph (a)(iv) above and the application of the Account Bank Rating to the Issuer Account Bank. Following the receipt of either such notice from the Issuer Account Bank, the Issuer will or, at any time (x) following the delivery of written notice to the Issuer Account Bank 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 promptly notify the Rating Agencies of such action by the Issuer Account Bank.

Swap Collateral Accounts

(a) The Issuer may from time to time instruct the Issuer Account Bank to open additional Swap Accounts by delivering an Account Mandate to the Issuer Account Bank (with a copy to the Cash Manager and Calculation Agent) relating to such additional Swap Account in accordance with the Account Bank Agreement, the Cash Management and Calculation Agency Agreement and the Charge and Assignment.

(b) If the Issuer Account Bank agrees to carry on an activity of the kind specified by article 14 (dealing in investments as principal), article 21 (dealing in investments as agent) or article 40 (safeguarding and administering investments) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, it will do so in accordance with its standard terms and conditions applying to the custody of investments as are in force for the time being (receipt of which is acknowledged by the Issuer and the Trustee), which shall have effect subject to any contrary provisions in the Account Bank Agreement.

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 HSBC Bank PLC as the initial Principal Paying Agent and as 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 (i) a Registrar (for so long as the Notes of any Class are listed on the regulated market of the Irish Stock Exchange) 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; and (ii) a principal paying agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48 EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26 to 27 November 2000, 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 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.

(c) 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.

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.

Interest Rate Cap

Pursuant to the Interest Rate Cap, 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 one month LIBOR.

Governing Law

The Interest Rate Cap and any non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.

Subordinated Loan Agreement

On or before the Closing Date, the Issuer and the Subordinated Loan provider will enter into the Subordinated Loan Agreement, pursuant to which the Subordinated Loan Provider will grant a Subordinated Loan to the Issuer.

The Issuer agrees it will apply the proceeds of the Subordinated Loan advanced thereunder only as follows:

(a) to make a deposit in an amount equal to the Cash Reserve Required Amount into the Cash Reserve Account;

(b) to make a deposit in an amount equal to Liquidity Reserve Required Amount into the Liquidity Reserve Account;

(c) to purchase the Interest Rate Cap on the Closing Date; and

(d) to make payments in respect of the fees, costs and expenses in connection with the issuance of the Notes.

Governing Law

The Subordinated Loan 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 Global Notes will be deposited on or about the Closing Date with a common depositary for both Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

The Global Notes will be registered in the name of a nominee for the Common Depositary. The Issuer will procure the Registrar to maintain a register in which it will register the nominee for the Common Depositary as the owner of the Global Notes.

Upon confirmation by the Common Depositary that it has safe-keeping of the Global Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record Book-Entry Interests representing beneficial interests in the Global Notes attributable thereto.

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 the Arranger in respect of the Rated Notes and the Retention Holder in respect of the Class Z 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 Depositary is the registered holder of the Global Notes underlying the Book-Entry Interests, the nominee of the Common Depositary will be considered the sole Noteholder of the Global Note for all purposes under the Trust Deed. Except as set forth under "*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 "*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 Depositary may not be transferred except as a whole by the Common Depositary to a successor of the Common Depositary.

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 "*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 the Issuer to the Common Depositary or its nominee as the registered holder thereof. 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 Depositary 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 Issuer to the order of the Common Depositary, 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, P2PGI, the Arranger, the Agents 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 Depositary and, upon final payment, will cancel such Global Note (or portion thereof). Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate).

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 "*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 Ireland (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 "*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.

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 "– *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 the Irish Stock Exchange's regulated market) any notice shall also be published in accordance with the relevant guidelines of the Irish Stock Exchange by a notification in writing to the Company Announcements Office of the Irish Stock Exchange. See also Condition 10 (*Notifications*).

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 class A notes are £114,000,000 floating rate asset-backed notes (the "**Class A Notes**"), the class B notes are £7,500,000 floating rate asset-backed notes (the "**Class B Notes**"), the class C notes are £7,500,000 floating rate asset-backed notes (the "**Class C Notes**"), the class D notes are £9,000,000 floating rate asset-backed notes (the "**Class D Notes**") and the Class Z notes are £12,144,000 variable rate notes (the "**Class Z Notes**"), in each case due on the Note Payment Date falling in October 2024 (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 2016-1 PLC (the "**Issuer**") and HSBC Corporate Trustee Company (UK) Limited (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**") and the Class Z Notes (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 HSBC Bank PLC as the principal paying agent and registrar (in such capacities, the "**Principal Paying Agent**" and "**Registrar**" respectively, 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 23 September 2016.

1. FORM AND DENOMINATION

(a) Marketplace Originated Consumer Assets 2016-1 PLC, a public limited company registered in England and Wales under company registration number 10027160, 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 pursuant to Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") is represented by one or more global registered notes in fully registered form (the "**Global Notes**") 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 S.A./N.V. or Clearstream Banking, société anonyme, 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 Ireland (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 an authorised director of the Issuer is delivered to the Trustee (upon which the Trustee shall be entitled to rely without 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) The Notes will not 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 depositary (the "**Common Depositary**") (or a nominee thereof) for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**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 junior with respect to payments of interest and principal to 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 junior with respect to payments of interest and principal to 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 junior with respect to payments of interest and principal to 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 Z 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 Z Notes rank *pari passu* without preference or priority amongst themselves but junior with respect to payments of interest and principal to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided in these Conditions and the Transaction Documents.

(f) 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) 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 Swap Collateral which shall be returned directly to an Interest Rate Cap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Swap Premium (only to the extent it is applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Interest Rate Cap Provider), (iii) any Swap Tax Credits, which shall be applied directly to an Interest Rate Cap Provider 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 Cap and the resulting application of the Swap Collateral by way of netting or set-off, an amount equal to the value of all Swap Collateral provided by an Interest Rate Cap Provider to the Issuer pursuant to an Interest Rate Cap (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 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.

4.2 Non-petition

Each Noteholder and each of the Transaction Parties (other than the Issuer) acknowledges and 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 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, among other things, restrict the ability of the Issuer to create or incur any indebtedness, dispose of assets other than in accordance with the Transaction Documents 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 and the Class D 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 Z Notes

Interest shall be payable on the Class Z Notes to the extent funds are available in accordance with paragraph (q) of the Pre-Acceleration Interest Priority of Payments and paragraph (r) 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 Z Note at their Principal Amount Outstanding.

Notwithstanding any other provision of these Conditions or the Trust Deed, all references herein and therein to the Class Z 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 Z 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.

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 Z 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 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 Z Notes

Payments on the Class Z Notes will cease to be payable in respect of each Class Z 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 Priority of Payments.

(c) Deferral of Interest

For so long as they are not the Most Senior Class of Notes, the Issuer shall, and shall only be obliged to, pay any Interest Amount payable in respect of the Class B Notes, the Class C Notes or the Class D 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.

In the case of the Class B Notes, the Class C Notes or the Class D Notes, for so long as they are not the Most Senior Class of 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.

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 the Class Z 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

Deferred Interest and Additional Interest in respect of any of the Class B Notes, the Class C Notes or the Class D Notes (for so long as they are not the Most Senior Class of 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 Priority of Payments.

Failure to pay any Deferred Interest or Additional Interest to holders of the Class B Notes, the Class C Notes or the Class D Notes (for so long as they are not the Most Senior Class of 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 and the Class Z Notes

(i) Rate of Interest

The rate of interest from time to time in respect of the Class A Notes (the "**Class A 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**") and in respect of the Class D Notes (the "**Class D Rate of Interest**") (and each a "**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 First 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 LIBOR01 (or such other page or service as may replace it for the purpose of displaying LIBOR rates). The Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest and the Class D Rate of Interest for each Interest Period shall be the aggregate of the Relevant Margin (as defined below) 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)(iii)(B) (*Reference Banks and Cash Manager and Calculation Agent*) to provide the Cash Manager and Calculation Agent with its offered quotation to leading banks for Sterling deposits in the London interbank market):

(1) in the case of the First 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 A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest and the Class D 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 one only or none of the Reference Banks provides such quotation, or (ii) the Issuer (or the Cash Manager and Calculation Agent on its behalf) fails to appoint Reference Banks and produce their contact details to the Cash Manager and

Calculation Agent pursuant to Condition 6(e)(iii)(B) (*Reference Banks and Cash Manager and Calculation Agent*) by no later than 12.00 noon on the relevant Interest Determination Date, in each such case the Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest and the Class D Rate of Interest respectively, for the next Interest Period shall be the Class A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest and the Class D Rate of Interest in each case in effect as at the immediately preceding Interest Period; and

(D) Where:

"**Relevant Margin**" means:

(1) in the case of the Class A Notes: 1.45 per cent. per annum (the "**Class A Margin**");

(2) in the case of the Class B Notes: 2.90 per cent. per annum (the "**Class B Margin**");

(3) in the case of the Class C Notes: 4.00 per cent. per annum (the "**Class C Margin**"); and

(4) in the case of the Class D Notes: 7.00 per cent. per annum (the "**Class D Margin**");

(E) Notwithstanding paragraphs (A) and (B) above, if, in relation to any Interest Determination Date, the Rate of Interest in respect of any Class of Rated 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 Rate of Interest pursuant to this Condition 6(e)(i) (*Rate of Interest*).

(ii) Determination of Rate of Interest and Calculation of Interest Amounts

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 A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest and the Class D Rate of Interest and calculate the interest amount payable in respect of Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes for the relevant Interest Period (the "**Interest Amount**"). The amount of interest payable in respect of such Notes shall be calculated by multiplying (a) the Class A Rate of Interest in the case of the Class A Notes, the Class B Rate of Interest in the case of the Class B Notes, the Class C Rate of Interest in the case of the Class C Notes and the Class D Rate of Interest in the case of the Class D Notes, respectively, by (b) an amount equal to the Principal Amount Outstanding in respect of such Class of Notes, and (c) by multiplying the product thereof by 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 2016) and rounding the resultant figure to the nearest £0.01 (£0.005 being rounded upwards).

(iii) Reference Banks and Cash Manager and Calculation Agent

The Issuer (or the Cash Manager and Calculation Agent on its behalf) will procure that, so long as any Class A Note, Class B Note, Class C Note or Class D 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 A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest and the Class D Rate of Interest are to be calculated by Reference Banks pursuant to paragraph (B) of Condition 6(e)(i) (*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) Interest on the Class Z Notes

Each Class Z Note shall receive by way of interest excess amounts (if any) equal to the amounts applied as such in accordance with the applicable Priority of Payments.

(g) 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 A Rate of Interest, the Class B Rate of Interest, the Class C Rate of Interest and the Class D Rate 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 or Class D 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 the Irish Stock Exchange's regulated market, the Irish Stock Exchange, 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 or the Class D 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.

(h) Determination or Calculation by Trustee

If the Cash Manager and Calculation Agent does not at any time for any reason so calculate the Interest Rates and Interest Amounts for an Interest Period, the Trustee (or a person appointed by it for the purpose) shall do so and such determination or calculation shall be deemed to have been made by the Cash Manager and Calculation Agent and shall be binding on the Noteholders. In doing so, the Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition 6 (*Interest*), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and reliance on such persons as it has appointed for such purpose. The Trustee shall have no liability to any person in connection with any determination or calculation (including with regard to the timelines thereof) it is required to make pursuant to this Condition 6(h) (*Determination or Calculation by Trustee*).

(i) 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) the Class A Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class A 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; and

(e) the Class Z Interest Amount payable for such Note Payment Date, to be paid to the holder(s) of the Class Z 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 and the Class Z 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 Optional Redemption in whole – Clean-up Call

The Issuer may (or, for so long as any Class Z Notes remain outstanding, shall if so directed in writing by the Retention Holder), 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 on any Note Payment Date when, on the Calculation Date immediately preceding such Note Payment Date, the aggregate of the Principal Amount Outstanding of the Notes is equal to or less than 10 per cent. of the Principal Amount Outstanding of all of the Notes as at the Closing Date (the "**Clean-Up Call Option**"), subject to the following:

(a) no Event of Default has occurred;

(b) 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; and

(c) that prior to giving any such notice, the Issuer has provided to the Trustee, a certificate signed by two directors of the Issuer to the effect that the right to exercise the Clean-Up Call Option has arisen (upon which certificate the Trustee shall rely absolutely and without enquiry or liability); and

(d) that prior to giving any such notice, the Issuer has provided to the Trustee, a certificate signed by two directors of the Issuer to the effect that it will have the funds on the relevant 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).

8.3 Mandatory Redemption in whole following a Tax Event:

The Issuer shall 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 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 the 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 Mandatory Redemption in whole upon the occurrence of an Illegality Event

The Issuer shall 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 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 the 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 a mandatory redemption of the Notes pursuant to this Condition 8.4 (*Mandatory 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 holders 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; or (iii) for so long as any Class Z Notes remain outstanding, if so directed in writing by the Retention Holder), 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 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 the 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 8.5(b) above only, a certificate signed by two 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 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 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) Administrative Expenses of the Issuer (in the order of priority set out in the definition thereof);

(ii) the Issuer Corporate Benefit; and

(iii) the Loan Servicing Fee payable to a Successor Servicer after the termination of the appointment of Zopa as the Platform Servicer;

(d) *fourth*, to the payment on a *pro rata* and *pari passu* basis to each Class A Noteholder their respective Class A Interest Amount;

(e) *fifth*, to credit (while any Class A Notes will remain outstanding following such Note Payment Date) 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);

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

(g) *seventh*, to credit (while any Class B Notes will remain outstanding following such Note Payment Date) 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);

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

(i) *ninth*, to credit (while any Class C Notes will remain outstanding following such Note Payment Date) 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);

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

(k) *eleventh*, to credit (while any Class D Notes will remain outstanding following such Note Payment Date) 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);

(l) *twelfth*, to credit (i) first, the Liquidity Reserve Account so that the positive balance thereon is equal to the Liquidity Reserve Required Amount, and (ii) second, the Cash Reserve Account so that the positive balance thereon is equal to the Cash Reserve Required Amount;

(m) *thirteenth*, to the payment of any outstanding Junior Servicing Fee;

(n) *fourteenth*, in or towards payment of all amounts due and payable to the Interest Rate Cap Provider under any Interest Rate Cap, including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Interest Rate Cap Provider, of any premium the Issuer receives in respect of a replacement Interest Rate Cap;

(o) *fifteenth*, (i) first in or towards satisfaction of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement, and (ii) second, in or towards satisfaction of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(p) *sixteenth*, to credit (while any Class Z Notes will remain outstanding following such Note Payment Date) the Class Z 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

(q) *seventeenth*, the remainder, to the payment on a *pro rata* and *pari passu* basis to each Class Z Noteholder by way of interest.

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

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

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

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

(e) *fifth*, to the redemption of the Class Z Notes *pro rata* and *pari passu* until the Class Z Notes are redeemed in full; and

(f) *sixth*, 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) 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 Swap Collateral which shall be returned directly to an Interest Rate Cap Provider (and for the avoidance of doubt, such payment shall be without regard to the relevant Priority of Payments), (ii) any Replacement Swap Premium (only to the extent it is applied directly to pay a Swap Termination Payment due and payable by the Issuer to the outgoing Interest Rate Cap Provider), (iii) any Swap Tax Credits, which shall be applied directly to an Interest Rate Cap Provider 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 Cap and the resulting application of the Swap Collateral by way of netting or set-off, all Swap Collateral provided by an Interest Rate Cap Provider to the Issuer pursuant to an Interest Rate Cap (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 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;

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

  (iii) the Loan Servicing Fee payable to a Successor Servicer only after the termination of the appointment of the Platform Servicer;

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

(e) *fifth*, to the redemption of the Class A Notes *pro rata* and *pari passu* until the Class A Notes are redeemed in full;

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

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

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

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

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

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

(l) *twelfth*, in or towards payment of all amounts due and payable to the Interest Rate Cap Provider under any Interest Rate Cap, including any termination payment due and payable by the Issuer to the extent

it is not satisfied by the payment by the Issuer to the Interest Rate Cap Provider, of any premium the Issuer receives in respect of a replacement Interest Rate Cap;

(m) *thirteenth*, to the payment of any outstanding Junior Servicing Fee;

(n) *fourteenth*, to the payment of interest due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

(o) *fifteenth*, to the payment of principal due and payable to the Subordinated Loan Provider under the terms of the Subordinated Loan Agreement;

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

(q) *seventeenth*, 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

(r) *eighteenth*, the remainder, to the payment on a *pro rata* and *pari passu* basis to each Class Z Noteholder by way of interest.

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 of the Irish Stock Exchange any notice shall also be published in accordance with the relevant guidelines of the Irish Stock Exchange by a notification in writing to the Company Announcements Office of the Irish Stock Exchange, 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 HSBC Bank PLC as Principal Paying Agent pursuant to the Principal Paying Agency Agreement and HSBC Bank PLC 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 or 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 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 nor 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 Code, 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 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 principal in respect of the Most Senior Class of Notes within five (5) days following the due date for payment of such principal or 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*), or

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

(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.

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 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 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) and the Seller, and institute such proceedings and take any other steps as may be required in order to enforce the Security.

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

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:

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

(b) 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 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.

14.3 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

(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 14.3(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 14.3(a) (*Restrictions on disposal of Issuer's Assets*).

14.4 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, 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, 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 holders 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 holders 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	Two or more persons holding or representing not less than $66^{2}/_{3}$ per cent. of the aggregate Principal Amount Outstanding of the Notes	Two or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of Notes

Type of Resolution	Any meeting other than a meeting adjourned for want of quorum	Meeting previously adjourned for want of quorum
Ordinary Resolution of Noteholders	Two or more persons holding or representing more than 50 per cent. of the aggregate Principal Amount Outstanding of the Notes	Two or more persons holding or representing not less than 25 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, 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 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.

Minimum Percentage Voting Requirements

Type of Resolution	Per cent.
Extraordinary Resolution of Noteholders	Not less than 66 2/3 per cent.
Ordinary Resolution of Noteholders	More than 50 per cent.

(d) Written Resolutions

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.

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) Extraordinary Resolution

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):

(i) 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;

(ii) 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);

(iii) 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;

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

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

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

(vii) 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;

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

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

(x) 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.

(f) 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 (e) (*Extraordinary Resolution*) above.

(g) 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 (in the opinion of the Trustee) 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, concur with the Issuer and any other relevant parties 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 holders of the Most Senior Class of Notes then Outstanding; or

(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.

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) 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, 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 of the Interest Rate Cap Provider 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 Cap Provider 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 Cap Provider (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 Interest Rate Cap Provider (where applicable) pays all fees, costs and expenses, (including legal fees) incurred by the Issuer and 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 Cap Provider 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 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 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 holders 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 15.5 (*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.

15.6 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.

15.7 Binding Nature

Any authorisation, waiver, determination or modification referred to in Condition 15.3 (*Modification*), Condition 15.4 (*Additional Right of Modification*) or Condition 15.5 (*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 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), P2PGI (in any of its capacities except for as Retention Holder), the Agents or the Interest Rate Cap Provider 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 Swap Collateral, Excess Swap Collateral, Swap Tax Credits and Replacement Swap Premium*) of the Cash Management and Calculation Agency Agreement unless the prior written consent of the Interest Rate Cap Provider has been obtained.

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 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 Clause 13.2 (*Conditions of Substitution*) of 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 (or 10 calendar days in respect of any request under Condition 15.4(a)(ii) (*Additional Right of Modification*) only) 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 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 without further 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 these presents 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 default 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 10 years; and (ii) interest shall become void where application for payment is made more than 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 Irish Stock Exchange 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.

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 certain United Kingdom taxation issues and to certain information reporting requirements in respect of the Notes. 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.

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.

UNITED KINGDOM TAXATION

The comments below are of a general nature and are based on current United Kingdom law and practice. They are limited to a general consideration of the United Kingdom tax position of investors who are the absolute beneficial owners of the Notes. They do 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.

Noteholders (or prospective Noteholders) who are in any doubt as to their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, should consult their professional advisers.

1 United Kingdom Withholding Tax

(a) 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 Main Market of the Irish Stock Exchange is a recognised stock exchange for these purposes.

(b) Interest on the Notes will be payable without withholding or deduction for or on account of United Kingdom income tax where:

(i) the Noteholder receiving the interest is a company that is beneficially entitled to, and is within the charge to United Kingdom corporation tax as regards, that interest;

(ii) the Issuer reasonably believes that (a) is the case; and

(iii) HM Revenue & Customs has not issued a direction that the interest should be paid subject to deduction of tax.

(c) In other cases, payments of interest on the Notes will be subject to deduction of United Kingdom income tax at the basic rate (currently, 20 per. cent.), subject to the availability of any domestic law exemption or any relief under the provisions of any applicable double tax treaty.

(d) The references to "interest" in paragraphs (a) – (c) above are to "interest" as understood for the purposes of United Kingdom tax law. They do not take into account any different definition of "interest" or "principal" that may prevail under any other tax law or that may apply under the terms and conditions of the Notes or any related document.

2 United Kingdom Paying and Collecting Agents: Provision of Information

Persons in the United Kingdom paying interest to, or receiving interest on behalf of, another person may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or the person entitled to the interest. In certain circumstances, such information may be exchanged with tax authorities in other countries.

3 Direct Assessment and Non-United Kingdom Residents

(a) Interest on the Notes may be subject to United Kingdom income tax or corporation tax by direct assessment even where paid without withholding.

(b) However, interest that is received without withholding or deduction for or on account of United Kingdom tax is not chargeable to United Kingdom tax in the hands of a Noteholder (other than in the case of certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency, or a United Kingdom permanent establishment (in the case of a corporate Noteholder), in connection with which the interest and is received or to which the Notes are attributable. In such a case, United Kingdom income tax or corporation tax may be levied on the branch, agency or permanent establishment, although there are exceptions for certain types of agent (such as some brokers and investment managers). The provisions of any applicable double tax treaty may be relevant to such a Noteholder.

(c) Where interest on the Notes has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double tax treaty.

4 United Kingdom Corporation Tax Payings

Corporate Noteholders within the charge to United Kingdom corporation tax will normally recognise any profits, gains or losses on the Notes (including on redemption) for United Kingdom corporation tax purposes under the “loan relationship” rules in Part 5 of the Corporation Tax Act 2009. Under these rules, all interest, profits, gains and losses (broadly, measured and recognised in accordance with generally accepted accounting practice) are taxed or relieved as income.

5 Other United Kingdom Taxpayers

(a) Noteholders who are not subject to United Kingdom corporation tax but who are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable will, generally, be subject to income tax on interest arising in respect of the Notes on a receipts basis.

(b) The Notes will constitute “qualifying corporate bonds”. Therefore, no chargeable gains and no allowable losses should arise for United Kingdom tax purposes on a disposal (including redemption) of a Note.

(c) A transfer of Notes by a non-corporate Noteholder resident or ordinarily resident in the United Kingdom, or who carries on a trade, profession or vocation in the United Kingdom through a permanent establishment to which the Notes are attributable, may give rise to a charge to United Kingdom income tax on an amount representing the interest on the transferred Notes that has accrued since the preceding interest payment date. This amount will be taken into account and excluded in determining any capital gain or loss arising on a disposal (including redemption) of the Notes.

6 EU Savings Directive

Under Council Directive 2003/48/EC (as amended) on the taxation of savings income (the “**EU Savings Directive**”), member states of the European Union have been required to provide to the tax authorities of other member states details of certain payments of interest or similar income paid or secured by a person established in a member state to or for the benefit of an individual resident in another member state or certain limited types of entities established in another member state. For a transitional period, Austria has been required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

However, in order to prevent overlap between the EU Savings Directive and provisions relating to a common reporting standard framework (being the Standard for Automatic Exchange of Financial Account Information in Tax Matters published on 21 July 2014 by the OECD and Council Directive 2014/107/EU on

Administrative Co-operation in the Field of Taxation), the Council of the European Union, on 10 November 2015, published a direction which repealed the EU Savings Directive from 1 January 2017 in the case of Austria, and 1 January 2016 in the case of all other Member States. The repeal is subject to transitional provisions imposing on-going requirements to fulfil certain administrative obligations such as reporting and exchange of information relating to, or accounting for withholding taxes, on payments made before those dates.

If a payment were to be made or collected through a member state of the European Union which operates a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Principal Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Pursuant to the Principal Paying Agency Agreement, the Issuer is required to maintain a paying agent in an EU member state that is not obliged to withhold or deduct tax pursuant to, the EU Savings Directive, or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any other law implementing or complying with, or introduced in order to conform to, the EU Savings Directive or any arrangement entered into between the EU member states and certain third countries and territories in connection with such Directive.

7 FATCA in the United Kingdom

The United Kingdom has an intergovernmental agreement with the United States of America (the "**IGA**") in relation to FATCA, of a type commonly known as a 'model 1' agreement. United Kingdom has also enacted regulations to introduce the provisions of the IGA into United Kingdom law. The Issuer intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. The Issuer intends to register with the US Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and report information to HMRC relating to Noteholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Any information reported by the Issuer to HMRC will be communicated to the US Internal Revenue Service pursuant to the IGA and related regulations. It is possible that HMRC may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

If a Noteholder fails to provide the Issuer or its agents with any correct, complete and accurate information or documentation that may be required for the Issuer to comply with FATCA and to prevent the imposition of tax under FATCA on payments to or for the benefit of the Issuer, or if the Noteholder's ownership of any Notes would otherwise cause the Issuer to be subject to tax under FATCA, the Issuer is authorised to withhold amounts otherwise distributable to the Noteholder, to compel the Noteholder to sell its Notes, and, if the Noteholder does not sell its Notes within 10 Business Days after notice from the Issuer, to sell the Noteholder's Notes on behalf of the Noteholder.

It is anticipated that the Issuer should generally not be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. Any such US FATCA withholding tax would negatively impact the financial performance of the Issuer and the Noteholders may be adversely affected in such circumstances.

SUBSCRIPTION AND SALE

The Arranger has, pursuant to the Subscription Agreement, agreed with the Issuer (subject to certain conditions) to subscribe and pay for the Class A Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class A Notes, the Class B Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class B Notes and the Class C Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class C Notes.

The Class D and Z Note Purchaser has, pursuant to a Class D and Z Note Subscription Agreement dated on or about the date of this Prospectus between the Class D and Z Note Purchaser and the Issuer (the "**Class D and Z Note Subscription Agreement**"), agreed with the Issuer (subject to certain conditions) to subscribe and pay for, the Class D Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class D Notes and the Class Z Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class Z Notes.

The Retention Holder undertakes in favour of the Arranger in the Subscription Agreement that, for so long as any Notes remain outstanding it will, as "originator" for the purposes of Article 405(1) of the CRR, retain, on an ongoing basis, the Minimum Retained Amount in accordance with the Retention Requirement Laws as described in the section headed "*Certain Regulatory Disclosures*" above.

Pursuant to the Subscription Agreement and the Zopa Side Agreement, certain parties thereto, including the Issuer, have agreed to indemnify the Arranger against certain liabilities and have given certain representations and warranties in favour of the Arranger, including with respect to the Loan Portfolio.

Other than admission of the Notes to the Official List and the admission to trading on the Irish Stock Exchange'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, or the Class D and Z Note Purchaser, 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 and the Class D and Z Note Purchaser 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 the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from registration requirements. Accordingly, the Notes are being offered outside the United States to persons other than U.S. persons (as defined in and pursuant to Regulation S of the Securities Act).

Each of the Arranger and the Class D and Z Note Purchaser has agreed that, except as permitted by the applicable Subscription Agreement, it will not offer or sell 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 within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each affiliate or other dealer (if any) to which it sells 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.

Ireland

Each of the Arranger and the Class D and Z Note Purchaser 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) the Prospectus Directive 2003/71 (EC) Regulations (as amended) and any Central Bank of Ireland (the "**Central Bank**") rules issued and / or in force pursuant to Section 1363 of the Companies Act 2014;

(b) the Companies Act 2014;

(c) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank, including, without limitation, Parts 6, 7, and 12 thereof and the provisions of the Investor Compensation Act 1998;

(d) the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any Central Bank rules issued and / or in force pursuant to Section 1370 of the Companies Act 2014, and will assist the Issuer in complying with its obligations thereunder; and

(e) the Central Bank Acts 1942 to 2014 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Issuer and the Arranger have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of Directive 2010/73/EU, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes will require the Issuer, and the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression of an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "**Prospectus Directive**" for the purpose of this Prospectus means Directive 2003/71/EC (and amendments thereto, including amendments made by Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

General

Each of the Arranger and the Class D and Z Note Purchaser 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.

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 the Irish Stock Exchange's regulated market will be granted on or around 4 October 2016.

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 25 February 2016 (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 LLP. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales. So long as the Notes are admitted to trading on the Irish Stock Exchange's regulated market, the most recently published audited annual accounts of the Issuer from time to time shall be filed with the Irish Stock Exchange and shall be available at the registered office of the Issuer in London.

The Issuer does not publish interim accounts.

Since 25 February 2016 (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 23 September 2016.

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 A	XS1488428332	148842833
Class B	XS1488428506	148842850
Class C	XS1488429066	148842906
Class D	XS1488429736	148842973
Class Z	XS1488429900	148842990

From the date of this Prospectus and for so long as the Notes are listed on the Irish Stock Exchange's regulated market, physical copies of the following documents may be inspected at 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):

(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.

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. Other than as outlined above, the Issuer does not intend to provide post-issuance transaction information regarding the Notes or the Loan Portfolio.

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.

The total expenses to be paid in relation to admission of the Notes to the Official List and trading on the Irish Stock Exchange's regulated market are estimated to be approximately €6,000 annually.

SCHEDULE: GLOSSARY

"**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, unsecured, unsubordinated and unguaranteed deposit rating by Moody's of A2 and a long-term IDR by Fitch of AA- or (ii) a short-term, unsecured, unsubordinated and unguaranteed deposit rating by Moody's of P-1 and the short-term IDR by Fitch of F1+ 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.

"**Account Bank Remedial Ratings**" means (i) a long-term, unsecured, unsubordinated and unguaranteed deposit rating by Moody's of A3 and a long-term IDR by Fitch of A or (ii) a short-term, unsecured, unsubordinated and unguaranteed debt obligation rating by Fitch of F1 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.

"**Account Mandate**" has the meaning given to it in the Account Bank Agreement.

"**Additional Interest**" has the meaning given to it in Condition 6(c) (*Deferral of Interest*).

"**Administrative Expenses**" means all costs, fees, expenses (including legal fees and expenses) and any other amounts due and payable by the Issuer pursuant to or as contemplated by the Transaction Documents (other than the Senior Servicing Fee payable to Zopa while the Platform Servicer is Zopa) together with any VAT thereon (including, without limitation, any indemnities payable by the Issuer to an Agent under the Transaction Documents, fees, costs and expenses payable to the Issuer Account Bank, Registrar, Cash Manager and Calculation Agent, Issuer Corporate Services Provider, Principal Paying Agent, any other Paying Agent, the Back-Up Servicer, the Interest Rate Cap Provider, any fees and expenses payable to the Irish Stock Exchange, any fees and expenses of the Rating Agencies or any Clearing Systems, any legal, tax, audit or other professional advisor fees and expenses of the Issuer to the extent not expressly set out herein, any other amounts due from the Issuer in connection with the continued maintenance of its corporate existence and ultimate solvent wind up, liquidation or dissolution) and any regulatory costs incurred by the Issuer in connection with CRA3 or the Securitisation Regulation, in each case to the extent such amounts are not otherwise provided for 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 irrevocable VAT payable by the Issuer pursuant to or as contemplated by the Transaction Documents, and provided that any such amounts payable to any Agent shall be paid in priority to any such amounts payable to any other Person and on a *pro rata* and *pari passu* basis as between the Agents.

"**Advance**" means, in relation to a Loan, the advance made by the Zopa Lender thereunder.

"**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 Seller Loan Warranty, or where a Fraud Event or a First Payment Default has occurred, as applicable.

"**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).

"**AIFMR**" means EU Regulation 2013/231, as amended from time to time.

"**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.

"**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 Senior 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 Swap Collateral Account); *plus*

(c) amounts received by the Issuer under the Interest Rate Cap (other than (i) any early termination amount received by the Issuer under an Interest Rate Cap which is to be applied in acquiring a replacement cap, (ii) any Excess Swap Collateral or Swap Collateral, except to the extent that the value of such Swap Collateral or part thereof has been applied, pursuant to the provisions of the Interest Rate Cap, to reduce the amount that would otherwise be payable by the Interest Rate Cap Provider to the Issuer on early termination of the Interest Rate Cap and, to the extent so applied in reduction of the amount otherwise payable by the Interest Rate Cap Provider, such Swap 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 Swap Tax Credits on such Note Payment Date, and (iv) any premium the Issuer receives in respect of a replacement Interest Rate Cap which is applied in paying an early termination amount due to the outgoing Interest Rate Cap Provider); *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 in respect of a Senior Interest Deficiency on the immediately following Note Payment Date); *plus*

(f) any deficiency in the Available Interest Proceeds under paragraphs (a) to (e) above required to pay a 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) on the Final Rated Note Payment Date, any amounts left standing to the credit of the Liquidity Reserve Account or the Cash Reserve Account; *plus*

(h) any Liquidity Reserve Excess.

"**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) 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*

(c) 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.

"**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 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 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 Class Z Noteholders acting reasonably in the interest of all Noteholders) 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 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 15 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*).

"**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).

"**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 the Cash Manager and Calculation Agent, the Issuer and the Trustee on or around the Closing Date.

"**Cash Manager and Calculation Agent**" means HSBC Bank PLC 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 £750,722 (being an amount equal to 0.5 per cent. of the Aggregate Collateral Principal Balance of the Loan Portfolio as at the Loan Portfolio Cut-Off Date); (ii) on each Note Payment Date thereafter prior to the redemption of the Rated Notes in full, an amount equal to 1.0 per cent. of the then aggregate Principal Amount Outstanding of the Rated Notes, and (iii) upon redemption of the Rated Notes in full, zero.

"**CCA**" means the Consumer Credit Act 1974, as amended.

"**Central Bank**" means the Central Bank of Ireland.

"**Certificate**" means a Global Certificate or a Definitive Certificate, as the context may require.

"**Change of Control**" means, with respect to Zopa, (a) the majority of its membership interests cease to be held by Zopa Holdings Inc., or (b) any Person other than an existing member of Zopa Holdings Inc. (as at the date of the Master Framework Agreement) has a membership interest in Zopa Holdings Inc. of 50 per cent. or more, in either case with the prior consent of the Trustee (such consent not to be unreasonably withheld or delayed), and excluding any Change of Control arising from an initial public offering of Zopa's shares on a regulated securities exchange.

"**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 clauses 3.1 (*Assignments*), 3.2 (*Fixed Charges*), 3.3 (*Accounts*) and 3.4 (*Floating Charge*) of the Charge and Assignment and references to the Charged Property include references to any part of the Charged Property.

"**Class**" means a class of Notes.

"**Class A Interest Amount**" means the amount of interest payable in respect of the Class A Notes held by a Class A Noteholder on any Note Payment Date.

"**Class A Margin**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Class A Noteholder**" means a holder of any Class A Note from time to time.

"**Class A Notes**" has the meaning given to it in the Conditions.

"**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 A 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 A Notes.

"**Class A Rate of Interest**" means the rate of interest from time to time in respect of the Class A Notes calculated in accordance with Condition 6(e) (*Interest on the Rated Notes*).

"**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 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 D and Z Note Purchaser**" means P2P Global Investments PLC.

"**Class D and Z Note Subscription Agreement**" means the class d and z note subscription agreement between the Issuer and the Class D and Z Note Purchaser dated on the Closing Date.

"**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 Z Interest Amount**" means the amount of interest payable in respect of the Class Z Notes held by a Class Z Noteholder on any Note Payment Date in accordance with the applicable Priority of Payments.

"**Class Z Noteholder**" means a holder of any Class Z Note from time to time.

"**Class Z Notes**" has the meaning given in the Conditions.

"**Class Z 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 Z 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 Z Principal Deficiency Limit**" means an amount equal to the then Principal Amount Outstanding of the Class Z Notes.

"**Clean-Up Call Option**" has the meaning given to it in Condition 8.2 (*Optional Redemption in whole – Clean-up Call*).

"**Clearing Systems**" means Euroclear or Clearstream, as applicable.

"**Clearstream**" or "**Clearstream Luxembourg**" means Clearstream Banking, société anonyme, Luxembourg.

"**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 4 October 2016.

"**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 Williams & Glyn 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 Closing 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 Depositary**" means a common depositary for a Clearing System.

"**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;

"**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.

"**Credit Support Annex**" or "**CSA**" means the credit support annex annexed to the Interest Rate Cap and forming part of it.

"**CRA**" means the Consumer Rights Act 2015, as amended from time to time.

"**CRA 3**" 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).

"**CTA**" means the Corporation Tax Act 2009.

"**DPA**" means the Data Protection Act 1998.

"**Data Protection Laws**" means all statutes, statutory instruments, common law, regulations, directives, codes of practice, guidance notes, decisions and recommendations (whether in the European Union or elsewhere) (including, for the avoidance of doubt, the DPA) concerning and/or processing of Personal Data.

"**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 Seller (pursuant to the Loan Sale and Purchase Agreement), as applicable.

"**Deemed Effective Date**" has the meaning given to it under section herein headed "*Certain Other 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 has been subject to a Loan Modification which (i) would result in an Extension that is not a Permitted Extension; and/or (ii) 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;

(b) in respect of which any payment of interest or principal or any other amount due and payable thereunder, or part thereof, remains unpaid for 90 days or more past its original due date; or

(c) 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 Cap.

"**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 other than a Defaulted Loan in respect of which any payment of interest or principal or any other amount due and payable thereunder, or part thereof, remains unpaid for more than 30 days and less than 90 days past its original due date.

"**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.

"**EEA**" means the European Economic Area.

"**Eligibility Criteria**" means if, as at the Closing Date (unless specifically stated otherwise),

(1) the Loan:

(a) represents a legally valid, binding and enforceable Loan Contract, subject to general principles of equity and insolvency;

(b) was originated in the ordinary course of Zopa's operation of the Zopa Platform in accordance with the Zopa Principles and underwritten in accordance with Zopa's credit guidelines, Underwriting Guidelines and approved credit models applicable at the time of origination and is in compliance with all applicable Laws;

(c) was originated with the Seller as the original Zopa Lender of such Loan;

(d) is not an interest only Loan and is fully amortizing in equal monthly payments;

(e) the initial advance was for a principal loan amount (excluding fees) of no more than £25,000 and is denominated in pound sterling;

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

(g) was at the time of origination payable by direct debit from the Zopa Borrower's own payment account;

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

(i) is not as at the Loan Portfolio Cut-Off Date (i) a Defaulted Loan; or (ii) a Delinquent Loan;

(j) is not as at the Loan Portfolio Cut-Off Date subject to a Loan Modification which (i) would result in an Extension that is not a Permitted Extension; and/or (ii) 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;

(k) 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;

(l) all Seller Records relating to the Loan Contract are held by or on behalf of the Seller;

(m) can be identified by Zopa;

(n) is free and clear of any Security Interest.

(2) the Zopa Borrower thereof as at the date of the initial advance of the related Loan:

(a) was resident in the United Kingdom;

(b) was not a Government Entity;

(c) was not insolvent or bankrupt and has not been declared bankrupt in the last six (6) years;

(d) was a natural person; and

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

"**Eligible Institution**" means a financial institution which satisfies the Account Bank Rating or such institution has elected to apply the Account Bank Remedial Rating, as applicable, 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.

"**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, 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 S.A./N.V. , as operator of the Euroclear System.

"**Event of Default**" has the meaning given to it in Condition 13.1 (*Events of Default*).

"**Excess Swap Collateral**" means, in respect of the Interest Rate Cap, an amount (which will be transferred directly to the Interest Rate Cap Provider in accordance with the Interest Rate Cap) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Interest Rate Cap Provider to the Issuer pursuant to the Interest Rate Cap exceeds the Interest Rate Cap Provider's liability under the Interest Rate Cap as determined on or as soon as reasonably practicable after the date of termination of such Interest Rate Cap (such liability shall be determined in accordance with the terms of the Interest Rate Cap 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 Cap Provider) or which it is otherwise entitled to have returned to it under the terms of the Interest Rate Cap.

"**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.

"**Extension**" means, with respect to a Purchased Loan Asset, an increase in the number of contractual monthly repayments 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.

"**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 Maturity Date**" means the Note Payment Date falling in October 2024.

"**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 on 20 November 2016.

"**First Payment Default**" means the failure by a Zopa Borrower to pay an amount equal to or greater than their first payment due under a Loan Contract within 90 days after the due date of such payment.

"**Fitch**" means Fitch Ratings Limited and any subsidiary of it together with any successor in interest to such person.

"**Fixed Rate Loan Asset**" means a Loan Asset which bears a fixed rate of interest.

"**Floating Amount**" means the 'Floating Amount' as defined in the Interest Rate Cap payable by the Interest Rate Cap Provider to the Issuer under the Interest Rate Cap.

"**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.

"**GAAP**" means the Generally Accepted Accounting Practice 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.

"**HMRC**" means H.M. Revenue and Customs.

"**HoldCo**" means Marketplace Originated Consumer Assets 2016-1 Holdings Limited.

"**IDR**" means issuer default rating.

"**Illegality Event**" has the meaning given to it in Condition 8.4 (*Mandatory 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 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 up to and including the tenth (10th) Business Day after the Closing 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 Interest Rate Cap Payment**" means the 'Fixed Amount' as defined in the Interest Rate Cap payable by the Issuer to the Interest Rate Cap Provider under the Interest Rate Cap.

"**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 A Interest Amount, the Class B Interest Amount, the Class C Interest Amount, the Class D Interest Amount and/or the Class Z Interest Amount, as applicable.

"**Interest Deficiency**" means, on any Note Payment Date, an amount equal to any deficiency in the Available Interest Proceeds (less the amounts referred to in (e), (f) and (g) of the definition of Available Interest Proceeds) to the amount required to pay items (a) to (l), sub-paragraph (i), of the Pre-Acceleration Interest Priority of Payments.

"**Interest Determination Date**" means 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.

"**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 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 Cap**" means any master agreement, confirmation, schedule, credit support annex or other agreement entered into or to be entered into between the Issuer and the Interest Rate Cap Provider.

"**Interest Rate Cap Provider**" means BNP Paribas, or any successor or replacement thereof.

"**Investment Company Act**" or "**ICA**" means the United States Investment Company Act of 1940, as amended.

"**Investment Manager**" means MW Eaglewood Europe LLP, as investment manager to P2PGI.

"**Investor Report**" means an investor report in the form set out in the Cash Management and Calculation Agency Agreement.

"**Invocation**" means the receipt by Target of:

(a) a copy of the 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).

"**Irish Stock Exchange**" means the Irish Stock Exchange plc.

"**Issue Date**" means the Closing Date.

"**Issuer**" means Marketplace Originated Consumer Assets 2016-1 PLC.

"**Issuer Accounts**" means the Issuer Transaction Account, the Cash Reserve Account, the Liquidity Reserve Account, the Issuer Payment Account, any Swap Collateral Account and any Swap Custody Account.

"**Issuer Account Bank**" means HSBC Bank PLC, or any successor or replacement account bank appointed pursuant to the Account Bank Agreement.

"**Issuer Client Account**" means the segregated bank account called "MOCA 2016-1 Client Money" with sort code 16-00-30 and account number 11299899 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 Structured Finance Management Limited.

"**Issuer Covenants**" means the covenants of the Issuer set out at clause 7 (*Covenants by the Issuer*) of 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.

"**Junior Servicing Fee**" means an amount per annum equal to the sum of (i) 0.50 per cent. multiplied by (ii) the Aggregate Collateral Principal Balance of all Purchased Loan Assets (excluding Defaulted Loans), which shall accrue daily on the then Aggregate Collateral Principal Balance of all Purchased Loan Assets.

"**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.

"**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 Z Principal Deficiency Ledger; the Cash Reserve Ledger and the Liquidity 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.

"**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 on and from the Closing Date and each Note Payment Date until the Final Rated Note Payment Date 1.0 per cent. of the aggregate Principal Amount Outstanding of the Notes.

"**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 Schedule 3 (*List of Loans*) 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 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.

"**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.

"**Loan Portfolio Cut-Off Date**" means 22 September 2016.

"**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**" means an amount equal to 0.70 per cent. per annum of the Aggregate Collateral Principal Balance of all Purchased Loan Assets.

"**Loan Warranties**" means the Seller Loan Warranties and/or the Zopa Loan Warranties, as applicable.

"**Marketing Information**" means the presentational materials in respect of the Notes, being the Investor Presentation, all data in relation to the Provisional Loan Portfolio or Loan Portfolio delivered to prospective investors and (without duplication) any other information delivered or made available for prospective investors, in each case as approved as such by the Arranger.

"**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 Cap Provider, the Investment Manager, the seller, the Retention Holder, the Class D and Z Note Purchaser, the Subordinated Loan Provider, 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 Retention Requirement Laws retained by the Retention Holder.

"**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 Z Notes.

"**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 17(b)(i) (*Non-Responsive Rating Agency*).

"**Noteholder**" means a Class A Noteholder, a Class B Noteholder, a Class C Noteholder, a Class D Noteholder and/or a Class Z 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 and/or the Class Z 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 the Irish Stock Exchange.

"**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 Z 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.

"**P2PGI**" means P2P Global Investments PLC in its capacities as the Retention Holder, the Subordinated Loan Provider and the Seller.

"**P2PGI Lender Account**" means the Lender Account maintained by the Platform Servicer on the Zopa Platform for P2PGI in which the Platform Servicer records the activities of P2PGI on the Zopa Platform.

"**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 Netting Agreement**" means the payment netting agreement dated on or before the Closing Date between the Issuer, the Seller, the Subordinated Loan Provider, the Class D and Z Note Purchaser, the Arranger, the Interest Rate Cap Provider, the Issuer Corporate Services Provider, the Investment Manager and the Back-Up Servicer.

"**Permitted Extension**" means an Extension in respect of a Purchased Loan Asset, the Collateral Principal Balance of which, when combined with the Aggregate Collateral Principal Balance of all other Purchased Loan Assets which have been subject to an Extension, is no greater than five (5) per cent. of the Aggregate Collateral Principal Balance of the Loan Portfolio as at the Closing Date.

"**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.

"**Personal Data**" means personal data as defined under the Data Protection Laws.

"**Platform Lending Agreement**" means the platform lending agreement entered into on 16 January 2015 between the Seller, the Investment Manager and Zopa.

"**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.

"**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*).

"**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 and/or the Class Z 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 HSBC Bank PLC 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.

"**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 August 2016.

"**Purchase Price**" means an amount equal to the Aggregate Collateral Principal Balance as of the Loan Portfolio Cut-Off Date together with any accrued (and unpaid) interest on the Loan Assets being purchased by the Issuer on the Closing Date.

"**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 subject to a Zopa Purchase Obligation or a Seller Repurchase Obligation, as applicable.

"**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 (excluding, for the avoidance of doubt, the "Borrowing Fee" charged by Zopa or any Collections Agency in accordance with the Loan Documentation) 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.

"**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 and the Class D Notes.

"**Rate of Interest**" has the meaning given to it in Condition 6(e)(i) (*Rate of Interest*).

"**Rating Agencies**" means Fitch and Moody's, and "**Rating Agency**" means either of them, as applicable.

"**Rating Agency Confirmation**" has the meaning given to it in Condition 17(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 Principal Proceeds received in respect of Defaulted Loans.

"**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 HSBC Bank PLC 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.

"**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 or repurchased in accordance with the Zopa Purchase Obligation or the Seller Repurchase Obligation, as applicable.

"**Replacement Swap Premium**" means an amount received by the Issuer from a replacement Interest Rate Cap Provider upon entry by the Issuer into an agreement with such replacement Interest Rate Cap Provider to replace the outgoing Interest Rate Cap Provider, 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.

"**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**" means P2P Global Investments PLC.

"**Retention Requirement Laws**" means Articles 404 to 410 of the CRR, Article 51 of the AIFMR and Article 254 of the Solvency II Regulation.

"**Risk Retention Confirmation**" means the notice given to the Cash Manager and Calculation Agent in which the Retention Holder 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 applicable Retention Requirement Laws; (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 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, the Subordinated Loan Provider, the Seller, the Interest Rate Cap Provider 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 P2P Global Investments PLC.

"**Seller Eligibility Criteria**" means the eligibility criteria set out in paragraphs 1(a) to 1(f), 1(h) to 1(j), 1(l), 1(n) and 2 of the definition of Eligibility Criteria.

"**Seller Loan Warranties**" or "**Seller Loan Warranty**" means the representations and warranties of the Seller set out in clause 4.2 (*Seller Loan Warranties*) of the Loan Sale and Purchase Agreement as set out herein under the Section entitled "*Certain Other Transaction Documents – Loan Sale and Purchase Agreement – Seller Loan Warranties*".

"**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.

"**Seller Repurchase Obligation**" has the meaning given to it in clause 2.5 (*Seller Repurchase Obligation and Deemed Collection*) of the Loan Sale and Purchase Agreement as set out under Section herein entitled "*Overview of the Loan Portfolio and Servicing – Seller Repurchase 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 (d) and (e) 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.

"**Senior Servicing Fee**" means an amount per annum equal to the sum of (i) 0.50 per cent. multiplied by (ii) the Aggregate Collateral Principal Balance of all Purchased Loan Assets (excluding Defaulted Loans), which shall accrue daily on the then Aggregate Collateral Principal Balance of all Purchased Loan Assets.

"**Sequential Order**" means the following order: *first*, to the Class A Notes, *second*, to the Class B Notes, *third*, to the Class C Notes, *fourth*, to the Class D Notes, and *finally* to the Class Z Notes.

"**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 the Issuer, the Platform Servicer, the Seller and the Trustee dated on or before the Closing Date.

"**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 SFM Corporate Services Limited.

"**Solvency II Regulation**" means Regulation (EU) 2015/35 (as amended from time to time).

"**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.

"**Sterling**", "**pound**", "**GBP**" and "**£**" means the lawful currency of the United Kingdom.

"**Subordinated Loan**" means the loan made by the Subordinated Loan Provider to the Issuer pursuant to the Subordinated Loan Agreement.

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into by the Issuer and the Subordinated Loan Provider dated on or about the Closing Date.

"**Subordinated Loan Provider**" means P2P Global Investments PLC.

"**Subscription Agreement**" means the subscription agreement between the Issuer, the Arranger, the Seller, the Retention Holder and the Investment Manager dated 4 October 2016.

"**Subscription Agreements**" means the Subscription Agreement and the Class D and Z Note 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 headed "*Certain Other Transaction Documents – Back-Up Servicing Agreement*".

"**Swap Account**" means any Swap Collateral Accounts and any Swap Custody Accounts.

"**Swap Collateral**" means an amount equal to the value of collateral (other than Excess Swap Collateral) provided by the Interest Rate Cap Provider to the Issuer under the Interest Rate Cap and includes any interest, distributions and liquidation proceeds in respect thereof.

"**Swap Collateral Account**" means any account described as such established in the name of the Issuer with the Issuer Account Bank pursuant to the Account Bank Agreement.

"**Swap Custody Account**" means any account described as such established in the name of the Issuer with the Issuer Account Bank pursuant to the Account Bank Agreement.

"**Swap Notional Amount**" means the notional amount under the Interest Rate Cap.

"**Swap 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 Cap Provider to the Issuer.

"**Swap Termination Payment**" means, each and collectively, any termination payment under the Interest Rate Cap, any Replacement Swap Premium, the Swap Collateral, Swap Tax Credits, Excess Swap Collateral and related interest on the Swap Collateral Account plus any interest due pursuant to Section 9(h) of the Interest Rate Cap in respect of the any unpaid portion of such termination payment.

"**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 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 (*Mandatory 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).

"**Target**" means Target Servicing Limited as Back-Up Servicer.

"**Target Policies**" means the documents setting out the detailed breakdown of the Full Servicing, in the form prepared by Target and approved by the Issuer (as such policies may be amended from time to time by agreement in writing between Target 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 and on its 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;

(g) the grant of Loan Modifications in accordance with clause 3.4 (Loan Modifications) of 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 and on the Issuer's behalf.

"**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 Cap, the Payment Netting Agreement and the Subordinated Loan 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 HSBC Corporate Trustee Company (UK) Limited or any of its permitted successors or assigns.

"**Underwriting Failure**" means any failure by Zopa to consistently apply a specific applicable Underwriting Guideline, where the relevant failure occurred in respect of 25 per cent. or more by number of a representative sample of Defaulted Loans, as determined by a reputable third party auditor.

"**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.

"**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 (h), 1(j) to 1(m) 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, together, the Senior Servicing Fee and the Junior Servicing Fee.

"**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 Other Transaction Documents – Servicing Agreement - Zopa Loan Warranties*".

"**Zopa Market**" has the meaning given to it in the section headed "*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 that are intended to protect lenders through the Zopa Platform from losses incurred as a result of a "Default" (as defined in the Zopa Principles) under their applicable Loan Contracts.

"**Zopa Side Agreement**" means the agreement between the Arranger, Zopa and P2PGI dated on or about the Closing Date.

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