



International Swaps and Derivatives Association, Inc.

NOVATION AGREEMENT

dated as of 12 July 2019 among:

Lloyds Bank Corporate Markets plc (the "**Remaining Party**"),
OneSavings Bank PLC (the "**Transferor**")
and
Canterbury Finance No. 1 plc (the "**Transferee**").

The Transferor and the Remaining Party have entered into a Transaction (the "**Old Transaction**"), evidenced by the Confirmation (the "**Old Confirmation**") attached hereto as Annex 1 which is subject to a 2002 ISDA Master Agreement (including the Schedule thereto and a Credit Support Annex to such Schedule) dated as of 22 September 2011 between the Remaining Party and the Transferor (as amended from time to time) (the "**Old Agreement**").

The Remaining Party and the Transferee have entered into a 2002 ISDA Master Agreement, including the Schedule thereto and a Credit Support Annex to such Schedule, dated on or around the date of this Novation Agreement (the "**New Agreement**").

With effect from and including 12 July 2019 (the "**Novation Date**") the Transferor wishes to transfer by novation to the Transferee, and the Transferee wishes to accept the transfer by novation of, all the rights, liabilities, duties and obligations of the Transferor under and in respect of the Old Transaction, with the effect that the Remaining Party and the Transferee enter into a new transaction (the "**New Transaction**") between them having terms identical to those of the Old Transaction, except and as more particularly described below.

The Remaining Party wishes to accept the Transferee as its sole counterparty with respect to the New Transaction.

The Transferor and the Remaining Party wish to have released and discharged, as a result and to the extent of the transfer described above, their respective obligations under and in respect of the Old Transaction.

Accordingly, the parties agree as follows:

1. Definitions.

Terms defined in the ISDA Master Agreement as published in 2002 by the International Swaps and Derivatives Association, Inc., (the "**2002 ISDA Master Agreement**") are used herein as so defined, unless otherwise provided herein.

2. Transfer, Release, Discharge and Undertakings.

With effect from and including the Novation Date and in consideration of the mutual representations, warranties and covenants contained in this Novation Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties):

- (a) the Remaining Party and the Transferor are each released and discharged from further obligations to each other with respect to the Old Transaction and their respective rights against each other thereunder are cancelled, provided that such release and discharge shall not affect any rights, liabilities or obligations of the Remaining Party or the Transferor with respect to payments or other obligations due and payable or due to be performed on or prior to the

Novation Date, and all such payments and obligations shall be paid or performed by the Remaining Party or the Transferor in accordance with the terms of the Old Transaction;

- (b) in respect of the New Transaction, the Remaining Party and the Transferee each undertake liabilities and obligations towards the other and acquire rights against each other identical in their terms to the Old Transaction (and, for the avoidance of doubt, as if the Transferee were the Transferor and with the Remaining Party remaining the Remaining Party) save for any rights, liabilities or obligations of the Remaining Party or the Transferor with respect to payments or other obligations due and payable or due to be performed on or prior to the Novation Date; and
- (c) the New Transaction shall be governed by and form part of the New Agreement and shall be evidenced by the Old Confirmation (which, in conjunction with and as deemed modified to be consistent with this Novation Agreement, shall be deemed to be a Confirmation between the Remaining Party and the Transferee under the New Agreement).

3. Representations and Warranties.

- (a) On the date of this Novation Agreement and on the Novation Date:
 - (i) Each of the parties hereto makes to each of the other parties those representations and warranties set forth in Section 3(a) of the 2002 ISDA Master Agreement with references in such Section to "this Agreement" or "any Credit Support Document" being deemed references to this Novation Agreement alone.
 - (ii) The Remaining Party and the Transferor each makes to the other, and the Remaining Party and the Transferee each makes to the other, the representation set forth in Section 3(b) of the 2002 ISDA Master Agreement, in each case with respect to the Old Agreement or the New Agreement, as the case may be, and taking into account the parties entering into and performing their obligations under this Novation Agreement.
 - (iii) Each of the Transferor and the Remaining Party represents and warrants to each other and to the Transferee that:
 - (A) it has made no prior transfer (whether by way of security or otherwise) of the Old Agreement or any interest or obligation in or under the Old Agreement or in respect of the Old Transaction; and
 - (B) as of the Novation Date, all obligations of the Transferor and the Remaining Party under the Old Transaction required to be performed on or before the Novation Date have been fulfilled.
- (b) The Transferor makes no representation or warranty and does not assume any responsibility with respect to the legality, validity, effectiveness, adequacy or enforceability of the New Transaction or the New Agreement or any documents relating thereto and assumes no responsibility for the condition, financial or otherwise, of the Remaining Party, the Transferee or any other person or for the performance and observance by the Remaining Party, the Transferee or any other person of any of its obligations under the New Transaction or the New Agreement or any document relating thereto and any and all such conditions and warranties, whether express or implied by law or otherwise, are hereby excluded.

4. Counterparts.

This Novation Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

5. Headings.

The headings used in this Novation Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Novation Agreement.

6. Entire Agreement, Restatement.

This Novation Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

7. Amendments.

No amendment, modification or waiver in respect of this Novation Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

8. (a) Governing Law.

This Novation Agreement and all non-contractual obligations arising out of or in connection with it will be governed by and construed in accordance with English law.


(b) Jurisdiction.

The terms of Section 13(b) of the 2002 ISDA Master Agreement shall apply to this Novation Agreement with references in such Section to "this Agreement" being deemed references to this Novation Agreement alone.

IN WITNESS WHEREOF the parties have executed this Novation Agreement on the date first above written with effect from and including the Novation Date.

EXECUTION PAGE

LLOYDS BANK CORPORATE MARKETS
PLC

By: 
Name: CHRIS YIANNA
Title: ASSOCIATE DIRECTOR

ONESAVINGS BANK PLC

By: _____
Name:
Title:

CANTERBURY FINANCE NO. 1 PLC

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

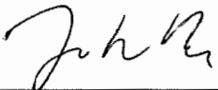
By: _____
CSC Directors (No.2) Limited
Title: Director

EXECUTION PAGE

**LLOYDS BANK CORPORATE MARKETS
PLC**

By: _____
Name:
Title:

ONESAVINGS BANK PLC

By:  _____
Name: Jens Bech
Title: Attorney

CANTERBURY FINANCE NO. 1 PLC

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

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

EXECUTION PAGE

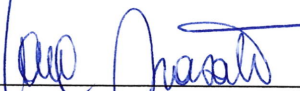
**LLOYDS BANK CORPORATE MARKETS
PLC**

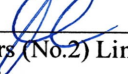
By: _____
Name:
Title:

ONESAVINGS BANK PLC

By: _____
Name:
Title:

CANTERBURY FINANCE NO. 1 PLC

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

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

ANNEX 1

Old Confirmation



COMMERCIAL BANKING

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

Direct line: 020 7158 1083
Switchboard: 020 7158 1000
Fax: 020 7158 3133
Swift: LLCM GB 22
Email: WBMFXDerivativesConfirmations@lloydsbanking.com

OneSavings Bank PLC
Reliance House
Sun Pier
Chatham
Kent ME4 4ET

Date: **9th July 2019**

**THIS CONFIRMATION AMENDS AND RESTATES IN ITS ENTIRETY THE ORIGINAL
CONFIRMATION FOR THIS TRANSACTION.**

Dear Sir/ Madam,

Interest Rate Swap Transaction No. 13917206CM / 18955219

Re: Canterbury Finance No. 1 plc - Fixed Rate Swap

UTI: 1030512329SMTSWAP000000000000000013917206CM

The purpose of this letter agreement (this 'Confirmation') is to confirm the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below.

The definitions and provisions contained in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation constitutes a 'Confirmation' as referred to in, and supplements, forms part of and is subject to, the ISDA Master Agreement as of 22nd September 2011 as amended and supplemented from time to time (the 'Agreement'), between Lloyds Bank Corporate Markets plc ("Party A") and ONESAVINGS BANK PLC ("Party B"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The terms of the particular Swap Transaction to which this Confirmation relates are as follows:

1 Trade Details:

Notional Amount:

The amount set out in the attached Notional Schedule in respect of the relevant Calculation Period.



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Trade Date : 8th July 2019

Trade Time: **16:30:55**

Effective Date : 12th July 2019

Termination Date: 16th August 2023, subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Amounts:

Fixed Rate Payer: Party B

Fixed Rate Payer Payment Dates: Quarterly on the 16th day of February, May, August and November of each year commencing on 16 November 2019 up to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.

Fixed Rate: 0.57 %

Fixed Rate Day Count Fraction: Actual/365 (Fixed)

Business Days: London

Floating Amounts

Floating Rate Payer: Party A

Floating Rate Payer Payment Dates: Quarterly on the 16th day of February, May, August and November of each year commencing on 16 November 2019 up to and including the Termination Date subject to adjustment in accordance with the Modified Following Business Day Convention.

Floating Rate Option: Compounded Daily SONIA

Compounded Daily SONIA

The rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) calculated by the Calculation Agent as at the Reset Date, as follows, with the resulting percentage rounded if necessary to the nearest one-ten-thousandth of a percentage point (0.0001%):



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$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_{i-5LBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

Where:

"**d**" is the number of calendar days in the relevant Calculation Period;

"**d₀**" is the number of London Banking Days in the relevant Calculation Period;

"**i**" is a series of whole numbers from one to d₀, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Calculation Period;

"**LBD**" or "**London Banking Day**" means a Business Day;

"**n_i**", for any day "**i**", means the number of calendar days from and including such day "**i**" up to but excluding the following London Banking Day; and

"**SONIA_{i-5LBD}**" means in respect of any London Banking Day falling in the relevant Calculation Period, the SONIA Reference Rate for the London Banking Day falling five London Banking Days prior to that London Banking Day "**i**".

"**SONIA Reference Rate**" means in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Screen or, if the Screen is unavailable, as provided by the administrator (on the London Banking Day immediately following such London Banking Day).

"**Screen**" means the Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA Page on that service for the purpose of displaying such information or if that service ceases to display such information, such page as displays such information on such



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service as may replace such screen.

For the purposes of determining SONIAi-5LBD, if, in respect of any relevant London Banking Day, the Calculation Agent determines that the SONIA Reference Rate is not available on the Screen or has not otherwise been published by one or more authorised distributors, such SONIA Reference Rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Floating Rate Day Count Fraction:	Actual/365 (Fixed)
Reset Dates:	With respect to each Calculation Period, the day which is 5 London Banking Days prior to the Floating Rate Payer Payment Date in respect of such Calculation Period
Business Days:	London
Spread	None
Calculation Agent:	As per the ISDA Master Agreement.

Account Details

Payments to Party A: As per Standard Settlement Instructions.

Payments to Party B: As per Standard Settlement Instructions.

Offices

The Office of Party A for the Swap Transaction is London.

The Office of Party B for the Swap Transaction is Chatham.

Other Provisions

(a) Non-Reliance. Each party represents to the other party that it is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether the Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisors 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 this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. It has not received from the other party any assurance or guarantee as to the expected results of this Transaction. It is therefore not acting as adviser to the other party in respect of this Transaction.

(b) Assessment and Understanding. Each party represents to the other party that 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 this Transaction. It is also capable of assuming, and assumes, the risk of this Transaction.

(c) Status of Parties. Each party represents to the other party that the other party is not acting as fiduciary for it in respect of this Transaction

Consent to Recording. Each Party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction, and (ii) agrees to obtain any necessary consent of and give notice of such recording to such personnel of it and its Affiliates, and (iii) agrees such recordings may be submitted in evidence to any court or in any proceedings for the purpose of establishing any matters pertinent to any Transaction.

The time of execution of a transaction is available on request.

Please confirm that the foregoing correctly sets forth the terms of our Agreement by executing and returning the enclosed copy of this Confirmation, or by sending us a letter or fax substantially similar to this letter, which letter or fax sets forth the material terms of the Transaction to which this Confirmation relates and indicates agreement to those terms.

Contact Details

Lloyds Bank Corporate Markets plc
Telephone: Settlements: 013 1347 7460
Confirmations: 020 7158 8984
Fax: 020 7158 3170
Swift: LLCMGB22

Email: InterestRateConfirmations@lloydsbanking.com

Contracting Entity:

Your counterparty for this product or products is Lloyds Bank Corporate Markets plc, a wholly-owned subsidiary of Lloyds Banking Group. This is a separate entity to Lloyds Bank plc and Bank of Scotland plc which covers all of the Group's retail and most commercial activities in the UK. Due to its product offerings, the counterparties and the markets in which they operate, Lloyds Bank Corporate Markets plc may be exposed to a different degree of risk compared to Lloyds Bank plc or Bank of Scotland plc. This is a reflection of the separation of the complex wholesale banking activities which Lloyds Bank Corporate Markets plc may undertake, from the retail banking activities of the other entities. Lloyds Bank Corporate Markets plc is rated, by credit rating agencies, individually and separately to

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other Lloyds Banking Group entities.


Lloyds Bank Corporate Markets plc, trading as Lloyds Bank, executes all trades as principal.

For and on behalf of
Lloyds Bank Corporate Markets plc



Name: James Coleman
Manager – Authorised Signatory

Confirmed as of the date first written
ONESAVINGS BANK PLC

By : 
Name : Lucy Stone
Title : Payment Processing Team
Leader

By :
Name :
Title :

Notional Schedule

Lloyds Bank is a trading name of Lloyds Bank plc, Bank of Scotland plc and Lloyds Bank Corporate Markets plc. Lloyds Bank plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 2065. Bank of Scotland plc. Registered Office: The Mound, Edinburgh EH1 1YZ. Registered in Scotland no. SC327000. Lloyds Bank Corporate Markets plc. Registered office 25 Gresham Street, London EC2V 7HN. Registered in England and Wales no. 10399850. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 119278, 169628 and 763256 respectively



Calculation Period commencing on (and including) (without regard to any adjustment for a Business Day Convention)	Calculation Period ending on (but excluding) (without regard to any adjustment for a Business Day Convention)	Notional Amount in GBP
12th July 2019	16th November 2019	428,339,419.00
16th November 2019	16th February 2020	425,310,410.00
16th February 2020	16th May 2020	422,007,507.00
18th May 2020	16th August 2020	411,374,315.00
16th August 2020	16th November 2020	386,895,529.00
16th November 2020	16th February 2021	362,580,639.00
16th February 2021	16th May 2021	324,899,985.00
16th May 2021	16th August 2021	312,800,714.00
16th August 2021	16th November 2021	302,174,020.00
16th November 2021	16th February 2022	290,655,470.00
16th February 2022	16th May 2022	277,266,688.00
16th May 2022	16th August 2022	245,681,221.00
16th August 2022	16th November 2022	191,035,035.00
16th November 2022	16th February 2023	123,776,331.00
16th February 2023	16th May 2023	25,910,830.00
16th May 2023	16th August 2023	2,416,245.00