

CHARTER MORTGAGE FUNDING 2018-1 PLC

1 Bartholomew Lane, London, EC2N 2AX

U.S. Bank Trustees Limited

125 Old Broad Street

Fifth Floor

London EC2N 1AR

as **Note Trustee** and **Security Trustee**

_____ June 2021

Dear Sir/Madam,

£261,690,000 Class A Mortgage Backed Floating Rate Notes due June 2055
(ISIN: XS1821502405) (of which £96,817,205 are outstanding) (the **Class A Notes**)

£7,150,000 Class B Mortgage Backed Floating Rate Notes due June 2055 (ISIN: XS1821502744)
(of which £7,150,000 are outstanding) (the **Class B Notes**)

£7,150,000 Class C Mortgage Backed Floating Rate Notes due June 2055 (ISIN: XS1821503049)
(of which £7,150,000 are outstanding) (the **Class C Notes**)

£7,150,000 Class D Mortgage Backed Floating Rate Notes due June 2055 (ISIN: XS1821503478)
(of which £7,150,000 are outstanding) (the **Class D Notes**)

£2,860,000 Class E Mortgage Backed Floating Rate Notes due June 2055 (ISIN: XS1821503635)
(of which £2,860,000 are outstanding) (the **Class E Notes**, and together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the **Notes**)

RC1 Residual Certificates representing the right to the RC1 Payments due under the Trust Deed (ISIN: XS1821827372) (the RC1 Residual Certificates)

RC2 Residual Certificates representing the right to the RC2 Payments due under the Trust Deed (ISIN: XS1821827703) (the RC2 Residual Certificates, and together with the RC1 Residual Certificates, the Residual Certificates)

Capitalised terms in this Certificate shall, except where otherwise defined in this Certificate or where the context in this Certificate otherwise requires, have the meanings given to them in the trust deed dated 8 June 2018 between the Issuer, the Note Trustee and the Security Trustee (the **Trust Deed**) or in the master definitions and construction schedule dated 8 June 2018 signed for the purposes of identification by, inter alia, the Issuer, the Note Trustee and Security Trustee (the **Master Definitions and Construction Schedule**).

The Issuer intends to carry out a transition of LIBOR to the Sterling Over Night Index Average (**SONIA**) base rate under Notes Condition 13.6 and Residual Certificates Condition 12.6, and has separately, with the Servicer, provided the Note Trustee and the Security Trustee with a Base Rate Modification Certificate relating to the amendments required to the Notes Conditions, Residual Certificates Conditions and certain Transaction Documents in connection with the proposed transition (the **Base Rate Modification Certificate**). In addition to the modifications resulting from the proposed LIBOR to SONIA transition, the Issuer is requesting the Note Trustee and the Security Trustee to consent to certain additional amendments to be made to the Transaction Documents which fall outside of the scope of the Base Rate Modification and the Swap Rate Modification for expediency purposes and as further set out below in detail.

These additional amendments consist of (i) the references to the Euro OverNight Index Average (**EONIA**) in the Swap Credit Support Annex relating to the interest rate applied to any Euro collateral posted under the Swap Credit Support Annex being amended to the Euro Short Term Rate (**€STR**) *plus* 0.085% as set out in Appendix 1 to this Certificate (the **Swap Credit Support Annex Amendments**); (ii) correcting certain cross-referencing errors in the Amended Documents (as defined in Schedule 1 of the Base Rate Modification Certificate) as set out in Appendix 2 to this Certificate (the **Cross-Referencing Amendments**); and (iii) including Bail-In language in the Agency Agreement and Cash Management Agreement as set out in Appendix 3 to this Certificate (the **Bail-In Language Amendments**, and together with the Swap Credit Support Annex Amendments, the Cross-Referencing Amendments and the Bail-in Language Amendments, the **Additional Amendments**).

1. **Swap Credit Support Annex Amendments**

On 13 September 2018, the Working Group on Euro Risk-Free Rates (the **Euro Working Group**) (an industry led group established in 2018 to identify a risk free rate for the euro market and to guide transition to the selected risk free rate) recommended that €STR be the risk free rate for the euro market and that €STR should replace EONIA as the market's overnight rate. Later, on 14 March 2019, the Euro Working Group recommended that market participants should gradually replace their use of EONIA with the use of €STR.

Following recommendations made by the Euro Working Group, the European Money Market Institute (**EMMI**) (the administrator of EONIA) announced on 31 May 2019 that EONIA will be discontinued on 3 January 2022. This date is intended to act as an incentive for the market to fully adopt €STR as the replacement to EONIA. In this regard, we refer to the following items which are available from the website of the European Central Bank (**ECB**) and EMMI at <https://www.ecb.europa.eu/home/html/index.en.html> and <https://www.emmi-benchmarks.eu/emmi/>, respectively:

- (a) the statement of the ECB entitled "*Private sector working group on euro risk-free rates recommends ESTER as euro risk-free rate*" dated 13 September 2018;
- (b) the statement of the ECB entitled "*Working group on euro risk-free rates recommends transition path from EONIA to €STR and €STR-based forward-looking term structure methodology*" dated 14 March 2019;
- (c) the statement of EMMI entitled "*EMMI published stakeholder consultation feedback summary on recommendations for EONIA by the Euro Risk-Free Rates Working Group*" dated 31 May 2019; and
- (d) the statement of EMMI entitled "*Planned cessation of EONIA on 3 January 2022*" dated 12 February 2021.

The Swap Credit Support Annex between the Issuer and Natixis, London Branch (the **Swap Provider**) refers to EONIA as the interest rate with respect to collateral posted under the Swap Credit Support Annex. As described in the paragraph above, EONIA is scheduled to be discontinued in March 2022, and the Euro Working Group and EMMI (as administrator of EONIA) have made recommendations to the industry to transition from EONIA to €STR. The Issuer has therefore determined that in light of the planned discontinuation of EONIA and the recommendations by the ECB and EMMI as further described above, the references to EONIA in the Swap Credit Support Annex should be amended to €STR *plus* 0.085% as set out in blackline format in Appendix 1 to this Certificate. As stated above, the Issuer intends to carry out a LIBOR to SONIA transition under Notes Condition 13.6 and Residual Certificates Condition 12.6, and as a result, given the recommendations from the Euro Working Group

and EMMI, the Swap Provider has requested that the EONIA to €STR transition is also completed at the same time for expediency.

2. Cross-Referencing Amendments

During the review process undertaken in order to ascertain what amendments were required as a result of the proposed LIBOR to SONIA transition, the Issuer noted that the relevant Transaction Documents that are intended to be amended to reflect the proposed Base Rate Modification and Swap Rate Modification to be undertaken in accordance with Notes Condition 13.6 and Residual Certificates Condition 12.6 contained manifest errors in relation to certain cross-references. The relevant cross-references appeared as "Error! Reference source not found." in Schedule 2, paragraph 9(s) of the Cash Management Agreement and in Schedule 3, Residual Condition 6.2(g) of the Trust Deed and are evidently manifestly incorrect. The Issuer hereby certifies that the errors in such cross-references are manifest errors and is proposing to fix these manifest errors by referencing the correct cross-references that are set out in the equivalent provisions contained within the Prospectus. As the Cash Management Agreement and the Trust Deed are being amended as a result of the proposed Base Rate Modification and proposed Swap Rate Modification in any event, the Issuer believes that it is advisable to correct the manifest errors in relation to such cross-references at the same time. The proposed amendments to correct the manifest errors in relation to such cross-references are set out in Appendix 2.

3. Bail-In Language Amendments

Following the exit of the United Kingdom (UK) from the European Union (EU) at 11 p.m. on 31 December 2020, EU financial institutions (if they may incur a liability which could be subject to an EU bail-in, regardless of the capacity in which they are acting on the transaction) are required by Article 55 of the Bank Recovery and Resolution Directive (BRRD) to include a "contractual recognition of EU bail-in" clause in various contracts where those contracts are governed by non-EU laws, such as English law. The requirement also applies where an existing contract is materially amended. While reviewing the Transaction Documents as part of the LIBOR to SONIA transition, Elavon Financial Services DAC (Elavon) (as Cash Manager, Principal Paying Agent, Agent Bank and Registrar) noted that it could potentially incur liability under the Agency Agreement and Cash Management Agreement and as a result, is required under Article 55 of the BRRD to include contractual recognition of bail-in language. As the Agency Agreement and Cash Management Agreement are being amended as part of the proposed Base Rate Modification, the amendments to be made as a result of the requirements of Article 55 of the BRRD are set out in Appendix 3 to this Certificate.

4. Certification

We, being two Directors of the Issuer, certify as follows:

- (a) EONIA is currently the interest rate applied to any Euro collateral posted under the Swap Credit Support Annex. Any interest payable on collateral posted under the Swap Credit Support Annex only affects the interest paid by the Issuer to the Swap Provider under the Swap Credit Support Annex and does not relate to any interest or principal payments made to Noteholders or any payments to the Certificateholders;
- (b) the Cross-Referencing Amendments are required to correct manifest errors;
- (c) as the Cash Management Agreement and the Agency Agreement are being amended under the LIBOR to SONIA transition, the Bail-In Language Amendments are required pursuant to Article 55 of the BRRD;

- (d) the Additional Amendments would not have an impact on the interest and principal relating to the Noteholders and/or Certificateholders, and would not be materially prejudicial to the interests of Noteholders and/or Certificateholders;
- (e) there is no current Event of Default and no Event of Default will occur as a result of entering into the Additional Amendments;
- (f) the information set out in this Certificate is accurate, true and complete, to the best of our knowledge, information and belief, having made all reasonable enquiries and does not, to our knowledge, information and belief, having made all reasonable enquiries, contain any untrue statements of a material fact or omit to state any material facts;
- (g) there are no other requirements, consents or waivers required to implement the Additional Amendments and there are no other provisions in the Transaction Documents that override the Note Trustee's or the Security Trustee's ability to consent to the Additional Amendments;
- (h) each of the relevant Secured Creditors has provided its prior consent to the relevant Additional Amendments, such consent to be conclusively demonstrated by its entering into an amendment to, or amendment and restatement of, the relevant Transaction Documents reflecting the Additional Amendments; and
- (i) the Additional Amendments would not fall under a Basic Terms Modification.

Pursuant to Clause 25.1 (*Modification to Transaction Documents*) of the Trust Deed, Notes Condition 13.5 (*Modification to the Transaction Documents*) and Residual Certificates Condition 12.5 (*Modification to the Transaction Documents*) and Clause 25.7 (*Modification to the Transaction Documents*) of the Deed of Charge, the Note Trustee or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), may agree with the Issuer and any other parties in making or sanctioning any modification other than in respect of a Basic Terms Modification, to the Notes Conditions, the Residual Certificates Conditions, the Trust Deed or any other Transaction Document, (i) which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) will not be materially prejudicial to the interests of the Noteholders (or if there are no Notes outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee, or (ii) where in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), such modification is to correct a manifest error.

As the Additional Amendments will result in amending certain Transaction Documents, the Issuer requests the Note Trustee, or as the case may be, the Security Trustee, to agree (and in the case of the Note Trustee, to instruct the Security Trustee to agree), without the consent of the Noteholders or Certificateholders in accordance with Clause 25.1 (*Modification to Transaction Documents*) of the Trust Deed, Notes Condition 13.5 (*Modification to the Transaction Documents*), Residual Certificates Condition 12.5 (*Modification to the Transaction Documents*) and Clause 25.7 (*Modification to the Transaction Documents*) of the Deed of Charge, to approve the Additional Amendments.


The Issuer acknowledges that the Note Trustee, or as the case may be, the Security Trustee, in providing the above consent, shall rely on, and have the benefit of, the rights, indemnities and protections afforded to it under the Trust Deed and/or Deed of Charge (as applicable).

This Certificate constitutes a certificate within the meaning of Clause 20(c) of the Trust Deed and Clause 24.1(h) of the Deed of Charge.

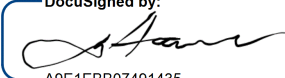
This Certificate, and any non-contractual obligations arising out of or in connection with it, is governed by, and shall be construed in accordance with, English law.

Yours faithfully

Charter Mortgage Funding 2018-1 plc (as Issuer)

By:  DocuSigned by:
Name: 2246A3983D24489...

Title: Director

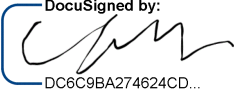
By:  DocuSigned by:
Name: A9E1EBB07491435...

Title: Director

Acknowledgement and approval

In reliance upon this Certificate and pursuant to Clause 25.1 (*Modification to Transaction Documents*) of the Trust Deed, Notes Condition 13.5 (*Modification to the Transaction Documents*), Residual Certificates Condition 12.5 (*Modification to the Transaction Documents*) and Clause 25.7 (*Modification to the Transaction Documents*) of the Deed of Charge, the Note Trustee agrees and hereby instructs the Security Trustee to agree to the Additional Amendments.

U.S. Bank Trustees Limited (as Note Trustee and Security Trustee)

By:  DocuSigned by:
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Appendix 1 – Swap Credit Support Annex Amendments



International Swaps and Derivatives Association, Inc.

AMENDMENT

dated ____ June 2021

to the

2002 ISDA MASTER AGREEMENT

dated as of 8 June 2018

between

NATIXIS, LONDON BRANCH ("Party A")

and

CHARTER MORTGAGE FUNDING 2018-1 PLC ("Party B")

(the "**Agreement**")

The parties have previously entered into the Agreement, such term includes reference to the Credit Support Annex dated as of 8 June 2018 between Party A and Party B (the "**Original Credit Support Annex**") and the Confirmation dated as of 8 June 2018 between Party A and Party B (the "**Original Confirmation**") and have now agreed to amend the Agreement (as amended, restated or supplemented from time to time) by the terms of this amendment (this "**Amendment**").

Accordingly, in consideration of the mutual agreements contained in this Amendment, the parties agree as follows:

1. Amendment to the Agreement

With effect from the date of this Amendment:

- (a) the Original Confirmation is deleted in its entirety and replaced with the confirmation set out in Schedule 1 (the "**Amended and Restated Confirmation**");
- (b) the Transaction governed by the Original Confirmation (the "**Original Transaction**") will be governed by the Amended and Restated Confirmation;
- (c) paragraph 11 of the Original Credit Support Annex is deleted in its entirety and replaced with the paragraph 11 as set out in Schedule 2; and
- (d) the provisions contained in the revised paragraph 11 set out in Schedule 2 will apply to the Original Transaction.

- (vi) **Value.** Paragraph (i)(B) of the definition of "Value" shall be deleted in its entirety and replaced with the following: "(i)(B) a security, the Base Currency Equivalent of the bid price obtained by the Valuation Agent (or, if the Valuation Agent is a Defaulting Party and the Transferee has, by way of written notice to the Valuation Agent, nominated another entity to calculate the Value of securities (and such entity has accepted such nomination in writing), such entity, provided that the Valuation Agent shall have no liability to any person in respect of any determination made by such other entity) multiplied by the applicable Valuation Percentage, if any; and".
- (d) **Exchange Date.** "Exchange Date" has the meaning specified in Paragraph 3(c)(ii).
- (e) **Dispute Resolution.**
- (i) **"Resolution Time"** means 1.00 p.m., London time, on the Local Business Day following the date on which notice is given that gives rise to a dispute under Paragraph 4.
- (ii) Paragraph 4(a)(4)(i)(B) will be deleted and will be replaced with the following:
- "(B) calculating that part of the Exposure attributable to the Transactions in dispute by seeking four actual quotations at mid-market from third parties for purposes of calculating the relevant Close-out Amount, and taking the arithmetic average of those obtained; provided that if four quotations are not available for a particular Transaction, then fewer than four quotations may be used for that Transaction, and if no quotations are available for a particular Transaction, then the Valuation Agent's original calculations will be used for that Transaction; and"
- (iii) **"Value".** For the purpose of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the outstanding Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, on the relevant date, will be calculated as follows:
- (A) with respect to any cash, the Base Currency Equivalent of the amount thereof, multiplied by the applicable Valuation Percentage.
- (iv) **"Alternative".** The provisions of Paragraph 4 will apply.
- (f) **Interest Amount.**
- (i) **Interest Rate.** The "Interest Rate", with respect to the Eligible Currency specified below will be:

<i>Eligible Currency</i>	<i>Interest Rate</i>
GBP	SONIA
EUR	€ONIA <u>€STR plus 0.085%</u>
USD	Fed Funds

~~"EONIA" means the Euro OverNight Index Average rate, as calculated~~ESTR" means, in respect of any day, the Euro Short Term Rate (EUROSTR) administered by the European Central Bank and shown on Reuters page EONIA("ECB") (or any successor page) administrator) and published on the ECB's website for that day.

"**Fed Funds**" means the Federal Funds (Effective) rate published in N.Y. Federal Reserve Statistical Release H.15(519) for that day (or any successor publication).

"**SONIA**" means the Sterling Overnight Interbank Average Rate as published by the Wholesale Market Brokers Association (or any future body responsible for publication of the rate in place of the Wholesale Market Brokers Association) and shown on Reuters page SONIA (or any successor page).

- (ii) **Transfer of Interest Amount.** The transfer of a positive Interest Amount will be made on the first Local Business Day following the end of each calendar month or, if that date is not a Valuation Date, the next following Valuation Date. Notwithstanding the foregoing, no transfer of a positive Interest Amount shall apply unless the Transferee has earned and received such amount of interest (and such amount is net of any deduction or withholding for or on account of tax), and the Transferee shall only be obliged to transfer a positive Interest Amount to the extent that the Valuation Agent has confirmed in writing that no Delivery Amount will be created or increased by the transfer. The transfer of an AV Negative Interest Amount will be made on the first Local Business Day following the end of each calendar month and on any Local Business Day on which Eligible Credit Support is transferred to the Transferee pursuant to Paragraph 2(a).
- (iii) **Alternative to Interest Amount.** The provisions of Paragraph 5(c)(ii) (as amended herein) will apply.
- (iv) **Interest Amount.** The definition of "Interest Amount" in Paragraph 10 shall be deleted and replaced with the following:

"**Interest Amount**" means, with respect to an Interest Period and each portion of the Credit Support Balance comprised of cash in an Eligible Currency, the sum of the amounts of interest determined for each day in that Interest Period on the principal amount of the portion of the Credit Support Balance comprised of cash in such Eligible Currency, determined by the Valuation Agent as follows:

- (1) the amount of such currency comprised in the Credit Support Balance at the close of business for general dealings in the relevant currency on such day (or, if such day is not a Local Business Day, on the immediately preceding Local Business Day); multiplied by
 - (2) the relevant Interest Rate in effect for that day; divided by
 - (3) 360 (or in the case of pounds sterling, 365)."
- (v) **Credit Support Balance.** The definition of "Credit Support Balance" in paragraph 10 shall be amended by the deletion of the last sentence and, for the avoidance of doubt, it

Appendix 2 – Cross-Referencing Amendments

AMENDED AND RESTATED CASH MANAGEMENT AGREEMENT

_____ June 2021

ELAVON FINANCIAL SERVICES DAC

as Cash Manager

and

CHARTER MORTGAGE FUNDING 2018-1 PLC

as Issuer

and

U.S. BANK TRUSTEES LIMITED

as Security Trustee

and

CHARTER MORTGAGES LIMITED

as Servicer and Seller

and

NATIXIS, LONDON BRANCH

as Swap Provider

- (h) *eighth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class B Notes;
- (i) *ninth*, to credit the Class A and Class B Liquidity Reserve Fund Ledger up to the Class A and Class B Liquidity Reserve Fund Required Amount;
- (j) *tenth*, (so long as the Class B Notes remain outstanding following such Interest Payment Date), to credit the Class B Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (k) *eleventh*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class C Notes;
- (l) *twelfth*, (so long as the Class C Notes remain outstanding following such Interest Payment Date), to credit the Class C Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (m) *thirteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class D Notes;
- (n) *fourteenth*, (so long as the Class D Notes remain outstanding following such Interest Payment Date), to credit the Class D Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (o) *fifteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class E Notes;
- (p) *sixteenth*, (so long as the Class E Notes remain outstanding following such Interest Payment Date), to credit the Class E Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);
- (q) *seventeenth*, to credit the General Reserve Fund Ledger up to the General Reserve Fund Required Amount;
- (r) *eighteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay in accordance with the terms of the Swap Agreement to the Swap Provider in respect of any Hedge Subordinated Amounts (to the extent not satisfied by payment to the Swap Provider by the Issuer of any applicable Replacement Swap Premium or from the Swap Collateral Account Priority of Payments);
- (s) *nineteenth*, on any Interest Payment Date occurring on or after the Optional Redemption Date or the Final Redemption Date an amount equal to the lesser of:
 - (i) all remaining amounts (if any); and
 - (ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to 10(f) (inclusive) of the Pre-Enforcement Redemption Priority of Payments, less any Available Redemption Receipts (other than item ~~Error! Reference source not found.~~(c) of the definition thereof) otherwise available to the Issuer,

AMENDED AND RESTATED TRUST DEED

____ June 2021

Between

CHARTER MORTGAGE FUNDING 2018-1 PLC
as Issuer

and

U.S. BANK TRUSTEES LIMITED
as Note Trustee and Security Trustee

Determination Period and each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments.

- (a) **"Determination Period"** has the meaning set out in Condition 6.9 (*Determinations and Reconciliation*).
- (b) **"Interest Payment Date"** means each date determined as an Interest Payment Date in accordance with the Conditions of the Notes.
- (c) **"RC1 Payment"** means:
 - (i) prior to (but excluding) the Optional Redemption Date, an amount equal to the Residual Payment; and
 - (ii) thereafter, zero.
- (d) **"RC1 Payment Amount"** means for a RC1 Residual Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the RC1 Payment for that date, divided by the number of RC1 Residual Certificates then in issue.
- (e) **"RC2 Payment"** means:
 - (i) on and following the Optional Redemption Date, an amount equal to the Residual Payment; and
 - (ii) at all other times, zero.
- (f) **"RC2 Payment Amount"** means for a RC2 Residual Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the RC2 Payment for that date, divided by the number of RC2 Residual Certificates then in issue.
- (g) **"Residual Payment"** means payment, by way of deferred consideration for the Issuer's purchase of the Portfolio, of an amount equal to:
 - (i) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date, the sum of the amount (if any) by which Available Revenue Receipts exceeds the amounts required to satisfy items ~~Error! Reference source not found. to Error! Reference source not found. (a) to (v)~~ of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and
 - (ii) following the delivery of an Enforcement Notice, in respect of each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items ~~Error! Reference source not found. to Error! Reference source not found. (a) to (l)~~ of the Post-Enforcement Priority of Payments on that date.

Appendix 3 - Bail-In Language Amendments

AMENDED AND RESTATED CASH MANAGEMENT AGREEMENT

_____ June 2021

ELAVON FINANCIAL SERVICES DAC

as Cash Manager

and

CHARTER MORTGAGE FUNDING 2018-1 PLC

as Issuer

and

U.S. BANK TRUSTEES LIMITED

as Security Trustee

and

CHARTER MORTGAGES LIMITED

as Servicer and Seller

and

NATIXIS, LONDON BRANCH

as Swap Provider

so, any defence or claim that the English courts are an inconvenient forum for the maintenance or hearing of such action or proceeding.

30 CONTRACTUAL RECOGNITION OF BAIL-IN

30.1 The Cash Manager is authorised and regulated by the Central Bank of Ireland ("CBOI"). The Cash Manager is additionally authorised by the UK Prudential Regulation Authority ("PRA") and its activities in the UK are subject to limited regulation by the UK Financial Conduct Authority ("FCA") and the PRA.

30.2 Notwithstanding anything to the contrary in this Agreement or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of the Cash Manager arising under this Agreement or any such other document, to the extent such liability is unsecured or not otherwise exempted, may be subject to the write-down and conversion powers of a Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by a Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such party, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other agreement; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any Resolution Authority.

For the purpose of this sub-clause 30.2 the following terms shall have the following meanings:

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority to exercise any Write-down and Conversion Powers.

"Write-Down and Conversion Powers" means,

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and

(b) any powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and any similar or analogous powers under that Bail-In Legislation.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed the day and year first before written.

AMENDED AND RESTATED AGENCY AGREEMENT

____ June 2021

Between

CHARTER MORTGAGE FUNDING 2018-1 PLC
as Issuer

and

U.S. BANK TRUSTEES LIMITED
as Note Trustee and Security Trustee

and

ELAVON FINANCIAL SERVICES DAC, UK BRANCH
as Principal Paying Agent and Agent Bank

and

ELAVON FINANCIAL SERVICES DAC
Registrar

28 CONTRACTUAL RECOGNITION OF BAIL-IN

28.1 The Principal Paying Agent, the Agent Bank and the Registrar is authorised and regulated by the Central Bank of Ireland ("CBOI"). Each of the Principal Paying Agent and the Agent Bank is additionally authorised by the UK Prudential Regulation Authority ("PRA") and its activities in the UK are subject to limited regulation by the UK Financial Conduct Authority ("FCA") and the PRA.

28.2 Notwithstanding anything to the contrary in this Agreement or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of the Principal Paying Agent, Agent Bank and/or Registrar arising under this Agreement or any such other document, to the extent such liability is unsecured or not otherwise exempted, may be subject to the write-down and conversion powers of a Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by a Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such party, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other agreement; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any Resolution Authority.

For the purpose of this sub-clause 28.2 the following terms shall have the following meanings:

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and in relation to any other state, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority to exercise any Write-down and Conversion Powers.

"Write-Down and Conversion Powers" means,

(a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule; and

(b) any powers under the Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and any similar or analogous powers under that Bail-In Legislation.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.