

**SCHEDULE**  
to the  
**2002 ISDA MASTER AGREEMENT**

dated as of 12 July 2019

between

**LLOYDS BANK CORPORATE  
MARKETS PLC**

**and**

**CANTERBURY FINANCE NO. 1 PLC**

("Party A")

("Party B")

**Part 1**  
**Termination Provisions**

In this Agreement:

- (a) **Specified Entity.** "Specified Entity" will not apply to Party A and will not apply to Party B.
- (b) **Specified Transaction.** Specified Transaction will have the meaning specified in Section 14 of this Agreement.
- (c) **Cross-Default.** The "Cross-Default" provision (Section 5(a)(vi) of this Agreement) will not apply to Party A and will not apply to Party B.
- (d) **Credit Event Upon Merger.** The "Credit Event Upon Merger" provision (Section 5(b)(v) of this Agreement) will not apply to Party A and will not apply to Party B.
- (e) **Automatic Early Termination.** The "Automatic Early Termination" provision of Section 6(a) of this Agreement will not apply to Party A and will not apply to Party B.
- (f) **Termination Currency.** "Termination Currency" means Sterling.
- (g) **Additional Termination Event** will apply. The following will each constitute an Additional Termination Event:
  - (i) **Early Redemption of the Collateralised Notes.** The Collateralised Notes are redeemed in full pursuant to Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date*), Condition 8.3 (*Mandatory Redemption of the Notes in Full*) or Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*) of the Notes or otherwise, provided that (1) the Early Termination Date and (2) the date on which the amount calculated as being due in respect of such Early Termination Date is payable, shall be deemed to be the date on which the Collateralised Notes are so redeemed (without any requirement for a notice under Section 6(b)(iv)). For the purpose of this Additional Termination Event, Party B will be the sole Affected Party and all Transactions shall be Affected Transactions.
  - (ii) **Enforcement of the Notes by the Trustee.** The Note Trustee serves an Enforcement Notice upon Party B. For the purposes of Section 6(b)(iv) of the Agreement, both

parties shall be Affected Parties and for all other purposes, Party B shall be the sole Affected Party, and all Transactions shall be Affected Transactions.

- (iii) **Amendments to the Transaction Documents.** Any Transaction Document is amended, modified or supplemented or any waiver or consent is given in respect of a Transaction Document in contravention of Part 5(p). For the purpose of the foregoing Additional Termination Event, Party B shall be the sole Affected Party and all Transactions shall be Affected Transactions. For the purpose of calculating the amount, in any, payable in respect of an Early Termination Date pursuant to Section 6(e) of this Agreement, the relevant amendment, modification or supplement to the relevant Transaction Document shall be deemed not to have been made and any waiver or consent in respect of a Transaction Document shall be deemed not to have given.
- (iv) **Rating Event.** An Additional Termination Event occurs pursuant to Part 5(d)(V). For the purposes of any such Additional Termination Event pursuant to this Part 1(g)(iv), Party A shall be the sole Affected Party and all Transactions shall be Affected Transactions.

## **Part 2**

### **Tax Representations**

- (a) **Payer Tax Representations.** For the purpose of Section 3(e) of this Agreement, Party A and Party B each makes the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 9(h) of this Agreement and deliveries, transfers and payments to be made pursuant to the Credit Support Annex) to be made by it to the other party under this Agreement. In making this representation, it may rely on:

- (i) the accuracy of any representation made by the other party pursuant to Section 3(f) of this Agreement;
- (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement; and
- (iii) the satisfaction of the agreement of the other party contained in Section 4(d);

except that it will not be a breach of this representation where reliance is placed on clause (ii) above, and the other party does not deliver a form or document under Section 4(a)(iii) of this Agreement by reason of material prejudice to its legal or commercial position.

- (b) **Payee Tax Representations.** For the purpose of Section 3(f) of this Agreement,

Party A makes the following Payee Tax Representation:

It is a party to this Agreement otherwise than as agent or nominee of another person, it is resident for tax purposes solely in the United Kingdom and it is within the charge to United Kingdom corporation tax in respect of profits and losses arising to it under the Agreement.

### Part 3 Agreement to Deliver Documents

Each party agrees to deliver the following documents as applicable:

- (a) For the purpose of Section 4(a)(i) of this Agreement, tax forms, documents or certificates to be delivered are:

<b>Party required to deliver document</b>	<b>Form/Document/ Certificate</b>	<b>Date by which to be delivered</b>
Party A	Any document required or reasonably requested to allow Party B to make payments under this Agreement without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate.	Upon execution of this Agreement and promptly upon (1) reasonable demand by Party A or (2) learning that any form previously provided has become incorrect or obsolete.
Party B	Any document required or reasonably requested to allow Party A to make payments under this Agreement without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate.	Upon execution of this Agreement and promptly upon (1) reasonable demand by Party A or (2) learning that any form previously provided has become incorrect or obsolete.

- (b) For the purpose of Section 4(a)(ii) of this Agreement, other documents to be delivered are:

<b>Party required to deliver document</b>	<b>Form/Document/ Certificate</b>	<b>Date by which to be delivered</b>	<b>Covered by Section 3(d) Representation</b>
Party A and Party B	Evidence reasonably satisfactory to the other party as to the names, true signatures and authority of the officers or officials signing this Agreement or any Confirmation on its behalf.	Upon execution of this Agreement and, if requested, upon execution of any Confirmation	Yes
Party B	A copy of the legal opinion delivered in connection with the issuance of the Collateralised Notes addressed to Party A, as to (i) the capacity and authority of Party B to enter into this Agreement and the Transaction Documents and (ii) the enforceability of this Agreement and the Transaction Documents.	Upon execution of this Agreement	No

Party B	A copy of each executed Transaction Document.	Upon execution of this Agreement	Yes
Party B	Any notice which is to be given to the Noteholders and Certificateholders in accordance with the Notices Conditions shall be supplied to Party A	Upon such notice being provided to the Noteholders and Certificateholders	Yes

**Part 4**  
**Miscellaneous**

(a) **Addresses for Notices.** For the purpose of Section 12(a) of this Agreement:

(i) Address for notices or communications to Party A:

Address: Lloyds Bank Corporate Markets plc  
6th Floor  
33 Old Broad Street  
London  
EC2N 1HZ

Attention: Markets Operations  
Telephone No: +44 207 283 1000  
Email: notices@lloydsbanking.com

Any notice to be delivered pursuant to Sections 5 or 6 of the Schedule shall be copied to:

Address: Lloyds Bank Corporate Markets plc  
10 Gresham Street  
London  
EC2V 7AE

Attention: Head of Legal, Commercial Banking Legal – Traded Products

(ii) Address for notices or communications to Party B:

Address:	Level 37, 25 Canada Square Canary Wharf London E14 5LQ	Attention:	The Directors
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Telephone No.:	+44 (0) 203 855 0285	Facsimile No.:	+44 (0) 203 031 1158
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E-mail address: capitalmarkets-uk@cscgfm.com

With a copy to: OneSavings Bank PLC

Address:	Reliance House Sun Pier Chatham Kent ME4 4ET	Attention:	The Company Secretary
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Telephone No.:	+44 (0)1634 848944	E-mail address:	mail@osb.co.uk
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(For all purposes.)

(b) **Process Agent.** For the purpose of Section 13(c) of this Agreement:

Party A appoints as its Process Agent: Not applicable.

Party B appoints as its Process Agent: Not Applicable.

(c) **Offices.** The provisions of Section 10(a) will apply to this Agreement.

- (d) **Multibranch Party.** For the purpose of Section 10(b) of this Agreement:

Party A is not a Multibranch Party and will enter into Transactions through its London Office only.

Party B is not a Multibranch Party.

- (e) **Calculation Agent.** The Calculation Agent is Party A. The failure of Party A to perform any calculation or determination expressly required to be made by it as Calculation Agent hereunder shall not be construed as an Event of Default or Termination Event but shall, where such failure is not remedied within 10 Business Days of such failure, entitle Party B to nominate, upon notice to Party A, an independent leading dealer in the market as an alternative Calculation Agent. Upon such nomination such third party shall be Calculation Agent for the purposes of the relevant Transaction. The Calculation Agent shall not be liable for any error, incompleteness, inaccuracy, omission, late delivery or delayed receipt arising from any information, report, notice or certificate delivered to it by Party B, the Cash Manager or the Security Trustee for the purpose of making any determination or calculation hereunder but will use commercially reasonable endeavours to correct such error, incompleteness, inaccuracy, omission, late delivery or delayed receipt, if possible, where it becomes aware of such.

- (f) **Credit Support Document.**

Credit Support Document means in relation to Party A, any Eligible Guarantee and any guarantee or other credit support delivered by Party A pursuant to Part 5(d).

Credit Support Document means in relation to Party B, none.

- (g) **Credit Support Provider.**

Credit Support Provider means in relation to Party A, the guarantor or other credit support provider providing credit support in respect of the obligations of Party A under this Agreement pursuant to a Credit Support Document (as defined in Part 4(f) of this Agreement).

Credit Support Provider means in relation to Party B, none.

- (h) **Governing Law.** This Agreement and any non-contractual obligations arising out of or in relation to this Agreement will be governed by and construed in accordance with English law. All disputes arising out of or relating to this Agreement or any non-contractual obligations arising out of or relating to this Agreement shall be submitted to the jurisdiction of the English Courts.

- (i) **Netting of Payments.** Multiple Transaction Payment Netting will not apply for the purposes of Section 2(c) of this Agreement.

- (j) **Affiliate.** Affiliate will have the meaning specified in Section 14 of this Agreement.

- (k) **Absence of Litigation.** For the purpose of Section 3(c) of this Agreement:

"Specified Entity" means in relation to Party A and Party B, such party's Affiliates.

- (l) **No Agency.** The provisions of Section 3(g) will apply to this Agreement.

- (m) **Additional Representation.** Additional Representation will apply. For the purpose of Section 3 of this Agreement, the following will constitute an Additional Representation:
- (i) **Relationship Between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):
- (1) *Non-Reliance.* It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction, it being understood that information and explanations related to the terms and conditions of a Transaction will not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that Transaction.
  - (2) *Assessment and Understanding.* It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
  - (3) *Status of Parties.* The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.
- (n) **Recording of Conversations.** Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel, and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.



## Part 5 Other Provisions

- (a) **Definitions and Inconsistency.** Capitalised terms and expressions used herein and not otherwise defined shall have the meanings ascribed to them in the Master Definitions and Construction Schedule dated on or about the date of this Agreement (the **Master Definitions and Construction Schedule**) except to the extent the context otherwise requires. In the event of any inconsistency between the definitions in this Agreement and the Master Definitions and Construction Schedule, the definitions in this Agreement shall prevail.
- (b) **Scope of Agreement.** It is hereby understood and agreed that the provisions of this Agreement shall only apply to the Transaction (the **Relevant Transaction**) entered into between Party A and Party B on or about the date of this Agreement (and, for the avoidance of doubt, the Credit Support Annex attached hereto) in respect of the Collateralised Notes issued by Party B (as amended, restated, supplemented and/or replaced from time to time), and that no other Transaction may be entered into pursuant hereto unless otherwise agreed between the parties.
- (c) **Change of Account.** Section 2(b) of this Agreement is hereby amended by the addition of the following after the word "delivery" in the first line thereof:

"to another account in the same legal and tax jurisdiction as the original account".

- (d) **Rating Events**

- (I) **Moody's Rating Event**

For the purpose of this Agreement:

The "**Collateral Trigger Requirements**" shall apply so long as no Relevant Entity has a Qualifying Collateral Trigger Rating.

"**Eligible Guarantee**" means an unconditional and irrevocable guarantee that is provided by a guarantor as principal debtor rather than surety and is directly enforceable by Party B, where (I) such guarantee provides that if a guaranteed obligation cannot be performed without an action being taken by Party A, the guarantor shall use its best endeavours to procure that Party A takes such action, (II)(A) the guarantor and Party B are resident for tax purposes in the same jurisdiction, (B) a law firm has given a legal opinion confirming that none of the guarantor's payments to Party B under such guarantee will be subject to deduction or withholding for or on account of tax, (C) such guarantee provides that, in the event that any of such guarantor's payments to Party B are subject to deduction or withholding for tax, such guarantor is required to pay such additional amount as is necessary to ensure that the net amount actually received by Party B (free and clear of any tax) will equal the full amount Party B would have received had no such deduction or withholding been required or (D) in the event that any payment (the "**Primary Payment**") under such guarantee is made net of deduction or withholding for or on account of tax, Party A is required under this Agreement, to make such additional payment (the "**Additional Payment**") as is necessary to ensure that the net amount actually received by Party B from the guarantor (free and clear of any tax) in respect of the Primary Payment and Additional Payment will equal the full amount Party B would have received had no such deduction or withholding been required (assuming that the guarantor will be required to make a payment under such

guarantee in respect of the Additional Payment) and (III) the guarantor waives any right of set-off in respect of payments under such guarantee.

**"Eligible Replacement"** means an entity that could lawfully perform the obligations owing to Party B under this Agreement or its replacement (as applicable) and (A) has a Qualifying Transfer Trigger Rating or (B) whose present and future obligations owing to Party B under this Agreement or its replacement (as applicable) are guaranteed pursuant to an Eligible Guarantee provided by a guarantor with a Qualifying Transfer Trigger Rating.

**"Firm Offer"** means an offer which, when made, was capable of becoming legally binding upon acceptance.

An entity has a **"Qualifying Collateral Trigger Rating"** if (A) it has a long term counterparty risk assessment from Moody's of A3(cr) or above, or (B) its long term senior unsecured debt rating from Moody's is A3 or above.

An entity has a **"Qualifying Transfer Trigger Rating"** if (A) it has a long term counterparty risk assessment from Moody's of Baa2(cr) or above, or (B) its long term senior unsecured debt rating from Moody's is Baa2 or above.

**"Relevant Entities"** means Party A and any guarantor under an Eligible Guarantee in respect of all of Party A's present and future obligations under this Agreement and **"Relevant Entity"** means any one of them.

The **"Transfer Trigger Requirements"** apply so long as no Relevant Entity has a Qualifying Transfer Trigger Rating.

## (II) **Initial Fitch Rating Event**

In the event that the Long-Term Fitch Rating and the short-term IDR of Party A (or its successor or assignee) and any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of Party A cease to be rated at least as high as the corresponding Unsupported Minimum Counterparty Rating (such event being an **"Initial Fitch Rating Event"**) then:

- (a) Party A will, on a reasonable efforts basis and at its own cost, within the Fitch Collateral Remedy Period (if any), transfer collateral in accordance with the Credit Support Annex; and
- (b) Party A may, in its sole discretion and at its own cost:
  - (i) subject to Part 5(e) (*Transfers*) below, transfer all of its rights and obligations under this Agreement to a replacement third party that is a Fitch Eligible Counterparty or Fitch otherwise confirms that such transfer would maintain the rating of the Relevant Notes by Fitch at, or restore the rating of the Relevant Notes by Fitch to, the level at which it was immediately prior to such Initial Fitch Rating Event; or
  - (ii) procure a Fitch Eligible Guarantor to become co-obligor or guarantor in respect of the obligations of Party A under this Agreement whose Long-Term Fitch Rating or short-term IDR is rated not less than the corresponding Unsupported Minimum Counterparty Ratings or Fitch otherwise confirms that procuring such co-obligor or guarantor

would maintain the rating of the Relevant Notes by Fitch at, or restore the rating of the Relevant Notes by Fitch to, the level at which it was immediately prior to such Initial Fitch Rating Event, provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any Tax; or

- (iii) take such other action (which may, for the avoidance of doubt, include taking no action) as will result in the rating of the Relevant Notes by Fitch following the taking of such action (or inaction) being maintained at, or restored to, the level at which it was immediately prior to such Initial Fitch Rating Event, provided that, in all cases, such action does not result in any requirement for deduction or withholding for or on account of any Tax.

If any of sub-paragraphs (II)(b)(i), (II)(b)(ii) or (II)(b)(iii) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party A pursuant to sub-paragraph (II)(a) will, unless otherwise required by virtue of the operation of sub-paragraph (II)(b)(iii) above, be transferred to Party A subject to, and in accordance with, the terms of the Credit Support Annex, and, for so long as no other Initial Fitch Rating Event occurs, Party A will not be required to transfer any additional collateral pursuant to this Part 5(d)(II).

### **(III) Subsequent Fitch Rating Event**

In the event that the Long-Term Fitch Rating and the short-term IDR of Party A (or its successor or assignee) and any Credit Support Provider (that is a Fitch Eligible Guarantor) from time to time in respect of Party A cease to be rated at least as high as the corresponding Supported Minimum Counterparty Rating (such event being a "**Subsequent Fitch Rating Event**"):

- (a) Party A will on a reasonable efforts basis within the Fitch Non-Collateral Remedy Period, at its own cost, attempt to take any of the measures set out in sub-paragraphs (II)(b)(i), (II)(b)(ii) or (II)(b)(iii) of this Part 5(d); and
- (b) pending taking any of the measures set out in sub-paragraphs (II)(b)(i), (II)(b)(ii) or (II)(b)(iii) of this Part 5(d) above, Party A will within the Fitch Collateral Remedy Period and at its own cost, in accordance with this Agreement, post collateral in accordance with the provisions of the Credit Support Annex.

If any of sub-paragraphs (II)(b)(i), (II)(b)(ii) or (II)(b)(iii) of this Part 5(d) are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by Party A pursuant to sub-paragraph (III)(b) above will, unless otherwise required by virtue of the operation of sub-paragraph (II)(b)(iii) of this Part 5(d), be transferred to Party A subject to, and in accordance with, the terms of the Credit Support Annex, and, for so long as no other Subsequent Fitch Rating Event occurs, Party A will not be required to transfer any additional collateral pursuant to this Part 5(d)(III).

### **(IV) Fitch Definitions**

For the purposes of this Agreement:

**"Fitch Collateral Remedy Period"** means the period that commences on (and excludes) the date on which an Initial Fitch Rating Event or Subsequent Fitch Rating Event (as applicable) occurs and ends on (and includes) the first Local Business Day following the day falling 14 calendar days after the occurrence of such Initial Fitch Rating Event or Subsequent Fitch Rating Event (as applicable), provided that no Fitch Collateral Remedy Period shall apply if the Initial Fitch Rating Event has continued since the date this Agreement was executed.

**"Fitch Eligible Counterparty"** means an entity (A) whose Long-Term Fitch Rating or short-term issuer default rating ("**IDR**") is rated not less than the corresponding Unsupported Minimum Counterparty Rating or (B) whose obligations under this Agreement are guaranteed by an entity that is a Fitch Eligible Guarantor whose Long-Term Fitch Rating or short-term IDR is rated not less than the corresponding Unsupported Minimum Counterparty Rating.

**"Fitch Eligible Guarantor"** means an entity that is incorporated or domiciled (or the equivalent) in a jurisdiction where the applicable subordination provision would be enforceable against such entity.

**"Fitch Non-Collateral Remedy Period"** means the period that commences on (and excludes) the date on which an Initial Fitch Rating Event or Subsequent Fitch Rating Event (as applicable) occurs and ends on (and includes) the first Local Business Day following the day falling 30 calendar days after the occurrence of such Initial Fitch Rating Event or Subsequent Fitch Rating Event (as applicable).

**"Long-Term Fitch Rating"** means, in respect of an entity, the Derivative Counterparty Rating ("**DCR**") assigned to such entity by Fitch or, if a DCR has not been assigned to such entity by Fitch, the long-term IDR assigned to such entity by Fitch.

**"Relevant Notes"** means the Class of Collateralised Notes with the then highest rating from Fitch.

**"Unsupported Minimum Counterparty Rating"** and **"Supported Minimum Counterparty Rating"** shall mean the Long-Term Fitch Rating or the Fitch short-term IDR from Fitch corresponding to the then-current rating of the Relevant Notes as set out in the following table:

Current rating of Relevant Notes	Unsupported Minimum Counterparty Ratings	Supported Minimum Counterparty Ratings	Supported Minimum Counterparty Ratings (adjusted)
AAAsf	A or F1	BBB- or F3	BBB+ or F2
AA+sf, AA-sf	A- or F1	BBB- or F3	BBB+ or F2
A+sf, Asf, A-sf	BBB or F2	BB+	BBB or F2
BBB+sf, BBBsf, BBB-sf	BBB- or F3	BB-	BBB- or F3
BB+sf, BBsf, BB-sf	At least as high as the Relevant Notes rating	B+	BB-
B+sf or below or	At least as high as	B-	B-

Relevant Notes are not rated by Fitch	the Relevant Notes rating		
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If an entity is not incorporated in the same jurisdiction as Party B and, following a request from Fitch, has not provided to Fitch a legal opinion, in a form acceptable to Fitch, confirming the enforceability of the subordination provisions against it in its jurisdiction, references in this Agreement to "Supported Minimum Counterparty Rating" shall be deemed to refer to "Supported Minimum Counterparty Rating (adjusted)" in respect of such entity.

For the purposes of the above table, if the Relevant Notes are downgraded by Fitch as a result of Party A's failure to perform any obligation under this Agreement, then the then current rating of the Relevant Notes will be deemed to be the rating the Relevant Notes would have had but for such failure.

## **(V) Implications of Rating Events**

### **(a) Moody's Implications**

- (i) So long as the Transfer Trigger Requirements apply, Party A will, at its own cost, use commercially reasonable efforts to, as soon as reasonably practicable, either (A) procure an Eligible Guarantee in respect of all of its present and future obligations under this Agreement from a guarantor with a Qualifying Transfer Trigger Rating or (B) without prejudice to the need for Party B's consent in accordance with Part 5(e)(1) below (which Party A shall use commercially reasonable efforts to obtain), transfer its rights and obligations under this Agreement to an Eligible Replacement.
- (ii) An Additional Termination Event (but for the avoidance of doubt, no Event of Default) shall occur with Party A as the sole Affected Party if (A) the Transfer Trigger Requirements apply and 30 or more Local Business Days have elapsed since the last time the Transfer Trigger Requirements did not apply and (B) at least one Eligible Replacement has made a Firm Offer that would, assuming the occurrence of an Early Termination Date, qualify as a Market Quotation (on the basis that paragraphs (i) to (iii) of Part 5(h) (*Modifications to close out provisions*) below apply) and which remains capable of becoming legally binding upon acceptance.

### **(b) Fitch Implications**

- (i) If an Initial Fitch Rating Event occurs and is continuing and Party A does not take any of the measures described in Part 5(d)(II) above (and regardless of whether reasonable efforts have been used to implement any of those measures) such failure shall not be or give rise to an Event of Default but shall constitute an Additional Termination Event with respect to Party A which shall be deemed to have occurred on the next Local Business Day after the last day of the Fitch Non-Collateral Remedy Period with Party A as the sole Affected Party and all Transactions as Affected Transactions.

- (ii) If, at the time a Subsequent Fitch Rating Event occurs and is continuing, Party A has provided collateral under the Credit Support Annex pursuant to Part 5(d)(II)(a) above and fails to continue to post collateral pending compliance with Part 5(d)(III)(a) above, such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to Party A and will be deemed to have occurred on the later of the next Local Business Day after the last day of the Fitch Collateral Remedy Period in respect of such Subsequent Fitch Rating Event and the next Local Business Day after the last day of the Fitch Non-Collateral Remedy Period in respect of any prior Initial Fitch Rating Event with Party A as the sole Affected Party and all Transactions as Affected Transactions.
- (iii) Further, an Additional Termination Event with respect to Party A shall be deemed to have occurred if, even if Party A continues to post collateral as required by Part 5(d)(III)(b) above, and notwithstanding Section 5(a)(ii) of this Agreement, Party A does not take the measures described in Part 5(d)(III)(a) above (and regardless of whether reasonable endeavours have been used to implement any of those measures). Such Additional Termination Event will be deemed to have occurred on the next Local Business Day after the last day of the Fitch Non-Collateral Remedy Period in respect of such Subsequent Fitch Rating Event with Party A as the sole Affected Party and all Transactions as Affected Transactions.

#### (VI) **Rating Agency Announcements**

If any of Moody's or Fitch makes any public announcement (i) after 5:00 p.m. London time on any day or (ii) on any day that is not a Local Business Day, in respect of any of the long term or short term ratings of Party A or any Credit Support Provider or guarantor in respect of Party A, such announcement shall for the purposes of this Agreement be deemed to have been made on the immediately following Local Business Day.

#### (e) **Transfer**

- (1) Subject to the remaining paragraphs of this Part 5(e), neither party may transfer (whether by way of security or otherwise) any interest or obligation in or under this Agreement without the prior written consent of the other party.
- (2) Subject to giving five Local Business Days prior written notification to the Security Trustee and Party B, Party A may (at its own cost) transfer its rights and obligations with respect to this Agreement to any other entity (a "**Transferee**") that is an Eligible Replacement if:
  - (i) the Transferee is an entity who is a Fitch Eligible Counterparty;
  - (ii) the Transferee contracts with Party B on terms that (x) have the same effect as the terms of this Agreement in respect of any obligations (whether absolute or contingent) to make payment or delivery after the effective date of such transfer and (y) insofar as they do not relate to payment or delivery obligations, are, in all material respects, no less beneficial for Party B than the terms of this Agreement immediately before such transfer, which, for the

avoidance of doubt, includes but is not limited to the terms relating to posting of collateral pursuant to the Credit Support Annex;

- (iii) unless such transfer is effected for the purpose of Section 6(b)(ii) or at a time when the Transfer Trigger Requirements apply or the Transferee contracts with Party B on terms that are identical to the terms of this Agreement (save for any amendments that are necessary to reflect, or are a natural consequence of, the fact that the Transferee is to be substituted for Party A), Party B has determined that the condition in (ii)(y) above is satisfied and communicated such determination to Party A in writing;
  - (iv) if the Transferee is domiciled in a different jurisdiction from both Party A and Party B, notice is given to Fitch;
  - (v) (except where the Transferee is required to pay additional amounts pursuant to Section 2(d)(i) of this Agreement or the equivalent clause in the replacement agreement as of the date of such transfer) as of the date of such transfer, the Transferee will not, as a result of such transfer, be required to make any withholding or deduction for or on account of any Tax in respect of payments made under this Agreement;
  - (vi) as judged immediately prior to the proposed transfer, a Termination Event or Event of Default will not occur as a direct result of such transfer; and
  - (vii) no additional amount will be payable by Party B to either Party A or the Transferee on the next succeeding Scheduled Settlement Date as a result of such transfer.
- (3) Following a transfer in accordance with Part 5(e)(2) above, all references to Party A shall be deemed to be references to the Transferee and the Transferee shall be deemed to have made each of the representations made by Party A pursuant to this Agreement.
- (4) Any determination made by Party B as to whether or not a transfer satisfies the condition in (2)(ii)(y) above, shall be carried out in a commercially reasonable manner.
- (5) If an entity has made a Firm Offer (which remains capable of becoming legally binding upon acceptance) to be the transferee of a transfer to be made in accordance with Part 5(e)(2) above, Party B shall, at Party A's written request and cost, take any reasonable steps required to be taken by it to effect such transfer.
- (6) Party B may transfer (whether by way of security or otherwise) any interest or obligation in or under this Agreement, provided that such transfer is effected by or pursuant to the Transaction Documents.

**(f) Security Interest**

Notwithstanding Section 7, Party A hereby agrees and consents to the assignment by way of security by Party B of its right, title, interest and benefit in to and under this Agreement (without prejudice to, and after giving effect to, any contractual netting provision contained in this Agreement) to the Security Trustee (or any successor thereto or permitted transferee) pursuant to and in accordance with the Deed of Charge and acknowledges notice of such assignment.

(g) **Tax**

This Agreement is amended by deleting Section 2(d) of this Agreement in its entirety and replacing it with the following:

"(d) *Deduction or Withholding for Tax*

(i) *Requirement to Withhold*

All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required (including, for the avoidance of doubt, if such deduction or withholding is required in order for the payer to obtain relief from Tax) by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party (the "X"):

- (1) will promptly notify the other party ("Y") of such requirement;
- (2) will pay or procure payment to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any Gross Up Amount (as defined below) paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;
- (3) will promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and
- (4) if X is Party A, will promptly pay in addition to the payment to which Party B is otherwise entitled under this Agreement, such additional amount (the **Gross Up Amount**) as is necessary to ensure that the net amount actually received by Party B will equal the full amount which Party B would have received had no such deduction or withholding been required.

(ii) *Liability*

If:

- (1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding for or on account of any Tax; and
- (2) X does not so deduct or withhold; and
- (3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent that Y has satisfied or then satisfies the liability resulting from such Tax, (A) where X is Party B, Party A will promptly pay to Party B the amount of such liability (including any related liability for interest and together with an amount equal to the Tax payable by Party B on



receipt of such amount but including any related liability for penalties only if Party A has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)) and Party B will promptly pay to the relevant government revenue authority the amount of such liability (including any related liability for interest and penalties) and (B) where X is Party A and Party A would have been required to pay a Gross Up Amount to Party B, Party A will promptly pay to the relevant government revenue authority the amount of such liability (including any related liability for interest and penalties).

(iii) *Tax Credit etc.*

Where Party A pays a Gross Up Amount in accordance with Section 2(d)(i)(4), Party B undertakes as follows:

- (1) to the extent that Party B obtains, retains and utilises any credit against, allowance, set-off or repayment of Tax from the tax authorities of any jurisdiction relating to that Gross Up Amount or any deduction or withholding giving rise to such payment (a **Tax Credit**), it will pay to Party A, as soon as practicable, so much of the cash benefit (as calculated below) relating thereto which it has received as it reasonably determines will leave it in substantially the same (but in any event no worse) position as Party B would have been in if no such deduction or withholding had been required;
- (2) the "cash benefit", in the case of a Tax Credit, will be the additional amount of Tax which Party B determines would have already become due and payable by Party B in the jurisdiction referred to in clause (1) above but for the obtaining by Party B of the said Tax Credit and, in the case of a repayment, will be the amount of the repayment together, in either case, with any related interest or similar payment obtained by Party B from the relevant tax authority;
- (3) to ensure that any Tax Credit obtained by Party B is paid directly to Party A, and not applied in whole or part to pay any other Issuer Secured Creditor or any other party, both prior to and subsequent to any enforcement of the security constituted by the Deed of Charge.

Nothing contained in this Section 2(d) shall interfere with the right of Party B or Party A to arrange its tax and other affairs in whatever manner it thinks fit and, in particular, neither Party B nor Party A shall be under any obligation to claim relief from Tax on its corporate profits, or from any similar Tax liability, in respect of the Tax, or to claim relief in priority to any other claims, reliefs, credits or deductions available to it. Neither Party B nor Party A shall be obliged to disclose any confidential information relating to the organisation of its affairs."

(iv) *Indemnifiable Tax*

Notwithstanding the definition of "Indemnifiable Tax" in Section 14 of this Agreement, in relation to payments by Party A (subject to Part 5(1) below), any Tax shall be an Indemnifiable Tax and, in relation to payments by Party B, no Tax shall be an Indemnifiable Tax.

(h) **Modifications to close out provisions**

Notwithstanding Section 6 of this Agreement, if an Early Termination Date is designated at a time when Party A is (A) the Affected Party in respect of an Additional Termination Event or (B) the Defaulting Party in respect of any Event of Default, paragraphs (i) to (vi) below shall apply:

- (i) The definition of "Market Quotation" is as follows:

""**Market Quotation**" means, with respect to one or more Terminated Transactions, a Firm Offer which is (1) made by an Eligible Replacement, (2) for an amount, if any, that would be paid to Party B (expressed as a negative number) or by Party B (expressed as a positive number) in consideration of an agreement between Party B and such Eligible Replacement to enter into a transaction (the "**Replacement Transaction**") that would have the effect of preserving for Party B the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under this Agreement in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date, (3) made on the basis that Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included, (4) made in respect of a Replacement Transaction with terms that are, in all material respects, no less beneficial for Party B than those of this Agreement (save for the exclusion of provisions relating to Transactions that are not Terminated Transactions) as determined by Party B and (5) obtained by Party A or Party B."

- (ii) The definition of "Close-out Amount" shall be deleted in its entirety and replaced with the following:

""**Close-out Amount**" means, with respect to any Early Termination Date,

- (1) if, on or prior to such Early Termination Date, a Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions is accepted by Party B so as to become legally binding, the Termination Currency Equivalent of the amount (whether positive or negative) of such Market Quotation; or
- (2) if on such Early Termination Date, no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been accepted by Party B so as to become legally binding and one or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, the Termination Currency Equivalent of the amount (whether positive or negative) of the lowest of such Market Quotations; (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value); or
- (3) if on such Early Termination Date, (x) no Market Quotation for the relevant Terminated Transaction or group of Terminated Transactions has been

accepted by Party B so as to become legally binding and (y) no Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B's Close-out Amount (as determined by Party B (as Determining Party) without reference to the amendments made to the definition of Close-out Amount by this Part 5(h) of the Schedule) (whether positive or negative and, for the avoidance of doubt, without reference to any Unpaid Amounts) for the relevant Terminated Transaction or group of Terminated Transactions."

- (iii) If Party B elects to determine whether or not a Firm Offer satisfies the condition in sub-paragraph (4) of the definition of "Market Quotation" it shall do so in a commercially reasonable manner.
- (iv) At any time on or before the Early Termination Date at which two or more Market Quotations have been communicated to Party B and remain capable of becoming legally binding upon acceptance by Party B, Party B shall be entitled to accept only the lowest of such Market Quotations (for the avoidance of doubt, (i) a Market Quotation expressed as a negative number is lower than a Market Quotation expressed as a positive number and (ii) the lower of two Market Quotations expressed as negative numbers is the one with the largest absolute value).
- (v) If Party B requests Party A in writing to obtain Market Quotations, Party A shall use its reasonable efforts to do so before the Early Termination Date.
- (vi) Any amount owed to Party B under Section 6(e) will be payable on the day that notice, given in accordance with Section 6(d), of the amount payable is effective.

(i) **Third Party Rights**

Subject to the provisions of the Transaction Documents, a person who is not a party to this Agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this Agreement, but this does not affect any right or remedy that exists or is available apart from that Act.

(j) **Disapplication of certain Events of Default.**

- (i) Sections 5(a)(ii) (*Breach of Agreement; Repudiation of Agreement*) of this Agreement will not apply in respect of Party B.
- (ii) Section 5(a)(iii) (*Credit Support Default*) of this Agreement will not apply in respect of Party B.
- (iii) Section 5(a)(iv) (*Misrepresentation*) of this Agreement will not apply in respect of Party B.
- (iv) Section 5(a)(v) (*Default Under Specified Transaction*) of this Agreement will not apply in respect of Party B.
- (v) Section 5(a)(vii) (*Bankruptcy*) will not apply in respect of Party B.
- (vi) Section 5(a)(viii) (*Merger Without Assumption*) of this Agreement will not apply in respect of Party B.

(k) **Disapplication of certain Termination Events.**

- (i) Section 5(b)(iii) of this Agreement (*Tax Event*) will apply provided that the following language from Section 5(b)(iii) shall be deleted "(1) any action taken by a taxing authority, or brought in a court of competent jurisdiction, after a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (2)".
- (ii) Section 5(b)(iv) of this Agreement (*Tax Event upon Merger*) will apply, provided that Party A shall not be entitled to designate an Early Termination Date or effect a transfer pursuant to Section 6(b)(ii) by reason of a Tax Event Upon Merger in respect of which it is the Affected Party.

(l) **Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act.**

"Tax" as used in Part 2(a) of this Schedule (*Payer Tax Representation*) and "Indemnifiable Tax" as defined in Section 14 of this Agreement shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "**FATCA Withholding Tax**"). For the avoidance of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of this Agreement.

- (m) **Limited Recourse.** Party A acknowledges and agrees that all obligations of Party B in respect of amounts owing to the Party A pursuant to this Agreement are subject to the terms of Clauses 6.2 (*Pre-enforcement Priority of Payments*) and 22.2 (*Limited Recourse*) of the Deed of Charge.

- (n) **Non-Petition.** Party A acknowledges and agrees that it shall be bound by the terms of Clause 22.1 (*Non-Petition in relation to the Issuer*) of the Deed of Charge.

(o) **No Set-Off**

- (i) Neither party shall, for the avoidance of doubt, be entitled to set-off any obligations due and payable by it to the other under any agreement(s), instrument(s), undertaking(s) or bank deposit arrangements other than this Agreement (the "Obligations") against its rights or claims or withhold the performance of the Obligations based on its rights or claims hereunder.
- (ii) All payments under this Agreement shall be made without set-off or counterclaim, except as expressly provided for in Section 2(c) or Section 6.
- (iii) Section 6(f) shall be deleted and replaced with the words "Notwithstanding any other provision of this Section, if a Party (the "Paying Party") would, but for this sentence, be required to pay an amount pursuant to this Section, it may, by giving written notice to the other Party, cause the amount so payable to be reduced by the lesser of (i) such amount and (ii) the aggregate amount payable to the Paying Party pursuant to any demands made under Section 11 on or before the Early Termination Date.

(p) **Amendments to certain Transaction Documents**

Party B agrees to obtain the written consent of Party A (such consent not to be unreasonably withheld or delayed) prior to agreeing any modification, supplement, waiver or consent in respect of a Transaction Document, if, in the reasonable opinion of Party A, such modification, supplement, waiver consent would materially adversely affect:

- (i) the Pre Enforcement Priority of Payments, the Post Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments;
- (ii) the amount, timing or priority of any payments or deliveries due to be made by or to Party A;
- (iii) Party A's status as a Secured Creditor;
- (iv) the rights of Party A in relation to the Security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such Security granted by Party B in favour of the Security Trustee on behalf of the Secured Creditors);
- (v) any other terms which would modify a payment date under any Swap Agreement or cause the Notes to be redeemed in full or the Portfolio to be sold or otherwise disposed of in full (other than as permitted or contemplated by the Transaction Documents as at the date of this Agreement); or
- (vi) the definitions of any terms used in any Transaction Documents relating to the above matters.

Party B further agrees that, any amendment, variation, novation, supplement, restatement or replacement of any Transaction Document shall only affect the provisions of the Swap Agreement if it has been consented by Party A prior to such amendment, variation, novation, supplement, restatement or replacement.

(q) **Notices to the Noteholders and Certificateholders**

Party B shall procure that a copy of any notice which is to be given to the Noteholders and Certificateholders in accordance with the Notices Conditions shall be supplied to Party A. In respect of any notice to which this provision applies, Party A agrees and acknowledges that the delivery to it of a copy of such notice pursuant to Clause 9.5 (*Publication and delivery of notices*) of the Agency Agreement shall discharge Party B's obligation hereunder.

(r) **Unpaid Amounts**

For the purpose of determining Unpaid Amounts, any payment or delivery obligation which was (or would have been but for Section 2(a)(iii)) required to be performed pursuant to paragraph 2 of the Credit Support Annex shall be disregarded.

(s) **Expenses**

Section 11 shall be deleted in its entirety and replaced by the following:

"A Defaulting Party or an Affected Party (if such Affected Party is Party A) will, on demand, indemnify and hold harmless the other party for and against the Termination Currency Equivalent of all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under

this Agreement or any Credit Support Document to which such Defaulting Party or Affected Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection and costs incurred in connection with procuring a replacement for this Agreement (other than any amount paid or payable to a replacement counterparty). If, following the making of one or more demands under this Section 11, a reduction is effected pursuant to the last sentence of the first paragraph in Section 6(e), the aggregate amount payable in respect of such demands shall be deemed to be discharged to the extent of the amount of such reduction."

(t) **EMIR Status**

Party B will be deemed to represent to Party A on each date on which it enters into a Transaction that it is a "non-financial counterparty" (as such term is defined in 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 ("**EMIR**")) and it is not subject to a clearing obligation pursuant to Article 10(1)(b) of EMIR in respect of such Transaction.

If at any time Party B becomes subject to a clearing obligation pursuant to EMIR it shall notify Party A thereof as soon as is reasonably practicable.

(u) **ISDA 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol.**

Parts I to III of the attachment to the ISDA 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol published by ISDA on 19 July 2013 and available on the ISDA website ([www.isda.org](http://www.isda.org)) (the **PDD Protocol**) are incorporated herein as if set out in full in this Agreement but with the following amendments.

- (i) The definition of "Adherence Letter" is deleted and references to "Adherence Letter", "such party's Adherence Letter" and "Adherence Letter of such party" are deemed to be references to this Part 5(u),
- (ii) References to "Implementation Date" are deemed to be references to the date of this Agreement.
- (iii) The definition "Protocol" is deemed to be deleted and replaced with the above definition of PDD Protocol and the defined term "Protocol" shall be replaced wherever it occurs with "PDD Protocol".
- (iv) The definitions of Portfolio Data Sending Entity and Portfolio Data Receiving Entity are replaced with the following:

**"Portfolio Data Sending Entity"** means Party A; and

**"Portfolio Data Receiving Entity"** means Party B.

(v) **Local Business Days**

Party A specifies the following place(s) for the purposes of the definition of Local Business Day as it applies to it: London.

Party B specifies the following place(s) for the purposes of the definition of Local Business Day as it applies to it: London.

(vi) Use of agents

With respect to Part I(3)(a):

Party A appoints as its agent(s): None.

Party B appoints as its agent(s): The Servicer (OneSavings Bank PLC)

(vii) Use of a third party service provider

For the purposes of Part I(3):

Not relevant.

(viii) Contact details for Portfolio Data, discrepancy notices and Dispute Notices

Party A agrees to deliver the following items to Party B to the contact details shown below:

Portfolio Data: capitalmarkets-uk@cscgfm.com

Notice of a discrepancy: capitalmarkets-uk@cscgfm.com

Dispute Notice: capitalmarkets-uk@cscgfm.com

Party B agrees to deliver the following items to Party A to the contact details shown below:

Portfolio Data: portfoliomatching@lloydsbanking.com

Notice of a discrepancy: portfoliomatching@lloydsbanking.com

Dispute Notice: portfoliomatching@lloydsbanking.com

Any notice given by email in accordance with this Part 5(u)(viii) will be deemed effective on the date it is delivered unless the date of that delivery (or attempted delivery) is not a Local Business Day or, subject to Part I(1)(a)(iv) of the PDD Protocol, that communication is delivered (or attempted) after the close of business on a Local Business Day, in which case that communication will be deemed given and effective on the first following day that is a Local Business Day.

IN WITNESS WHEREOF the parties have executed this Schedule on the respective dates specified below with effect from the date specified on the first page of this document.

**LLOYDS BANK CORPORATE  
MARKETS PLC**

**CANTERBURY FINANCE NO. 1 PLC**



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By: ASHLEY BAULN  
Title: ASSOCIATE DEARATION  
Date: 12 July 2019

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By: CSC Directors (No.1) Limited  
Title: Director  
Date:

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By:  
Title:  
Date:

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By: CSC Directors (No.2) Limited  
Title: Director  
Date:



**IN WITNESS WHEREOF** the parties have executed this Schedule on the respective dates specified below with effect from the date specified on the first page of this document.

**LLOYDS BANK CORPORATE  
MARKETS PLC**

**CANTERBURY FINANCE NO. 1 PLC**

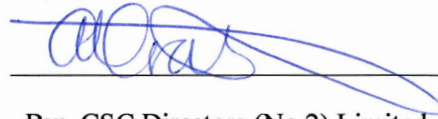


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By:  
Title:  
Date:

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By: CSC Directors (No.1) Limited  
Title: Director  
Date: 12 July 2019



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By:  
Title:  
Date:

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By: CSC Directors (No.2) Limited  
Title: Director  
Date: 12 July 2019