IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

IMPORTANT: YOU MUST READ THE FOLLOWING BEFORE CONTINUING. THE FOLLOWING APPLIES TO THE PROSPECTUS FOLLOWING THIS PAGE, AND YOU ARE THEREFORE ADVISED TO READ THIS CAREFULLY BEFORE READING, ACCESSING OR MAKING ANY OTHER USE OF THE PROSPECTUS. IN ACCESSING THE PROSPECTUS, YOU AGREE TO BE BOUND BY THE FOLLOWING TERMS AND CONDITIONS, INCLUDING ANY MODIFICATIONS TO THEM ANY TIME YOU RECEIVE ANY INFORMATION FROM US AS A RESULT OF SUCH ACCESS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER. THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

THIS PROSPECTUS HAS BEEN DELIVERED TO YOU ON THE BASIS THAT YOU ARE A PERSON INTO WHOSE POSSESSION THIS PROSPECTUS MAY BE LAWFULLY DELIVERED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION IN WHICH YOU ARE LOCATED. BY ACCESSING THE PROSPECTUS, YOU SHALL BE DEEMED TO HAVE CONFIRMED AND REPRESENTED TO US THAT (A) YOU HAVE UNDERSTOOD AND AGREE TO THE TERMS SET OUT HEREIN, (B) YOU CONSENT TO DELIVERY OF THE PROSPECTUS BY ELECTRONIC TRANSMISSION, (C) YOU ARE NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OR ACTING FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON AND THE ELECTRONIC MAIL ADDRESS THAT YOU HAVE GIVEN TO US AND TO WHICH THIS EMAIL HAS BEEN DELIVERED IS NOT LOCATED IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS) OR THE DISTRICT OF COLUMBIA AND (D) IF YOU ARE A PERSON IN THE UNITED KINGDOM, THEN YOU ARE A PERSON WHO (I) HAS PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS OR (II) IS A HIGH NET WORTH ENTITY FALLING WITHIN ARTICLES 49(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT (FINANCIAL PROMOTION) ORDER 2005.

This prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Rochester Financing No.3 plc, Rochester Mortgages Limited, OneSavings Bank Plc, BofA Securities[1], nor any person who controls any such person nor any director, officer, employee nor agent of any such person or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from BofA Securities and/or OneSavings Bank Plc.

[1] BofA Securities is the trading name of Merrill Lynch International.

ROCHESTER FINANCING NO.3 PLC

(*Incorporated in England and Wales with limited liability, registered number 13365012*)

Class of Notes	Initial Principal Amount	Issue Price	Interest Rate	Ratings (Fitch/S&P)	Final Maturity Date
Class A Notes	£167,260,000	99.617%	0.70% margin above Compounded Daily SONIA and from the Step-Up Date 1.30% margin above Compounded Daily SONIA	AAA / AAA	December 2044
Class B Notes	£18,230,000	99.520%	1.20% margin above Compounded Daily SONIA and from the Step-Up Date 1.80% margin above Compounded Daily SONIA	AA / AA	December 2044
Class C Notes	£11,790,000	99.524%	1.50% margin above Compounded Daily SONIA and from the Step-Up Date 2.25% margin above Compounded Daily SONIA	A- / A-	December 2044
Class D Notes	£4,290,000	99.293%	1.85% margin above Compounded Daily SONIA and from the Step-Up Date 2.775% margin above Compounded Daily SONIA	BBB / BBB	December 2044
Class E Notes	£3,220,000	97.701%	2.50% margin above Compounded Daily SONIA and from the Step-Up Date 3.50% margin above Compounded Daily SONIA	BB+ / BB-	December 2044
Class F Notes	£2,140,000	93.275%	2.50% margin above Compounded Daily SONIA and from the Step-Up Date 3.50% margin above Compounded Daily SONIA	BB+ / B	December 2044
Class G Notes	£7,499,000	61.342%	N/A	Not Rated	December 2044
Class X Notes	£5,360,000	100.098%	4.00% margin above Compounded Daily SONIA and from the Step-Up Date 4.00% margin above Compounded Daily SONIA	B- / B-	December 2044
Class R Notes	£4,290,000	79.254%	N/A	Not Rated	December 2044

Class of Certificates	Notional Amount	Issue Price	Interest Rate	Ratings (Fitch/S&P)	Final Maturity Date
Class Y Certificates	N/A	N/A	N/A	Not Rated	N/A
Class R Certificates	N/A	N/A	N/A	Not Rated	N/A

The Step-Up Date is the Interest Payment Date occurring in June 2026. From the Step-Up Date, the Majority Holder of the Class R Certificates has the right to exercise a purchase option in relation to the Portfolio which would lead to an early redemption of the Notes. In addition, following the occurrence of a Risk Retention Regulatory Change Event, the Retention Holder has the right to exercise the Retention Holder Option, which would lead to an early redemption of the Notes. See Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*) and Condition 7.5 (*Mandatory Redemption of the Notes following the exercise of the Retention Holder Option*).

Issue Date Rochester Financing No.3 plc (the **Issuer**) will issue the Notes and the Certificates in the classes set out above on or about 15 June 2021 (the **Closing**

	Date).
Standalone/programme issuance	Standalone issuance.
Simple, Transparent and Standardised (STS) Securitisation	The Notes are not intended to be designated as a UK STS securitisation or an EU STS securitisation for the purposes of the UK Securitisation Regulation or the EU Securitisation Regulation.
Underlying Assets	The Issuer will make payments on the Notes and Certificates from, *inter alia*, payments of principal and revenue received from a portfolio comprising mortgage loans sold by Rochester Mortgages Limited (the **Seller**) and originated by DB UK Bank Limited (**DB UK**) under its trading name of DB Mortgages, Money Partners Limited (**Money Partners**) and Edeus Mortgage Creators Limited (**Edeus**) (each, an **Original Lending Entity** and together the **Original Lending Entities**) and secured over residential properties located in England, Wales, Northern Ireland and Scotland (the **Portfolio**) which will be purchased by the Issuer on the Closing Date from the Seller pursuant to a mortgage sale agreement dated on or about the Closing Date (the **Mortgage Sale Agreement**). The Seller itself purchased the portfolio from Rochester Financing No.2 plc (the **Vendor**) pursuant to a mortgage sale agreement dated on or about the Closing Date (the **Vendor Mortgage Sale Agreement**). See the sections entitled "*Transaction Overview – Portfolio and Servicing*", "*The Loans*" and "*Characteristics of the Portfolio*" for further details.
Previous Transaction	• The portfolio of mortgages loans comprising the Portfolio was previously financed pursuant to a securitisation transaction entered into by the Vendor on 26 February 2016 (the **Previous Transaction**). The Vendor is expected to use the consideration received for the sale of the Portfolio under the Vendor Mortgage Sale Agreement to redeem the securities issued in connection with the Previous Transaction on or around the Closing Date. • Since 30 June 2016 the Seller has held legal title to the Portfolio and will continue to hold legal title to the Portfolio as Legal Title Holder in accordance with the terms of the Mortgage Sale Agreement.
Credit Enhancement in respect of the Notes	• In the case of the Notes (other than the Class X Notes and the Class R Notes), subordination in payment of principal of those Classes of Notes ranking junior in the Priority of Payments. • In the case of the Notes (other than the Class X Notes and the Class R Notes), the availability of the General Reserve Fund to the extent that such amounts are applied as Available Revenue Receipts to cure a debit on the respective Principal Deficiency Ledger in accordance with the Pre-Acceleration Revenue Priority of Payments. • In the case of the Notes (other than the Class X Notes and the Class R Notes), excess Available Revenue Receipts applied to cure a debit on the respective Principal Deficiency Ledger in accordance with the Pre-Acceleration Revenue Priority of Payments. • In the case of the Notes (other than the Class R Notes), following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund, subject to

application in accordance with the Post-Acceleration Priority of Payments.

See the sections entitled "*Transaction Overview – Credit Structure and Cashflows*", "*Risk Factors – Risks relating to availability of funds to make payments on the Notes and Certificates* " and "*Cashflows*" for further details.

Liquidity Support in respect of the Notes

- Subordination in payment of those Classes of Notes and Certificates ranking junior in the Priority of Payments.
- In respect of the Class A Notes and the Class B Notes only, the availability of the Liquidity Reserve Fund to provide (subject to the relevant Liquidity Reserve Fund Conditions being met in relation to any such drawing, where applicable) for any Liquidity Deficiency in the event that Available Revenue Receipts are not sufficient.
- In respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the availability of amounts standing to the credit of the General Reserve Fund to provide (subject to the relevant General Reserve Fund Conditions being met in relation to any such drawing, where applicable) for any Revenue Deficiency in the event that Available Revenue Receipts are not sufficient (after application of any Liquidity Reserve Fund Release Amounts).
- In respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the application (subject to the relevant Principal Addition Amount Conditions being met) of Available Principal Receipts to provide for any Remaining Revenue Deficiency in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes in the event that Available Revenue Receipts are not sufficient (after application of any Liquidity Reserve Fund Release Amounts and General Reserve Fund Release Amounts).

See the sections entitled "*Transaction Overview – Credit Structure and Cashflows*" and "*Risk Factors – Risks relating to availability of funds to make payments on the Notes and Certificates*" for further details".

Redemption Provisions

Information on any optional and mandatory redemption of the Notes is summarised in the sections "*Transaction Overview – Overview of the Characteristics of the Notes and the Certificates – Redemption*" and "*Early Redemption of the Notes*" and set out in full in Condition 7 (*Redemption*) of the terms and conditions of the Notes (the **Conditions**).

Credit Rating Agencies

Fitch Ratings Limited (**Fitch**) and Standard & Poor's Rating Services, a division of S&P Global Ratings UK Limited (**S&P**) (each a **Rating Agency** and together the **Rating Agencies**).

As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the United Kingdom (the **UK**) and is registered in accordance with Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the **UK CRA Regulation**).

As of the date of this Prospectus, neither Fitch nor S&P are established in the European Union (the **EU**) and have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **EU CRA Regulation**). The ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited

and the ratings issued by S&P have been endorsed by S&P Global Ratings Europe Limited, in each case in accordance with the EU CRA Regulation. Each of Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited are established in the European Union and registered under the EU CRA Regulation. As such each of Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority in accordance with the EU CRA Regulation.

Credit Ratings

Ratings are expected to be assigned by Fitch and S&P to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes (the **Rated Notes**) as set out above on or before the Closing Date. The Class G Notes, the Class R Notes and the Certificates will not be rated.

The ratings assigned to the Class A Notes and the Class B Notes by Fitch and S&P address, *inter alia*, (a) the likelihood of full and timely payment of interest on the Class A Notes and the Class B Notes, respectively, on each Interest Payment Date and (b) the likelihood of ultimate payment of principal in relation to the Class A Notes and the Class B Notes, respectively, on or prior to the Final Maturity Date.

The ratings assigned to the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes by Fitch and S&P address, *inter alia*, the likelihood of ultimate payment of interest on and principal in relation to the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes, respectively, on or prior to the Final Maturity Date.

The assignment of a rating to the Rated Notes is not a recommendation to invest in the relevant Class of Rated Notes or to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency.

UK Benchmarks Regulation

Amounts payable on the Floating Rate Notes are calculated by reference to the Sterling Overnight Index Average (**SONIA**). As at the date of this Prospectus, the administrator of SONIA is not included in the FCA's register of administrators under Article 36 of Regulation (EU) No 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK Benchmarks Regulation**). The Bank of England, as administrator of SONIA, is exempt under Article 2 of the UK Benchmarks Regulation but has issued a statement of compliance with the principles for financial benchmarks issued in 2013 by the International Organisation of Securities Commissions.

Listing

This document comprises a prospectus (the **Prospectus**) for the purposes of Regulation (EU) 2017/1129 (as amended or superseded) (the **EU Prospectus Regulation**). This Prospectus has been approved as a prospectus by the Central Bank of Ireland (the **Central Bank**) as the competent authority under the EU Prospectus Regulation. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval by the Central Bank should not be considered as an endorsement of the Issuer or the quality of the Notes that are the subject of this Prospectus. This document does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

Such approval relates to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes (together, the **Rated Notes**) and the Class G Notes and the Class R Notes (the **Unrated Notes** and together with the Rated Notes, the **Notes**) which Notes are to be admitted to trading on an EU regulated market for the purposes of Directive 2014/65/EU (as amended, **EU MiFID II**) and/or are to be offered to the public in any Member State of the European Economic Area.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin, (**Euronext Dublin**) for the Notes to be admitted to the official list (the **Official List**) and traded on its regulated market (the **Regulated Market**). The Regulated Market of Euronext Dublin is a regulated market for the purposes of EU MiFID II. Investors should make their own assessment as to the suitability of investing in the Notes.

Neither the Class Y Certificates nor the Class R Certificates (together the **Certificates**) are (nor will be) listed or admitted to trading. The Certificates are not being offered by this Prospectus. Information contained in this Prospectus relating to the Certificates is included herein for completeness.

The Prospectus is valid for 12 months from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply once the Notes are admitted to the Official List and trading on its regulated market.

Obligations

The Notes and the Certificates will be obligations of the Issuer alone and will not be guaranteed by, or be the responsibility of, any other entity named in this Prospectus.

UK and EU Risk Retention

On the Closing Date, OneSavings Bank plc (the **Retention Holder**) will retain, as sponsor, on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation (the **UK Retention Requirements**). In addition, although the EU Securitisation Regulation is not applicable to it, the Retention Holder will retain, as sponsor, on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation in accordance with Article 6(1) of the EU Securitisation Regulation (the **EU Retention Requirements** and together with the UK Retention Requirements, the **Retention Requirements**) as if the EU Securitisation Regulation were applicable to it.

As at the Closing Date, such interest will be satisfied by the Retention Holder retaining a sub-portfolio of Loans as randomly selected (by reference to the Provisional Portfolio) by an independent third party in an amount equal to at least 5 per cent. of the nominal value of the Portfolio (as described in "*Certain Regulatory Disclosures*") in accordance with Article 6(3)(c) of the UK Securitisation Regulation and Article 6(3)(c) of the EU Securitisation Regulation (the **Retained Interest**). See the section entitled "*Certain Regulatory Disclosures*" for further information.

Any change in the manner in which the Retained Interest is held may only be made in accordance with applicable laws and regulations and will be notified to the Noteholders and Certificateholders in accordance with the Terms and Conditions of the Notes and the Terms and Conditions of the Certificates. See the section entitled "*Certain Regulatory Disclosures*" for further information.

U.S. Risk Retention	OSB, as the sponsor under the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended (the **U.S. Risk Retention Rules**), does not intend to retain at least 5 per cent. of the credit risk of the securitised assets for purposes of compliance with the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section __.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that satisfy certain requirements. Except with the prior written consent of OSB, and where such sale falls within the exemption provided by Section __.20 of the U.S. Risk Retention Rules, the Notes offered and sold by the Issuer may not be purchased by, or for the account or benefit of, any Risk Retention U.S. Persons. See "*Risk Factors – Legal and Regulatory Risks – U.S. Risk Retention Requirements*".
The Volcker Rule	The Issuer is of the view that it is not now and, immediately following the issuance of the Notes and the application of the proceeds thereof, should not be, a "covered fund" as defined in the regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended, commonly known as the **Volcker Rule**. Although other exclusions and/or exemptions may be available to the Issuer, the Issuer should satisfy all of the elements of the exemption from the definition of "investment company" provided in 3(c)(5)(C) of the United States Investment Company Act of 1940, as amended (the **Investment Company Act**). Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule in respect of any investment in the Notes and should conduct its own analysis to determine whether the Issuer is a "covered fund" for its purpose. See the section entitled "*Risk Factors – Legal and Regulatory Risks – Effects of the Volcker Rule on the Issuer, the Notes and the holders of the Notes*".
ERISA Considerations	The Notes (and any interest therein) may not be purchased or held by, or on behalf of, any "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (**ERISA**), which is subject thereto, or any "plan" as defined in Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**), to which Section 4975(e)(1) of the Code applies, or by any person any of the assets of which are, or are deemed for purposes of ERISA or Section 4975 of the Code to be, assets of such an "employee benefit plan" or "plan", or by any governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (**Similar Law**), and each purchaser of the Notes (or any interest therein) will be deemed to have represented, warranted and agreed that it is not, and for so long as it holds the Notes (or any interest therein) will not be, such an "employee benefit plan", "plan", person or governmental, church or non-U.S. plan subject to Similar Law.
Distribution	The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and, accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable state or local securities laws. The Notes are being offered and sold outside the United States to persons other than U.S. persons pursuant to Regulation S under the Securities Act (**Regulation S**). The Issuer is not, and will not be, registered as

an investment company under the U.S. Investment Company Act of 1940, as amended (the **Investment Company Act**). For a description of certain further restrictions on offers, sales and transfers of Notes in this Prospectus, see "*Transfer Restrictions and Investor Representations*" herein.

Certificates

In addition to the Notes, the Issuer will issue the Class Y Certificates and the Class R Certificates to the Seller.

The Class Y Certificates constitute part of the consideration provided by the Issuer for the purchase of the Portfolio (representing the right to receive deferred consideration for the purchase of the Portfolio in the form of the Class Y Certificate Payments).

The Class R Certificates constitute part of the consideration provided by the Issuer for the purchase of the Portfolio (representing the right to receive deferred consideration for the purchase of the Portfolio in the form of the Residual Payments). In addition, the Class R Certificates represent the right of the Majority Holder to exercise the Majority Holder Option.

See the section entitled "*Terms and Conditions of the Certificates*" for further details (the **Certificates Conditions**).

The Certificates will not be rated or listed.

Significant Investor

On the Closing Date, the Seller will be entitled to be issued the Certificates as partial consideration for the sale of the Portfolio and will immediately upon issue to it, transfer:

- the Class Y Certificates to OSB; and
- the Class R Certificates to one or more third party investors.

Therefore, significant concentrations of holdings of the Certificates are likely to occur.

Neither the Notes nor the Certificates have been approved or disapproved by the United States Securities and Exchange Commission (the SEC), any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence.

THE "*RISK FACTORS*" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION. BEFORE INVESTING IN THE NOTES, PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED IN THE SECTION.

CO-ARRANGER AND SOLE LEAD MANAGER

BofA Securities

CO- ARRANGER

OneSavings Bank PLC

The date of this Prospectus is 11 June 2021

IMPORTANT NOTICE

THE NOTES AND THE CERTIFICATES WILL BE OBLIGATIONS OF THE ISSUER ONLY. NEITHER THE NOTES NOR THE CERTIFICATES WILL BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, NEITHER THE NOTES NOR THE CERTIFICATES WILL BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE SELLER, THE LEGAL TITLE HOLDER, THE ORIGINAL LENDING ENTITIES, THE VENDOR, THE CO-ARRANGERS, THE MASTER SERVICER, THE SERVICER, THE CASH MANAGER, THE ACCOUNT BANK, THE CORPORATE SERVICES PROVIDER, THE BACK-UP SERVICER FACILITATOR, THE AGENT BANK, THE REGISTRAR, THE NOTE TRUSTEE OR THE SECURITY TRUSTEE (EACH AS DEFINED HEREIN), OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY SUCH ENTITIES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (TOGETHER, THE "RELEVANT PARTIES"). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES OR THE CERTIFICATES SHALL BE ACCEPTED BY ANY OF THE RELEVANT PARTIES OR BY ANY PERSON OTHER THAN THE ISSUER.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES OF THE ISSUER IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON RESALES OR TRANSFERS, SEE "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

EXCEPT WITH THE PRIOR WRITTEN CONSENT OF OSB (A "**U.S. RISK RETENTION CONSENT**") AND WHERE SUCH SALE FALLS WITHIN THE EXEMPTION PROVIDED BY SECTION __.20 OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "**U.S. RISK RETENTION RULES**"), THE NOTES AND THE CERTIFICATES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES ("**RISK RETENTION U.S. PERSONS**"). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS SUBSTANTIALLY SIMILAR TO, BUT NOT IDENTICAL TO, THE DEFINITION OF "U.S. PERSON" IN REGULATION S. EACH PURCHASER OF THE NOTES AND THE CERTIFICATES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL SYNDICATION OF THE NOTES AND THE CERTIFICATES, BY ITS ACQUISITION OF THE NOTES AND THE CERTIFICATES OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED, AND IN CERTAIN CIRCUMSTANCES, MAY BE REQUIRED, TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS, INCLUDING THAT IT (1) EITHER (i) IS NOT A RISK RETENTION U.S. PERSON OR (ii) HAS OBTAINED A U.S. RISK RETENTION CONSENT FROM OSB, (2) IS ACQUIRING SUCH NOTE, CERTIFICATE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE OR CERTIFICATE, AND (3) IS NOT ACQUIRING SUCH NOTE, CERTIFICATE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE OR CERTIFICATE THROUGH A NON-RISK

RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION __.20 OF THE U.S. RISK RETENTION RULES).

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class X Notes and the Class R Notes will be represented on issue by a global note certificate in registered form (a **Global Note**). The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class X Notes and the Class R Notes may be issued in definitive registered form under certain circumstances.

The Certificates will each be represented on issue by a global certificate in registered form (a **Global Certificate**). The Certificates may be issued in definitive registered form under certain circumstances.

The Notes and the Certificates are intended to be held in a manner which would allow European System of Central Banks (as the term is used in the Governing Council of the European Central Bank (the **ECB**)) (Eurosystem) eligibility. The Notes will be (and the Certificates have been) deposited with one of Euroclear and/or Clearstream, Luxembourg (each an **ICSD** and together the **ICSDs**) as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper (the **New Safekeeping Structure**). Notwithstanding that the Notes and Certificates are intended to be held in accordance with the New Safekeeping Structure, this does not mean that any of the Notes or the Certificates will be recognised as eligible collateral for the Eurosystem monetary policy and intra-day operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that all Eurosystem eligibility has been met.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. NO REPRESENTATION IS MADE BY THE ISSUER, THE SELLER, THE LEGAL TITLE HOLDER, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE ORIGINAL LENDING ENTITIES, THE VENDOR OR THE CO-ARRANGERS THAT THIS PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT THE NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, AND NONE OF THEM ASSUMES ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, SAVE FOR OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE EU PROSPECTUS REGULATION BY THE CENTRAL BANK OF IRELAND, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER, THE SELLER, THE LEGAL TITLE HOLDER, THE NOTE TRUSTEE, THE SECURITY TRUSTEE OR THE CO-ARRANGERS WHICH WOULD PERMIT A PUBLIC OFFERING OF THE NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY PART HEREOF NOR ANY OTHER OFFERING DOCUMENT, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT OR OTHER OFFERING MATERIAL OR INFORMATION MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION (INCLUDING THE UNITED KINGDOM), EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER AND THE CO-ARRANGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – SOLELY FOR THE PURPOSES OF THE MANUFACTURER'S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE NOTES IS ONLY ELIGIBLE COUNTERPARTIES, AS DEFINED IN THE FCA HANDBOOK

CONDUCT OF BUSINESS SOURCEBOOK (**COBS**), AND PROFESSIONAL CLIENTS, AS DEFINED IN REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (**UK MIFIR**); AND (II) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A **DISTRIBUTOR**) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER'S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK (THE **UK MIFIR PRODUCT GOVERNANCE RULES**) IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER'S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM (UK). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018; (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FSMA AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018. CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE **UK PRIIPS REGULATION**) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

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

THE SOLE LEAD MANAGER, THE RETENTION HOLDER AND EACH PURCHASER AND SUBSEQUENT PURCHASER OF THE NOTES WILL BE DEEMED BY ITS ACCEPTANCE OF SUCH NOTES TO HAVE MADE CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS INTENDED TO RESTRICT THE RESALE OR OTHER TRANSFER OF THE NOTES AS SET OUT IN THE SUBSCRIPTION AGREEMENT AND DESCRIBED IN THIS PROSPECTUS AND, IN CONNECTION THEREWITH, MAY BE REQUIRED TO PROVIDE CONFIRMATION OF ITS

COMPLIANCE WITH SUCH RESALE AND OTHER TRANSFER RESTRICTIONS IN CERTAIN CASES. SEE "*TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*".

NONE OF THE ISSUER, THE CO-ARRANGERS, THE NOTE TRUSTEE OR THE SECURITY TRUSTEE MAKES ANY REPRESENTATION TO ANY PROSPECTIVE INVESTOR OR PURCHASER OF THE NOTES REGARDING THE LEGALITY OF INVESTMENT THEREIN BY SUCH PROSPECTIVE INVESTOR OR PURCHASER UNDER APPLICABLE LEGAL INVESTMENT OR SIMILAR LAWS OR REGULATIONS.

THE SOLE LEAD MANAGER IS NOT RESPONSIBLE FOR ANY OBLIGATION OF OSB, THE SELLER OR THE ISSUER FOR COMPLIANCE WITH THE REQUIREMENTS (INCLUDING EXISTING OR ONGOING REPORTING REQUIREMENTS) OF ARTICLE 7 OF THE UK SECURITISATION REGULATION OR ARTICLE 7 OF THE EU SECURITISATION REGULATION.

THE ISSUER ACCEPTS RESPONSIBILITY FOR THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. TO THE BEST OF ITS KNOWLEDGE, THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT ITS IMPORT. ANY INFORMATION SOURCED FROM THIRD PARTIES CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS AS SET OUT UNDER "*ONESAVINGS BANK PLC*" "*THE SELLER AND LEGAL TITLE HOLDER*", "*THE SERVICER*", "*THE CASH MANAGER*", "*THE ACCOUNT BANK, PRINCIPAL PAYING AGENT, AGENT BANK AND REGISTRAR*", "*THE NOTE TRUSTEE AND SECURITY TRUSTEE*" AND "*THE CORPORATE SERVICES PROVIDER*" HAS BEEN ACCURATELY REPRODUCED (AND IS CLEARLY SOURCED WHERE IT APPEARS IN THIS PROSPECTUS) AND, AS FAR AS THE ISSUER IS AWARE AND IS ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

OSB ACCEPTS RESPONSIBILITY FOR THE INFORMATION SET OUT IN THE SECTIONS HEADED "*CERTAIN REGULATORY DISCLOSURES*" AND "*ONESAVINGS BANK PLC*". TO THE BEST OF THE KNOWLEDGE AND BELIEF OF OSB (HAVING TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE), THE INFORMATION CONTAINED IN THE SECTIONS REFERRED TO IN THIS PARAGRAPH IS IN ACCORDANCE WITH THE FACTS AND THE PROSPECTUS MAKES NO OMISSION LIKELY TO AFFECT ITS IMPORT. NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY OSB AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS (OTHER THAN IN THE SECTIONS REFERRED TO ABOVE IN THIS PARAGRAPH) OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

THE INFORMATION ON THE WEBSITES TO WHICH THIS PROSPECTUS REFERS DOES NOT FORM PART OF THIS PROSPECTUS AND HAS NOT BEEN SCRUTINISED OR APPROVED BY THE CENTRAL BANK OF IRELAND.

NO REPRESENTATION, WARRANTY OR UNDERTAKING, EXPRESS OR IMPLIED, IS MADE AND NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY U.S. BANK TRUSTEES LIMITED AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NOTES OR THEIR DISTRIBUTION.

NO PERSON IS AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THE OFFERING OR SALE OF THE NOTES OTHER THAN THOSE CONTAINED IN OR CONSISTENT WITH THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING

BEEN AUTHORISED BY THE ISSUER OR ANY OTHER RELEVANT PARTY OR ANY OF THEIR RESPECTIVE AFFILIATES OR ADVISERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE OR ALLOTMENT MADE IN CONNECTION WITH THE OFFERING OF THE NOTES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION OR CONSTITUTE A REPRESENTATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER OR ANY OTHER RELEVANT PARTY IN THE OTHER INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN SINCE THE DATE HEREOF. THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS WAS OBTAINED FROM THE ISSUER OR FROM OTHER SOURCES IDENTIFIED HEREIN (SUCH SOURCES OTHER THAN FROM THE ISSUER, THE **THIRD PARTY INFORMATION**), BUT NO ASSURANCE CAN BE GIVEN BY THE ISSUER AS TO THE ACCURACY OR COMPLETENESS OF SUCH THIRD PARTY INFORMATION. THE ISSUER HAS NOT SEPARATELY VERIFIED ANY SUCH THIRD PARTY INFORMATION. NO RELEVANT PARTY HAS VERIFIED THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN EXCEPT WHERE THAT PARTY HAS PROVIDED SUCH RELEVANT INFORMATION. ACCORDINGLY, NONE OF THE APPROPRIATE RELEVANT PARTIES MAKES ANY REPRESENTATION, EXPRESS OR IMPLIED, OR ACCEPTS ANY RESPONSIBILITY, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION IN THIS PROSPECTUS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE CONTENTS OF THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS PROVIDING LEGAL, BUSINESS, ACCOUNTING, REGULATORY OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN LEGAL, BUSINESS, ACCOUNTING, REGULATORY AND TAX ADVISERS PRIOR TO MAKING A DECISION TO INVEST IN THE NOTES.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER OR ANY RELEVANT PARTY OR ANY OF THEM TO SUBSCRIBE FOR OR PURCHASE ANY OF THE NOTES OR CERTIFICATES IN ANY JURISDICTION WHERE SUCH ACTION WOULD BE UNLAWFUL AND NEITHER THIS PROSPECTUS, NOR ANY PART THEREOF, MAY BE USED FOR OR IN CONNECTION WITH ANY OFFER TO, OR SOLICITATION BY, ANY PERSON IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

PAYMENTS OF INTEREST AND PRINCIPAL AND OTHER PAYMENT AMOUNTS IN RESPECT OF THE NOTES AND PAYMENTS ON THE CERTIFICATES WILL BE SUBJECT TO ANY APPLICABLE WITHHOLDING TAXES WITHOUT THE ISSUER OR ANY OTHER PERSON BEING OBLIGED TO PAY ADDITIONAL AMOUNTS THEREFOR.

Capitalised terms used but not defined in certain sections of this Prospectus may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is set out at the end of this Prospectus.

In this Prospectus all references to **Sterling** and **£** are references to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland (the **United Kingdom** or **UK**).

In this Prospectus all references to the **Financial Conduct Authority** or **FCA** are to the United Kingdom Financial Conduct Authority and all references to the **Prudential Regulation Authority** or **PRA** are to the United Kingdom Prudential Regulation Authority which together replaced the Financial Services Authority (the **FSA**) **FSA** pursuant to the provisions of the UK Financial Services Act 2012.

Forward-Looking Statements

Certain matters contained herein are forward-looking statements. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other

characteristics of the Loans, and reflect significant assumptions and subjective judgements by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the residential mortgage industry in the United Kingdom. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. None of the Note Trustee, the Security Trustee, the Co-Arrangers, the Vendor or the Original Lending Entities has attempted to verify any such statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Issuer, the Note Trustee, the Security Trustee, the Co-Arrangers, the Vendor or the Original Lending Entities assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

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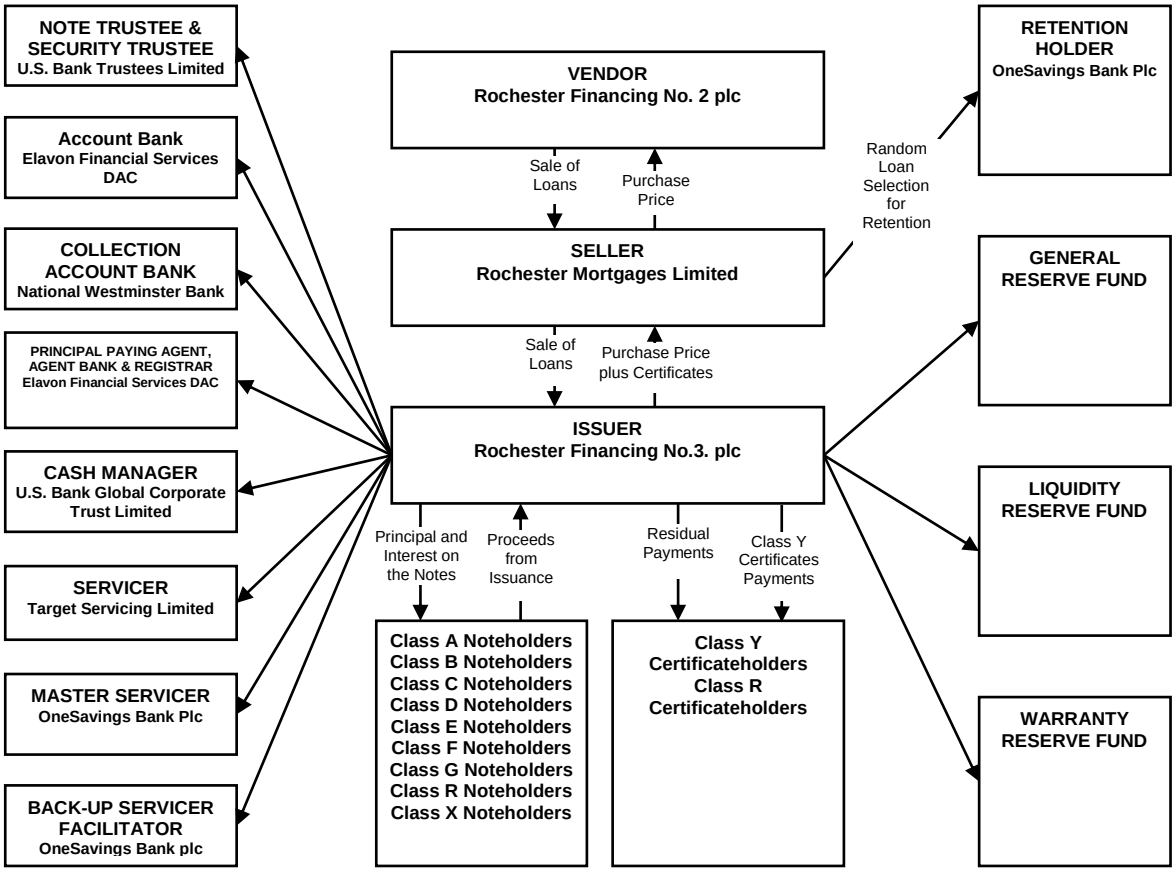
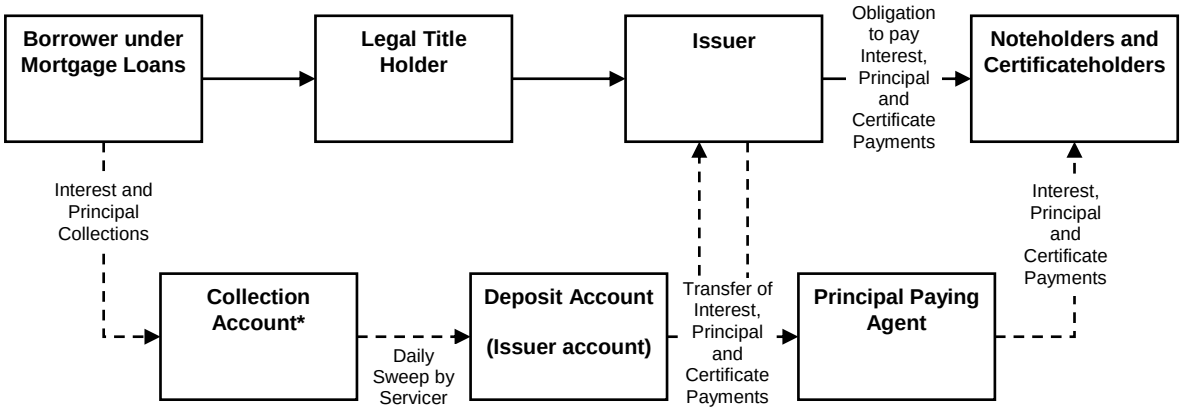
TRANSACTION OVERVIEW – STRUCTURE DIAGRAMS

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



TRANSACTION OVERVIEW – DIAGRAMMATIC OVERVIEW OF ONGOING CASHFLOWS

Diagrammatic Overview of Ongoing Cashflows



Contractual Obligations

Cash Flow

*** Initially an account held by Rochester Financing No. 3 PLC subject to the Collection Account Declaration of Trust and from the Collection Account Transfer Date the Collection Account will be an Issuer account**

OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER

This diagram illustrates the ownership structure of the special purpose companies that are parties to the Transaction Documents, as follows:

- The Issuer is a wholly owned subsidiary of Holdings in respect of its beneficial ownership.
- The entire issued share capital of Holdings is held on trust by the Share Trustee under the terms of a trust the benefit of which is expressed to be for discretionary purposes.
- None of the Issuer, Holdings or the Share Trustee is either owned, controlled, managed, directed or instructed, whether directly or indirectly, by the Seller or any member of the group of companies containing the Seller.

TRANSACTION OVERVIEW – TRANSACTION PARTIES

*The information set out below is an overview of the transaction parties (the **Transaction Parties** and each a **Transaction Party**). This overview is not purported to be complete and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Prospectus.*

You should read the entire Prospectus carefully, especially the risks of investing in the Notes discussed under "*Risk Factors*".

Capitalised terms used, but not defined, in certain sections of this Prospectus, including this overview, may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is set out at the end of this Prospectus.

Party	Name	Address	Document under which appointed/Further Information
Issuer	Rochester Financing No.3 plc	1 Bartholomew Lane, London EC2N 2AX United Kingdom	See the section entitled "*The Issuer*" for further information.
Holdings	Rochester Mortgages Holdings No.3 Limited	1 Bartholomew Lane, London EC2N 2AX United Kingdom	See the section entitled "*Holdings*" for further information.
Seller and **Legal Title Holder**	Rochester Mortgages Limited	Reliance House, Sun Pier Chatham, Kent ME4 4ET	See the section entitled "*The Seller*" for further information.
Vendor	Rochester Financing No.2 plc	1 Bartholomew Lane, London EC2N 2AX United Kingdom	Vendor Mortgage Sale Agreement
Retention Holder	OneSavings Bank Plc	Reliance House, Sun Pier Chatham, Kent ME4 4ET	See the section entitled "*OneSavings Bank Plc*" for further information.
Master Servicer	OneSavings Bank Plc	Reliance House, Sun Pier Chatham, Kent ME4 4ET	Master Servicing Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Master Servicing Agreement*" and "*OneSavings Bank Plc*" for further information.
Servicer	Target Servicing Limited	Target House, Cowbridge Road East, Cardiff CF11 9AU	Servicing Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Servicing Agreement*" and "*The Servicer*" for further

Party	Name	Address	Document under which appointed/Further Information
			information.
Back-up Servicer Facilitator	OneSavings Bank Plc	Reliance House, Sun Pier Chatham, Kent ME4 4ET	Master Servicing Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Master Servicing Agreement*" and "*OneSavings Bank Plc*" for further information.
Cash Manager	U.S. Bank Global Corporate Trust Limited	125 Old Broad Street Fifth Floor London EC2N 1AR	Cash Management Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Cash Management Agreement*" and "*The Cash Manager*" for further information.
Account Bank	Elavon Financial Services DAC, acting through its UK branch	125 Old Broad Street Fifth Floor London EC2N 1AR	Bank Account Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Bank Account Agreement*" and "*The Account Bank, Principal Paying Agent, Agent Bank and Registrar*" for further information.
Security Trustee	U.S. Bank Trustees Limited	125 Old Broad Street Fifth Floor London EC2N 1AR	Deed of Charge. See the sections entitled "*Summary of the Key Transaction Documents*– " and "*Terms and Conditions of the Notes*" and "*The Note Trustee and Security Trustee*" for further information.
Note Trustee	U.S. Bank Trustees Limited	125 Old Broad Street Fifth Floor London EC2N 1AR	Trust Deed. See the sections entitled "*Summary of the Key Transaction Documents – Trust Deed* and "*Terms and Conditions of the Notes*" and "*The Note Trustee and Security Trustee*" for further

Party	Name	Address	Document under which appointed/Further Information
			information.
Principal Paying Agent and **Agent Bank**	Elavon Financial Services DAC, acting through its UK branch	125 Old Broad Street Fifth Floor London EC2N 1AR	Agency Agreement. See the sections entitled "*Summary of the Key Transaction Documents – Agency Agreement* and "*Terms and Conditions of the Notes*" and "*The Account Bank, Principal Paying Agent, Agent Bank and Registrar*" for further information.
Registrar	Elavon Financial Services DAC, acting through its UK branch	125 Old Broad Street Fifth Floor London EC2N 1AR	Agency Agreement. See the sections entitled *"Summary of the Key Transaction Documents – Agency Agreement* and "*Terms and Conditions of the Notes*", and "*Terms and Conditions of the Certificates*" and "*The Account Bank, Principal Paying Agent, Agent Bank and Registrar*" for further information.
Corporate Services Provider	Intertrust Management Limited	1 Bartholomew Lane, London EC2N 2AX United Kingdom	Corporate Services Agreement.
Share Trustee	Intertrust Corporate Services Limited	1 Bartholomew Lane, London EC2N 2AX United Kingdom	Share Trust Deed.
Co-Arranger and Sole Lead Manager	BofA Securities (being the trading name of Merrill Lynch International)	2 King Edward Street London, E14 5JP	Subscription Agreement. See the section entitled "*Subscription and Sale*" for further information.
Co-Arranger	OneSavings Bank Plc	Reliance House, Sun Pier Chatham, Kent ME4 4ET	Subscription Agreement. See the section entitled "*Subscription and Sale*" for further information.

RISK FACTORS

The following is a description of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes and in the Issuer. Prospective Noteholders should carefully read and consider all the information contained in this Prospectus, including the risk factors set out in this section, prior to making any investment decision.

An investment in the Notes is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to suffer any potential loss stemming therefrom.

The Issuer believes that the risks described below are the material risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks relating to the Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts in respect of the Notes. Prospective Noteholders should read the detailed information set out in this document and reach their own views, together with their own professional advisers, prior to making any investment decision.

The purchase of the Notes involves substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of the Notes should (i) ensure that they understand the nature of the Notes and the extent of their exposure to risk, (ii) consider carefully, in the light of their own financial circumstances and investment objectives (and those of any accounts for which they are acting) and in consultation with such legal, financial, regulatory and tax advisers as it deems appropriate, all the information set out in this Prospectus so as to arrive at their own independent evaluation of the investment and (iii) confirm that an investment in the Notes is fully consistent with their respective financial needs, objectives and any applicable investment restrictions and is suitable for them. The Notes are not a conventional investment and carry various unique investment risks, which prospective investors should understand clearly before investing in them. In particular, an investment in the Notes involves the risk of a partial or total loss of investment.

For the avoidance of doubt, the following risk factors do not address all risks relevant to the prospective holders of the Certificates. Information contained in the following risk factors and in this Prospectus relating to the Certificates is included for completeness.

1. RISKS RELATING TO AVAILABILITY OF FUNDS TO MAKE PAYMENTS ON THE NOTES AND CERTIFICATES

The Issuer has a limited set of resources available to make payments on the Notes and Certificates

The ability of the Issuer to meet its obligations to pay principal and interest on the Notes, amounts due in respect of the Certificates and its operating and administrative expenses will be dependent solely on receipt by it in full of (a) monies received or recovered on the Loans (whether by way of receipt from the Borrowers under the Loans of payments of principal and interest, or by way of enforcement or disposal of the Loans and their Related Security in the Portfolio), (b) interest income earned on the Deposit Account and any Authorised Investments, (c) funds available in the General Reserve Fund and the Liquidity Reserve Fund and (d) funds available in the Warranty Reserve Fund. Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes, the Certificates and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes and the Certificates under the applicable Priority of Payments. If such funds are insufficient, any such insufficiency will be borne by the Noteholders, the Certificateholders and the other Secured Creditors, subject to the applicable Priority of

Payments. The recourse of the Noteholders and the Certificateholders to the Charged Assets following service of a Note Acceleration Notice is described below under "*The Notes and Certificates are limited recourse obligations of the Issuer*". For additional information, see also "*– Legal and Regulatory Risks – English law security and insolvency considerations*".

The Notes and Certificates are limited recourse obligations of the Issuer

The Notes and the Certificates will be limited recourse obligations of the Issuer. Other than the sources of funds referred to in the foregoing paragraph, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and the Certificates. Upon enforcement of the Security by the Security Trustee, if:

(a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;

(b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and

(c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal and interest) and amounts due in respect of the Certificates,

then the Secured Creditors (which include the Noteholders and the Certificateholders) shall have no further claim against the Issuer or its directors, shareholders, officers or successors in respect of any amounts owing to them which remain unpaid (in the case of the Noteholders, principally payments of principal and interest in respect of the Notes and amounts due in respect of the Certificates) and such unpaid amounts shall be deemed to be discharged in full and the Issuer's payment obligations shall be deemed to cease.

Considerations Relating to Yield, Prepayments, Mandatory Redemption and Optional Redemption

The yield to maturity on the Notes will depend on, *inter alia*, the amount and timing of payment of principal and interest on the Loans and the price paid by the holders of the Notes. Prepayments on the Loans may result from refinancing, sales of Properties by Borrowers voluntarily or as a result of enforcement proceedings under the relevant Mortgages, as well as the receipt of proceeds under any applicable insurance policies. The yield to maturity of the Notes may be adversely affected by, among other things, a higher or lower than anticipated rate of prepayments on the Loans.

The rate of prepayment of a Loan is influenced by a wide variety of economic, social and other factors, including prevailing mortgage market interest rates, the availability of alternative financing programmes, local and regional economic conditions and homeowner mobility. Generally, when market interest rates increase, borrowers are less likely to prepay their mortgage loans, while conversely, when market interest rates decrease, borrowers are generally more likely to prepay their mortgage loans. For instance, borrowers may prepay mortgage loans when they refinance their loans or sell their properties (either voluntarily or as a result of enforcement action taken). Because these and other relevant factors are not within the control of the Issuer, no assurance can be given as to the level of prepayments that the Portfolio will experience.

Payments and prepayments of principal on the Loans will be applied to reduce the Principal Amount Outstanding of the Notes on a pass-through basis on each Interest Payment Date in accordance with the Pre-Acceleration Principal Priority of Payments (to the extent not used to meet a Remaining Revenue Deficiency in accordance with item (a) of the Pre-Acceleration Principal Priority of Payments). See the section entitled "*Cashflows*".

The Final Maturity Date of the Notes is the Interest Payment Date falling in December 2044, however, in certain circumstances, the Issuer may redeem the Notes prior to the Final Maturity Date. In particular:

(a) on the Step-Up Date (and any Interest Payment Date thereafter) or the Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (other than the Class X Notes and the Class R Notes) (as of the immediately preceding Calculation Date) is less than or equal to 20 per cent. of the original aggregate Principal Amount Outstanding of the Notes (other than the Class X Notes and the Class R Notes) on the Closing Date, the Issuer shall, following the exercise of the Majority Holder Option (pursuant to which the Majority Holder has the option to elect to purchase the Loans from the Issuer), redeem all of the Notes and cancel the Certificates;

(b) following the occurrence of a Risk Retention Regulatory Change Event the Retention Holder has the option, in connection with a Retention Holder Option Sale and subject to certain conditions and the Majority Holders' pre-emption right, to require the Issuer to auction the Portfolio. The Issuer shall, following the exercise of the Retention Holder Option, redeem all of the Notes and cancel the Certificates; and

(c) the Issuer may, subject to the Conditions, redeem all of the Notes if a change in tax law results in the Issuer being required to make a deduction or withholding for or on account of tax. This may adversely affect the yield to maturity on the Notes.

See the section "*Early Redemption of the Notes*", Condition 7.3 (*Optional Redemption for Taxation Reasons*), Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*) and Condition 7.5 (*Mandatory Redemption of the Notes following the exercise of the Retention Holder Option*) for more detail. On the relevant Early Redemption Date, the Class R Notes will be redeemed from amounts, if any, standing to the credit of the Warranty Reserve Fund in accordance with Condition 7.2(c) (*Mandatory Redemption*).

The occurrence of any early redemption of the Notes will lead to a reduction in the average weighted life of the Notes.

Following the occurrence of an Event of Default, service of a Note Acceleration Notice and enforcement of the Security, there is no assurance that the Issuer will have sufficient funds to redeem the Notes in full.

Limitations on enforcement

There are limitations on enforcement and therefore the proceeds of that enforcement may not be enough to make all the payments due on the Notes and Certificates. No Noteholder or Certificateholder shall be entitled to proceed directly against the Issuer or any other party to any of the Transaction Documents to enforce the performance of any of the provisions of the Transaction Documents and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer unless the Note Trustee or, as the case may be, the Security Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing, provided that no Noteholder or Certificateholder shall be entitled to take any steps or proceedings to procure the winding-up, administration or liquidation of the Issuer in any circumstances.

Credit risk and principal deficiency

The Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Servicer, on behalf of the Issuer, to realise or recover sufficient funds under the arrears and default procedures in respect of a Loan and its Related Security in order to discharge all amounts due and owing by the relevant Borrowers under its Loan, which may adversely affect payments on the Notes and the Certificates.

This risk is mitigated to some extent by certain credit enhancement features which are described in the section entitled "*Credit Structure*", including the operation of the Principal Deficiency Ledger to record any Losses affecting the Loans in the Portfolio and any Available Principal Receipts used to meet a Remaining Revenue Deficiency.

It is expected that during the course of the life of the Notes, principal deficiencies will be recouped from Available Revenue Receipts and (other than in respect of the Class X Notes and the Class R Notes), amounts standing to the credit of the General Reserve Fund which are applied as General Reserve Fund Release Amounts. Such amounts will be applied, after meeting prior ranking obligations as set out under the Pre-Acceleration Revenue Priority of Payments, to credit first the Class A Principal Deficiency Sub-Ledger, second, following amounts being credited to the Liquidity Reserve Fund, the Class B Principal Deficiency Sub-Ledger, third the Class C Principal Deficiency Sub-Ledger, fourth the Class D Principal Deficiency Sub-Ledger, fifth the Class E Principal Deficiency Sub-Ledger, sixth the Class F Principal Deficiency Sub-Ledger and seventh the Class G Principal Deficiency Sub-Ledger.

However, no assurance can be made as to the effectiveness of such credit enhancement features, or that such credit enhancement features will protect the Noteholders from all risk of loss. Should there be credit losses arising in respect of the Loans, this could have an adverse effect on the ability of the Issuer to make payments of interest and/or principal on the Notes.

Liquidity risk

The Issuer is subject to the risk of insufficiency of funds on any Interest Payment Date as a result of payments being made late by Borrowers (if, for example such payment is made after the end of the Collection Period immediately preceding the Interest Payment Date). This risk is addressed in respect of the certain Classes of the Notes by the provision of liquidity from alternative sources including:

(a) in respect of the Class A Notes and the Class B Notes, the availability of the Liquidity Reserve Fund (subject to the relevant Liquidity Reserve Fund Conditions being met) to meet any Liquidity Deficiency in the event that Available Revenue Receipts are not sufficient;

(b) in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the availability of amounts standing to the credit of the General Reserve Fund (subject to the relevant General Reserve Fund Conditions being met) to meet any Revenue Deficiency in the event that Available Revenue Receipts are not sufficient (after application of any Liquidity Reserve Fund Release Amounts);

(c) in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the application (subject to the relevant Principal Addition Amount Conditions being met) of Available Principal Receipts to provide for any Remaining Revenue Deficiency in the event that Available Revenue Receipts are not sufficient (after application of any Liquidity Reserve Fund Release Amounts and General Reserve Fund Release Amounts);

in each case as described in the section entitled "*Credit Structure*". However, no assurance can be made as to the effectiveness of such liquidity support features, or that such liquidity support features will protect the holders of the Notes from all risk of delayed payment and/or loss.

No additional sources of funds after the Step-Up Date

As of the Step-Up Date, the margin on the Floating Rate Notes will increase. There will, however, be no additional receipts or other sources of funds available to the Issuer at such time. In such circumstances the Issuer may not have sufficient funds to pay all amounts of interest (including any increased margin on the Floating Rate Notes).

2. RISKS RELATING TO THE UNDERLYING ASSETS

Delinquencies or Default by Borrowers in paying amounts due on their Loans

Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in Tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies, natural disasters and widespread health crises, pandemics or epidemics or the fear of such crises, pandemics or epidemics (such as coronavirus, measles, SARS, Ebola, H1N1, Zika, avian influenza, swine flu or other epidemic diseases) and pre-emptive measures taken in respect of such crises. Although interest rates are currently low, this may change in the future and an increase in interest rates may adversely affect Borrowers' ability to pay interest or repay principal on their Loans. Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Unemployment, loss of earnings, illness (including any illness arising in connection with an epidemic or pandemic), widespread health crises or the fear of such crises (including as referred to above), divorce and other similar factors may lead to an increase in delinquencies by, and bankruptcies (and analogous arrangements) of, Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time.

Investors should note in particular in this regard, the FCA Payment Deferral Guidance described in the section entitled "*Further Information relating to the Regulation of Mortgages in the UK*" and the payment holiday and repossession forbearance measures outlined therein.

In order to exercise a power of sale in respect of a mortgaged property the relevant mortgagee or (in Scotland) heritable creditor must first obtain possession of the relevant property. Possession is usually obtained by way of a court order or decree. This can be a lengthy and costly process and will involve the mortgagee or heritable creditor assuming certain risks. The court has a wide discretion and may adopt a sympathetic attitude towards a Borrower faced with eviction. Any possession order given in favour of the lender may be suspended to allow the Borrower more time to pay. In addition, if possession has been obtained, a reasonable period must be allowed for marketing the property and for discharging the obligation to take reasonable care to obtain a proper price. If obtaining possession of a property and arranging a sale in such circumstances is lengthy or costly, the Issuer's ability to make payments on the Notes or the Certificates may be reduced. The Issuer's ability to make such payments may be reduced further if the powers of a mortgagee or heritable creditor in relation to obtaining possession of a property permitted by law are restricted in the future. There can be no assurance that the level of Loans in arrears will remain at their current levels and not increase.

Investors should note, as at the date of this Prospectus, the Tailored Support Guidance, as described below in the section entitled "*Mortgages and coronavirus: FCA guidance for firms*" in response to the Covid-19 outbreak in the UK states that from 1 April 2021, subject to any relevant government restrictions on repossessions, firms may enforce repossession provided they act in accordance with the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Tailored Support Guidance provides that action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed. The FCA makes clear in the guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with these requirements.

Investors should note, as at the date of this Prospectus, the FCA's guidance to firms in response to the Covid-19 outbreak in the UK, as described below in the section entitled "*Further Information relating to the Regulation of Mortgages in the UK*", that firms should not commence or continue repossession proceedings

against customers before 1 April 2021. This applies irrespective of the stage that repossession proceedings have reached or of any steps taken in pursuit of repossession. Where a possession order has already been obtained, firms should refrain from enforcing it.

The Covid-19 pandemic may have negative effects on the Portfolio

The world is currently experiencing an outbreak of a novel coronavirus (known as Covid-19) which is having severe health, as well as unpredictable economic, effects across the world. Concern about the effects of Covid-19 and the effectiveness of measures being put into place by global governmental bodies as well as by private enterprises to contain and mitigate its spread have adversely affected economic conditions and capital markets globally, and have led to increased volatility and declines in financial markets and severe economic downturns in many countries, including the United Kingdom. Such downturns may reduce the market value of affected properties in such regions, the ability to sell a property in a timely manner and/or negatively impact the ability of a Borrower to make timely payment of interest and repayments of principal on their Loans. While at the time of this Prospectus, it is difficult to predict the extent of the effect that Covid-19 may have from a public health perspective and the pre-emptive measures that may be adopted with a view to further containing its spread (such as travel bans, quarantine, elective or mandatory self-isolation and temporary business shut-downs), governments and national regulators have already implemented a number of measures and issued guidance to alleviate certain pandemic-related concerns.

As a result of such factors, a mortgage lender may offer, or be required through government regulation to offer, a range of forbearance options (which in themselves may be temporary or permanent in nature and may include, without limitation, the suspension of monthly payments due under Loans) to support Borrowers who are facing financial difficulty or may potentially face financial difficulties.

Despite the existence of certain government support schemes, such as the Coronavirus Job Retention Scheme and the Self-Employment Support Scheme, unemployment may rise substantially as a result of the impact of Covid-19 on the UK economy. There is a further risk that unemployment will increase substantially once these schemes, along with other government support or furlough measures, are phased out or reduced, with resulting reductions in consumer spending. These pressures may in turn negatively impact the ability of a Borrower to make timely payment of interest and repayments of principal on their Loans. Covid-19 Payment Deferrals.

A Borrower may request from the Legal Title Holder or the Servicer (on behalf of the Legal Title Holder) a payment deferral as a result of the direct or indirect impact of the Covid-19 pandemic (as at the date of this Prospectus, limited up to a six month period, with such deferrals available in certain circumstances for payments up to 31 July 2021) (a **Covid-19 Payment Deferral**). Investors should note in this regard, the FCA Payment Deferral Guidance and the Tailored Support Guidance described in the section entitled "*Further Information relating to the Regulation of Mortgages in the UK*" and the payment deferral measures outlined therein.

A **Covid-19 Payment Deferral Loan** is any Loan which is subject to a Covid-19 Payment Deferral. Whether or not a Covid-19 Payment Deferral will be granted is subject to the prevailing policies and procedures of the Legal Title Holder and Servicer which may be amended from time to time to reflect the FCA Payment Deferral Guidance, applicable law, regulation and other regulatory guidance. Further, the FCA in the FCA Payment Deferral Guidance requires the Legal Title Holder and Servicer to act in a manner consistent with the FCA Payment Deferral Guidance. The FCA makes it clear in the FCA Payment Deferral Guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with the guidance. In accordance with the FCA Payment Deferral Guidance, any Covid-19 Payment Deferral Loan will not, as a result of the Covid-19 Payment Deferral, be considered in arrears (or further in arrears), unless arrears have accumulated outside of the Covid-19 Payment Deferral, or be subject to a debt restructuring process. See further the section entitled "*Further Information relating to the Regulation of Mortgages in the UK*".

Due to the impact on timing and quantum of payments in respect of Covid-19 Payment Deferral Loans (as well as financial difficulties that Borrowers may experience in recommencing Loan payments after a payment holiday period), increased levels of such loans may result in a reduction of funds available to the Issuer to meet its obligations under the Notes. As at the Portfolio Reference Date, approximately 0.20 per cent. of the Provisional Portfolio by Current Principal Balance are Covid-19 Payment Deferral Loans; however, the total number of Borrowers who may seek to avail themselves of a mortgage payment deferral in the future, and therefore the impact of the measures set out in the FCA Payment Deferral Guidance and the Tailored Support Guidance on the performance of the mortgage loans in the Portfolio, is not known as at the date of this Prospectus. If the timing of the payments, as well as the quantum of such payments, in respect of the mortgage loans is adversely affected, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes.

There can be no assurance that the FCA, or other UK government or regulatory bodies, will not take further steps in response to the Covid-19 outbreak in the UK which may adversely affect the performance of the mortgage loans.

Buy-to-Let Loans

Some of the Loans in the Portfolio are buy-to-let Loans in relation to which the Borrowers' ability to service such Loans is likely to depend on the Borrowers' ability to lease the relevant mortgaged properties on appropriate terms (such Loans being **Buy-to-Let Loans**). There can be no assurance that each such mortgaged property will be the subject of an existing tenancy when the relevant Loan is acquired by the Issuer or that any tenancy which is granted will subsist throughout the life of the Loan and/or that the rental income from such tenancy will be sufficient (whether or not there is any default of payment in rent) to provide the Borrower with sufficient income to meet the Borrower's interest obligations in respect of the Loan. There can also be no assurance that, in the event of a material downturn in the private rental market, the ability to make repayments on the Notes would not be adversely affected. Such a downturn could be precipitated by a range of factors, which may include (but are not limited to) an expansion of owner-occupied lending (should credit conditions continue to loosen) and/or legislative changes affecting the sector, such as the introduction of rental caps or the regulation of the market or parts thereof.

The Coronavirus Act 2020 put measures in place in England for the period from 26 March 2020 until 30 September 2020 that provided that where landlords issued notices seeking possession, in the period from 26 March 2020 to 28 August 2020, the notice period had to be for three months. The Coronavirus Act 2020 (Residential Tenancies: Protection from Eviction) (Amendment) (England) Regulations 2020, made in exercise of powers conferred by the Coronavirus Act 2020, came into force on 29 August 2020 (the **English Regulations**). The English Regulations applied in England only. The English Regulations modified certain provisions of the Coronavirus Act 2020 to give tenants in England greater protection from eviction over the winter by requiring landlords to provide tenants with six months' notice in all bar those cases raising other serious issues such as, but not limited to, those involving rent arrears to the value of over six months' rent. The English Regulations provided that this six month notice period was required in the period starting from 29 August 2020 until 31 May 2021. The Coronavirus Act 2020 (Residential Tenancies: Protection from Eviction) (Amendment) (England) (No. 2) Regulations 2021 (the **2021 Amendment Regulations**) came into force on 31 May 2021 and further amended Schedule 29 to the Coronavirus Act 2020. The 2021 Amendment Regulations provide that from 1 June 2021 until at least 30 September 2021, landlords are required to provide at least four months' notice in all bar those cases raising other serious issues such as, but not limited to, those involving, (in certain circumstances): anti-social behaviour (including rioting), domestic abuse, fraud and rent arrears to the value of over four months' rent. The 2021 Amendment Regulations provide that the notice period for cases where there are less than 4 months of unpaid rent will reduce to 2 months' notice from 1 August 2021.

Further, from 27 March 2020, any possession claims in the system or about to go into the system were affected by a 90 day suspension of possession hearings and orders, such suspension of possession hearings and orders was extended until 23 August 2020 on 25 June 2020 and was extended by a further four weeks

until 20 September 2020 on 21 August 2020. New CPR Practice Direction 55C (**PD 55C**) is in force from 20 September 2020 until 30 July 2021. PD 55C sets out the steps required to reactivate stayed possession claims, as well as procedural changes applying both to existing possession claims and the issue of new claims. Different requirements apply under PD 55C depending on when the relevant possession claim was first issued.

In Wales, new regulations have been made under Schedule 29 to the Coronavirus Act 2020, that temporarily extend the minimum notice periods landlords must give to tenants with assured and assured shorthold tenancies. A six month notice period applied to notices issued between 24 July 2020 and 28 September 2020 under section 8 of the Housing Act 1988, except those that specified grounds 7A or 14 (relating to anti-social behaviour). A three month notice period continued to apply to notices that specified grounds 7A or 14. A six month notice period applied to notices issued on or after 24 July 2020 under section 21 of the Housing Act 1988. Schedule 29 is temporarily amended so that a landlord serving a notice on or after 24 July will be required to provide extended notice during the remainder of relevant period, which, in accordance with the Public Health (Protection From Eviction) (No.2) (Wales) (Coronavirus) Regulations 2021, currently ends on 30 June 2021.

The Coronavirus (Scotland) Act 2020 amended the Private Housing (Tenancies) (Scotland) Act 2016 (as amended, the **2016 Act**) such that various mandatory grounds for eviction, including the landlord's intention to sell the property, are now discretionary, to allow the First Tier Tribunal flexibility in dealing with eviction cases during the pandemic. The minimum notice period remains 28 days where the tenant no longer occupies the property, but otherwise the notice period has been extended from 84 days to three or six months, depending on the grounds for eviction. In addition, in assessing whether it is reasonable to make an eviction order on the grounds of rent arrears during the period when the 2016 Act is in force, the First Tier Tribunal must consider the extent to which the landlord has complied with pre-action requirements before applying for the eviction order. The measures were put in place until 31 March 2021 and have been extended by the Scottish Ministers by regulation to 30 September 2021. There are similar provisions for assured and other tenancies. Delays to landlords seeking possession of a Property may result in less rental income being available to meet the Borrower's repayment obligations in respect of the Loans.

Following the introduction of new national restrictions in England on 5 November 2020, The Public Health (Coronavirus) (Protection from Eviction and Taking Control of Goods) (England) Regulations 2020 came into force on 17 November 2020. These Regulations prevented the enforcement of repossession orders by bailiffs against tenants other than in the most serious circumstances up to 11 January 2021. On 8 January 2021 the Government laid The Public Health (Coronavirus) (Protection from Eviction) (England) Regulations 2021 to extend the ban on enforcing evictions to 21 February 2021. On 14 February 2021 the Government announced a six-week extension to the ban to 31 March 2021. A further extension to 31 May 2021 was announced on 10 March 2021. Regulations to give effect to the extension were laid on 22 March 2021. Similar bans on enforcement action over Christmas 2020 were introduced in Scotland and Wales and were subsequently extended. The ban has been extended in Scotland, subject to regular reviews, to 30 September 2021. The ban in Wales has been extended to 30 June 2021, subject to regular reviews and certain exceptions apply.

Upon enforcement of a Mortgage in respect of a Property which is the subject of an existing tenancy, the Servicer may serve notice to the tenant to obtain vacant possession of the Property, in which case the Servicer will only be able to sell the Property as an investment property with one or more sitting tenants. This may affect the amount which the relevant Servicer could realise upon enforcement of the Mortgage and the sale of the Property. In such a situation, amounts received in rent may not be sufficient to cover all amounts due in respect of the Loan. However, enforcement procedures in relation to such Mortgages (excluding any Scottish Mortgages) include appointing a receiver of rent, in which case such a receiver must collect any rents payable in respect of the Property and apply them accordingly in payment of any interest and arrears accruing under the Loan. Under Scots law, a receiver cannot be appointed under a standard security (the Scottish equivalent to a legal mortgage) and the only enforcement which may be carried out under a standard security is a full enforcement of the security (i.e. it cannot be enforced selectively by, for

instance, attaching to rental income). Accordingly, in Scotland, any attempt to secure the rental flows will depend upon the enforcement of the standard security.

With effect from 6 April 2020 there is no deduction available for finance costs from rental income and instead all rental income is only eligible for a tax credit at the basic rate of income tax (20 per cent.).

A higher rate of stamp duty land tax (**SDLT**) (and Welsh land transactions tax (**WLTT**)) applies to the purchase of additional residential properties located in England and Wales (such as buy-to-let properties). The current additional rate is 3 per cent. above the current SDLT and WLTT rates. On 11 March 2020, the UK Government announced that it would introduce a 2 per cent. SDLT surcharge on non-UK residents purchasing residential property in England, Wales and Northern Ireland with effect from 1 April 2021. This applies in addition to the 3 per cent. additional rate that applies to the purchase of additional residential properties in England and Wales described above.

The Scottish Government implemented a similar additional dwelling supplement in respect of purchases of residential properties with a total purchase price of £40,000 or more (the **Additional Dwelling Supplement**) with effect from 1 April 2016 in respect of land and buildings transaction tax (**LBTT**) (broadly speaking, the equivalent in Scotland to SDLT). For additional residential properties located in Scotland (including buy-to-let properties in Scotland), in addition to the current LBTT rates, the Additional Dwelling Supplement currently imposes a further 4 per cent. of the full chargeable consideration of the property. The Additional Dwelling Supplement does not include a surcharge on non-UK residents purchasing residential property in Scotland.

The introduction of these measures may adversely affect the private residential rental market in the United Kingdom in general and (in the case of the restriction of income tax relief) the ability of individual Borrowers of Buy-to-Let Loans to meet their obligations under those Loans. Further, such measures may prompt Borrowers to refinance their loan or sell the underlying Property, which in turn may adversely affect the yield to maturity of the Notes.

The Loan Warranties are limited by the Warranty Limitations and by the Disclosure Letter

Although the Seller will give certain Loan Warranties and other representations and warranties in respect of the Loans sold by it, the Seller was not the originator of any of the Loans comprised in the Portfolio and has acquired its beneficial interest in all of the Loans and their Related Security under the Vendor Mortgage Sale Agreement. The Seller does not have direct knowledge as to (other than to the extent disclosed to the Seller in connection with the Previous Transaction) whether certain Loan Warranties (including any Loan Warranties which relate to the origination process) are correct or not. Accordingly it may be practically difficult for the Seller to detect a breach of warranty in respect of the Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of the Seller. The Vendor Mortgage Sale Agreement contains no warranties and there is no indemnity or repurchase obligation in respect of the Loans sold by the Vendor to the Seller. Further, the Servicer will have limited obligations to notify the Issuer and the Master Servicer upon becoming aware that a Loan Warranty has been breached, and to assist the Issuer in bringing a claim in respect of any such breach.

If any of the Loan Warranties (which, for the avoidance of doubt, do not address all of the potential risks that may arise in relation to the Loans) proves to have been untrue on the Closing Date, then the Seller will not be required to make an indemnity payment to the Issuer in respect of the relevant Loan and its Related Security. Instead, an amount equal to the lesser of the balance of the Warranty Reserve Fund and the loss arising from a breach of Loan Warranty (the **Asset Warranty Payment**) will be debited from the Warranty Reserve Fund and will form part of Available Principal Receipts, and, to the extent such amount does not fully compensate for the loss arising from such breach of Loan Warranty, the remaining realised loss on the relevant Loan will be recorded as a debit on the Principal Deficiency Ledger.

There is no obligation on the Seller, the Retention Holder or the Majority Holder (together the **Option Holder**) or any other person to repurchase any Loan and/or its Related Security following any breach of any Loan Warranty.

Any Asset Warranty Payment in relation to any Loan will not exceed an amount equal to the Current Principal Balance of such Loan(s) as at the date of such payment prior to any deductions or downward balance adjustment or payments that may have been applied or made in respect of remediation, claims or set-off related to the relevant Loan Warranty.

As the amount of any Asset Warranty Payment is based in part upon the amount of, *inter alia*, actual costs, damages or loss suffered by the Issuer, such Asset Warranty Payment may not be known at the time at which the breach of Loan Warranty is discovered and further additional time (which could be months or years) may be required before such actual loss can be determined. Accordingly, any Asset Warranty Payment in respect of any breach of a Loan Warranty may be significantly delayed, which may impact the ability of the Issuer to meet its payment obligations under the Notes.

Under the terms of the Mortgage Sale Agreement, the following limitations (the **Warranty Limitations**) are applicable to the determination of any Asset Warranty Payment:

(a) the Issuer must give written notice of the breach of Loan Warranty to the Seller before the date falling 18 months after the date of the Mortgage Sale Agreement;

(b) no Asset Warranty Payment can be made in connection with any breach or breaches of any Loan Warranty unless the aggregate amount of all such claims exceeds £1,000,000;

(c) no Asset Warranty Payment can be made in connection with any breach of any Loan Warranty unless such claim (when taken with any other such claims relating to the same or similar facts or circumstances, whether or not in respect of the same Loan) exceeds £10,000;

(d) no Asset Warranty Payment can be made in respect of any loss of profit or indirect or consequential loss, whether actual or prospective;

(e) where the Issuer is at any time entitled to recover from some other person any sum in respect of any matter giving rise to an Asset Warranty Payment, the Issuer shall take all commercially reasonable steps (provided that this shall not require such steps to be taken for more than one year after the date of notification of the Seller) to enforce such recovery prior to any Asset Warranty Payment being made. In the event that the Issuer shall recover any amount from such other person in respect of the matter giving rise to the Loan Warranty claim, the amount of the Asset Warranty Payment shall be reduced by the amount so recovered;

(f) no Asset Warranty Payment shall be made to the extent that the claim is attributable to any voluntary act, omission, transaction or arrangement of the Issuer (other than the entry into of the Mortgage Sale Agreement and the performance of the Issuer's obligations under it) to which no comparable mortgage lender would have been a party;

(g) nothing in the Mortgage Sale Agreement shall or shall be deemed to relieve or abrogate the Issuer of any common law or other duty to mitigate any loss or damage incurred by it; and

(h) no Asset Warranty Payment shall be made in relation to any matter fairly disclosed to the Issuer pursuant to the disclosure letter provided by the Seller to the Issuer (the **Disclosure Letter**).

Investors should note that the Warranty Reserve Fund is funded on the Closing Date from the proceeds of the Notes in an amount equal to 2 per cent. of the Current Principal Balance of the Portfolio on the Cut-Off Date and is not replenished during the life of the transaction. Further, amounts standing to the credit of the

Warranty Reserve Fund may also be used by the Issuer to satisfy any outstanding liabilities of the Issuer towards the Sole Lead Manager in respect of breach of a representation or warranty under the Subscription Agreement. As a result of the forgoing, there can be no guarantee that amounts standing to the credit of the Warranty Reserve Fund will be sufficient to meet any Asset Warranty Payments and therefore to compensate the Issuer in respect of losses suffered due to a breach of the Loan Warranties.

Legal Title Holder to retain legal title to the Loans and risks relating to set-off

The sale by the Seller to the Issuer of the English Loans and the Northern Irish Loans and their respective Related Security (until legal title is conveyed to the Issuer in the circumstances described below) takes effect in equity only. The sale by the Seller to the Issuer of the Scottish Loans and their Related Security is given effect to by a Scottish Declaration of Trust by the Seller by which the beneficial interest in such Scottish Loans and their Related Security is held on trust by the Seller for the benefit of the Issuer. The holding of a beneficial interest under a Scottish trust has (broadly) equivalent legal consequences in Scotland to the holding of an equitable interest in England and Wales. In each case, this means that legal title to the Loans and their Related Security in the Portfolio will remain with the Seller as Legal Title Holder until certain trigger events occur under the terms of the Mortgage Sale Agreement (see "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*"). Until such time, the assignment by the Seller to the Issuer of the English Loans and Northern Irish Loans and their respective Related Security takes effect in equity only whereas in respect of the Scottish Loans and their Related Security held on trust pursuant to the Scottish Declaration of Trust by the Seller in favour of the Issuer, the Issuer will hold a beneficial interest only. The Issuer has not and will not apply to the Land Registry to register or record its equitable interest in the English Mortgages or the Northern Irish Mortgages and may not in any event apply to the General Register of Sasines or Land Register of Scotland (as appropriate) (together the **Registers of Scotland**) to register or record its beneficial interest in the Scottish Mortgages pursuant to the Scottish Declaration of Trust.

As a consequence of the Issuer not obtaining legal title to the Loans and their Related Security or the Properties secured thereby, a bona fide purchaser from the Legal Title Holder for value of any of such Loans and their Related Security without notice of any of the interests of the Issuer might obtain a good title free of any such interest. If this occurred, then the Issuer would not have good title to the affected Loan and its Related Security, and it would not be entitled to payments by a Borrower in respect of that Loan. However, the risk of third party claims obtaining priority to the interests of the Issuer in this way would be likely to be limited to circumstances arising from a breach by the Legal Title Holder of its contractual obligations or fraud, negligence or mistake on the part of the Legal Title Holder or its personnel or agents.

Prior to the insolvency of the Legal Title Holder, unless (i) notice of the assignment was given to a Borrower who is a creditor of the Legal Title Holder in the context of the English Loans and the Northern Irish Loans and their respective Related Security, and (ii) an assignation of the Scottish Loans and their Related Security is effected by the Legal Title Holder to the Issuer and notice thereof is then given to a Borrower who is a creditor of the Legal Title Holder, equitable or independent set-off rights may accrue in favour of the Borrower against his or her obligation to make payments to the Legal Title Holder under the relevant Loan. These rights may occur in relation to transactions made between Borrowers and the Legal Title Holder and may result in the Issuer receiving reduced payments on the Loans. The transfer of the benefit of any Loans to the Issuer will continue to be subject to any prior rights the Borrower may become entitled to after the transfer. Where notice of the assignment or assignation by the Legal Title Holder to the Issuer is given to the Borrower, however, some rights of set-off (being those rights that are not connected with or related to the relevant Loan) may not arise after the date notice is given. For the purposes of this Prospectus, references herein to "set-off" shall be construed to include analogous rights in Scotland.

Until notice of the assignment or assignation of the Loans and their Related Security to the Issuer is given to Borrowers, the Issuer would not be able to enforce any Borrower's obligations under a Loan or Related Security itself but would have to join the Legal Title Holder as a party to any legal proceedings. Borrowers will also have the right to redeem their Mortgages by repaying the relevant Loan directly to the Legal Title

Holder. However, the Legal Title Holder will undertake, pursuant to the Mortgage Sale Agreement, to hold any money repaid to it in respect of relevant Loans to the order of the Issuer.

Once notice has been given to the Borrowers of the assignment or assignation of the Loans and their Related Security by the Legal Title Holder to the Issuer, independent set-off rights which a Borrower has against the Legal Title Holder will crystallise and further rights of independent set-off would cease to accrue against the Legal Title Holder from that date and no new rights of independent set-off could be asserted following that notice. Set-off rights arising under "transaction set-off" (which are set-off claims arising out of a transaction connected with the Loan such as a claim for damages under a Further Advance) will not be affected by that notice and will continue to exist.

Examples of transaction set-off that could arise in respect of the Portfolio include:

- The relevant Borrower may set off any claim for damages where the Legal Title Holder (as applicable) has failed to effect a Port, having committed to do so.

- The relevant Borrower may set off any claim for damages where the Legal Title Holder (as applicable) has overcharged it in respect of fees or other amounts due on the Borrower's Loan (see below "*Bank of Scotland plc v Rosemary Rea"*).

The amount of any such claim against the Legal Title Holder for transaction set-off will, in many cases, be the cost to the Borrower of finding an alternative source of funds or the amount of the loss suffered for overpaid charges. For instance, where the Legal Title Holder has failed to effect a Port, having committed to do so, the Borrower could set off against the Issuer, where the Legal Title Holder, failed to re-extend the relevant Loan, the difference between the rate of interest on the Loan and the interest rate at which the Borrower could borrow money in the market on the new property. In addition to the difference in the cost of borrowing, the relevant Borrower could also set off any direct losses arising from the Legal Title Holder's breach of contract, namely the associated costs of obtaining alternative funds (for example, legal fees and survey fees).

If the Borrower is unable to obtain an alternative mortgage loan, he or she may have a claim in respect of other indirect losses arising from the Legal Title Holder's breach of contract where there are special circumstances communicated by the Borrower to the Legal Title Holder at the time the Borrower entered into the Mortgage or which otherwise were reasonably foreseeable. A Borrower may also attempt to set off an amount greater than the amount of his or her damages claim against his or her mortgage payments. In that case, the Servicer will be entitled to take enforcement proceedings against the Borrower, although the period of non-payment by the Borrower is likely to continue until a judgment or (in Scotland) a decree is obtained.

Although it is not currently envisaged that any Borrower would have a significant right of set-off (if at all) against the Legal Title Holder, the effect of the exercise of set-off rights by Borrowers (even if this is in respect of a small amount, but applicable to a large number of Borrowers in the Portfolio) may adversely affect the timing of receipt and ultimate amount received by the Issuer in respect of the relevant Loans and the realisable value of the Portfolio and/or the ability of the Issuer to make payments under the Notes and/or the Certificates.

For so long as the Issuer does not have legal title, the Legal Title Holder will undertake for the benefit of the Issuer that it will lend its name to, and take such other steps as may reasonably be required by the Issuer in relation to, any legal proceedings in respect of the relevant Loans and their Related Security and the Issuer will have power of attorney to act in the name of the Legal Title Holder.

If any of the risks described above were to occur then the realisable value of the Portfolio or any part thereof may be affected.

Lending Criteria

The Portfolio comprises of Loans to Borrowers who have previously been subject to poor credit history, are self-employed, have self-certified their incomes or are otherwise considered by banks and building societies to be non-prime borrowers (such borrowers, **Non-Conforming Borrowers**). Loans made to Non-Conforming Borrowers may experience higher rates of delinquency, write-offs, enforcement and bankruptcy than have historically been experienced by mortgage loans made to prime borrowers and therefore carry a higher degree of risk.

The Loans were required to have been underwritten generally in accordance with the underwriting standards of the relevant Original Lending Entity (see the section entitled "*The Loans*" for a description of the underwriting standards of DB UK). Those underwriting standards considered, among other things, a borrower's credit history, employment history and status, repayment ability and debt service-to-income ratio, as well as the value of the property. Those underwriting standards were intended to be used with a view, in part, to mitigating the risks in lending to Non-Conforming Borrowers.

The Loans were not originated by the Issuer or the Seller and there can be no assurance (and no warranty is given) that the underwriting standards referred to in the section entitled "*The Loans*" were applied in all cases to Loans made by DB UK, or that Loans underwritten by DB UK under different criteria have not been included in the Portfolio. Neither the Issuer nor the Seller has direct knowledge of the underwriting criteria applied by Money Partners or Edeus to the Loans in the Portfolio and such underwriting criteria may differ materially from those of DB UK.

These matters, alone or in combination, may contribute to higher delinquency rates, slower prepayment rates and higher losses on the Portfolio, which in turn may affect the ability of the Issuer to make payments of interest and/or principal on the Notes and payments of any amounts under the Certificates.

Declining property values

The value of the Related Security in respect of the Loans may be affected by, among other things, a decline in the residential property values in the United Kingdom. If the residential property market in the United Kingdom should experience an overall decline in property values, such a decline could in certain circumstances result in the value of the Related Security being significantly reduced, particularly in respect of those Loans which have a high LTV, and, in the event that the Related Security is required to be enforced, may result in an adverse effect on payments on the Notes and the Certificates.

The Issuer cannot guarantee that the value of a property will remain at the same level as on the date of origination of the related Loan. Any fall in property prices resulting from a deterioration in the housing market could result in losses being incurred by lenders where the net recovery proceeds are insufficient to redeem any outstanding loan secured on such property. If the value of the Related Security backing the Loans is reduced this may ultimately result in losses to Noteholders and the Certificateholders if the Security is required to be enforced and the resulting proceeds are insufficient to make payments on all Notes and Certificates.

Borrowers may have insufficient equity in their homes to refinance their Loans and may have insufficient resources to pay amounts in respect of their loans as and when they fall due. This could lead to higher delinquency rates and losses which in turn may adversely affect payments on the Notes and the Certificates.

Interest Only Loans

Each Loan in the Portfolio may be repayable either on a capital repayment basis or an interest-only basis (see "*Characteristics of the Portfolio – Repayment Terms*"). Where a Borrower is only required to pay interest during the term of the Loan, with the principal being repaid in a lump sum at the end of the term, it is generally recommended that Borrowers ensure that some repayment mechanism (such as an investment

policy) is put in place to ensure that funds will be available to repay the principal at the end of the term. The Seller did not originate the Loans and is not aware if the relevant Original Lending Entity verified or required proof that such repayment mechanism was in place. The Seller does not have, and the Issuer will not have, the benefit of any investment policies taken out by Borrowers.

Absent a repayment vehicle, the ability of such Borrower to repay an Interest-only Loan at maturity will often depend on such Borrower's ability to refinance or sell the Property or to obtain funds from another source such as pension policies, personal equity plans or endowment policies (the **Policies**).

The Seller has not required, and has not required any person which sold it Loans to represent that it required, that such Policies be established with respect to any Interest-only Loans nor has the Seller required the benefit of any such Policies to be assigned to it. The only security that exists will therefore be the Mortgage covering the Property. The ability of a Borrower to refinance the Property will be affected by a number of factors, including (without limitation) the value of the Property, the Borrower's equity in the Property, the Borrower's age and employment status, the financial condition and payment history of the Borrower, tax laws and prevailing general economic conditions. In recent times, mortgage lenders have maintained stricter conditions to the advancing of interest only (and other) mortgage loans. Because there is a greater risk relating to refinancing of Interest-only Loans, a significant downturn in the property market or the economy could lead to a greater increase in defaults on the repayment of principal on Interest-only Loans than on repayment loans. Moreover, the Mortgage Conditions in respect of Interest-only Loans do not require a Borrower to put in place alternative funding arrangements. The inability of the Borrowers to refinance their respective Properties may ultimately result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Notes and the Certificates.

Borrowers may not have been making payment in full or on time of the premiums due on any relevant investment or life policy, which may therefore have lapsed and/or no further benefits may be accruing thereunder. In certain cases, the policy may have been surrendered but not necessarily in return for a cash payment and any cash received by the Borrower may not have been applied in paying amounts due under the Loan. Thus the ability of such a Borrower to repay an Interest-only Loan (as defined in "*Summary of the Key Transaction Documents*") at maturity without resorting to the sale of the underlying property depends on such Borrower's responsibility in ensuring that sufficient funds are available from a given source such as pension policies, PEPs, ISA or endowment policies, as well as the financial condition of the Borrower, tax laws and general economic conditions at the time. If a Borrower cannot repay an Interest-only Loan and a loss occurs, this may affect repayments on the Rated Notes if the resulting Principal Deficiency Ledger entry cannot be cured.

Self-certified Loans

A high proportion of the Loans in the Portfolio are Self-Certified Loans entered into prior to 20 March 2014. Generally in respect of Self-Certified Loans, verification of a Borrower's income and employment details will not have been made by or on behalf of the relevant Original Lending Entity. Self-Certified Loans may suffer higher rates of delinquencies, enforcements and losses than Loans in respect of which supporting documentation has been provided in respect of the income or employment details of the Borrower which may result in a reduction of amounts available to the Issuer and adversely affect its ability to make payments under the Notes and the Certificates.

Geographic Concentration Risks

Loans in the Portfolio may also be subject to geographic concentration risks within certain regions of the United Kingdom. To the extent that specific geographic regions within the United Kingdom have experienced or may experience in the future weaker regional economic conditions and housing markets than other regions in the United Kingdom, a concentration of the Loans in such a region may be expected to exacerbate the risks relating to the Loans described in this section. Certain geographic regions within the United Kingdom rely on different types of industries. Any downturn in a local economy or particular

industry may adversely affect the regional employment levels and consequently the repayment ability of the Borrowers in that region or the region that relies most heavily on that industry. Any natural disasters in a particular region may reduce the value of affected Properties. This may result in a loss being incurred upon sale of the Property. These circumstances could affect receipts on the Loans and ultimately result in losses on the Notes and the Certificates. For an overview of the geographical distribution of the Loans comprised in the Provisional Portfolio, see "*Characteristics of the Portfolio* –

Geographical Distribution".

Selection of the Portfolio

The information in the section headed "*Characteristics of the Portfolio*" has been extracted from the systems of the Servicer as at 31 March 2021 (the **Portfolio Reference Date**). The portfolio as at the Portfolio Reference Date (the **Provisional Portfolio)** comprised of 1,960 Loans with a Current Principal Balance of £230,359,213.24. The Loans to be comprised in the Portfolio on the Closing Date will be those remaining following (a) discharge of any Loans during the period between the Portfolio Reference Date and the Cut-Off Date and (b) the removal from the Provisional Portfolio of a sub-portfolio of Loans as randomly selected (by reference to the Provisional Portfolio) by an independent third party in an amount equal to at least 5 per cent. of the nominal value of the Portfolio, which sub-portfolio will be sold by the Seller on the Closing Date to OSB and held on and from that date by OSB in compliance with the Retention Requirements (see "*Certain Regulatory Disclosures*" for further information).

The characteristics of the Portfolio will vary from those set out in the tables in this Prospectus as a result of, *inter alia*, repayments and redemptions of Loans prior to the Closing Date and removal of the sub-portfolio to be held by OSB in compliance with the Retention Requirements. Loans will not be removed from the Provisional Portfolio if it is discovered that a Loan Warranty has been breached in relation to any Loans. Neither the Seller, the Master Servicer, the Legal Title Holder nor the Servicer has provided any assurance that there will be no material change in the characteristics of the Provisional Portfolio between the Portfolio Reference Date and the Closing Date. Such a change may adversely affect the quality of the Loans and their Related Security in the Portfolio and accordingly the ability of the Issuer to make payments on the Notes.

Further Advances, Ports and Product Switches

Pursuant to the Mortgage Sale Agreement, the Legal Title Holder undertakes that it will not accept a request from, or make an offer to, a Borrower for Further Advances in respect of a Loan in the Portfolio. The Servicer, under the Servicing Agreement, undertakes with the Issuer and the Security Trustee that it will not grant any Further Advances in respect of a Loan in the Portfolio. Under the Servicing Agreement, the Servicer undertakes with the Issuer and the Security Trustee that: (a) if it receives an application from a Borrower requesting a Payment Holiday, a Port or a Product Switch, it shall not agree to grant such Payment Holiday, Port or Product Switch unless required to do so under the relevant Mortgage Conditions or to comply with any applicable law or guidelines (including the requirement to treat customers fairly) (**Required Payment Holidays**, **Required Ports** and **Required Product Switches**, respectively); and (b) applications for Required Payment Holidays, Required Ports and Required Product Switches will be considered and dealt with in accordance with the relevant Mortgage Conditions. Any Required Payment Holiday, Required Port or Required Product Switch could, to the extent such item results in fees or expenses to the Issuer, adversely affect the Issuer's ability to make payments due on the Notes and the Certificates or to redeem the Notes.

Right to Buy Loans

The Portfolio includes Right to Buy Loans (0.81 per cent. of the Provisional Portfolio by Current Principal Balance). Properties sold under the Right to Buy scheme of the Housing Act 1985 or (prior to 31 July 2016) the Housing (Scotland) Act 1987 (as amended), as applicable, are (or, in the case of Scotland, were) sold by the landlord at a discount to market value calculated in accordance with the Housing Act 1985 or Housing (Scotland) Act 1987 (as amended) (as applicable).

There can be no assurance that, in respect of any Right to Buy Loans, (i) the relevant Original Lending Entity was, at the time of the origination of the Loan, an approved lending institution or, in Scotland, a recognised lending institution under the relevant legislation or has adequate title insurance to protect against such risk (**Right to Buy Insurance**), (ii) the Right to Buy Loan was made to the person exercising the right to buy,

(iii) the Right to Buy Loan was made for the purposes of enabling the Borrower to purchase or refinance the relevant Property, or (iv) the Issuer will have the benefit of any Right to Buy Insurance in respect of such Loans.

Insurance Policies

Generally, the Mortgage Conditions of the Loans require Borrowers to insure the relevant Property, although in the case of some Loans, the terms and conditions either explicitly or implicitly do not require the relevant Borrowers to insure the relevant Property. However, no assurance can be given that the Issuer will always receive the benefit of any claims made under any applicable buildings insurance contracts or that the amounts received in respect of a successful claim will be sufficient to reinstate the affected Property. This could adversely affect the Issuer's ability to redeem the Notes. No warranty is given by the Seller or the Servicer as to whether any Borrower has valid buildings insurance in place or that the Issuer would be able to successfully claim under such Borrower-arranged buildings insurance.

Loans are subject to certain legal and regulatory risks

The Loans are subject to certain risks relating to the law and regulation of mortgages in the United Kingdom. No assurance can be given that additional legislative and/or regulatory changes (by any legislative body, the FCA or any other regulatory authority) will not arise with regard to the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments, including any further changes arising from the FCA's mortgage market review, or the FSMA arising from HM Treasury's proposals to change mortgage regulation or changes in the regulatory structure or the Financial Services Act 2012, or the costs of complying with any such changes may have a material adverse effect on the Seller, the Issuer, the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full on the Notes when due. Further detail on certain considerations in relation to the regulation of mortgages in the UK is set out in the section headed "*Further Information relating to the Regulation of Mortgages in the UK*".

3. RISKS RELATING TO THE STRUCTURE

Subordination

Senior Classes of Notes rank ahead of junior Classes of Notes in respect of payment of principal and interest in accordance with the relevant Priorities of Payment. In addition to the above, payments on the Notes and the Certificates are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors and certain third parties. The subordination of the Notes and the Certificates are further set out in "*Cashflows– Application of Available Revenue Receipts prior to the service of a Note Acceleration Notice on the Issuer*", "*– Application of Available Principal Receipts prior to the service of a Note Acceleration Notice on the Issuer*" and "*– Distribution of Available Funds following the service of a Note Acceleration Notice on the Issuer*". There is no assurance that these subordination rules will protect the Noteholders from all risk of loss.

Deferral of Interest Payments on the Notes

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (including any accrued interest thereon) that would otherwise be payable other than in respect of the Most Senior Class of Notes outstanding after having paid or provided for items of higher priority in the Pre-Acceleration Revenue Priority of Payments, then the Issuer will be entitled under Condition 17 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date or such earlier date as interest in respect of the Notes becomes immediately due and repayable in accordance with the Conditions. Any such deferral will not constitute an Event of Default.

For the avoidance of doubt, no such deferral of interest shall be permitted in relation to the then Most Senior Class of Notes. Failure to pay interest on the Most Senior Class of Notes outstanding shall constitute an Event of Default under the Notes which may result in the Security Trustee enforcing the Security.

Interest Rate Risk

The Issuer is subject to the risk of a mismatch between the rate of interest (including margin) payable in respect of the Loans and the rate of interest (including margin) payable in respect of the Notes. The Loans in the Portfolio are subject to variable interest rates while the Issuer's liabilities under the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes are based on Compounded Daily SONIA.

As at the date of this Prospectus, the Issuer has not entered into any interest rate swap or other hedging transaction in relation to any of the Loans, and as a result there is no hedge in respect of the risk of any variances in the rates charged on any Loans which in turn may result in insufficient funds being made available to the Issuer for the Issuer to meet its obligations to the Noteholders, Certificateholders and the other Secured Creditors.

4. RISKS RELATING TO CHANGES TO THE STRUCTURE AND THE DOCUMENTS

Modifications and Waivers may be made which may adversely affect the Noteholders

The Conditions and the Certificates Conditions contain provisions for calling meetings of Noteholders and Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders and Certificateholders including Noteholders and Certificateholders who did not attend and vote at the relevant meeting and Noteholders and Certificateholders who voted in a manner contrary to the majority. The Conditions and the Certificates Conditions provide that, other than an Extraordinary Resolution in relation to a Basic Terms Modification, an Extraordinary Resolution or Ordinary Resolution passed at any meeting of the Most Senior Class of Noteholders shall be binding on all other Classes of Notes and the Certificateholders irrespective of the effect it has upon them, except that no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class Y Certificates Entrenched Rights or Class R Certificates Entrenched Rights, unless the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented to such modification or waiver.

The Conditions and the Certificates Conditions also provide that, other than in respect of a Basic Terms Modification or matters affecting a Class Y Certificates Entrenched Right or Class R Certificates Entrenched Right, the Note Trustee or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), may agree, without the consent of the Noteholders, the Certificateholders or the other Secured Creditors (but, in the case of the Security Trustee only, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document), to (a) any modification of, or the waiver or authorisation of, any breach or proposed breach of, the Conditions of the Notes, the Certificates Conditions or any of the Transaction Documents which is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Most Senior Class or (b) any modification which, in the Note Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error. The Note Trustee may also, without the consent of the Noteholders or the Certificateholders, if it is of the opinion that such determination will not be materially prejudicial to the interests of the Noteholders or the Certificateholders, determine that an Event of Default shall not, or shall not subject to specified conditions, be treated as such. See Condition 10 (*Events of Default*) and Certificates Condition 9 (*Events of Default*).

The Note Trustee shall be obliged, without any consent or sanction of the Noteholders, or, subject to the receipt of consent from any of the Secured Creditors party to the Transaction Document being modified, any of the other Secured Creditors, to concur and to direct the Security Trustee to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification or matters affecting a Class Y

Certificates Entrenched Right or Class R Certificates Entrenched Right) to the Conditions, the Certificates Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary or enter into any new, supplemental or additional documents that the Issuer (in each case) considers necessary:

(a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time;

(b) to comply with, implement or reflect any changes in the requirements of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, in each case as amended, varied or substituted from time to time after the Closing Date;

(c) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin;

(d) for the purposes of enabling the Issuer or any of the other transaction parties to comply with FATCA;

(e) to comply with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation after the Closing Date,

(f) to change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate in accordance with a Base Rate Modification,

in each case as more fully set out at (and subject to conditions referred to in) Condition 13(*Additional Right of Modification*).

The Conditions and Certificate Conditions also specify that certain categories of amendments (including changes to majorities required to pass resolutions or quorum requirements) would be classified as Basic Terms Modifications, Class Y Certificates Entrenched Rights or Class R Certificates Entrenched Rights. Investors should note that a Basic Terms Modification is required to be sanctioned by an Extraordinary Resolution of the holders of the affected Class of Notes and/or Certificates then outstanding or in issue (as applicable) and that, notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class Y Certificates Entrenched Rights or Class R Certificates Entrenched Rights, unless the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented to such modification or waiver.

There is no guarantee that any changes made to the Transaction Documents and/or the Conditions or the Certificate Conditions, as applicable, pursuant to the obligations imposed on the Note Trustee and the Security Trustee as described above, would not be prejudicial to Noteholders or the Certificateholders.

Risks relating to negative consent of Noteholders and Certificateholders

Other than in respect of an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice and other than in relation to a Basic Terms Modification of the Notes (but not, for the avoidance of doubt, the Certificates), an Extraordinary Resolution or an Ordinary Resolution may be passed by the negative consent of the relevant Noteholders or the Certificateholders. An Extraordinary Resolution or an Ordinary Resolution, as applicable, will be passed by a Class of Notes or the Certificateholders unless, within 40 days of the requisite notice first being given to such Class of Noteholders or the Certificateholders in accordance with the provisions of Condition 15 (*Notice to Noteholders*) and Certificate Condition 14 (*Notice to Certificateholders*), or in such other manner as may be approved in writing by the Note Trustee and such notice being made available through Bloomberg or any industry recognised successor to

Bloomberg on a page associated with the Notes and/or Certificates (unless impractical to do so due to changes in the Bloomberg system following the Closing Date) at the time it is given to Noteholders and Certificateholders (such notice will be repeated in the manner set out above 20 days after the notice is first given), (a) in the case of an Extraordinary Resolution, the holders of 10 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes of such Class or by number of the Certificates then outstanding or (b) in the case of an Ordinary Resolution, the holders of 15 per cent. or more in aggregate of the Principal Amount Outstanding of the Notes of such Class or by number of the Certificates then outstanding, have informed the Note Trustee in the prescribed manner of their objection to such Extraordinary Resolution or Ordinary Resolution, as applicable. Therefore, it is possible that an Extraordinary Resolution (other than in respect of an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice and other than in relation to a Basic Terms Modification of the Notes (but not, for the avoidance of doubt, the Certificates) and other than in relation to matters affecting a Class Y Certificates Entrenched Right or Class R Certificates Entrenched Right) could be passed without the vote of any Noteholders or the Certificateholders or even if holders of up to 9.99 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class of Notes or by number of the relevant Class of Certificates then outstanding objected to it and it is possible that an Ordinary Resolution could be deemed to be passed without the vote of any Noteholders or the Certificateholders or even if holders of up to 14.99 per cent. in aggregate of the Principal Amount Outstanding of the relevant Class of Notes or by number of the relevant Class of Certificates then outstanding.

The Note Trustee and the Security Trustee are not obliged to act in certain circumstances

Upon the occurrence of an Event of Default, the Note Trustee in its absolute discretion may, and if so directed in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or if they pass an Extraordinary Resolution, direct the Note Trustee to give a Note Acceleration Notice to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding and that all payments due pursuant to the Certificates are immediately due and payable.

Each of the Note Trustee and the Security Trustee may, at any time, at their discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Certificates or the Trust Deed (including the Conditions and the Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) of the other Transaction Documents to which it is a party or in respect of which (in the case of the Security Trustee) it holds security and at any time after the service of a Note Acceleration Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security. However, neither the Note Trustee nor the Security Trustee shall be bound to take any such proceedings or steps (including, but not limited to, the giving of a Note Acceleration Notice in accordance with Condition 10 (*Events of Default*) unless in the case of the Note Trustee it shall have been directed to do so by the holders of the Most Senior Class of Notes then outstanding, and in the case of the Security Trustee has been directed by the Note Trustee itself having been directed to do so by the holders of the Most Senior Class of Notes then outstanding and in each case it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

In addition, each of the Note Trustee and the Security Trustee benefit from indemnities given to them by the Issuer pursuant to the Transaction Documents which rank in priority to the payments of interest and principal on the Notes.

In relation to the Risk Retention Undertaking to be given by the Retention Holder in the Risk Retention Letter and certain requirements as to providing investor information in connection therewith, none of the Co-Arrangers, the Note Trustee or the Security Trustee will be under any obligation to monitor the compliance by the Retention Holder with such covenant and will not be under any obligation to take any action in relation to non-compliance with such covenant.

5. COUNTERPARTY AND THIRD PARTY RISKS

Ratings of the Rated Notes

The expected ratings of the Rated Notes to be assigned on the Closing Date are set out under "*Ratings*". A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning Rating Agency if, in its judgement, circumstances (including, without limitation, a reduction in the credit rating of the Cash Manager, the Collection Account Bank and the Account Bank) in the future so warrant. See also the section entitled "Counterparty and Third Party Risks –" below.

The rating process addresses structural and legal aspects associated with the securities, including the nature of the Loans. The ratings assigned to mortgage-backed securities do not represent any assessment of the likelihood that principal prepayments will be made by the Borrowers or the degree to which such prepayments will differ from those originally anticipated. The ratings of the Rated Notes do not address the possibility that the holders of the Rated Notes might suffer a lower than anticipated yield due to non-credit events.

At any time, any Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Rated Notes may be withdrawn, lowered or qualified. A qualification, downgrade or withdrawal of any of the ratings mentioned above may adversely impact upon the value of the Notes. The Issuer has not requested that the Class G Notes, the Class R Notes or the Certificates be rated by the Rating Agencies.

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

As highlighted above, the ratings assigned to the Rated Notes by each Rating Agency are based on, among other things, the short-term and/or long-term unsecured, unguaranteed and unsubordinated debt ratings of the Cash Manager, the Collection Account Bank and the Account Bank. In the event one or more of these transaction parties are downgraded below the requisite ratings trigger, there can be no assurance that a replacement to that counterparty will be found which has the ratings required to maintain the then current ratings of the Rated Notes. If a replacement counterparty with the requisite ratings cannot be found, this is likely to have an adverse impact on the rating of the Rated Notes and, as a consequence, the resale price of the Rated Notes in the market and the prima facie eligibility of certain classes of the Rated Notes for use in liquidity schemes established by various central banks.

CRA Regulations

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third-country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such

list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the Rating Agencies rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

Rating Agency confirmation in relation to the Rated Notes in respect of certain actions

The terms of certain Transaction Documents provide that certain actions to be taken by the Issuer and/or the other parties to the Transaction Documents are contingent on such actions not having an adverse effect on the ratings assigned to the Rated Notes. In such circumstances, the Note Trustee or the Security Trustee may require the Issuer to seek confirmation from the Rating Agencies that certain actions proposed to be taken by the Issuer and the Note Trustee, or as the case may be, the Security Trustee, will not have an adverse effect on the then current rating of the Rated Notes (a **Rating Agency Confirmation**).

A Rating Agency Confirmation that any action or inaction proposed to be taken by the Issuer or the Note Trustee or, as the case may be, the Security Trustee, will not have an adverse effect on the then current rating of the Rated Notes does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the holders of the Rated Notes. While entitled to have regard to the fact that the Rating Agencies have confirmed that the then current rating of the Rated Notes would not be adversely affected by the proposed action, the above does not impose or extend any actual or contingent liability on the Rating Agencies to the Secured Creditors (including the holders of the Rated Notes), the Issuer, the Note Trustee, the Security Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the holders of the Rated Notes), the Issuer, the Note Trustee, the Security Trustee or any other person whether by way of contract or otherwise. In addition, the Note Trustee and/or the Security Trustee, as applicable, may, but is not required to, have regard to any Rating Agency Confirmation.

Any such Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency. It should be noted that, depending on the nature of the request, the timing of delivery of the request and of any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a Rating Agency Confirmation in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. A Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the Rated Notes form part since the Closing Date. A Rating Agency Confirmation represents only a restatement of the opinions given as at the Closing Date and cannot be construed as advice for the benefit of any parties to the transaction.

Certain Rating Agencies have indicated that they will no longer provide Rating Agency Confirmations as a matter of policy. To the extent that a Rating Agency Confirmation cannot be obtained, whether or not a

proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions.

Where the Transaction Documents require a Rating Agency Confirmation and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer and (i) (A) one Rating Agency (such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and (ii) the Issuer has otherwise received no indication from that Rating Agency that its then current ratings of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such action, step or matter, then such condition to receive a Rating Agency Confirmation or response from each Ratings Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in subparagraphs (i)(A) or (B) and (ii) has occurred, the Issuer having sent a written request to each Rating Agency. Where a Rating Agency Confirmation is a condition to any action or step under any Transaction Document and it is deemed to be modified as a result of a Non-Responsive Rating Agency not having responded to the relevant request from the Issuer within 30 days, there remains a risk that such Non-Responsive Rating Agency may subsequently downgrade, qualify or withdraw the then current ratings of the Rated Notes as a result of the action or step. Such a downgrade, qualification or withdrawal to the then current ratings of the Rated Notes may have an adverse effect on the value of the Rated Notes.

Conflict between Noteholders

The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of all Classes of Noteholders equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise).

If, in the Note Trustee's opinion, however, there is or may be a conflict between the interests of the holders of one or more Classes of Notes on one hand and the interests of the holders of one or more Classes of Notes on the other hand, then the Note Trustee is required to have regard only to the interests of the holders of the Class of Notes ranking in priority to other relevant Classes of Notes in the Priorities of Payment.

As a result, holders of Notes other than the Most Senior Class may not have their interests taken into account by the Note Trustee when the Note Trustee exercises discretion.

In addition, prospective investors should note that the Trust Deed provides that no Extraordinary Resolution of the holders of a Class of Notes, other than the holders of the Most Senior Class, shall take effect for any purpose while the Most Senior Class remains outstanding unless such Extraordinary Resolution shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class or the Note Trustee is of the opinion it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

Conflict between Noteholders, Certificateholders and other Secured Creditors

So long as any of the Notes are outstanding, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors, subject to the provisions of the Trust Deed and Condition 3.1 (*Status and relationship between the Notes*) and Certificate Condition 3.1 (*Status of the Certificates*).

In respect of the interests of the Certificateholders, the Trust Deed contains provisions requiring the Note Trustee not to have regard to the interests of the Certificateholders as regards all powers, trusts, authorities,

duties and discretions of the Note Trustee respectively, and requiring that the Note Trustee, except where expressly provided otherwise (in respect of which see the following paragraph), have regard only to the interest of the Noteholders for so long as there are any Notes outstanding.

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class Y Certificates Entrenched Rights or Class R Certificates Entrenched Rights, unless the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented to such modification or waiver. There can be no assurance that the Class Y Certificateholders or Class R Certificateholders, as applicable, will provide consent to any such modification in a timely manner or at all. The Class Y Certificateholders and the Class R Certificateholders may act solely in their own interests and do not have any duties to any Noteholders or Certificateholders.

The Master Servicer

OSB will be appointed by the Issuer as Master Servicer to provide master services in connection with the Loans from the Closing Date, including but not limited to setting the SVR and any other Discretionary Rates or margins chargeable to Borrowers. If a Master Servicer Termination Event occurs, then the Issuer will be entitled to terminate the appointment of the Master Servicer in accordance with the terms of the Master Servicing Agreement.

In accordance with the terms of the Master Servicing Agreement (and as more fully described therein), the Master Servicer shall not be liable in respect of any loss suffered by the Issuer, Legal Title Holder, Servicer and/or the Security Trustee, save where such loss is suffered or incurred as a result of the gross negligence, fraud or wilful default of the Master Servicer in respect of the performance by the Master Servicer of its obligations under the Master Servicing Agreement or any breach by the Master Servicer of its obligations under the Master Servicing Agreement. The aggregate liability of the Master Servicer arising out of or in connection with its obligations under the Master Servicing Agreement and any other Transaction Document is limited to, in each 12 month period commencing on the Closing Date and on each subsequent anniversary, 100 per cent. of the Class Y Certificate Payments for that period, or in the case of the first year starting on the Closing Date, an amount in the aggregate equal to the aggregate Class Y Certificate Payments at the time at which such liability arises, annualised, and to an aggregate amount of £450,000.

The Servicer

Target Servicing Limited will be appointed by the Issuer as Servicer to service the Loans from the Closing Date. The Servicer may not sub-delegate or sub-contract the performance of any of its powers and obligations under the Servicing Agreement other than in accordance with the limited provisions set out therein. The Servicer will not be released or discharged from any liability under the Servicing Agreement by the appointment of any delegate or sub-contractor and shall remain responsible for the performance of all obligations of the Servicer under the Servicing Agreement, subject to the Servicer being entitled for a period of 20 Business Days from the Servicer becoming aware of or receiving written notice of any breach by any subcontractor or delegate to remedy such breach.

If a Servicer Termination Event occurs in respect of the Servicer, then the Issuer, in consultation with the Master Servicer and the Majority Holder and subject to the prior written consent of the Security Trustee, will be entitled to terminate the appointment of the Servicer in accordance with the terms of the Servicing Agreement, provided that the termination of the appointment of the Servicer shall not be effective prior to the appointment of a new servicer whose appointment is consented to by the Security Trustee. Any change in Servicer could delay collection of payments on the Loans and ultimately could adversely affect payments on the Notes and the Certificates.

There can be no assurance that a substitute servicer with sufficient experience of servicing the Loans would be found who would be willing and able to service the Loans on the terms, or substantially similar terms, set out in the Servicing Agreement. Further, it may be that the terms on which a substitute servicer may be appointed are substantially different from those set out in the Servicing Agreement and the terms may be such that the Noteholders and the Certificateholders may be adversely affected. In addition, as described below, any substitute servicer will be required, *inter alia*, to be authorised under the Financial Services and Markets Act 2000 (the **FSMA**) in order to service Loans that constitute Regulated Mortgage Contracts under the FSMA. The ability of a substitute servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect payments on the Loans and hence the Issuer's ability to make payments when due on the Notes and the Certificates.

In accordance with the terms of the Servicing Agreement (and as more fully described therein), the Issuer is required under the Servicing Agreement to indemnify the Servicer against any and all proceedings, costs, liabilities, damages, claims and expenses which the Servicer sustains or incurs or which may be brought or established against the Servicer, except where the relevant proceedings, costs, liabilities, damages, claims and expenses arise by reason of the Servicer's fraud, breach or negligent performance of or failure to perform any obligation of the Servicer under the Servicing Agreement.

The Servicer's liability (other than where such liability arises as a result of the fraud, wilful default or gross negligence of the Servicer) in contract, tort (including negligence or breach of statutory or regulatory duty) or otherwise howsoever, and whatever the cause thereof, arising by reason of or in connection with the Servicing Agreement is limited to: (i) in each 12 month period commencing from the Closing Date, 100 per cent. of the Servicing Fee payable to the Servicer in that 12 month period, or in the case of the first year starting on the Closing Date, an amount in the aggregate equal to the aggregate Servicing Fee paid under the Servicing Agreement at the time at which such liability arises, annualised; and (ii) in aggregate, £1,500,000.

Noteholders and Certificateholders should note that the Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion.

Issuer Reliance on Other Third Parties

The Issuer is also party to contracts with a number of other third parties who have agreed to perform services in relation to the Notes and the Certificates. In particular, but without limitation, the Corporate Services Provider has agreed to provide certain corporate services to the Issuer pursuant to the Corporate Services Agreement, the Account Bank has agreed to provide the Deposit Account to the Issuer pursuant to the Bank Account Agreement, the Master Servicer has agreed to provide certain services in respect of the Portfolio pursuant to the Master Servicing Agreement, the Servicer has agreed to service the Portfolio pursuant to the Servicing Agreement, the Cash Manager has agreed to provide cash management services pursuant to the Cash Management Agreement and the Principal Paying Agent, the Registrar and the Agent Bank have all agreed to provide services with respect to the Notes and the Certificates pursuant to the Agency Agreement. In the event that any of the above parties were to fail to perform their obligations under the respective agreements to which they are a party and/or are removed without a sufficiently experienced substitute or any substitute being appointed in their place, collections on the Portfolio and/or payments to Noteholders and Certificateholders may be disrupted and Noteholders and Certificateholders may be adversely affected.

Furthermore, as customary contractual protections (such as limitations on liability and exculpatory provisions) are included in certain of the Transaction Documents for the benefit of such third party service providers, there are likely to be limited circumstances in which successful claims may be brought against any such third party in the case of any material default by such third party and so amounts that are sufficient to compensate for any resulting loss are unlikely to be recovered and this may reduce amounts available to the Issuer to make payments of interest, principal and other amounts (as applicable) on the Notes and Certificates.

Certain parties to the Transaction Documents who receive and hold monies or provide support to the transaction pursuant to the terms of such documents (such as the Account Bank) are required to satisfy certain criteria in order that they can continue to be a counterparty to the Issuer.

These criteria include requirements imposed under the FSMA and requirements in relation to the ratings of certain parties ascribed by the Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria detailed above, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the Issuer) may be required to be transferred to another entity which does satisfy the applicable ratings criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the relevant Transaction Document and the cost to the Issuer may therefore increase. In addition, it may not be possible to find an entity with the ratings prescribed in the relevant Transaction Document who would be willing to act in the role. This may reduce amounts available to the Issuer to make payments of interest on the Rated Notes and/or the ratings of the Rated Notes.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria (although this will not apply to mandatory provisions of law), in order to avoid the need for a replacement entity to be appointed. The consent of Noteholders may not be required in relation to such amendments and/or waivers.

Claims against third parties

The Seller has assigned (or, in the case of Scottish Loans, transferred pursuant to the Scottish Declaration of Trust) its causes and rights of actions against solicitors and valuers to the Issuer pursuant to the Mortgage Sale Agreement to the extent that they are assignable. However the Seller was not the originator of the related Loan and the said rights may therefore not have been effectively assigned (or, as applicable, transferred) to it. The Issuer may therefore not have any direct rights against any solicitors or valuers who, when acting for the relevant Original Lending Entity in relation to the origination of any Loan, may have been negligent or fraudulent. However, and notwithstanding the absence of any such direct rights, the Seller has undertaken, where appropriate, to instigate action against such solicitor or valuer, provided that the Issuer first indemnifies the Seller for the costs of taking such action, and subject to any limitations or conditions contained in the relevant documentation under which the Seller acquired title to the related Loan.

Potential for conflicts of interest

Where a party to the Transaction Documents and/or any of its affiliates act in numerous capacities (including, but not limited to, OSB acting in its capacities as Co-Arranger, Sponsor, Retention Holder and Master Servicer) there may be actual or potential conflicts between (1) the interests of such party and/or any such affiliates in such various capacities and (2) the interests of the Noteholders and such transaction parties and/or any such affiliates. If such conflicts arise, the effect on Noteholders would be unknown and such entities may have no duty to act in the best interests of the Noteholders.

In addition, certain parties (including, but not limited to, the Sole Lead Manager) may:

(a) from time to time be a Noteholder and/or Certificateholder or have other interests with respect to the Notes or Certificates and they may also have interests relating to other arrangements with respect to a Noteholder or a Note, a Certificateholder or a Certificate, or any other Transaction Party;

(b) receive (and will not have to account to any person for) fees, brokerage and commissions or other benefits and act as principal with respect to any dealing with respect to any Notes or Certificates;

(c) be or have been involved in a broad range of transactions including, without limitation, banking, lending, advisory, dealing in financial products, credit, derivative and liquidity transactions,

investment management, corporate and investment banking and research in various capacities in respect of the Notes, the Certificates, the Issuer or any other Transaction Party or any related entity, both on its own account and for the account of other persons;

(d) make investment recommendations and/or publish or express independent research views in respect of securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In light of the above, prospective investors in the Notes should be aware that:

(i) no such person shall have any obligation to account to the Issuer, any Transaction Party or any Noteholder for any profit as a result of any other business that it may conduct with either the Issuer or any Transaction Party and no advisory or fiduciary duty is owed to any person;

(ii) each such person may have various potential and actual conflicts of interest arising in the ordinary course of its businesses, including in respect of the interests described above, having previously engaged or in the future engaging in transactions with other parties, having multiple roles, making investments or holding securities for their own account or carrying out other transactions for third parties. For example, dealings with respect to a Note and/or a Certificate, the Issuer or a Transaction Party, may affect the value of a Note or Certificate; and

(iii) any such person is not restricted from entering into, performing or enforcing its rights in respect of the Transaction Documents, the Notes, the Certificates, or the interests described above and may otherwise continue or take steps to further or protect any of those interests and its business even where to do so may be in conflict with the interests of Noteholders and the Certificateholders and in so doing so act in its own commercial interests and without notice to, and without regard to, the interests of any such person.

These interests may conflict with the interests of the Noteholder or Certificateholders who may suffer loss as a result.

6. MACROECONOMIC AND MARKET RISKS

The relationship of the United Kingdom with the EEA may affect the market value and/or liquidity of the Notes in the secondary market

The United Kingdom (**UK**) left the European Union (**EU**) on 31 January 2020 at 11pm, and the transition period ended on 31 December 2020 at 11pm. As a result, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The UK is also no longer part of the European Economic Area (**EEA**).

The EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), which governs the relations between the EU and the UK following the end of the transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under powers provided in this Act ensure that there is a functioning statute book in the UK. While the UK introduced a temporary permission regime to allow EEA firms to continue to do business in the UK for a limited period of time, once the passporting regime fell away, the majority of EEA states have not introduced similar transitional regimes. The Trade and Cooperation Agreement is only part of the overall package of agreements. Other supplementing agreements included a series of joint declarations on a range of important issues where further cooperation is foreseen,

including financial services. The declarations state that the EU and the UK will discuss how to move forward with equivalence determinations in relation to financial services. It should be noted that even if equivalence arrangements for certain sectors of the financial services industry are agreed, market access is unlikely to be as comprehensive as the market access that the UK enjoyed through its EU membership.

Prospective investors should also note that the regulatory treatment, including the availability of any preferential regulatory treatment, of the Notes may be affected (as to which, see "*Legal and Regulatory Risks – Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity in respect of the Notes*").

It is difficult to determine what the precise impact of the new relationship between the UK and the EU will be on general economic conditions in the UK, including any implications for the UK sovereign ratings, ratings of the relevant transaction parties or the performance of the UK housing market.

In addition, following the UK withdrawal from the EU, future UK political developments and/or any changes in government structure and policies, could affect the fiscal, monetary and regulatory landscape. No assurance can be given that any of the matters outlined above would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes and/or the market value and/or liquidity of the Notes in the secondary market.

Changes or uncertainty in respect of LIBOR, SONIA and/or other interest rate benchmarks may affect the value, liquidity or payment of interest under the Loans or the Notes

Interest rates and indices which are deemed to be "benchmarks" (including the London Inter-Bank Offered Rate (**LIBOR)** and SONIA) are the subject of recent national and international regulatory guidance and reform, including the UK Benchmarks Regulation. These reforms may cause such benchmarks to perform differently from the way they did in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The UK Benchmarks Regulation, among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Investors should be aware that the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

These reforms and other pressures may cause one or more interest rate benchmarks (including LIBOR and SONIA) to disappear entirely or to perform differently from the way they did in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market

participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes, or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

Based on the foregoing, prospective investors should in particular be aware that:

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

(b) under the Mortgage Conditions, unless LIBOR is discontinued or otherwise unavailable on the basis specified in the Mortgage Conditions, LIBOR is required to be used in the calculation of the rate of interest on any LIBOR-linked Loan. This means that LIBOR must continue to be used until the end of 2021 unless LIBOR is discontinued or otherwise unavailable on the basis specified in the Mortgage Conditions or the FCA issue a regulatory guidance requiring a UK mortgage lender to stop using LIBOR as the reference rate for residential mortgage loans prior to the end of 2021;

(c) if LIBOR is discontinued or is otherwise unavailable, then:

  (i) the rate of interest on such Loan may be determined for a period by any applicable fall-back provisions under the Mortgage Conditions, although such provisions may not operate as intended depending on market circumstances and the availability of rates information at the time; and

  (ii) it may impact upon the determination of the rate of interest payable on such Loan, which may impact the availability of revenue receipts and could affect the ability of the Issuer to make payments under the Notes; and

(d) while an amendment may be made under Condition 13 (*Additional Right of Modification*), to change the SONIA rate on the Floating Rate Notes to an alternative base rate under certain circumstances broadly related to SONIA disruption or discontinuation and subject to certain conditions, there can be no assurance that any such amendment will be made or, if made, that it will (i) fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Floating Rate Notes or (ii) be made prior to any date on which any of the risks described in this risk factor may become relevant;

Investors should note the various circumstances under which a Base Rate Modification may be made, which are specified in Condition 13 (*Additional Right of Modification*). As noted above, these events broadly relate to SONIA's disruption or discontinuation, but also include, *inter alia*, any public statements by the SONIA administrator or its supervisor to that effect, and a Base Rate Modification may also be made if the Issuer reasonably expects any of these events to occur within six months of the proposed effective date of such Base Rate Modification. A Base Rate Modification may also be made if an alternative means of calculating a SONIA-based base rate is introduced which becomes a standard means of calculating interest for similar transactions. Investors should also note the various options permitted as an Alternative Base Rate as set out in Condition 13 (*Additional Right of Modification*) and the negative consent requirements in relation to a Base Rate Modification (as to which, see "*Modifications and Waivers may be made which may adversely affect the Noteholders*" above).

More generally, any of the above matters (including an amendment to change the benchmark rate applicable to the Floating Rate Notes) or any other significant change to the setting or existence of SONIA could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. No

assurance may be provided that relevant changes will not be made to SONIA or any other relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the UK Benchmarks Regulation, or any of the international or national reforms, and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to the Notes.

The market continues to develop in relation to SONIA as a reference rate in the capital markets

Investors should be aware that the market continues to develop in relation to the adoption of SONIA as a reference rate in the capital markets and as an alternative to LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). As a result, the market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Notes that reference a SONIA rate issued under this Prospectus. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in the Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes.

Absence of secondary market

There is currently a limited secondary market for the Notes and for securities similar to the Notes, and no assurance is provided that an active and liquid secondary market for the Notes or the Certificates, will develop. None of the Notes or the Certificates have been, or will be, registered under the Securities Act or any other applicable securities laws and they are subject to certain restrictions on the resale and other transfer thereof as set forth under "*Subscription and Sale*" and "*Transfer Restrictions and Investor Representations*". To the extent that a secondary market exists or develops, it may not continue for the life of the Notes or the Certificates or it may not provide Noteholders or Certificateholders with liquidity of investment with the result that a Noteholder or Certificateholder may not be able to find a buyer to buy its Notes or Certificates readily or at prices that will enable the Noteholder or the Certificateholder to realise a desired yield or a desired return on projected amounts due in respect of the Notes or Certificates. Any investor in the Notes or the Certificates must be prepared to hold their Notes or Certificates until their Final Maturity Date.

Increases in prevailing market interest rates may adversely affect the performance and market value of the Notes and the Certificates

Borrowers with a Loan subject to a variable rate of interest or with a Loan for which the related interest rate adjusts following an initial fixed rate or low introductory rate, as applicable, may be exposed to increased monthly payments if the related mortgage interest rate adjusts upward following an increase in the Bank of England Base Rate (or, in the case of a Loan with an initial fixed rate or low introductory rate, at the end of the relevant fixed or introductory period). This increase in Borrowers' monthly payments, which (in the case of a Loan with an initial fixed rate or low introductory rate) may be compounded by any further increase in the related mortgage interest rate during the relevant fixed or introductory period, may ultimately result in higher delinquency rates and losses in the future.

Borrowers seeking to avoid increased monthly payments (caused by, for example, the expiry of an initial fixed rate or low introductory rate, or a rise in the related mortgage interest rates) by refinancing their Loan(s) may no longer be able to find available replacement loans at comparably low interest rates. Any decline in housing prices may also leave Borrowers with insufficient equity in their properties to permit them to refinance. These events, alone or in combination, may contribute to higher delinquency rates, slower

prepayment rates and higher losses on the Portfolio, which in turn may affect the ability of the Issuer to make payments of interest and/or principal on the Notes and payments of any amounts under the Certificates.

7. LEGAL AND REGULATORY RISKS

English law security and insolvency considerations

The Issuer will enter into the Deed of Charge pursuant to which it will grant the Security in respect of certain of its obligations, including its obligations under the Notes (as to which, see "*Summary of the Key Transaction Documents – Deed of Charge*"). In certain circumstances, including the occurrence of certain insolvency (or certain pre-insolvency) events in respect of the Issuer, the ability to realise the Security may be delayed and/or the value of the Security impaired. In particular, it should be noted that significant changes to the UK insolvency regime have been enacted under the Corporate Insolvency and Governance Act 2020 which received Royal Assent on 25 June 2020 and came into effect on 26 June 2020. The changes include, among other things: (i) the introduction of a new moratorium regime that certain eligible companies can obtain which will prevent creditors taking certain action against the company for a specified period; (ii) a ban on operation of or exercise of ipso facto clauses preventing (subject to exemptions) termination, variation or exercise of other rights under a contract due to a counterparty entering into certain insolvency or restructuring procedures; and (iii) a new compromise or arrangement under Part 26A of the Companies Act 2006 (the **Restructuring Plan**) that provides for ways of imposing a restructuring on creditors and/or shareholders without their consent (so-called cross-class cram-down procedure), subject to certain conditions being met and with a court adjudicating on the fairness of the restructuring proposal as a whole in determining whether or not to exercise its discretionary power to sanction the Restructuring Plan. While the Issuer is expected to be exempt from the application the new moratorium regime and the ban on *ipso facto* clauses, there is no guidance on how the new legislation will be interpreted and the Secretary of State may by regulations modify the exceptions. For the purposes of the Restructuring Plan, it should also be noted that there are currently no exemptions, but the Secretary of State may by regulations provide for exclusion of certain companies providing financial services and the UK government has expressly provided for changes to the Restructuring Plan to be effected through secondary legislation, particularly in relation to the cross-class cram-down procedure. It is therefore possible that aspects of the legislation may change.

While the transaction structure (through the use of limited recourse provisions and non-petition clauses) is designed to minimise the likelihood of the Issuer becoming insolvent and/or subject to pre-insolvency restructuring proceedings, no assurance can be given that any modification of the exceptions from the application of the new insolvency reforms referred to above will not be detrimental to the interests of the Noteholders and there can be no assurance that the Issuer will not become insolvent and/or the subject of insolvency or pre-insolvency restructuring proceedings and/or that the Noteholders would not be adversely affected by the application of insolvency laws (including English insolvency laws and, if applicable, Northern Irish and Scottish insolvency laws or the laws affecting the creditor's rights generally).

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of sections 174A, 176ZA and 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge may be used to satisfy any expenses of the insolvency proceeding, claims of unsecured creditors or creditors who otherwise take priority over floating charge recoveries. While certain of the covenants given by the Issuer in the Transaction Documents are intended to ensure it has no significant creditors other than the secured creditors under the Deed of Charge, it will be a matter of fact as to whether the Issuer has any other such creditors at any time. There can be no assurance that the Noteholders or the Certificateholders will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

Liquidation expenses payable on floating charge realisation will reduce amounts available to satisfy the claims of secured creditors of the Issuer

On 6 April 2008, section 176ZA of the Insolvency Act 1986 came into force which effectively reversed by statute the House of Lords' decision in the case of *Leyland Daf* in 2004. Accordingly, the costs and expenses of a liquidation (including certain tax charges) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency (England and Wales) Rules 2016 (as amended).

As a result of the changes described above, upon the enforcement of the floating charge security granted by the Issuer, floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Deed of Charge will be reduced by at least a significant proportion of any liquidation expenses. There can be no assurance that the Noteholders will not be adversely affected by such a reduction in floating charge realisations.

Banking Act 2009

The Banking Act 2009 (the **Banking Act**) includes provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of certain UK incorporated entities, including authorised deposit-taking institutions and investment firms, and powers to take certain resolution actions in respect of third country institutions. In addition, powers may be used in certain circumstances in respect of UK established banking group companies, where such companies are in the same group as a relevant UK or third country institution. Relevant transaction parties for these purposes include the Legal Title Holder, the Seller, the Retention Holder, the Master Servicer and the Account Bank. The Collection Account Bank is also relevant for these purposes.

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

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. The Banking Act includes provisions related to compensation in respect of instruments and orders made under it. In general, there is considerable uncertainty about the scope of the powers afforded to UK authorities under the Banking Act and how the authorities may choose to exercise them.

If an instrument or order were to be made under the provisions of the Banking Act currently in force in respect of a relevant entity as described above, such action may (among other things) affect the ability of such entity to satisfy its obligations under the Transaction Documents and/or result in the cancellation, modification or conversion of certain unsecured liabilities of such entity under the Transaction Documents or in other modifications to such documents. In particular, modifications may be made pursuant to powers permitting (I) certain trust arrangements to be removed or modified (such as the Scottish Declaration of Trust), (ii) contractual arrangements between relevant entities and other parties to be removed, modified or created where considered necessary to enable a transferee in the context of a property or share transfer to operate the transferred business effectively and (iii) in connection with the modification of an unsecured liability through use of the bail-in tool, the discharge of a relevant entity from further performance of its

obligations under a contract. In addition, subject to certain conditions, powers would apply to require a relevant instrument or order (and related events) to be disregarded in determining whether certain widely defined "default events" have occurred (which events may include trigger events included in the Transaction Documents in respect of the relevant entity, including termination events and (in the case of the Seller) trigger events in respect of perfection of legal title to the Loans). As a result, the making of an instrument or order in respect of a relevant entity as described above may affect the ability of the Issuer to meet its obligations in respect of the Notes and the Certificates.

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

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

Noteholders interests may be adversely affected by a change of law

The transactions described in this Prospectus (including the issue of the Notes and the Certificates) and the ratings which are to be assigned to the Rated Notes are based on the relevant law and administrative practice in effect as at the date hereof, and having regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to the impact of any possible change to the law (including any change in regulation which may occur without a change in primary legislation), administrative practice or tax treatment after the date of this Prospectus, nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes and the Certificates. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be amended and there can be no assurance that any such changes will not adversely affect the compliance position of a transaction described in this Prospectus or of any party under any applicable law or regulation.

Effects of the Volcker Rule on the Issuer, the Notes and the holders of the Notes

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the **Dodd-Frank Act**), imposed a new regulatory framework over the U.S. financial services industry and the U.S. consumer credit markets in general. On 10 December 2013, U.S. regulators adopted final regulations to implement Section 619 of the Dodd-Frank Act, which added a new Section 13 to the Bank Holding Company Act of 1956, commonly referred to as the "Volcker Rule".

The Volcker Rule generally prohibits "banking entities" (broadly defined to include U.S. banks, bank holding companies and foreign banking organisations, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in, or sponsoring, a "covered fund" and (iii) entering into certain relationships with such funds, subject to certain exceptions and exclusions. Any prospective investor in the Notes or Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule.

U.S. Risk Retention Requirements

OSB, as the sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the securitised assets for purposes of compliance with the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions.

Prior to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to OSB, the Co-Arrangers and the Sole Lead Manager that it is a Risk Retention U.S. Person and obtain the written consent of OSB in the form of a U.S. Risk Retention Consent. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S, and that persons who are not "U.S. persons" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules.

Each holder of a Note or a Certificate or a beneficial interest therein acquired on the Closing Date, by its acquisition of a Note or a Certificate or a beneficial interest therein, will be deemed to represent to the Issuer, OSB, the Co-Arrangers and the Sole Lead Manager that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent, (2) is acquiring such Note or Certificate or a beneficial interest therein for its own account and not with a view to distribute such Note or Certificate and (3) is not acquiring such Note or Certificate or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Notes or Certificates through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

OSB has advised the Issuer that it will not provide a U.S. Risk Retention Consent to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under U.S. GAAP) of all Classes of Notes to be sold or transferred to Risk Retention U.S. Persons on the Closing Date.

There can be no assurance that the requirement to request OSB to give its prior written consent to any Notes or Certificates which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

There can be no assurance that the exemption provided to the U.S. Risk Retention Rules regarding non-U.S. transactions will be available or, if such exemption is available, that it shall remain available until the Final Maturity Date of the Notes. No assurance can be given as to whether a failure by OSB to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Notes, the Certificates or the market value of the Notes and the Certificates. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by OSB to comply with the U.S. Risk Retention Rules could therefore materially adversely affect the market value and secondary market liquidity of the Notes and the Certificates.

None of the Issuer, OSB, the Co-Arrangers, the Sole Lead Manager, the Account Bank, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Agent Bank, the Registrar or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules.

Such matters could adversely affect Noteholders and/or the Certificateholders and no predictions can be made as to the precise effects of such matters on any investor or otherwise.

Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity in respect of the Notes

In Europe, the U.S., and elsewhere, there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in multiple measures for increased regulation which are at various stages of implementation and which may have an adverse impact on the regulatory position of certain investors in securitisation exposures and/or on the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position, and should consult their own advisers in this respect. None of the Issuer or the Co-Arrangers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of their investment on the Closing Date, or at any time in the future.

Prudential regulation reforms under Basel or other frameworks may have an adverse impact on the regulatory capital treatment of the Notes.

Investors should note in particular that the Basel Committee on Banking Supervision (**BCBS**) has approved a series of significant changes to the Basel framework for prudential regulation (such changes being referred to by the BCBS as Basel III, and referred to, colloquially, as Basel III in respect of reforms finalised prior to 7 December 2017 and Basel IV in respect of reforms finalised on or following that date). The Basel III/IV reforms, which include revisions to the credit risk framework in general and the securitisation framework in particular, may result in increased regulatory capital and/or other prudential requirements in respect of securitisation positions. The BCBS continues to work on new policy initiatives. National implementation of the Basel III/IV reforms may vary those reforms and/or their timing. It should also be noted that changes to prudential requirements have been made for insurance and reinsurance undertakings through participating jurisdiction initiatives, such as the Solvency II framework in Europe. Investors in the Notes are responsible for analysing their own regulatory position and prudential regulation treatment applicable to the Notes and should consult their own advisers in this respect.

Non-compliance with the Securitisation Regulation regimes in the EU and/or the UK, as applicable, may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity of the Notes.

The EU Securitisation Regulation applies in general (subject to certain grandfathering) from 1 January 2019 and, from 9 April 2021, the EU Securitisation Regulation applies as amended by Regulation (EU) 2021/557. However, some legislative measures necessary for the full implementation of the EU Securitisation Regulation regime have not yet been finalised and compliance with certain requirements is subject to the application of transitional provisions. In addition, further amendments are expected to be introduced to the EU Securitisation Regulation regime as a result of the wider review of the regime by the European Commission, which is due to report (with legislative proposals) by 1 January 2022.

The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including recast of pre-1 January 2019 risk retention and investor due diligence regimes) and has direct effect in member states of the EU and is to be implemented in due course in other countries in the EEA.

The UK Securitisation Regulation (which largely mirrors, with some adjustments, the EU Securitisation Regulation) applies in the UK (subject to the temporary transitional relief being available in certain areas) from the end of the transition period in the Brexit process at the start of 2021.

Certain UK and European-regulated institutional investors, including credit institutions, investment firms, authorised alternative investment fund managers, insurance and reinsurance undertakings, certain undertakings for the collective investment of transferable securities and certain regulated pension funds (institutions for occupational retirement provision), are required to comply under Article 5 of the UK Securitisation Regulation or Article 5 of the EU Securitisation Regulation, as applicable, with certain due

diligence requirements prior to holding a securitisation position and on an ongoing basis while holding the position.

Among other things, prior to holding a securitisation position, such institutional investors are required to verify under their respective UK or EU regime certain matters with respect to compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements and, on transactions notified as STS, compliance of that transaction with the STS requirements. If the relevant UK or European-regulated institutional investor elects to acquire or holds the Notes having failed to comply with one or more of these requirements, as applicable to them under their respective EU or UK regime, this may result in the imposition of a penal capital charge on the Notes for institutional investors subject to regulatory capital requirements or a requirement to take a corrective action, in the case of a certain type of regulated fund investors.

Aspects of the requirements of the UK Securitisation Regulation and the EU Securitisation Regulation and what is or will be required to demonstrate compliance to relevant national regulators remain unclear. It should be noted that under the UK Securitisation Regulation regime certain temporary transitional relief may be available until 31 March 2022 for the purposes of compliance with the UK institutional investor due diligence requirements. Prospective investors should therefore make themselves aware of the requirements applicable to them in their respective jurisdictions and are required to independently assess and determine the sufficiency of the information described in this Prospectus generally for the purposes of complying with such due diligence requirements under the UK Securitisation Regulation or the EU Securitisation Regulation (including any corresponding national measures which may be relevant).

Various parties to the securitisation transaction described in this Prospectus (including OSB and the Issuer) are subject to the requirements of the UK Securitisation Regulation. However, some uncertainty remains in relation to the interpretation of some of these requirements and what is or will be required to demonstrate compliance to the relevant UK regulators. In addition, various parties to the securitisation transaction described in this Prospectus (including OSB and the Issuer) have agreed to contractually comply with certain requirements of the EU Securitisation Regulation.

Prospective investors are referred to the sections entitled "*Certain Regulatory Disclosures – UK Securitisation Regulation and EU Securitisation Regulation*" for further details and should note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with Article 7 of the UK Securitisation Regulation or otherwise will be adequate for any prospective institutional investors to comply with their due diligence obligations under the UK Securitisation Regulation or the EU Securitisation Regulation.

Prospective investors should note that the obligation of the Retention Holder to comply with the EU Retention Requirements is strictly contractual pursuant to the terms of the Risk Retention Letter and solely applies with respect to Article 6 of the EU Securitisation Regulation (not taking into account any relevant national measures). Although, as at the date of this Prospectus, the UK Retention Requirements largely mirrors the EU Retention Requirements, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out. Prospective investors should note that there can be no assurance that the Retained Interest will be adequate for any prospective institutional investors to comply with due diligence obligations applicable under the EU Securitisation Regulation.

Further, prospective investors should note that the obligation of the Issuer to provide or procure the provision of certain information and reports in accordance with Article 7 of the EU Securitisation Regulation is strictly contractual and solely applies with respect to Article 7 of the EU Securitisation Regulation (not taking into account any relevant national measures). Although, as at the date of this Prospectus, the UK Article 7 Technical Standards largely mirror the EU Article 7 Technical Standards, prospective investors should note that future divergence between the EU and UK regimes cannot be ruled out. Prospective investors should note that there can be no assurance that the information in this Prospectus or to be made available to investors in accordance with the UK Securitisation Regulation (or, where applicable, the EU Securitisation

Regulation) will be adequate for any prospective institutional investors to comply with due diligence obligations applicable under the EU Securitisation Regulation. In this regard, investors should note that the Issuer will not be in breach of its contractual EU Article 7 Undertaking if it fails to comply as a result of any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which would impose additional material obligations on the Issuer in order for it to maintain compliance with such undertaking (provided that it or another party on its behalf has consulted with the Retention Holder and the Majority Holder in relation to potential actions to avert or remedy such non-compliance).

Non-compliance with the UK Securitisation Regulation and/or the EU Securitisation Regulation could adversely affect the regulatory treatment of the Notes and the market value and/or liquidity of the Notes in the secondary market. Prospective investors in the Notes are themselves responsible for analysing their own regulatory position, and should consult their own advisers in this respect.

STS designation impacts on regulatory treatment of the Notes.

The UK Securitisation Regulation (and Regulation (EU) No 575/2013 as it forms part of domestic law by virtue of the EUWA, including any applicable regulations, rules, guidance or other implementing measures of the FCA, the Bank of England or the PRA (or their successor) in relation thereto (**UK CRR**)) includes provisions that implement the revised securitisation framework developed by BCBS (with adjustments) and provides, among other things, for harmonised foundation criteria and procedures applicable to securitisations seeking designation as a UK STS securitisation. The STS securitisation designation impacts on the potential ability of the Notes to achieve better or more flexible regulatory treatment from the perspective of the applicable UK regulatory regimes.

The Notes are not intended to be designated as an STS securitisation for the purposes of the UK Securitisation Regulation or the EU Securitisation Regulation. Prospective investors are themselves responsible for analysing their own regulatory position, and should consult their own advisers in this respect and should consider (and where appropriate, take independent advice on) the consequence from a regulatory perspective of the Notes not being considered an STS securitisation in the UK or the EU, including (but not limited to) that the lack of such designation may negatively affect the regulatory position of, and the capital charges on, the Notes and, in addition, have a negative effect on the price and liquidity of the Notes in the secondary market.

8. TAX RISKS

UK Taxation Position of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as set out in the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (as amended) (the **Securitisation Tax Regulations**)), and as such should be taxed only on the amount of its "retained profit" (as that term is defined in the Securitisation Tax Regulations) for so long as it satisfies the conditions of the Securitisation Tax Regulations. However, if the Issuer does not in fact satisfy the conditions of the Securitisation Tax Regulations (or subsequently ceases to satisfy those conditions), then the Issuer may be subject to tax liabilities not contemplated in the cashflows for the transaction described in this Prospectus.

Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest and/or principal than expected.

U.S. Foreign Account Tax Compliance Act (FATCA) withholding may affect payments on the Notes

While the Notes and the Certificates are in global form and held within Euroclear and/or Clearstream, Luxembourg (together, the **ICSDs**), in all but the most remote circumstances, it is not expected that the reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal

Revenue Code of 1986 (**FATCA**) will affect the amount of any payment received by the ICSDs (see *Taxation – Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes and the Certificates are discharged once it has made payment to, or to the order of, the ICSDs, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

Withholding Tax Under the Notes

Provided that the Notes are and continue to be "listed on a recognised stock exchange" (within the meaning of section 1005 of the Income Tax Act 2007), as at the date of this Prospectus no withholding or deduction for or on account of United Kingdom income tax will be required on payments of interest on the Notes. However, there can be no assurance that the law in this area will not change during the life of the Notes.

In the event that any withholding or deduction for or on account of any tax is imposed on payments in respect of the Notes, neither the Issuer nor any other person is obliged to gross up or otherwise compensate the Noteholders for such withholding or deduction. However, in such circumstances, the Issuer will, in accordance with Condition 7.3 (*Optional Redemption for Taxation Reasons*) of the Notes, use reasonable endeavours to prevent such an imposition in respect of payments under the Notes.

The applicability of any withholding or deduction for or on account of United Kingdom taxes in relation to payments of interest on the Notes is discussed further under "*Taxation – United Kingdom Taxation*".

9. RISKS RELATED TO THE CHARACTERISTICS OF THE NOTES

Eligibility of the Notes for central bank schemes is subject to the applicable collateral framework criteria and could have an impact on the liquidity of the Notes in general

While central bank schemes (such as the Bank of England's (BoE) Discount Window Facility, the Indexed Long-Term Repo Facility and other schemes under its Sterling Monetary Framework, and the Eurosystem monetary policy framework for the European Central Bank), including emergency liquidity operations introduced by central banks in response to a financial crisis or a wide-spread health crisis (such as the Covid-19 pandemic), provide an important source of liquidity in respect of eligible securities, relevant eligibility criteria for eligible collateral apply (and will apply in the future) under such schemes and liquidity operations. Investors should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute eligible collateral for the purposes of any of the central bank liquidity schemes, including whether and how such eligibility may be impacted by the UK withdrawal from the EU and the UK no longer being part of the EEA. No assurance is given that any Notes or Certificates will be eligible for any specific central bank liquidity schemes and as at the Closing Date the Notes and the Certificates are not expected to be eligible securities for the purpose of the Eurosystem facilities.

Investors should also note that, as a result of payments on some of the Loans being calculated by reference to LIBOR (as to which please refer to "*– Macroeconomic and Market Risks – Changes or uncertainty in respect of LIBOR, SONIA and/or other interest rate benchmarks may affect the value, liquidity or payment of interest under the Loans or the Notes*"), the eligibility of the Notes is affected for the purposes of the BoE's

liquidity schemes and will attract the application of progressively increased haircuts from 1 April 2021 and will result in the loss of eligibility from 31 December 2021.

If the Notes cannot meet the central bank eligibility, it may impact on the liquidity of the Notes and could have an adverse effect on their value.

Definitive Notes and denominations in integral multiples

The Notes have a denomination consisting of a minimum authorised denomination of £100,000 plus higher integral multiples of £1,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if definitive Notes are required to be issued, a Noteholder who holds a principal amount less than the minimum authorised denomination at the relevant time may not receive a definitive Note in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount).

If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

Considerations relating to Book-Entry Interests

Unless and until Registered Definitive Notes or Certificates are issued in exchange for the Book-Entry Interests, holders and beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of the Notes or the Certificates under the Trust Deed. After payment to the Principal Paying Agent, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts in respect of the Notes and the Certificates to Euroclear or Clearstream, Luxembourg or to holders or beneficial owners of Book-Entry Interests.

A nominee for the common safekeeper for Euroclear and Clearstream, Luxembourg (the **Common Safekeeper**) will be considered the registered holder of the Notes or the Certificates as shown in the records of Euroclear or Clearstream, Luxembourg and will be the sole legal Noteholder of the Global Notes or Certificateholder of the Global Certificates under the Trust Deed while the Notes are represented by Global Notes and the Certificates are represented by Global Certificates. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder or a Certificateholder under the Trust Deed.

Except as noted in the previous paragraphs, payments of principal and interest on, and other amounts due in respect of, the Global Note or the Global Certificate will be made by the Principal Paying Agent to the Clearing System in the case of the Global Note or the Global Certificate. Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by participants or indirect participants to owners of Book-Entry Interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Noteholders and Certificateholders, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf

of the Issuer for waivers or other actions from Noteholders or Certificateholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Notes or the Certificates, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Registered Definitive Notes or Registered Definitive Certificates are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, any Paying Agent, the Registrar or any of their agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

The lack of Notes and Certificates in physical form could also make it difficult for a Noteholder or Certificateholder to pledge such Notes or Certificates if Notes or Certificates in physical form are required by the party demanding the pledge and hinder the ability of the Noteholder or the Certificateholder to recall such Notes or Certificates because some investors may be unwilling to buy Notes or Certificates that are not in physical form.

Certain transfers of Notes or Certificates or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements.

TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING

Please refer to the sections entitled "Summary of the Key Transaction Documents – Mortgage Sale Agreement", "– Servicing Agreement", "Characteristics of the Portfolio" and "The Loans" for further detail in respect of the characteristics of the Portfolio and the sale and the servicing arrangements in respect of the Portfolio.

Sale of Portfolio:

The **Portfolio** will consist of the Loans and the Related Security which were originated by three separate Original Lending Entities – DB UK Bank Limited, Edeus Mortgage Creators Limited and Money Partners Limited.

On or immediately prior to the Closing Date, the Vendor will sell the beneficial title to the Loans and their Related Security comprising the Portfolio to the Seller pursuant to the Vendor Mortgage Sale Agreement. On the Closing Date, the Seller will sell the beneficial title to the Loans and their Related Security comprising the Portfolio to the Issuer pursuant to the Mortgage Sale Agreement. The Legal Title Holder shall continue to hold sole legal title to the Loans and their Related Security on the Closing Date. The economic risk in, and benefit of, the Loans will be deemed to have passed to the Issuer on the Cut-Off Date.

The sale by the Vendor to the Seller of each Loan and its Related Security in the Portfolio will be given effect, pursuant to the terms of the Vendor Mortgage Sale Agreement, by:

(a) as regards Loans that are secured by a Mortgage over Properties located in England or Wales (the **English Loans**) and their Related Security and Loans that are secured by a Mortgage over Properties in Northern Ireland (the **NI Loans**) and their Related Security, an equitable assignment; and

(b) as regards Loans that are secured by a Mortgage over a Property located in Scotland or where such Loans are otherwise governed by Scots law (the **Scottish Loans**) and their Related Security, the release of such Scottish Loans and their Related Security from an existing Scottish declaration of trust made pursuant to the Vendor Mortgage Sale Agreement.

The sale by the Seller to the Issuer of each Loan and its Related Security in the Portfolio will be given effect, pursuant to the terms of the Mortgage Sale Agreement, by:

(a) as regards English Loans and their Related Security and NI Loans and their Related Security, an equitable assignment; and

(b) as regards Scottish Loans and their Related Security, a Scottish declaration of trust granted by the Seller in favour of the Issuer (the **Scottish Declaration of Trust**).

The English Loans and their Related Security are governed by English Law, the NI Loans and their Related Security are governed by Northern Irish law and the Scottish Loans and their Related Security are governed

by Scots law.

In relation to English Loans and Northern Irish Loans and their Related Security, the terms **sale**, **sell** and **sold** when used in this Prospectus in connection with the Loans and their Related Security shall be construed to mean each such creation of an equitable interest and such equitable assignment.

When used in this Prospectus in relation to Scottish Loans and their related Scottish Mortgages and Related Security, (a) the term **beneficial title** shall be construed to mean the beneficial interest therein pursuant to the Scottish Declaration of Trust, and (b) the terms assignment, transfer and/or sale shall, in the context equivalent to the sale, transfer and equitable assignment of Loans and their Related Security, be construed to include the Scottish Declaration of Trust and all rights and interests relative thereto (and the terms **assigned**, **assign**, **transferred**, **sell** and **sold** shall be construed accordingly), and (c) the terms **repurchase** and **repurchased** shall be construed to include the repurchase by the Seller of the beneficial interest of the Issuer under the Scottish Declaration of Trust and the release of such Scottish Loans and their Related Security therefrom.

Prior to the occurrence of a Perfection Event as set out below, notice of the sale of the Portfolio by the Seller to the Issuer will not be given to the relevant individual or individuals specified as borrowers in the relevant mortgage together with the individual or individuals (if any) from time to time assuming an obligation to repay a relevant Loan or any part of it (the **Borrowers**) under those Loans transferred and the Issuer will not apply to the Land Registry or the Central Land Charges Registry to register or record its equitable or beneficial interest in the English Mortgages or the Northern Irish Mortgages or take any steps to complete or perfect its title to the Scottish Mortgages.

Features of the Loans: The following is a summary of certain features of the Loans comprising the Provisional Portfolio as at the Portfolio Reference Date and investors should refer to, and carefully consider, further details in respect of the Loans set out in "*The Loans*" and "*Characteristics of the Portfolio*". The Loans comprise loans to non-conforming Borrowers and are secured by first priority charges or (in Scotland) first ranking standard securities over freehold, heritable and leasehold properties in England, Wales, Northern Ireland and Scotland.

Type of Borrower	Non-conforming
Type of mortgage	Repayment and Interest Only
Self-Certified Loans[2]	Yes
Buy-to-Let	Yes
Right to Buy	Yes

[2] Self-Certified Loans were entered into prior to 20 March 2014. See "*Certain Regulatory Disclosures – No self-certified Mortgage Loans entered into pre-20 March 2014*"

Number of Loans	1,960		
	Weighted Average	Minimum	Maximum
Current Principal Balance	£117,530.21	£688.63	£999,694.65
Current Indexed LTV	59.51%	0.14%	135.80%
Seasoning (months)	163.63	89.00	177.00
Remaining Term (years)	8.74	-4.00	21.67

Consideration: The consideration from the Issuer to the Seller in respect of the sale of the Portfolio together with its Related Security shall be: (a) the Initial Consideration of £209,408,259.54 and (b) the Class Y Certificates and the Class R Certificates to be issued to the Seller.

Any Class Y Certificate Payments will be paid to the Class Y Certificateholders in accordance with the Pre-Acceleration Principal Priority of Payments or Post-Acceleration Priority of Payments (as applicable).

Any Residual Payments will be paid to the Class R Certificateholders in accordance with the Pre-Acceleration Revenue Priority of Payments or Post-Acceleration Priority of Payments (as applicable).

The **Current Principal Balance** of a Loan means, on any date, the aggregate principal balance of the Loan at such date (but avoiding double counting) including:

(a) the original principal amount advanced to the relevant Borrower and any further amount advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and

(b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by the related Mortgage,

as at the end of the Business Day immediately preceding that given date less any repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released by the end of the Business Day immediately preceding that given date.

Representations and The Seller will make certain corresponding Loan Warranties regarding

Warranties:	the Loans and Related Security to the Issuer on the Closing Date in relation to the Loans and their Related Security in the Portfolio. Broadly speaking, in addition to representations and warranties in respect of the legal nature of the Loans and their Related Security, there are also asset Loan Warranties which include the following: (a) all of the Borrowers are natural legal persons; (b) no Borrower is an employee of the Seller or, so far as the Seller is aware, any Original Lending Entity; (c) each Loan is secured by a first ranking legal mortgage (or, (i) in Scotland, first ranking standard security, or (ii) in Northern Ireland, first ranking legal mortgage or charge); (d) interest on each Loan and all other sums charged in connection with such Loan has been charged in accordance with the provisions of the Loan (except in respect of the switch of monthly interest payments from being payable monthly in advance to monthly in arrears and except where a requirement of law otherwise require); (e) the Loan has a term ending no later than December 2042; (f) no Loan is currently repayable in a currency other than Sterling; and (g) all of the Properties are residential (including those in relation to which the relevant Mortgage is a Buy-to-Let Loans) and located in England, Wales, Northern Ireland or Scotland. See section "*Summary of the Key Transaction Documents –Mortgage Sale Agreement–Representations and Warranties* for further details. The Vendor will make no loan warranties to the Seller in the Vendor Mortgage Sale Agreement in relation to the Loans and their Related Security in the Portfolio.
Loan Warranties subject to Limitations and the Disclosure Letter:	Upon a breach of Loan Warranty in respect of a Loan and/or its Related Security, the Asset Warranty Payment will, subject to the Warranty Limitations (including matters that were fairly disclosed to the Issuer), be debited from the Warranty Reserve Fund and will form part of Available Principal Receipts and, to the extent such amount does not fully compensate for the loss arising from such breach of Loan Warranty, the remaining realised loss on the relevant Loan will be recorded as a debit on the Principal Deficiency Ledger as further described in the section "*Credit Structure – Principal Deficiency Ledger*". The Asset Warranty Payment shall not exceed an amount equal to nominal amount of the Loan in respect of which the breach of Loan Warranty relates. The Seller shall not be required to make an indemnity payment to the

Issuer in respect of a breach of Loan Warranty and in no circumstances will the Seller have any obligation to repurchase the relevant Loans and their Related Security

See "*Risk Factors – Risks Relating to the Underlying Assets – The Loan Warranties are limited by the Warranty Limitations and by the Disclosure Letter"* and "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties"* for further details.

Perfection Events:

See "*Perfection Events*" in the section entitled "*Transaction Overview – Triggers Tables – Non-Rating Triggers Table*".

Prior to the completion of the transfer of legal title of the Loans, the Issuer will hold only the equitable title or, in relation to any Scottish Loans and their Related Security, beneficial interest in those Loans and their Related Security pursuant to the Scottish Declaration of Trust and will therefore be subject to certain risks as set out in "*Risk Factors – Risks Relating to the Underlying Assets – Legal Title Holder to retain legal title to the Loans and risks relating to set-off*".

Servicing of the Portfolio:

The Servicer has agreed to service the Loans to be sold to the Issuer and their Related Security on behalf of the Issuer. The appointment of the Servicer may be terminated by the Issuer and/or the Security Trustee (subject to the terms of the Servicing Agreement) upon the occurrence of a Servicer Termination Event (see "*Servicer Termination Event*" in the "*Non-Rating Triggers Table*").

The Servicer may also resign by giving not less than 18 months' notice to the Issuer and the Security Trustee and subject to, *inter alia*, a replacement servicer having been appointed. See "*Summary of the Key Transaction Documents – Servicing Agreement*".

The Master Servicer has agreed to act as master servicer with respect to the Loans to be sold to the Issuer and their Related Security on behalf of the Issuer. In that role, the Master Servicer will *inter alia* set the variable rates of interest that apply to the Loans, consult with the Servicer regarding changes to the Service Specification, review Borrower complaints and review the Servicer Reports for manifest error.

The appointment of the Master Servicer may be terminated by the Issuer and/or the Security Trustee (subject to the terms of the Master Servicing Agreement) upon the occurrence of a Master Servicer Termination Event (see "*Master Servicer Termination Event*" in the "*Non-Rating Triggers Table*").

The Master Servicer may also resign by giving not less than 12 months' notice (provided that the date on which the resignation is to be effective must fall on or after the earlier of (x) the Interest Payment Date falling in June 2026 or (y) any Interest Payment Date on which the aggregate Principal Amount Outstanding of all of the Notes (other than the Class X Notes and the Class R Notes) (as of the immediately preceding Calculation Date) is equal to or less than 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Class X

Notes and the Class R Notes) on the Closing Date) to the Issuer and the Security Trustee and in relation to a resignation referred to in paragraph (x) above, subject to, *inter alia*, (i) a replacement master servicer having been appointed, (ii) such replacement master servicer entering into an agreement substantially on the same terms as the relevant provisions of the Master Servicing Agreement (subject to then prevailing market conditions), (iii) the then current ratings of the Notes are not withdrawn, qualified or downgraded as a result of such termination (unless otherwise agreed by an Extraordinary Resolution of the Noteholders) and (iv) the replacement of the Master Servicer should not adversely affect compliance with the Retention Requirements. See "*Summary of the Key Transaction Documents – Master Servicing Agreement*".

Back-up Servicer Facilitator: The Back-up Servicer Facilitator has agreed to use reasonable efforts to identify, on behalf of the Issuer, a suitable successor servicer in the event that the appointment of the Servicer is terminated in accordance with the terms of the Servicing Agreement.

Portfolio Purchase Options: The Portfolio may be purchased (and the Notes redeemed and the Certificates cancelled) in certain instances prior to the Final Maturity Date by the exercise of the Majority Holder Option or the Retention Holder Option (together the **Portfolio Purchase Options**).

- *Majority Holder Option Sale*

The Majority Holder may, by giving of a written notice to the Issuer, purchase (or require the sale to its nominee of) all (but not part) of the Loans and their Related Security in order to effect an early redemption of the Notes:

(a) on the Step-Up Date or any Interest Payment Date following the Step-Up Date;

(b) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of all of the Notes (other than the Class X Notes and the Class R Notes) (as of the immediately preceding Calculation Date) is equal to or less than 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Class X Notes and the Class R Notes) on the Closing Date; and

(c) on the Interest Payment Date following the date on which the Retention Holder has exercised the Retention Holder Option provided that it has exercised the Majority Holder Option during the 20 Business Day period commencing on the date on which the Majority Holder receives a notice from the Issuer that the Retention Holder has exercised the Retention Holder Option,

(the **Majority Holder Option**).

The Majority Holder Option may be exercised by notice to the Issuer with a copy to the Cash Manager, the Note Trustee, the Security Trustee, the Seller, the Legal Title Holder and the Rating Agencies with such purchase to take effect on a Business Day no more than 5 Business Days

prior to the Early Redemption Date (the **Portfolio Sale Completion Date**). The Notes shall be redeemed on the relevant Early Redemption Date.

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

The purchase price payable by the Majority Holder (or its nominee) in respect of a sale of the Portfolio to the Majority Holder or its nominee pursuant to an exercise of the Majority Holder Option (such a sale being a **Majority Holder Option Sale**) shall be the amount required (when aggregated with all other funds available to the Issuer, including the General Reserve Fund and the Liquidity Reserve Fund, but excluding amounts standing to the credit of the Warranty Reserve Fund) to redeem all of the Notes (other the Class R Notes) at their respective Principal Amounts Outstanding and to pay any fees, costs and expenses of the Issuer payable senior to the Notes in the Post-Acceleration Priority of Payments on the relevant Early Redemption Date (such amount being the **Majority Holder Option Purchase Price**). On the relevant Early Redemption Date, the Class R Notes will be redeemed from amounts, if any, standing to the credit of the Warranty Reserve Fund in accordance with Condition 7.2(c) (*Mandatory Redemption*).

Early Redemption Date means the Interest Payment Date on which the Notes are to be redeemed in accordance with Condition 7.3 (*Optional Redemption for Taxation Reasons*), Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*) or Condition 7.5 (*Mandatory Redemption of the Notes following the exercise of the Retention Holder Option*).

Majority Holder means, in relation to the Class R Certificates, (a) (where the Class R Certificates are represented by Registered Definitive Class R Certificates) the holder of greater than 50 per cent. of the Class R Certificates or (where the Class R Certificates are represented by the Global Class R Certificate) the Indirect Participant who holds the beneficial interest in more than 50 per cent. of the Class R Certificates or (b) where no person holds greater than 50 per cent. of the Class R Certificates or (where the Class R Certificates are represented by the Global Class R Certificate) beneficial interest in greater than 50 per cent. of the Class R Certificates, any group of persons holding in aggregate greater than 50 per cent. of the Class R Certificates or (where the Class R Certificates are represented by the Global Class R Certificate) beneficial interest in greater than 50 per cent. of the Class R Certificates.

See the section entitled "*Early Redemption of the Notes – Majority Holder Option*" for further details.

- *Retention Holder Option Sale*

The Retention Holder has the option, pursuant to the relevant Deed Poll, to require the Issuer to auction the Portfolio pursuant to the terms of the

relevant Deed Poll upon the occurrence of a Risk Retention Regulatory Change Event (the **Retention Holder Option** and a sale of the Portfolio pursuant thereto being a **Retention Holder Option Sale**).

Such auction will endeavour to obtain the highest purchase price reasonably obtainable for the Portfolio provided that the sale price at any such auction must not be less than the amount required (when aggregated with all other funds available to the Issuer, including all amounts standing to the credit of the Liquidity Reserve Fund and the General Reserve Fund, but excluding amounts standing to the credit of the Warranty Reserve Fund) to redeem all of the Notes (other than the Class R Notes) at their respective Principal Amounts Outstanding and to pay any fees, costs and expenses of the Issuer payable senior to the Notes in the Post-Acceleration Priority of Payments on the relevant Early Redemption Date (such amount being the **Retention Holder Option Purchase Price**). On the relevant Early Redemption Date, the Class R Notes will be redeemed from amounts, if any, standing to the credit of the Warranty Reserve Fund in accordance with Condition 7.2(c) (*Mandatory Redemption*).

In the event of a failed auction, the Issuer will be required to undertake a new auction every six months. OSB may bid in any such auctions.

Notwithstanding the foregoing, for a period of 20 Business Days following the exercise of the Retention Holder Option but prior to any auction of the Portfolio, the Majority Holder will have the option to purchase (or to require the sale to its nominee of) the Portfolio at the Majority Holder Option Purchase Price. If the Majority Holder fails to exercise this purchase option, it may still bid in the auction process described above.

Risk Retention Regulatory Change Event means any change in (including any change in interpretation of), or the adoption of, any new law, rule or regulation which:

(a) as a matter of law (including by virtue of the Retention Holder's contractual obligation to comply with the EU Retention Requirements), has a binding effect on the Retention Holder or the Seller after the Closing Date which would impose a positive obligation on either of them to increase or change its Retained Interest over and above that required to be maintained by it under its Risk Retention Undertaking as at the Closing Date or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Retention Requirements; or

(b) as a matter of law (including by virtue of the Retention Holder's contractual obligation to comply with the EU Retention Requirements), in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer of the Retained Interest for purposes of the Retention Requirements and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Retention Requirements or any other applicable law, or incurring

any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion.

Condition to Exercise of Portfolio Purchase Options

It will be a condition for the exercise of either Portfolio Purchase Option that either (i) the purchaser of the legal (if applicable) and beneficial title in the Loans being purchased is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer and the Seller (acting reasonably) having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in the form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without limitation, any clearance or other confirmation granted by HM Revenue and Customs), is satisfied that sale of legal (if applicable) and beneficial title in the relevant Loans will not expose the Issuer or the Seller to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Loans. The costs relating to such tax advice will be borne by the Majority Holder (in the case of a Majority Holder Option Sale) or the Retention Holder (in the case of a Retention Holder Option Sale).

TRANSACTION OVERVIEW – OVERVIEW OF THE CHARACTERISTICS OF THE NOTES AND THE CERTIFICATES

Please refer to the section entitled "Terms and Conditions of the Notes" for further detail in respect of the terms of the Notes and to the section entitled "Terms and Conditions of the Certificates" for further detail in respect of the terms of the Certificates.

Full Capital Structure of the Notes

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes	Class X Notes	Class R Notes
Principal Amount:	£167,260,000	£18,230,000	£11,790,000	£4,290,000	£3,220,000	£2,140,000	£7,499,000	£5,360,000	£4,290,000
Credit Enhancement:	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Excess Available Revenue Receipts	N/A
	Excess Available Revenue Receipts and application of General Reserve Fund Release Amounts to cure a deficiency on the Class A Principal Deficiency Sub-Ledger	Excess Available Revenue Receipts and application of General Reserve Fund Release Amounts to cure a deficiency on the Class B Principal Deficiency Sub-Ledger	Excess Available Revenue Receipts and application of General Reserve Fund Release Amounts to cure a deficiency on the Class C Principal Deficiency Sub-Ledger	Excess Available Revenue Receipts and application of General Reserve Fund Release Amounts to cure a deficiency on the Class D Principal Deficiency Sub-Ledger	Excess Available Revenue Receipts and application of General Reserve Fund Release Amounts to cure a deficiency on the Class E Principal Deficiency Sub-Ledger	Excess Available Revenue Receipts and application of General Reserve Fund Release Amounts to cure a deficiency on the Class F Principal Deficiency Sub-Ledger	Excess Available Revenue Receipts and application of General Reserve Fund Release Amounts to cure a deficiency on the Class G Principal Deficiency Sub-Ledger	Following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund	
	Following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund	Following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund	Following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund	Following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund	Following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund	Following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund	Following delivery of a Note Acceleration Notice, amounts credited to the Liquidity Reserve Fund and the General Reserve Fund		
Liquidity Support Features:	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	Subordination of lower ranking Classes of Notes	N/A	N/A	N/A
	Availability of the Liquidity Reserve Fund	Availability of the Liquidity Reserve Fund	Availability of the General Reserve Fund (subject to	Availability of the General Reserve Fund	Availability of the General Reserve Fund	Availability of the General Reserve Fund			

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes	Class X Notes	Class R Notes
	Availability of the General Reserve Fund Principal Addition Amounts	(subject to the relevant Liquidity Reserve Fund Conditions being met) Availability of the General Reserve Fund (subject to the relevant General Reserve Fund Conditions being met) Principal Addition Amounts (subject to the relevant Principal Addition Amount Conditions being met)	the relevant General Reserve Fund Conditions being met) Principal Addition Amounts (subject to the relevant Principal Addition Amount Conditions being met)	(subject to the relevant General Reserve Fund Conditions being met) Principal Addition Amounts (subject to the relevant Principal Addition Amount Conditions being met)	(subject to the relevant General Reserve Fund Conditions being met) Principal Addition Amounts (subject to the relevant Principal Addition Amount Conditions being met)	(subject to the relevant General Reserve Fund Conditions being met) Principal Addition Amounts (subject to the relevant Principal Addition Amount Conditions being met)			
Issue Price:	99.617 per cent.	99.520 per cent.	99.524 per cent.	99.293 per cent.	97.701 per cent.	93.275 per cent.	61.342 per cent.	100.098 per cent.	79.254 per cent.
Interest Rate:	Compounded Daily SONIA plus Margin	Compounded Daily SONIA plus Margin	Compounded Daily SONIA plus Margin	Compounded Daily SONIA plus Margin	Compounded Daily SONIA plus Margin	Compounded Daily SONIA plus Margin	N/A	Compounded Daily SONIA plus Margin	N/A
Margin (prior to Step-Up Date):	0.70 per cent. per annum	1.20 per cent. per annum	1.50 per cent. per annum	1.85 per cent. per annum	2.50 per cent. per annum	2.50 per cent. per annum	N/A	4.00 per cent. per annum	N/A
Margin (following Step-Up Date):	1.30 per cent. per annum	1.80 per cent. per annum	2.25 per cent. per annum	2.775 per cent. per annum	3.50 per cent. per annum	3.50 per cent. per annum	N/A	4.00 per cent. per annum	N/A
Interest Accrual Method:	Actual/365 (Sterling)	Actual/365 (Sterling)	Actual/365 (Sterling)	Actual/365 (Sterling)	Actual/365 (Sterling)	Actual/365 (Sterling)	N/A	Actual/365 (Sterling)	N/A
Interest Payment Dates*:	18th day of March, June, September and December in each year	18th day of March, June, September and December in each year	18th day of March, June, September and December in each year	18th day of March, June, September and December in each year	18th day of March, June, September and December in each year	18th day of March, June, September and December in each year	N/A	18th day of March, June, September and December in each year	N/A
First Interest	20th September	20th September	20th September	20th September	20th September	20th September	N/A	20th September	N/A

	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes	Class X Notes	Class R Notes
Payment Date:	2021	2021	2021	2021	2021	2021		2021	
Final Maturity Date:	The Interest Payment Date falling in December 2044	The Interest Payment Date falling in December 2044	The Interest Payment Date falling in December 2044	The Interest Payment Date falling in December 2044	The Interest Payment Date falling in December 2044	The Interest Payment Date falling in December 2044	The Interest Payment Date falling in December 2044	The Interest Payment Date falling in December 2044	The Interest Payment Date falling in December 2044
Step-Up Date†:	The Interest Payment Date falling in June 2026	The Interest Payment Date falling in June 2026	The Interest Payment Date falling in June 2026	The Interest Payment Date falling in June 2026	The Interest Payment Date falling in June 2026	The Interest Payment Date falling in June 2026	N/A	The Interest Payment Date falling in June 2026	N/A
Application for Exchange Listing:	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin	Euronext Dublin
ISIN:	XS2348602835	XS2348603643	XS2348603999	XS2348604021	XS2348604377	XS2348604534	XS2348604617	XS2348604963	XS2348605267
Common Code:	234860283	234860364	234860399	234860402	234860437	234860453	234860461	234860496	234860526
Ratings (Fitch/S&P)**:	AAA / AAA	AA / AA	A- / A-	BBB / BBB	BB+ / BB-	BB+ / B	N/A	B- / B-	N/A
Minimum Denomination:	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof	£100,000 and integral multiples of £1,000 in excess thereof
Eurosystem Eligibility:	The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that such Notes are intended upon issue to be registered in the name of the Common Safekeeper (or a nominee thereof) with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that such Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.								

‡ From the Step-Up Date, the Majority Holder has the right to exercise the Majority Holder Option in relation to the Portfolio, which would lead to an early redemption of the Notes. See "*Early Redemption of the Notes*" for further detail.

* Or if such day is not a Business Day, the immediately succeeding Business Day.

** As of the date of this Prospectus, each of Fitch and S&P is a credit rating agency established in the UK and is registered in accordance with the UK CRA Regulation. As of the date of this Prospectus, neither Fitch nor S&P are established in the EU and have not applied for registration under EU CRA Regulation. The ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited and the ratings issued by S&P have been endorsed by S&P Global Ratings Europe Limited, in each case in accordance with the EU CRA Regulation. Each of Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited are established in the European Union and registered under the EU CRA Regulation. As such each of Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority in accordance with the EU CRA Regulation.

TRANSACTION OVERVIEW – SUMMARY OF THE TERMS AND CONDITIONS OF THE NOTES AND CERTIFICATES

Ranking and Form of the Notes:

The Issuer will issue the following classes of the Notes on the Closing Date under the Trust Deed:

- Class A Mortgage Backed Floating Rate Notes due December 2044 (the **Class A Notes**);
- Class B Mortgage Backed Floating Rate Notes due December 2044 (the **Class B Notes**);
- Class C Mortgage Backed Floating Rate Notes due December 2044 (the **Class C Notes**);
- Class D Mortgage Backed Floating Rate Notes due December 2044 (the **Class D Notes**);
- Class E Mortgage Backed Floating Rate Notes due December 2044 (the **Class E Notes**);
- Class F Mortgage Backed Floating Rate Notes due December 2044 (the **Class F Notes**;
- Class G Mortgage Backed Notes due December 2044 (the **Class G Notes**);
- Class X Mortgage Backed Floating Rate Notes due December 2044 (the **Class X Notes**) and together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes the **Rated Notes**) or the **Floating Rate Notes**; and
- Class R Notes due December 2044 (the **Class R Notes**) and together with the Class G Notes, the **Unrated Notes**),

and together, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class X Notes and the Class R Notes are the **Notes** and the holders thereof, the **Noteholders**.

The Notes will be issued in registered form. Each Class of Notes will be issued pursuant to Regulation S and the Notes will be cleared through Euroclear and/or Clearstream, Luxembourg, as set out in "*Description of the Global Notes and Global Certificates*".

Certificates:

The Issuer will also issue to the Seller, the Class Y Certificates and the Class R Certificates (together, the **Certificates** and the holders thereof, the **Certificateholders**) on the Closing Date under the Trust Deed.

The Class Y Certificates constitute part of the consideration provided by

the Issuer for the purchase of the Portfolio, representing the right to receive deferred consideration for the Issuer's purchase of the Portfolio in the form of Class Y Certificate Payments.

The Class R Certificates constitute part of the consideration provided by the Issuer for the purchase of the Portfolio, representing the right to receive deferred consideration for the Issuer's purchase of the Portfolio in the form of the Residual Payments

The Certificates do not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions, any reference to the Principal Amount Outstanding of the Class R Certificates and the Class Y Certificates shall be deemed to be £1 million in respect of each Class of Certificate. Where there is more than one holder of the relevant Class of Certificates, any reference to the Principal Amount Outstanding such Class of Certificates held by that person shall be a reference to their pro rata proportion of such amount.

Sequential Order:

The Class Y Certificates will rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of the Class Y Certificate Payment at all times.

The Class A Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class Y Certificate Payment.

The Class B Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class Y Certificate Payment and the Class A Notes.

The Class C Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class Y Certificate Payment, the Class A Notes and the Class B Notes.

The Class D Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class Y Certificate Payment, the Class A Notes, the Class B Notes and the Class C Notes.

The Class E Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class Y Certificate Payment, the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

The Class F Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class Y Certificate Payment, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

The Class G Notes rank *pro rata* and *pari passu* without preference or

priority among themselves in relation to payment of principal at all times, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes.

The Class X Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class Y Certificate Payment, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes.

The Class R Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of principal at all times and shall only be repaid from amounts standing to the credit of the Warranty Reserve Fund.

The Notes within each Class will rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to and as applicable, payments of principal and interest at all times.

The Class R Certificates will rank *pro rata* and *pari passu* and rateably without any preference or priority among themselves as to payments of Residual Payments at all times, but subordinate to the Class Y Certificate Payment, the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes and the Class X Notes.

Pursuant to a deed of charge to be entered into between, *inter alios*, the Issuer and the Security Trustee (the **Deed of Charge**), the Notes and the Certificates will all share the same Security. Certain other amounts, being the amounts owing to the other Secured Creditors, will also be secured by the Security. Certain amounts due by the Issuer to its other Secured Creditors will rank in priority to all classes of the Notes and the Certificates.

Security:

Pursuant to the Deed of Charge, on the Closing Date, the Notes and the Certificates will be secured by, *inter alia*, the following security (the **Security**):

(a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) all of the Issuer's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (subject to any set-off or netting provisions provided therein) (other than the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge and the Scottish Declaration of Trust);

(b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) all of the Issuer's rights, title, interest and benefit, present and future, in, to and under the Loans (other than any Scottish Loans) and the Mortgages (other than any Scottish Mortgages) and their other Related Security and other related rights comprised in the Portfolio;

(c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) all of the Issuer's rights, title, interest and benefit, present and future, in, to and under the insurance policies assigned to the Issuer pursuant to the Mortgage Sale Agreement;

(d) an assignation in security of the Issuer's whole right, title and interest in and to all of the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the trust declared by the Seller (as Legal Title Holder) over such Scottish Loans and their Related Security for the benefit of the Issuer pursuant to the Scottish Declaration of Trust) (the **Scottish Supplemental Charge**)

(e) a charge by way of first fixed charge (which may take effect as a floating charge) over all of the Issuer's rights, title, interest and benefit, present and future, in and to all monies now or at any time hereafter standing to the credit of the its Bank Accounts maintained with the Account Bank and each other account (if any) in which the Issuer may at any time have or acquire any right, title benefit or interest, together with all interest accruing from time to time thereon and the debt represented thereby;

(f) a charge by way of first fixed charge (which may take effect as a floating charge) over all of the Issuer's rights, title, interest and benefit, present and future, in, to and under all Authorised Investments permitted to be made by the Issuer or the Cash Manager on its behalf;

(g) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the benefit of the Issuer's rights, title, interest and benefit, present or future, under or in respect of the Collection Account Declaration of Trust; and

(h) a floating charge over all other assets of the Issuer not otherwise subject to a fixed charge but extending over all of the Issuer's property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of fixed charges as aforesaid).

See "*Summary of the Key Transaction Documents – Deed of Charge*" below.

Collateral: Mortgage loans that were sold by the Seller to the Issuer from time to time and originated by the Original Lending Entities.

Interest Provisions: For information on the interest payments, including Interest Payment Dates and Margins on the Notes, please refer to the "*– Full Capital Structure of the Notes*" table above and as fully set out in Condition 5 (*Interest*).

- The Margin on the Class A Notes will from the Step-Up Date increase from 0.70 per cent. per annum to 1.30 per cent. per annum.

- The Margin on the Class B Notes will from the Step-Up Date increase from 1.20 per cent. per annum to 1.80 per cent. per annum.

- The Margin on the Class C Notes will from the Step-Up Date increase from 1.50 per cent. per annum to 2.25 per cent. per annum.

- The Margin on the Class D Notes will from the Step-Up Date increase from 1.85 per cent. per annum to 2.775 per cent. per annum.

- The Margin on the Class E Notes will from the Step-Up Date increase from 2.50 per cent. per annum to 3.50 per cent. per annum.

- The Margin on the Class F Notes will from the Step-Up Date increase from 2.50 per cent. per annum to 3.50 per cent. per annum.

- The Margin on the Class X Notes will be 4.00 per cent. per annum both before and following the Step-Up Date.

Interest Deferral: Interest due and payable on the Most Senior Class of Notes will not be deferred. Interest due and payable on the Notes (other than the Most Senior Class of Notes) may be deferred in accordance with Condition 17 (*Subordination by Deferral*).

Gross-up: None of the Issuer nor any Paying Agent or any other person will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes.

Redemption: The Notes are subject to the following optional or mandatory redemption events:

- mandatory redemption in whole on the Final Maturity Date, as fully set out in Condition 7.1 (*Redemption at Maturity*);

- in respect of all Classes of Notes other than the Class X Notes and the Class R Notes, prior to the service of a Note Acceleration Notice, mandatory redemption in part on each Interest Payment Date from Available Principal Receipts available for such purpose and applied in accordance with the Pre-Acceleration Principal Priority of Payments, as fully set out in Condition 7.2 (*Mandatory Redemption*);

- in respect of the Class X Notes, prior to the service of a Note Acceleration Notice, mandatory redemption in part on each Interest Payment Date from Available Revenue Receipts

available for such purpose and applied in accordance with the Pre-Acceleration Revenue Priority of Payments, as fully set out in Condition 7.2 (*Mandatory Redemption*);

- in respect of the Class R Notes, mandatory redemption (i) on the Warranty Reserve Initial Asset Release Date, in an amount equal to the Warranty Reserve Initial Asset Release Amount; (ii) on the Warranty Reserve Final Asset Release Date, in an amount equal to the Warranty Reserve Final Asset Release Amount; and (iii) on the Warranty Reserve Final Release Date, in an amount equal to the remaining amounts standing to the credit of the Warranty Reserve Fund on such date, as fully set out in Condition 7.2 (*Mandatory Redemption*);

- optional redemption exercisable by the Issuer in whole for tax reasons on any Interest Payment Date following the date on which there is a change in tax law or other law, as fully set out in Condition 7.3 (*Optional Redemption for Taxation Reasons*); and

- mandatory redemption in full following a Majority Holder Option Sale or a Retention Holder Option Sale as fully set out in Condition 7.3 (*Optional Redemption for Taxation Reasons*) Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*) and Condition 7.5 (*Mandatory Redemption of the Notes following the exercise of the Retention Holder Option*).

- See "*Early Redemption of the Notes*" for further detail.

Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to (but excluding) the date of redemption.

Expected Average Lives of the Notes:

The actual average lives of the Notes cannot be stated, as the actual rate of repayment of the Loans and redemption of the Loans and a number of other relevant factors are unknown. However, calculations of the possible average lives of the Notes can be made based on certain assumptions as described under "*Weighted Average Lives of the Notes*".

Events of Default:

As fully set out in Condition 10 (*Events of Default*) and Certificates Condition 9 (*Events of Default*), which broadly include (where relevant, subject to the applicable grace period) among other things:

- non-payment of interest and/or principal in respect of the Most Senior Class of Notes;

- provided that all Notes have been redeemed in full, failure to pay any amount due in respect of the Certificates for more than 14 days;

- breach of contractual obligations by the Issuer under the Transaction Documents (provided that if the breach is capable of

remedy, the Event of Default is subject to a 30 day remedy period commencing from the date of service of a notice by the Note Trustee on the Issuer requiring remedy); and

- Insolvency event occurring in respect of the Issuer.

Limited Recourse: The Notes are limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 11.4 (*Limited Recourse*).

The Certificates are limited recourse obligations of the Issuer and the Certificateholders are only entitled to funds which are available to the Issuer in accordance with the applicable Priority of Payments. If any amounts remain outstanding which are not paid in full, such amounts are subject to a final write-off which is described in more detail in Certificates Condition 10.3 (*Limited Recourse*).

Governing Law: English law (other than any terms of the Transaction Documents which are particular to Scots law which will be construed in accordance with Scots law, and any terms of the Transaction Documents which are particular to Northern Irish law, which will be construed in accordance with Northern Irish law).

TRANSACTION OVERVIEW – RIGHTS OF NOTEHOLDERS AND CERTIFICATEHOLDERS AND RELATIONSHIP WITH OTHER SECURED CREDITORS

Please refer to sections entitled "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Certificates*" *and* "*Risk Factors*" *for further detail in respect of the rights of Noteholders and Certificateholders, conditions for exercising such rights and their relationship with other Secured Creditors.*

Prior to an Event of Default:

Prior to the occurrence of an Event of Default, Noteholders holding not less than 10 per cent. of the Principal Amount Outstanding of the Notes then outstanding or, as applicable, Certificateholders holding not less than 10 per cent. of the number of Certificates in issue, are entitled to convene a Noteholders' meeting or a Certificateholders' meeting respectively.

However, so long as no Event of Default has occurred and is continuing, the Noteholders or Certificateholders (as applicable) are not entitled to instruct or direct the Issuer to take any actions, either directly or through the Note Trustee, without the consent of the Issuer and, if applicable, certain other transaction parties, unless the Issuer has an obligation to take such actions under the relevant Transaction Documents.

Other than in respect of matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right, which require the prior consent of the Class Y Certificateholders or the Class R Certificateholders, as applicable, any Ordinary Resolution or Extraordinary Resolution passed by any Class of Noteholders will be binding in relation to the Certificates if passed in accordance with the Conditions.

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class Y Certificates Entrenched Rights or Class R Certificates Entrenched Rights, unless the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented to such modification or waiver.

Following an Event of Default:

Following the occurrence of an Event of Default, Noteholders may, if they hold not less than 25 per cent. of the Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or if they pass an Extraordinary Resolution, or, if the Notes have been redeemed in full, the Class R Certificateholders may, if they hold not less than 25 per cent. of the number of Class R Certificates then in issue or if they pass an Extraordinary Resolution, direct the Note Trustee to give a Note Acceleration Notice to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding and that any amounts payable in respect of the Certificates are immediately due and payable, as applicable. The Note Trustee shall not be bound to take any such action unless first indemnified and/or prefunded and/or secured to its satisfaction.

Noteholders and Certificateholders Meeting provisions:		*Initial meeting*	*Adjourned meeting*
	Notice period:	At least 21 Clear Days	Not less than 13 Clear Days or more than 42 Clear Days
	Quorum:	One or more persons present and representing in aggregate not less than one quarter of the Principal Amount Outstanding of the relevant Class or Classes of Notes then outstanding or holding or representing in aggregate not less than one quarter of the number of Certificates of the relevant Class then in issue, as applicable, for transaction of business including the passing of an ordinary resolution. The quorum for passing an Extraordinary Resolution (other than a Basic Terms Modification) shall be one or more persons present and representing in the aggregate not less than 50 per cent. of the aggregate in Principal Amount Outstanding of the relevant Class of Notes then outstanding or holding or representing in aggregate not less than 50 per cent. of the number of the relevant Class of Certificates then in issue, as applicable. The quorum for passing a Basic Terms Modification shall be one or more persons holding or representing in the aggregate not less than three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or holding or representing in aggregate	One or more persons present (whatever the Principal Amount Outstanding of the Notes or the number of Certificates so held or represented by them).

	not less than three-quarters of the number of the relevant Class of Certificates then in issue, as applicable.
Required majority for Extraordinary Resolution:	Majority consisting of not less than two thirds of persons eligible to attend and vote at such meeting and voting at such meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll.
Written Resolution:	Not less than three quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes or holding or representing in aggregate not less than three quarters of the number of the relevant Class of Certificates then in issue, as applicable. A resolution in writing has the same effect as an Extraordinary Resolution.

For the purposes of calculating a period of **Clear Days** in relation to a meeting, no account shall be taken of the day on which notice of such meeting is given (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held) or the day on which such meeting is held.

Matters requiring Extraordinary Resolution:

Broadly speaking, the following matters require an extraordinary resolution (an **Extraordinary Resolution**):

- to approve any Basic Terms Modification;
- to sanction any compromise or arrangement proposed to be made between the Issuer, any other party to any Transaction Document, the Note Trustee, the Security Trustee, any Appointee and the Noteholders and Certificateholders or any of them;
- to approve the substitution of any person for the Issuer as principal obligor under the Notes or the Certificates;
- to give any authority or sanction which is required to be given by Extraordinary Resolution;
- to approve or assent to any modification of the provisions contained in the Notes, the Certificates, the Conditions, the Certificates Conditions or the Trust Deed other than those modifications which are sanctioned by the Note Trustee without the consent or sanction of the Noteholders or Certificateholders in accordance with the terms of the Trust Deed;

- to remove the Note Trustee and/or the Security Trustee;
- to approve the appointment of a new Note Trustee and/or Security Trustee;
- to authorise the Note Trustee or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- to sanction any scheme or proposal for the sale or exchange of the Notes or Certificates for or the conversion of the Notes or the Certificates into, *inter alia*, other obligations or securities of the Issuer or any other company;
- to discharge or exonerate the Note Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed, the Notes or the Certificates;
- to give any other authorisation or approval which under the Trust Deed, the Notes or the Certificates is required to be given by Extraordinary Resolution; and
- to appoint any persons as a committee to represent the interests of the Noteholders or Certificateholders and to convey upon such committee any powers which the Noteholders or Certificateholders could themselves exercise by Extraordinary Resolution.

See Condition 12 (*Meetings of Noteholders, Modification, Waiver and substitution*) or Certificates Condition 11 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*) for more detail.

Class Y Certificates Entrenched Rights:

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver and no such modification or waiver may otherwise be made which affects any Class Y Certificates Entrenched Rights, unless the Class Y Certificateholders have consented to such modification or waiver.

Class Y Certificates Entrenched Rights means any modification or waiver which:

(a) constitutes a Basic Terms Modification in respect of the Class Y Certificates;

(b) changes the priority of payments of amounts in respect of the Class Y Certificates; or

(c) changes the definition of "Class Y Certificates Entrenched Rights".

Class R Certificates Entrenched Rights:

Notwithstanding any other provision of the Conditions, the Certificate Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction

any modification or waiver and no such modification or waiver may otherwise be made which affects any Class R Certificates Entrenched Rights, unless the Class Y Certificateholders have consented to such modification or waiver.

Class R Certificates Entrenched Rights means any modification or waiver which:

(a) constitutes a Basic Terms Modification in respect of the Class R Certificates:

(b) changes the Class R Certificateholders' rights under the Servicing Agreement;

(c) changes the Class R Certificateholders' rights under the Deed Poll;

(d) changes the definition of "Class R Certificates Entrenched Rights"; or

(e) is adverse to the interests of the Class R Certificateholders (and whether or not the interests the Class R Certificateholders align with the interests of the holders of the relevant Class or Classes of Notes and/or Certificates).

Principal Amount Outstanding of the Certificates:

The Certificates will not have a Principal Amount Outstanding. However, for the purposes of the voting and quorum provisions set out in the Conditions, the Certificate Conditions and the Trust Deed, any reference to the Principal Amount Outstanding of the Class Y Certificates or the Class R Certificates shall be deemed to be £1 million in respect of each Class of Certificate (and where there is more than one holder of the relevant Class of Certificates, any reference to the Principal Amount Outstanding of the Certificates held by that person shall be a reference to their *pro rata* proportion of such amount).

Relationship between Classes of Noteholders and Certificateholders:

Other than (i) in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of each of the relevant affected Classes of Notes and/or Certificates passed at separate meetings(s) of the holders of such classes of Notes and/or Certificates and (ii) matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right, which requires the consent of the Class Y Certificateholders or the Class R Certificateholders, as applicable:

(a) A resolution (including an Extraordinary Resolution) passed at any meeting of the Most Senior Class of Noteholders shall be binding on all other Classes of Notes and the Certificates irrespective of the effect it has upon them.

(b) A resolution (including an Extraordinary Resolution) passed at any meeting of a relevant Class of Noteholders shall be binding on (i) all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Acceleration Priority of Payments and (ii) the Certificates, irrespective of the effect it has upon them.

- No resolution or Extraordinary Resolution of any other Class of

Noteholders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Most Senior Class of Noteholders or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Most Senior Class of Noteholders.

A Basic Terms Modification requires an Extraordinary Resolution of the relevant affected Classes of Notes or Class of Certificates, as applicable.

Relationship between Noteholders, Certificateholders and other Secured Creditors:

So long as any of the Notes are outstanding, neither the Security Trustee nor the Note Trustee shall have regard to the interests of the other Secured Creditors.

So long as the Notes are outstanding, the Note Trustee will have regard to the interests of the Noteholders and Certificateholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights and the Class R Certificates Entrenched Rights) but requiring the Note Trustee where there is a conflict of interests between one or more Classes of Notes and/or the Certificates in any such case to have regard (except as expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights and the Class R Certificates Entrenched Rights) to the interests of the holders of the Most Senior Class and the holders of such subordinated Classes of Notes or Certificates shall have no claim against the Note Trustee for doing so.

Other than in relation to a Basic Terms Modification and matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right (which shall only be binding if the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented) and subject as provided in Conditions 12.2 (*Most Senior Class of Notes, Limitations on other Noteholders and Certificateholders*) and 12.4 (*Quorum*):

- a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of (A) one Class of Notes only or (B) one Class of Certificates only, shall be deemed to have been duly passed if passed at a meeting of the holders of (A) that Class of Notes or (B) that Class of Certificates, as applicable;

- a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Notes so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of all the Classes of Notes so affected;

- a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of any one or more Classes of Notes and one or more Classes of Certificates, but does not give rise to an actual or potential conflict of interest between the holders of such one or more Classes of Notes or Certificates, shall be deemed to

have been duly passed if passed at a single meeting of the holders of such one or more Classes of Notes without the consent of the Certificateholders;

- a resolution which in the opinion of the Note Trustee affects the interests of the holders of any two or more Classes of Notes and gives or may give rise to an actual or potential conflict of interest between the holders of such two or more Classes of Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Notes; and

- a resolution which in the opinion of the Note Trustee affects the interests of the holders of any one or more Classes of Notes and one or more Classes of Certificates and gives or may give rise to an actual or potential conflict of interest between the holders of such one or more Classes of Notes and the holders of such one or more Classes of Certificates, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such one or more Classes of Notes and Certificates, it shall be duly passed at separate meetings of the holders of such one or more Classes of Notes and without the consent of the Certificateholders.

So long as any Notes are outstanding and there is a conflict between the interests of the Noteholders, the Certificateholders and the other Secured Creditors, the Note Trustee will (other than in relation to matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right, which shall require the consent of the Class Y Certificateholders and/or the Class R Certificateholders, as applicable) take into account the interests of the Most Senior Class of Noteholders only in the exercise of its discretion. So long as any Certificateholders are outstanding and there is a conflict between the interests of the Certificateholders and the other Secured Creditors (except the Noteholders), the Note Trustee will take into account the interests of the Certificateholders only in the exercise of its discretion.

Provision of Information to the Noteholders and Certificateholders:

The Issuer will procure that the following information is prepared and published:

(a) a quarterly investor report (the **Investor Report**);

(b) a quarterly investor report in respect of the relevant period in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Investor Report**);

(c) a quarterly investor report in respect of the relevant period in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Investor Report**);

(d) certain loan-by-loan information in relation to the Portfolio in

respect of each Collection Period in accordance with (i) Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Data Tape**); and (ii) Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Data Tape** and together with the UK SR Data Tape, the **SR Data Tapes**);

(e) information to be made available pursuant to Article 7(1)(g) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (such information **UK SR Significant Event Information**); and

(f) information to be made available pursuant to Article 7(1)(f) or Article 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (such information **EU SR Significant Event Information** and together with any UK SR Significant Event Information, **SR Significant Event Information**),

in the case of information referred to in paragraphs (b) to (f), in each case simultaneously each quarter (to the extent required under Article 7(1) of the UK Securitisation Regulation and Article 7(1) of the EU Securitisation Regulation) and no later than one month after the relevant Interest Payment Date and, in addition, the Issuer shall procure that the information referred to in paragraphs (e) and (f) is made available without delay.

Such information shall be made available to the holders of any of the Notes, Certificates, relevant competent authorities and to potential investors in the Notes and Certificates through publication on the Reporting Website.

See "*Summary of the Key Transaction Documents – Cash Management Agreement*", "*Summary of the Key Transaction Documents – Servicing Agreement"*, "*Summary of the Key Transaction Documents – Corporate Services Agreement",* "*General Information – UK Securitisation Regulation and EU Securitisation Regulation*" and "*General Information – EU Securitisation Regulation Reporting*" for more detail.

Communication with Noteholders and Certificateholders:

Any notice to be given by the Issuer or the Note Trustee to Noteholders shall be given in the following manner:

- so long as the Notes are held in the Clearing Systems, by delivery to the relevant Clearing System for communication by it to Noteholders; and

- so long as the Notes are listed on a recognised stock exchange, by delivery in accordance with the notice requirements of that exchange.

Any notice to be given by the Issuer or the Note Trustee to the Certificateholders will, for so long as the Certificates are held in the Clearing Systems, be given by delivery to the relevant Clearing System for communication by it to the Certificateholders.

The Note Trustee shall be at liberty to sanction some other method where, in its sole opinion, the use of such other method would be reasonable having regard to market practice then prevailing and to the requirements of the stock exchanges, competent listing authorities and/or quotation systems on or by which the Notes are then listed, quoted and/or traded and provided that notice of such other method is given to Noteholders in such manner as the Note Trustee shall require.

TRANSACTION OVERVIEW – CREDIT STRUCTURE AND CASHFLOWS

Please refer to sections entitled "Credit Structure" and "Cashflows" for further detail in respect of the credit structure and cashflows of the transaction.

Available Funds of the Issuer:

The Cash Manager on behalf of the Issuer will apply Available Revenue Receipts and Available Principal Receipts on each Interest Payment Date (other than on an Early Redemption Date, in which case such amounts will be applied in accordance with the Post-Acceleration Priority of Payments) in accordance with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments, as applicable, as set out below.

Available Revenue Receipts means, for each Interest Payment Date, an amount equal to the aggregate of (without double counting):

(a) Revenue Receipts received during the immediately preceding Collection Period or, if in a Determination Period, Calculated Revenue Receipts in such Determination Period, in each case, excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date;

(b) interest payable to the Issuer on the Deposit Account and income from any Authorised Investments in each case to be received on the Interest Payment Date;

(c) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Principal Receipts;

(d) on each Interest Payment Date up to but excluding the Class B Notes Final Redemption Date, the Liquidity Reserve Fund Excess Amount;

(e) on the Class B Notes Final Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund (after applying any Liquidity Reserve Fund Release Amount);

(f) on each Interest Payment Date up to but excluding the Class G Notes Final Redemption Date, the General Reserve Fund Excess Amount;

(g) following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 5.8(c) and Certificates Condition 5.8(c);

(h) any Available Principal Receipts to be applied as Available Revenue Receipts pursuant to item (i) of the Pre-Acceleration Principal Priority of Payments;

less:

(i) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties instructed to the Cash Manager by the Servicer (including the Servicer, the Master Servicer, the Seller, the Cash Manager) such as (but not limited to):

- certain costs and expenses charged by the Servicer in respect of its servicing of the Loans, other than any Servicing Fee and not otherwise covered by the items below;

- any service charge, ground rent, insurance premium or additional amounts paid by the Servicer, which such payment is necessary in order to maintain and protect the value of any property secured by a Mortgage contained within the Portfolio;

- payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;

- amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;

- any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Seller; and

- any Insurance Premium Amounts,

(items within (i) being collectively referred to herein as **Third Party Amounts**). Third Party Amounts may be deducted by the Cash Manager on a daily basis from the Deposit Account to make payment to the persons entitled thereto except where such payments have already been provided for elsewhere.

Available Principal Receipts means for any Interest Payment Date an amount equal to the aggregate of (without double counting):

(a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date and received by the Issuer during the immediately preceding Collection Period;

(b) the amounts (if any) calculated on that Interest Payment Date by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger and/or the Class G Principal Deficiency Sub-Ledger is reduced pursuant to items (e), (h), (j), (l), (n), (p) and (q) of the Pre-Acceleration Revenue Priority of Payments;

(c) on any Interest Payment Date falling on or after the Step-Up Date, any Available Revenue Receipts to be applied as Available Principal Receipts pursuant to item (t) of the Pre-Acceleration Revenue Priority of Payments;

(d) on the Class G Notes Final Redemption Date, all amounts standing to the credit of the General Reserve Fund (after having applied any General Reserve Fund Release Amounts to meet a Revenue Deficiency);

(e) following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 5.8(c) and Certificates Condition 5.8(c);

(f) amounts debited from the Warranty Reserve Fund to make an Asset Warranty Payment; and

(g) (in respect of the first Interest Payment Date only) an amount equal to the difference between (i) the aggregate of the proceeds of the Notes minus (X) any amounts credited to the Liquidity Reserve Fund, the General Reserve Fund and the Warranty Reserve Fund on the Closing Date and (Y) any fees and expenses of the Issuer to be paid on the Closing Date and (ii) the Initial Consideration.

Summary of Priorities of Payments: Below is a summary of the relevant payment priorities. Full details of the payment priorities are set out in the section entitled "*Cashflows*".

Pre-Acceleration Revenue Priority of Payments:	Pre-Acceleration Principal Priority of Payments:	Post-Acceleration Priority of Payments:
(a) Amounts due to the Note Trustee and the Security Trustee and their Appointees including fees, costs, charges, liabilities, and expenses	(a) Principal Addition Amounts to be applied to meet any Remaining Revenue Deficiency, subject to the relevant Principal Addition Amount Conditions being satisfied	(a) Amounts due in respect of the Receiver, the Note Trustee and the Security Trustee and their Appointees including fees, costs, charges, liabilities and expenses
(b) *Pro rata* and *pari passu* to (1) Amounts to be retained by the Issuer as profit, (2) Amounts due to the Seller, the Legal Title Holder, the Agent Bank, the Registrar, the Principal Paying Agent, the Cash Manager, the Servicer, the Master Servicer, the Back-up Servicer Facilitator, the Corporate Services Provider and the Account Bank including fees, costs, charges, liabilities, and expenses (but excluding any fees owing to the Servicer) and (3) Third party expenses	(b) *Pro rata* and *pari passu* to the principal amounts due on the Class A Notes	(b) Amounts due to the Seller, the Legal Title Holder, the Agent Bank, the Registrar, the Principal Paying Agent, the Cash Manager, the Corporate Services Provider and the Account Bank including fees, costs, charges, liabilities, and expenses under the provisions of the Transaction Documents
(c) *Pro rata* and *pari passu* Amounts due in respect of fees of the Servicer and the Class Y Certificate Payment	(c) *Pro rata* and *pari passu* to the principal amounts due on the Class B Notes	(c) Amounts due in respect of fees, costs, charges, liabilities and expenses of the Servicer, the Master Servicer and the Back-up Servicer Facilitator and the Class Y Certificate Payment
(d) *Pro rata* and *pari passu* to the interest due on the Class A Notes	(d) *Pro rata* and *pari passu* to the principal amounts due on the Class C Notes	(d) Pro rata and pari passu to the amounts of interest and principal due on the Class A Notes
(e) Amounts to be credited to the Class A Principal Deficiency Sub-Ledger	(e) *Pro rata* and *pari passu* to the principal amounts due on the Class D Notes	(e) Pro rata and pari passu to the amounts of interest and principal due on the Class B Notes
(f) *Pro rata* and *pari passu* to the interest due on the Class B Notes	(f) *Pro rata* and *pari passu* to the principal amounts due on the Class E Notes	(f) Pro rata and pari passu to the amounts of interest and principal due on the Class C Notes
(g) Prior to and excluding the Class B Notes Final Redemption Date, amounts to be credited to the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount	(g) *Pro rata* and *pari passu* to the principal amounts due on the Class F Notes	(g) Pro rata and pari passu to the amounts of interest and principal due on the Class D Notes
	(h) *Pro rata* and *pari passu* to the principal amounts due on the Class G Notes	(h) Pro rata and pari passu to the
	(i) Any excess in or towards application as Available Revenue Receipts	

Pre-Acceleration Revenue Priority of Payments:	Pre-Acceleration Principal Priority of Payments:	Post-Acceleration Priority of Payments:
(h) Amounts to be credited to the Class B Principal Deficiency Sub-Ledger		amounts of interest and principal due on the Class E Notes
(i) *Pro rata* and *pari passu* to the interest due on the Class C Notes		(i) Pro rata and pari passu to the amounts of interest and principal due on the Class F Notes
(j) Amounts to be credited to the Class C Principal Deficiency Sub-Ledger		(j) Pro rata and pari passu to the amounts of interest and principal due on the Class G Notes
(k) *Pro rata* and *pari passu* to the interest due on the Class D Notes		(k) Pro rata and pari passu to the amounts of interest and principal due on the Class X Notes
(l) Amounts to be credited to the Class D Principal Deficiency Sub-Ledger		(l) Amounts due to the Co-Arrangers and Sole Lead Manager in respect of certain indemnifying amounts payable under the Subscription Agreement (to the extent such amounts have not already been satisfied by way of Subscription Warranty Payments and subject to certain caps)
(m) *Pro rata* and *pari passu* to the interest due on the Class E Notes		(m) Amounts to be retained by the Issuer as profit
(n) Amounts to be credited to the Class E Principal Deficiency Sub-Ledger		(n) Third party expenses
(o) *Pro rata* and *pari passu* to the interest due on the Class F Notes		(o) Payments on the Class R Certificates
(p) Amounts to be credited to the Class F Principal Deficiency Sub-Ledger		
(q) Amounts to be credited to the Class G Principal Deficiency Sub-Ledger		
(r) Prior to and excluding the Class G Notes Final Redemption Date, amounts to be credited to the General Reserve Fund up to the General Reserve Fund Required Amount		
(s) Amounts due to the Co-Arrangers and Sole Lead Manager in respect of		

Pre-Acceleration Revenue Priority of Payments:	Pre-Acceleration Principal Priority of Payments:	Post-Acceleration Priority of Payments:
certain indemnifying amounts payable under the Subscription Agreement (to the extent such amounts have not already been satisfied by way of Subscription Warranty Payments and subject to certain caps)		
(t) On any Interest Payment Date on or after the Step-Up Date, to Available Principal Receipts		
(u) *Pro rata* and *pari passu* to the interest due on the Class X Notes		
(v) *Pro rata* and *pari passu* to the principal amounts due on the Class X Notes		
(w) *Pro rata* and *pari passu* to the Class R Certificates		

General Credit Structure:	The credit structure of the transaction includes (broadly speaking) the following elements:
Liquidity Reserve Fund	• The Liquidity Reserve Fund will be funded on the Closing Date by the proceeds of the Notes. • Prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date up to and excluding the Class B Notes Final Redemption Date, the Liquidity Reserve Fund will be replenished up to the Liquidity Reserve Fund Required Amount from Available Revenue Receipts (if any) available for such purpose in accordance with the Pre-Acceleration Revenue Priority of Payments. • Prior to the delivery of a Note Acceleration Notice, to the extent that there would be a Liquidity Deficiency on an Interest Payment Date after application of Available Revenue Receipts, an amount equal to the Liquidity Reserve Fund Release Amount shall be debited from the Liquidity Reserve Fund and applied to cure such Liquidity Deficiency (in the order of priority that the relevant items appear in the Pre-Acceleration Revenue Priority of Payments), subject to the relevant Liquidity Reserve Fund Conditions being met in relation to any such drawing, where applicable. • On the Class B Notes Final Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund (after application of any Liquidity Reserve Fund Release Amounts) will be applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments. • Prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date an amount equal to the Liquidity Reserve Fund Excess Amount (if any) will be debited from the Liquidity Reserve Fund and applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments. • Following delivery of a Note Acceleration Notice, all amounts standing to the credit of the Liquidity Reserve Fund will be applied in accordance with the Post-Acceleration Priority of Payments. • See sections "*Risk Factors – Risks relating to availability of funds to make payments on the Notes and Certificates*" and "*Credit Structure – Liquidity Reserve Fund and Liquidity Reserve Fund Ledger*".
General Reserve Fund	• The General Reserve Fund will be funded on the Closing Date by the proceeds of the Notes. • Prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date up to and excluding the Class G Notes Final Redemption Date, the General Reserve Fund will be replenished up to the General Reserve Fund Required Amount from Available Revenue Receipts (if any) available for such purpose in accordance with the Pre-Acceleration Revenue Priority of Payments.

- Prior to the delivery of a Note Acceleration Notice, to the extent that there would be a Revenue Deficiency on an Interest Payment Date after application of Available Revenue Receipts and Liquidity Reserve Fund Release Amounts, an amount equal to the General Reserve Fund Release Amount shall be debited from the General Reserve Fund and applied to cure such Revenue Deficiency (in the order of priority that the relevant items appear in the Pre-Acceleration Revenue Priority of Payments), subject to the relevant General Reserve Fund Conditions being met in relation to any such drawing, where applicable.

- On the Class G Notes Final Redemption Date, all amounts standing to the credit of the General Reserve Fund (after application of any General Reserve Fund Release Amounts) will be applied as Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments.

- Prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date an amount equal to the General Reserve Fund Excess Amount (if any) will be debited from the General Reserve Fund and applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments.

- Following delivery of a Note Acceleration Notice, all amounts standing to the credit of the General Reserve Fund will be applied in accordance with the Post-Acceleration Priority of Payments.

- See sections "*Risk Factors – Risks relating to availability of funds to make payments on the Notes and Certificates" and Credit Structure – General Reserve Fund and General Reserve Fund Ledger*".

Principal Addition Amounts

- Pursuant to item (a) of the Pre-Acceleration Principal Priority of Payments, to the extent there would be Remaining Revenue Deficiency following application of Available Revenue Receipts, Liquidity Reserve Fund Release Amounts and General Reserve Fund Release Amounts, the Issuer shall apply Available Principal Receipts as Principal Addition Amounts in meeting such Remaining Revenue Deficiency (such amounts being applied in the order of priority that the relevant items appear in the Pre-Acceleration Revenue Priority of Payments), subject to the relevant Principal Addition Amount Conditions being met, where applicable.

- Any amount of Available Principal Receipts applied as Principal Addition Amounts to cure a Remaining Revenue Deficiency will be recorded as a debit to the Principal Deficiency Ledger.

- See sections "*Risk Factors – Risks relating to availability of funds to make payments on the Notes and Certificates"* and *"Credit Structure – Use of Principal Addition Amounts to pay Remaining Revenue Deficiency*".

Principal Deficiency Ledger

- A Principal Deficiency Ledger will be established on the Closing Date and will record (i) as a debit entry any Losses affecting the Loans in the Portfolio and the use of Available Principal Receipts as Principal

Addition Amounts in accordance with item (a) of the Pre-Acceleration Principal Priority of Payments and (ii) as a credit entry the application of Available Revenue Receipts pursuant to items (e), (h), (j), (l), (n), (p), (q) and (t) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts of Available Revenue Receipts shall, for the avoidance of doubt, thereupon be treated as Available Principal Receipts).

The Principal Deficiency Ledger will comprise seven sub-ledgers: the Class A Principal Deficiency Sub-Ledger (relating to the Class A Notes) (the **Class A Principal Deficiency Sub-Ledger**), the Class B Principal Deficiency Sub-Ledger (relating to the Class B Notes) (the **Class B Principal Deficiency Sub-Ledger**), the Class C Principal Deficiency Sub-Ledger (relating to the Class C Notes) (the **Class C Principal Deficiency Sub-Ledger**), the Class D Principal Deficiency Sub-Ledger (relating to the Class D Notes) (the **Class D Principal Deficiency Sub-Ledger**), the Class E Principal Deficiency Sub-Ledger (relating to the Class E Notes) (the **Class E Principal Deficiency Sub-Ledger**), and the Class F Principal Deficiency Sub-Ledger (relating to the Class F Notes) (the **Class F Principal Deficiency Sub-Ledger**) and the Class G Principal Deficiency Sub-Ledger (relating to the Class G Notes) (the **Class G Principal Deficiency Sub-Ledger**).

- Any Losses on the Portfolio and any use of Available Principal Receipts to be applied in accordance with item (a) of the Pre-Acceleration Principal Priority of Payments will be recorded as a debit (a) first, to the Class G Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding on the Class G Notes; (c) second, to the Class F Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class F Notes; (d) third, to the Class E Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class E Notes; (e) fourth, to the Class D Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class D Notes; (f) fifth, to the Class C Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class C Notes; (g) sixth, to the Class B Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class B Notes; and (h) seventh, to the Class A Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class A Notes. Investors should note that realised Losses in any period will be calculated after applying any recoveries following enforcement of a Loan to outstanding fees and interest amounts due and payable on the relevant Loan.

- See Sections "*Risks relating to availability of funds to make payments on the Notes and Certificates"* and "*Credit Structure — Principal Deficiency Ledger*" below.

Warranty Reserve Fund

- On the Closing Date, the Issuer will establish a warranty reserve fund (the **Warranty Reserve Fund**) funded from the proceeds of the Notes in an amount equal to the Warranty Reserve Initial Funding Amount.

- Amounts drawn from the Warranty Reserve Fund (**Warranty Payments**) will be available to:

(a) provide compensation for losses arising from a breach of Loan Warranty; and

(b) satisfy amounts due to the Sole Lead Manager under the Subscription Agreement arising from a breach of a Subscription Warranty.

- On each Interest Payment Date prior to the Warranty Reserve Final Asset Release Date, if during the relevant Collection Period, a loss arising from a breach of Loan Warranty has been determined, subject to the Warranty Limitations an amount equal to the lesser of the balance of the Warranty Reserve Fund and such loss (the **Asset Warranty Payment**) will be debited from the Warranty Reserve Fund and will form part of Available Principal Receipts to be distributed on such Interest Payment Date.

- On each Interest Payment Date, subject to the Subscription Agreement Liability Cap, the amount of any finally determined liability (a **Subscription Warranty Payment**) of the Issuer towards the Sole Lead Manager resulting from a breach by the Issuer or the Seller of a representation or warranty given by the Issuer or the Seller in favour of the Sole Lead Manager (a **Subscription Warranty**) will be debited from the Warranty Reserve Fund and will be payable to the Sole Lead Manager on such Interest Payment Date.

- On the Warranty Reserve Initial Asset Release Date, an amount equal to the Warranty Reserve Initial Asset Release Amount will be applied to redeem the Class R Notes.

- On the Warranty Reserve Final Asset Release Date, an amount equal to the Warranty Reserve Final Asset Release Amount will be applied to redeem the Class R Notes.

- On the Warranty Reserve Final Release Date, all remaining amounts standing to the credit of the Warranty Reserve Fund Ledger, if any, will be applied to redeem the Class R Notes.

Bank Accounts and Cash Management:

The Issuer will open a deposit account (the **Deposit Account** and together with any additional accounts to be established by the Issuer pursuant to the Bank Account Agreement collectively, the **Bank Accounts**) with the Account Bank on the Closing Date pursuant to the terms of the Bank Account Agreement.

On each Interest Payment Date, the Cash Manager will transfer monies from the Deposit Account to be applied in accordance with the relevant Priority of Payments.

TRANSACTION OVERVIEW – TRIGGERS TABLES

Rating Triggers Table

Transaction Party	Required Ratings/Triggers	Possible effects of Trigger being breached include the following:
Account Bank	(a) In the case of S&P: a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P, or should the Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 from S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&P. (b) In the case of Fitch: a short-term issuer default rating of at least F1 or a long-term issuer default rating (or deposit rating, if assigned) of at least A. (c) Or such other lower rating which is consistent with the then current rating methodology of the Rating Agencies in respect of the then current ratings of the Rated Notes (the **Account Bank Rating**). **Issuer Accounts** means each of the Deposit Account and any additional or replacement accounts (including, if applicable, any securities accounts) opened in the name of the Issuer from time to time.	If the Account Bank ceases to have any of the Account Bank Ratings, then the Issuer shall: (a) close the Issuer Accounts with such Account Bank and open replacement accounts with a financial institution (i) having all of the Account Bank Ratings and (ii) which is a bank as defined in section 991 of the Income Tax Act 2007; or (b) obtain a guarantee of the obligations of such Account Bank under the relevant Bank Account Agreement from a financial institution having all of the Account Bank Ratings; or (c) take any other action as the Rating Agencies may agree will not result in a downgrade of the Rated Notes, in each case as prescribed and within the time limits as set out in the Bank Account Agreement, and transfer amounts standing to the credit of relevant Issuer Accounts and all Ledgers on the relevant Issuer Accounts to the replacement Issuer Accounts.
Collection Account Bank	(a) In the case of S&P: a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term	If the Collection Account Bank ceases to have all of the Collection Account Bank Ratings, then the Servicer shall assist the Issuer to (and the Issuer shall): (a) open a replacement collection account in the name of the Issuer

Transaction Party	Required Ratings/Triggers	Possible effects of Trigger being breached include the following:
	unsecured, unguaranteed and unsubordinated debt rating of at least BBB by S&P, or should the Collection Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-2 by S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least BBB+ by S&P. (b) Or such other lower rating which is consistent with the then current rating methodology of the Rating Agencies in respect of the then current ratings of the Rated Notes. (the **Collection Account Bank Rating**).	with a financial institution (i) having the Collection Account Bank Rating, (ii) approved in writing by the Issuer and the Security Trustee and (iii) which is a bank as defined in Section 991 of the Income Tax Act 2007; or (b) obtain an unconditional and unlimited guarantee of the obligations of the Collection Account Bank from a financial institution having the Collection Account Bank Rating; or (c) take any other action as the Rating Agencies may agree will not result in a downgrade of the Rated Notes, in each case as prescribed and within the time limits as set out in the Servicing Agreement, and transfer all direct debit mandates to such replacement collection account and procure that all monthly payments made by a Borrower under a payment arrangement other than the Direct Debiting Scheme are made to such replacement collection account from the date on which the replacement collection account is opened.

Non-Rating Triggers Table

Perfection Events:

Prior to the completion of the transfer of legal title of the Loans from the Seller to the Issuer, the Issuer will be subject to certain risks as set out in the risk factor entitled "*Risk Factors – Risks Relating to the Underlying Assets – Legal Title Holder to retain legal title to the Loans and risks relating to set-off*".

The Issuer (or following delivery of a Note Acceleration Notice, the Security Trustee) may by delivering a notice in writing (a **Perfection Notice** to the Legal Title Holder (with a copy to the Security Trustee (where applicable) and the Servicer) require the Legal Title Holder to complete the transfer, or, in the case of the Scottish Loans and their Related Security, assignation of the Loans and Related Security from the Seller to the Issuer on or before the 20th Business Day after such notice following the occurrence of any of the following events:

(a) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee (acting on the direction of the Note Trustee), in jeopardy and the Security Trustee being directed by the Note Trustee (on behalf of the Noteholders (so long as any Notes are outstanding) or the other Secured Creditors (if no Notes are then outstanding)) to take action to reduce that jeopardy;

(b) the occurrence of a Master Servicer Termination Event or Servicer Termination Event;

(c) the Issuer assigning or transferring its beneficial interest in the Loans and their Related Security (or any part of them) to a third party, in which case legal title in such Loans and their Related Security shall be transferred to the relevant third party (which shall be deemed to be the nominee of the Issuer for that purpose); or

(d) default is made by the Legal Title Holder in the performance or observance of any of its covenants, undertakings and obligations under the Master Servicing Agreement or any other Transaction Document to which it is a party, which is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders and such default continues unremedied for a period of 15 Business Days after the earlier of the Legal Title Holder becoming aware of such default and receipt by the Legal Title Holder of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied.

In addition, completion of transfer of the legal title of the Loans by the Seller to the Issuer will be completed as soon as reasonably practicable, and in any case, on or before the 20th Business Day after the earliest to occur of the following (each an **Automatic Perfection Event**):

(a) the Seller being required to perfect legal title to the Loans and

Related Security by (i) an order of a court of competent jurisdiction or (ii) by a regulatory authority which has jurisdiction over the Seller or its parent or (iii) by any organisation of which the Seller or its parent is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders with whose instructions it is customary for the Seller or its parent to comply, to perfect legal title to the Loans and Related Security;

(b) it becoming necessary by law to perfect legal title to the Loans and their Related Security;

(c) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or

(d) the occurrence of a Seller Insolvency Event.

Master Servicer Termination Events

The appointment of the Master Servicer may be terminated by the Issuer (i) in relation to the Master Servicer Termination Event set out in (b) below, immediately without notice; and (ii) in relation to all other Master Servicer Termination Events (subject to the prior written consent of the Security Trustee acting on the instructions of the Note Trustee) at once or at any time thereafter while such default continues upon the occurrence of the following events (the **Master Servicer Termination Events**) (defined terms having the meaning given to them in the Master Servicing Agreement):

(a) material non-performance by the Master Servicer in the performance or observance of its covenants and obligations in respect of setting the SVR and any other Discretionary Rates or margins chargeable to Borrowers which default in the opinion of the Security Trustee (acting on the instructions of the Note Trustee) is materially prejudicial to the interests of the Noteholders (which determinations shall be conclusive and binding on all other Secured Creditors) and such default continues unremedied for a period of 30 Business Days after the earlier of the Master Servicer becoming aware of such default and receipt by the Master Servicer of written notice from the Issuer or (after the delivery of a Note Acceleration Notice) the Security Trustee requiring the same to be remedied, **provided however** that where the default occurs as a result of a default by any person to whom the Master Servicer has sub-contracted or delegated part of its obligations under the Master Servicing Agreement, such default (if it would otherwise constitute a Master Servicer Termination Event) shall not constitute a Master Servicer Termination Event if within such 30 Business Days period the Master Servicer terminates the relevant sub-contracting or delegation arrangements and takes steps to (1) ensure, with immediate effect, that the services theretofore provided by that sub-contractor are replaced; (2) remedy such default or series of defaults; and (3) indemnify the relevant Noteholders against the consequences of such default; or

(b) if the Master Servicer fails to obtain or retain any licences,

approvals, authorisations, and consents required in connection with the provision of the Master Services, including without limitation any necessary notifications under the Data Protection Laws, licences under the Consumer Credit Act and authorisations and permissions under the FSMA;

(c) a Perfection Notice is delivered or an Automatic Perfection Event occurs;

(d) the occurrence of a Change of Control in respect of the Legal Title Holder; or

(e) an insolvency event in respect of the Master Servicer.

The Master Servicer may also resign:

(a) if on any Interest Payment Date any part of the payments due on the Class Y Certificates are not made; or

(b) by giving not less than 12 months' notice (provided that the date on which the resignation is to be effective must fall on or after the earlier of (x) the Interest Payment Date falling in June 2026 or (y) any Interest Payment Date on which the aggregate Principal Amount Outstanding of all of the Notes (other than the Class X Notes and the Class R Notes) (as of the immediately preceding Calculation Date) is equal to or less than 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Class X Notes and the Class R Notes) on the Closing Date) to the Issuer and the Security Trustee and in relation to a resignation referred to in paragraph (x) above, subject to, *inter alia*, a replacement master servicer having been appointed.

In the case of a resignation referred to in paragraph (b)(x) above, the resignation of the Master Servicer is conditional on, *inter alia*:

(c) the resignation having no adverse effect on the then current ratings of the Rated Notes; and

(d) the substitute servicer assuming and performing all the duties and obligations of the Master Servicer on substantially the same terms as the Master Servicing Agreement.

See "*Summary of the Key Transaction Documents – Master Servicing Agreement*".

Servicer Termination Events

The appointment of the Servicer may be terminated by the Issuer (subject to the prior written consent of the Security Trustee in consultation with the Majority Holder and the Master Servicer) at once or at any time thereafter while such default continues upon the occurrence of the following events (the **Servicer Termination Events**):

(a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Agreement and the Servicer fails to remedy it for a period of ten Business

Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer, the Seller or (after the delivery of a Note Acceleration Notice) the Security Trustee requiring the same to be remedied;

(b) material non-performance of the Servicer's other covenants and obligations for a period of 20 Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer, the Seller (as legal title holder) or (after the delivery of a Note Acceleration Notice) the Security Trustee requiring the same to be remedied;

(c) a Perfection Notice is delivered or an Automatic Perfection Event occurs provided that legal title to the Loans is not transferred to an Affiliate of the Servicer;

(d) an insolvency event in respect of the Servicer;

(e) the Servicer ceases to perform the business of mortgage administration; or

(f) the Servicer loses any regulatory approval which is necessary in order to provide some or all of the Services or any restriction is applied by a regulator which will prevent the Servicer from complying with its obligations under the Servicing Agreement provided that it does not result or arise from compliance by the Servicer with any instruction given by or on behalf of the Issuer or the Security Trustee.

The Servicer may also resign upon giving 18 months' written notice provided a replacement servicer has been appointed by the Issuer (subject to the prior written consent of the Security Trustee).

The resignation of the Servicer is conditional on, *inter alia*:

(a) the resignation having no adverse effect on the then current ratings of the Rated Notes; and

(b) the substitute servicer assuming and performing all the duties and obligations of the Servicer on substantially the same terms as the Servicing Agreement.

See "*Summary of the Key Transaction Documents – Servicing Agreement*".

TRANSACTION OVERVIEW – FEES

The following table sets out the ongoing fees and/or rights to deferred consideration to be paid by the Issuer to the transaction parties.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing Fee			
• Servicing Fee	For any Interest Payment Date, the greater of (i) the product of (A) £748.49 (subject to annual indexation) and (B) the actual number of days comprised in the Collection Period immediately preceding that Interest Payment Date and (ii) the aggregate of the Standard Servicing Fee, the Arrears Servicing Fee for that Interest Payment Date and the Redemption Fee for that Interest Payment Date (in each case as defined below and in each case exclusive of VAT)	The Servicing Fee will rank ahead of all of the Notes and the Class R Certificates.	Quarterly in arrear on each Interest Payment Date
• Standard Servicing Fee	The product of (A) the 0.137 per cent. per annum (subject to annual indexation), (B) the actual number of days in the Collection Period immediately preceding that Interest Payment Date divided by 365 (or over a 366 day year in a leap year) and (C) the aggregate Current Principal Balance of all Loans in the Portfolio (determined as at the beginning of the Collection Period immediately preceding that Interest Payment Date)		
• Arrears Servicing Fee	The product of £38.41 multiplied by the number of Arrears Loans during the Collection Period immediately preceding the Interest Payment Date (subject to annual indexation)		
• Redemption Fee	£93.27 for each Loan which is paid out in full and discharged during the Collection Period		

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
	immediately preceding the Interest Payment Date (subject to annual indexation)		
• Servicer Make-Whole Fee	An amount equal to the Servicing Fee paid to the Servicer for the 12 months prior to a termination of the appointment of the Servicer as a consequence of a Servicer Resignation Event or following the service of a Perfection Notice or the occurrence of an Automatic Perfection Event if legal title to the Loans is not moved to an Affiliate of the Servicer.	The Servicer Make-Whole Fee will rank ahead of all of the Notes and the Class R Certificates.	On the Interest Payment Date following a termination of the appointment of the Servicer as a consequence of a Servicer Resignation Event or following the service of a Perfection Notice or the occurrence of an Automatic Perfection Event if legal title to the Loans is not moved to an Affiliate of the Servicer.
• Servicing Transition Costs	Costs of the Servicer (determined on a time and materials basis) as a consequence of assisting the Issuer to transfer the servicing function to a substitute servicer following termination of the appointment of the Servicer.	Servicing Transition Costs will rank ahead of all of the Notes and the Class R Certificates.	Quarterly in arrear on each Interest Payment Date following a termination of the appointment of the Servicer (as applicable), to the extent only that action is required on the part of the Servicer to assist the Issuer to transfer the servicing function to a substitute servicer or the back-up servicing function to a substitute back-up servicer.
Other fees and expenses of the Issuer (including tax and audit costs).	Estimated at £129,330 each year (exclusive of VAT)	Ahead of all outstanding Notes and Certificates	Quarterly in arrear on each Interest Payment Date
Expenses related to the admission to trading of the Notes	Estimated at EUR 13,000 (exclusive of VAT)	Ahead of all outstanding Notes and Certificates	On or about the Closing Date

As at the date of this Prospectus, UK VAT is currently chargeable at 20 per cent.

CERTAIN REGULATORY DISCLOSURES

UK Securitisation Regulation and EU Securitisation Regulation

OSB will retain, as sponsor (the **Retention Holder**) for the purposes of the UK Securitisation Regulation, on an ongoing basis a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 6(1) of the UK Securitisation Regulation (the **UK Retention Requirements**).

In addition, although the EU Securitisation Regulation is not applicable to it, the Retention Holder will retain (on a contractual basis), as sponsor, on an ongoing basis a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 6(1) of the EU Securitisation Regulation (the **EU Retention Requirements** and together with the UK Retention Requirements, the **Retention Requirements**) as if the EU Securitisation Regulation were applicable to it.

As at the Closing Date, such interest will be satisfied by the Retention Holder retaining a sub-portfolio of Loans as randomly selected (by reference to the Provisional Portfolio) by an independent third party in an amount equal to at least 5 per cent. of the nominal value of the Portfolio (as described in "*Certain Regulatory Disclosures*") in accordance with Article 6(3)(c) of the UK Securitisation Regulation and Article 6(3)(c) of the EU Securitisation Regulation (the **Retained Interest**). See the section entitled "*Certain Regulatory Disclosures*" for further information. Any change to the manner in which the Retained Interest is held will be notified to the Noteholders in accordance with the Conditions and the requirements of the UK Securitisation Regulation and the EU Securitisation Regulation.

The Retention Holder's Retained Interest will be confirmed through the disclosure in the UK SR Investor Reports and the EU SR Investor Reports.

Pursuant to a risk retention letter entered into by, among others, the Retention Holder (the **Risk Retention Letter**), the Retention Holder has covenanted that it will, while any of the Notes remain outstanding:

(a) retain the Retained Interest;

(b) not change the manner in which it retains such Retained Interest, except to the extent permitted or required under the UK Securitisation Regulation and the EU Securitisation Regulation;

(c) not subject the Retained Interest to any credit risk mitigation or hedging, or sell, transfer or otherwise surrender all or part of the rights benefits or obligations arising from the Retained Interest, except, in each case, to the extent permitted under the UK Securitisation Regulation and the EU Securitisation Regulation (as if it applied to the Retention Holder);

(d) will confirm its Retained Interest through the disclosure in the UK SR Investor Reports and the EU SR Investor Reports; and

(e) promptly notify the Issuer, BofA Securities, the Note Trustee, the Security Trustee and the Cash Manager if for any reason it ceases to hold or changes the manner in which it holds the Retained Interest in accordance with paragraphs (a) and (b) above or fails to comply with any of the covenants set out in paragraphs (a) to (d) above in respect of the Retained Interest.

UK Securitisation Regulation means Regulation (EU) 2017/2402 as it forms part of UK domestic law by virtue of the EUWA, including any relevant binding technical standards, regulations, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

EU Securitisation Regulation means Regulation (EU) 2017/2402 as amended by Regulation (EU) 2021/557 and as may be further amended, varied or substituted from time to time and including the EU Securitisation Rules applicable from time to time.

EU Securitisation Rules mean: (i) applicable regulatory and/or implementing technical standards or delegated regulations made under the EU Securitisation Regulation (including any applicable transitional provisions); and/or (ii) any relevant guidance and policy statements relating to the application of the EU Securitisation Regulation published by the EBA, the ESMA, the EIOPA (or their successor), collectively, the European Supervisory Authorities or "ESAs", including any applicable guidance and policy statements issued by the Joint Committee of ESAs and/or the European Commission.

Transparency and reporting

Designation of the Reporting Entity

For the purposes of Article 7(2) of the UK Securitisation Regulation, the Issuer, as SSPE, has been designated as the entity responsible for compliance with the requirements of Article 7 of the UK Securitisation Regulation (the **Reporting Entity**). The Reporting Entity will either fulfil such requirements itself or shall procure that such requirements are fulfilled on its behalf. See the section entitled "*General Information – UK Securitisation Regulation Reporting*" for further information.

Reporting under the UK Securitisation Regulation

The Reporting Entity has undertaken in the Subscription Agreement and the Risk Retention Letter to procure the provision of information to the competent authorities, to Noteholders and (upon request) potential investors as required by Article 7(1) of the UK Securitisation Regulation in a manner consistent with Article 7(2) of the UK Securitisation Regulation and the UK Article 7 Technical Standards, subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity is only required to do so to the extent that the disclosure requirements under Article 7 of the UK Securitisation Regulation remain in effect.

As to the information made available to prospective investors, reference is made to the information set out herein and forming part of this Prospectus and to the other documents and information which will be made available to prospective investors upon request in accordance with the UK Securitisation Regulation.

Reporting under the EU Securitisation Regulation

Although the EU Securitisation Regulation is not applicable to it, the Reporting Entity has undertaken in the Subscription Agreement and the Risk Retention Letter to procure the provision of information to Noteholders and (upon request) potential investors in accordance with the requirements of Article 7(1) of the EU Securitisation Regulation and in a manner consistent with Article 7(2) of the EU Securitisation Regulation and the EU Article 7 Technical Standards as if such provisions were applicable to it (the **EU Article 7 Undertaking**), subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply as a result of any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which would impose additional material obligations on the Issuer in order for it to maintain compliance with its EU Article 7 Undertaking provided that it or another party on its behalf, consults with the Retention Holder and the Majority Holder in relation to potential actions to avert or remedy such non-compliance.

No self-certified Mortgage Loans entered into pre-20 March 2014

The UK Securitisation Regulation and the EU Securitisation Regulation provide for a ban on the securitisation of residential mortgage loans made after 20 March 2014, which had been marketed and underwritten on the premise that the loan applicant or, where applicable, intermediaries were made aware that the information provided by the loan applicant might not be verified by the lender. The Seller has represented that none of the Loans (including any Further Advance in respect of such Loan) was made (including as a result of any Product Switch, as a result of any Port or otherwise as a result of a material variation to the original Loan) after 20 March 2014.

Adverse selection – Information on credit risk profile of the Mortgage Portfolio

Loans were not selected to be sold to the Issuer with the aim of rendering losses on the Loans sold to the Issuer, measured over a period of four years, higher than the losses over the same period on comparable assets held on the balance sheet of the Retention Holder.

Notes are not part of a resecuritisation

The Notes are not part of a securitisation of one or more exposures where at least one of the underlying exposures is a securitisation position.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation and/or Article 5 of the EU Securitisation Regulation. None of the Issuer, the Co-Arrangers or the Sole Lead Manager or any of the transaction parties makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes.

In addition to the above, the Issuer shall undertake to procure the provision to Noteholders of any reasonable and relevant additional data and information referred to in Article 5 of the UK Securitisation Regulation and Article 5 of the EU Securitisation Regulation, subject to all applicable laws and provided that the Issuer will not be in breach of the requirements of this paragraph if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertaking and the Retention Holder shall undertake to procure provision to the Issuer of access to any reasonable and relevant additional data and information referred to in Article 5(1)(e) of the UK Securitisation Regulation and Article 5(1)(e) of the EU Securitisation Regulation (subject to all applicable laws), provided that the Retention Holder will not be in breach of the requirements of this paragraph if, due to events, actions or circumstances beyond its control, it is not able to comply with such undertaking.

None of the Issuer, the Co-Arrangers or the Sole Lead Manager or any of the other transaction parties makes any representation that the information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

For further information please refer to "*Risk Factors* – "*Legal and Regulatory Risks*" – "*Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity in respect of the Notes*" and "*Certain Regulatory Disclosures"* for further information on the implications of the UK Securitisation Regulation and the EU Securitisation Regulation and certain other related matters.

U.S. Risk Retention Requirements

Section 941 of the Dodd-Frank Act amended the Securities Exchange Act of 1934 to generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for the purposes of that statute, and generally prohibit a securitizer from

directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules came into effect on 24 December 2016 with respect to all classes of asset-backed securitizations. The U.S. Risk Retention Rules provide that the securitizer of an asset backed securitization is its sponsor. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

OSB, as the sponsor under the U.S. Risk Retention Rules, does not intend to retain at least 5 per cent. of the credit risk of the securitized assets for purposes of compliance with the U.S. Risk Retention Rules, but rather intends to rely on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that:

(1) the transaction is not required to be and is not registered under the Securities Act;

(2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the **ABS interests** (as defined in Section 2 of the U.S. Risk Retention Rules) (being in this case, collectively, the Notes and the Certificates) are issued) of all classes of ABS interests issued in the securitization transaction are sold or transferred to, or for the account or benefit of, U.S. persons (as defined in the U.S. Risk Retention Rules, **Risk Retention U.S. Persons**);

(3) neither the sponsor nor the issuer of the securitization transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and

(4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Portfolio will be comprised of mortgage loans and their related security, all of which were acquired by the Seller from the Vendor. See the section entitled "*The Seller and Legal Title Holder*". The Seller, the Vendor and the Issuer are all companies incorporated in England.

Prior to any Notes which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person, the purchaser of such Notes must first disclose to OSB, the Co-Arrangers and the Sole Lead Manager that it is a Risk Retention U.S. Person and obtain the written consent of OSB in the form of a U.S. Risk Retention Consent. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of U.S. person under Regulation S, and that persons who are not "U.S. persons" under Regulation S may be U.S. persons under the U.S. Risk Retention Rules. The definition of U.S. person in the U.S. Risk Retention Rules is excerpted below. Particular attention should be paid to clauses (b) and (h)(ii) below, which are different from comparable provisions from Regulation S.

Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" (and "Risk Retention U.S. Person" as used in this Prospectus) means any of the following:

(a) any natural person resident in the United States;

(b) any partnership, corporation, limited liability company, or other organisation or entity organised or incorporated under the laws of any State or of the United States;[3]

(c) any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);

(d) any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);

[3] The comparable provision from Regulation S is "(ii) any partnership or corporation organised or incorporated under the laws of the United States".

(e) any agency or branch of a foreign entity located in the United States;

(f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

(h) any partnership, corporation, limited liability company, or other organisation or entity if:

(i) organised or incorporated under the laws of any foreign jurisdiction; and

(ii) formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.[4]

Each holder of a Note or a Certificate or a beneficial interest therein acquired on the Closing Date, by its acquisition of a Note or a Certificate or a beneficial interest therein, will be deemed, and in certain circumstances, may be required, to represent to the Issuer, OSB, the Co-Arrangers and the Sole Lead Manager that it (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent, (2) is acquiring such Note or Certificate or a beneficial interest therein for its own account and not with a view to distribute such Note or Certificate and (3) is not acquiring such Note or Certificate or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Notes or Certificates through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules described herein).

OSB has advised the Issuer that it will not provide a U.S. Risk Retention Consent to any investor if such investor's purchase would result in more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) (as determined by fair value under U.S. GAAP) of all Classes of Notes to be sold or transferred to Risk Retention U.S. Persons on the Closing Date.

There can be no assurance that the requirement to request OSB to give its prior written consent to any Notes or Certificates which are offered and sold by the Issuer being purchased by, or for the account or benefit of, any Risk Retention U.S. Person will be complied with or will be made by such Risk Retention U.S. Persons.

There can be no assurance that the exemption provided to the U.S. Risk Retention Rules regarding non-U.S. transactions will be available or, if such exemption is available, that it shall remain available until the Final Maturity Date of the Notes. No assurance can be given as to whether a failure by OSB to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) may give rise to regulatory action which may adversely affect the Notes, the Certificates or the market value of the Notes and the Certificates. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by OSB to comply with the U.S. Risk Retention Rules could therefore materially adversely affect the market value and secondary market liquidity of the Notes and the Certificates.

None of the Issuer, OSB, the Co-Arrangers, the Sole Lead Manager, the Account Bank, the Security Trustee, the Note Trustee, the Principal Paying Agent, the Agent Bank, the Registrar or any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules.

[4] The comparable provision from Regulation S is "(vii)(B) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in 17 CFR 230.501(a)) who are not natural persons, estates or trusts."

Such matters could adversely affect Noteholders and no predictions can be made as to the precise effects of such matters on any investor or otherwise.

WEIGHTED AVERAGE LIVES OF THE NOTES

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

(a) the Notes are redeemed on the Step-Up Date following exercise of the Majority Holder Option, in the first scenario, or the Notes are redeemed on any Interest Payment Date on which the aggregate Principal Amount Outstanding of all the Notes (other than the Class X Notes and the Class R Notes) (as of the immediately preceding Calculation Date) is equal to or less than 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Class X Notes and the Class R Notes) on the Closing Date (the **Clean-Up Date**), in the second scenario;

(b) the Loans are subject to a constant annual rate of prepayment (excluding scheduled principal redemptions) of between 0 and 12 per cent. per annum as shown on the table below;

(c) the assets of the Issuer are not sold except as may be necessary to enable the Issuer to realise sufficient funds to exercise its option to redeem the Rated Notes;

(d) no Note Acceleration Notice has been served on the Issuer and no Event of Default has occurred;

(e) no Borrowers are offered and accept different mortgage products or Further Advances by the Seller or any of its subsidiaries and the neither the Seller nor Majority Holder is required to repurchase any Loan in accordance with the Mortgage Sale Agreement;

(f) the Security is not enforced;

(g) the Mortgages continue to be fully performing;

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

  (i) the Class A Notes to the Current Principal Balance of the Portfolio as at the Closing Date is 78.00 per cent.;

  (ii) the Class B Notes to the Current Principal Balance of the Portfolio as at the Closing Date is 8.50 per cent.;

  (iii) the Class C Notes to the Current Principal Balance of the Portfolio as at the Closing Date is 5.50 per cent.;

  (iv) the Class D Notes to the Current Principal Balance of the Portfolio as at the Closing Date is 2.00 per cent.;

  (v) the Class E Notes to the Current Principal Balance of the Portfolio as at the Closing Date is 1.50 per cent.;

  (vi) the Class F Notes to the Current Principal Balance of the Portfolio as at the Closing Date is 1.00 per cent.;

  (vii) the Class G Notes to the Current Principal Balance of the Portfolio as at the Closing Date is 3.50 per cent.; and

(viii) the Class X Notes to the Current Principal Balance of the Portfolio as at the Closing Date is 2.50 per cent.;

(i) each of (i) Compounded Daily SONIA remains at a rate of 0.10 per cent., (ii) LIBOR remains at a rate of 0.10 per cent., (iii) the Base Rate remains at a rate of 0.10 per cent. and (iv) the SVR rate does not change unless there is a corresponding change in LIBOR, in each case for so long as any Notes are outstanding;

(j) the Notes are issued on or about 15 June 2021 and all payments on the Notes are received on the 18th day (without regard to whether such day is a Business Day) of March, June, September and December, with the first Interest Payment Date falling on 18 September 2021;

(k) amounts required to pay items (a) to (c) of the Pre-Acceleration Revenue Priority of Payments on each Interest Payment Date are the aggregate of:

(i) £120,000 (inclusive of VAT), per annum; and

(ii) 0.40 per cent. of the aggregate Current Balance of the Loans at the start of each Collection Period, per annum, where each Interest Period consists of the actual number of days in the relevant period and 365 days in the relevant year; and

(l) the weighted average margin over Compounded Daily SONIA of the Class A Notes to the Class F Notes is 0.88 per cent. on the Closing Date and from (and including) the Step-Up Date, margins over Compounded Daily SONIA are multiplied by 1.5 (capped at a 1.00 per cent increase) for the Class B Notes to the Class F Notes and step up to 1.35 per cent. on the Class A Notes.

(Assuming Notes redeemed on Step-Up Date)

Possible Average Life (in years) of:

Constant Annual Rate of Prepayment of the Loans	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes	Class X Notes
Pricing CPR*	3.94	5.01	5.01	5.01	5.01	5.01	5.01	1.08
0%	4.18	5.01	5.01	5.01	5.01	5.01	5.01	1.08
2%	3.94	5.01	5.01	5.01	5.01	5.01	5.01	1.08
4%	3.70	5.01	5.01	5.01	5.01	5.01	5.01	1.08
6%	3.47	5.01	5.01	5.01	5.01	5.01	5.01	1.08
8%	3.25	5.01	5.01	5.01	5.01	5.01	5.01	1.08
10%	3.05	5.01	5.01	5.01	5.01	5.01	5.01	1.08
12%	2.85	5.01	5.01	5.01	5.01	5.01	5.01	1.07

* Pricing CPR is 2%

(Assuming Notes redeemed on Clean-Up Date)

Possible Average Life (in years) of:

Constant Annual Rate of Prepayment of the Loans	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes	Class G Notes	Class X Notes
Pricing CPR*	5.89	11.50	11.63	11.76	11.76	11.76	11.76	1.08
0%	6.77	11.52	11.75	11.76	11.76	11.76	11.76	1.08
2%	5.89	11.50	11.63	11.76	11.76	11.76	11.76	1.08
4%	5.12	11.37	11.52	11.52	11.52	11.52	11.52	1.08
6%	4.44	11.16	11.27	11.27	11.27	11.27	11.27	1.08
8%	3.90	9.89	10.01	10.01	10.01	10.01	10.01	1.08
10%	3.47	8.67	8.76	8.76	8.76	8.76	8.76	1.08
12%	3.13	7.85	8.01	8.01	8.01	8.01	8.01	1.07

* Pricing CPR is 2%

Assumption (a) reflects the current intention of the Issuer to exercise its option to redeem the Notes but no assurance can be given that such assumption will occur as described.

Assumption (b) is stated as an average annualised repayment rate as the repayment rate for one Interest Period may be substantially different from that for another. The constant repayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant repayment rates.

Assumptions (b) to (l) (inclusive) relate to circumstances which are not predictable.

The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic. They must therefore be viewed with considerable caution. For more information in relation to the risks involved in the use of the average lives estimated above, see "*Risk Factors—Considerations Relating to Yield, Prepayments, Mandatory Redemption and Optional Redemption*"

EARLY REDEMPTION OF THE NOTES

The Portfolio may be sold by the Issuer upon the exercise of the Majority Holder Option or the Retention Holder Option (each a **Portfolio Purchase Option**) pursuant to the relevant deed poll dated on or about the Closing Date, executed by the Issuer and the Legal Title Holder, in favour of the Majority Holder or the Retention Holder, as applicable, from time to time (each, a **Deed Poll**). The Issuer will undertake not to dispose of the Portfolio in any other circumstances (other than following the delivery of a Note Acceleration Notice).

Majority Holder Option

The Issuer will, pursuant to the relevant Deed Poll, grant to the Majority Holder an option (the **Majority Holder Option**) to require the Issuer to (i) sell and transfer to the Majority Holder or its nominee the beneficial title to all Loans and Related Security in the Portfolio (the **Majority Holder Option Loans**); (ii) transfer to the Majority Holder the right to have legal title to the Majority Holder Option Loans and their Related Security transferred to it; (iii) (except where, with the prior written consent of the Legal Title Holder, the legal title to the Majority Holder Option Loans shall remain vested in the Legal Title Holder) direct that the Legal Title Holder transfers legal title to the Majority Holder Option Loans and the Related Security to the Majority Holder or its nominee specified as such in the Majority Holder Option Exercise Notice; and (iv) serve all relevant notices and take all steps (including carrying out requisite registrations and recordings) in order to vest (if applicable) legal title in the Majority Holder Option Loans in the Majority Holder or its nominee, in each case subject to the terms and conditions of the relevant Deed Poll. If the Majority Holder Option is exercised, all of (i) through (iv) must be effected and the Majority Holder will not be at entitled to elect that some only of (i) through (iv) are effected. In particular, an exercise of the Majority Holder Option must result in legal title in the Majority Holder Option Loans being transferred to the Majority Holder or its nominee (except where, with the prior written consent of the Legal Title Holder, the legal title to the Majority Holder Option Loans shall remain vested in the Legal Title Holder).

The Majority Holder Option may be exercised by notice (a **Majority Holder Option Exercise Notice**) to the Issuer with a copy to the Note Trustee, the Security Trustee, the Legal Title Holder, the Seller, the Cash Manager and the Rating Agencies at any time to effect an early redemption of the Notes pursuant to Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*):

(a) on the Step-Up Date or any Interest Payment Date following the Step-Up Date;

(b) on any Interest Payment Date on which the aggregate Principal Amount Outstanding of the Notes (other than the Class X Notes and the Class R Notes) (as of the immediately preceding Calculation Date) is less than or equal to 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Class X Notes and the Class R Notes) on the Closing Date; and

(c) on the Interest Payment Date following the date on which the Retention Holder has exercised the Retention Holder Option, provided that it has exercised the Majority Holder Option during the 20 Business Day period commencing on the date on which the Majority Holder receives a notice from the Issuer that the Retention Holder has exercised the Retention Holder Option,

with each date on which the Notes are redeemed pursuant to Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*) being an Early Redemption Date. The Majority Holder Option Exercise Notice shall specify the Portfolio Sale Completion Date, being the date on which the sale and transfer of the legal title (if applicable) and beneficial title to the Majority Holder Option Loans shall take effect, such date to be on a Business Day no more than 5 Business Days prior to the relevant Early Redemption Date.

The Issuer is required to notify Noteholders and the Certificateholders of the receipt of a Majority Holder Option Exercise Notice as soon as reasonably practicable following its receipt.

The purchase price payable by the Majority Holder (or its nominee) in respect of a sale of the Portfolio to the Majority Holder or its nominee pursuant to an exercise of the Majority Holder Option (such a sale being a **Majority Holder Option Sale**) shall be the amount required on the relevant Early Redemption Date (when aggregated with all other funds available to the Issuer, including the General Reserve Fund and the Liquidity Reserve Fund, but excluding amounts standing to the credit of the Warranty Reserve Fund) to redeem all of the Notes (other than the Class R Notes) at their respective Principal Amounts Outstanding and to pay any fees, costs and expenses of the Issuer payable senior to the Notes in the Post-Acceleration Priority of Payments on that date of completion (or if that date is not an Interest Payment Date, the next Interest Payment Date) (such amount being the **Majority Holder Option Purchase Price**). On the relevant Early Redemption Date, the Class R Notes will be redeemed from amounts, if any, standing to the credit of the Warranty Reserve Fund in accordance with Condition 7.2(c) (*Mandatory Redemption*).

The full amount of the Majority Holder Option Purchase Price will be transferred to the Deposit Account on or before the date of completion of the relevant Majority Holder Option Sale and will be applied in accordance with the Post-Acceleration Priority of Payments on the relevant Early Redemption Date. On the relevant Early Redemption Date, the Class R Notes will be redeemed from amounts, if any, standing to the credit of the Warranty Reserve Fund in accordance with Condition 7.2(c) (*Mandatory Redemption*).

There is no limit on the number of Majority Holder Option Exercise Notices that can be served by the Majority Holder following the Step-Up Date. Each time a new Majority Holder Option Exercise Notice specifying a new Portfolio Sale Completion Date is received, an updated Majority Holder Option Purchase Price will be prepared.

Where the exercise of the Majority Holder Option does not contemplate a transfer of the legal title to the Loans being sold, the exercise of the Majority Holder Option shall be conditional on the consent of the Legal Title Holder to hold legal title on behalf of the Majority Holder or its nominee.

Early Redemption Date means the Interest Payment Date on which the Notes are to be redeemed in accordance with Condition 7.3 (*Optional Redemption for Taxation Reasons*), Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*) or Condition 7.5 (*Mandatory Redemption of the Notes following the exercise of the Retention Holder Option*).

Majority Holder means (a) (where the Class R Certificates are represented by Registered Definitive Class R Certificates) the holder of more than 50 per cent. of the Class R Certificates or (where the Class R Certificates are represented by the Global Class R Certificate) the Indirect Participant who holds the beneficial interest in more than 50 per cent. of the Class R Certificates or (b) where no person holds more than 50 per cent. of the Class R Certificates or (where the Class R Certificates are represented by the Global Class R Certificate) beneficial interest in more than 50 per cent. of the Class R Certificates, any group of persons holding in aggregate more than 50 per cent. of the Class R Certificates or (where the Class R Certificates are represented by the Global Class R Certificate) beneficial interest in more than 50 per cent. of the Class R Certificates.

Retention Holder Option

The Retention Holder has the option, pursuant to the relevant Deed Poll, to require the Issuer to auction the Portfolio pursuant to the terms of the relevant Deed Poll upon the occurrence of a Risk Retention Regulatory Change Event (the **Retention Holder Option**). In effecting such an auction, the Issuer must use commercially reasonable endeavours to achieve the highest possible purchase price reasonably obtainable and must not, in any event, result in a purchase price below the amount (the **Retention Holder Option Purchase Price**) required (when aggregated with all other funds available to the Issuer, including all amounts standing to the credit of the Liquidity Reserve Fund and the General Reserve Fund, but excluding

amounts standing to the credit of the Warranty Reserve Fund) to redeem all of the Notes (other than the Class R Notes) at their respective Principal Amounts Outstanding and to pay any fees, costs and expenses of the Issuer payable senior to the Notes in the Post-Acceleration Priority of Payments on the relevant Early Redemption Date. On the relevant Early Redemption Date, the Class R Notes will be redeemed from amounts, if any, standing to the credit of the Warranty Reserve Fund in accordance with Condition 7.2(c) (*Mandatory Redemption*). In the event of a failed auction, the Issuer will be required to undertake a new auction every six months. OSB may bid in any such auctions.

The Retention Holder Option may be exercised by delivery of a notice to the Issuer with a copy to the Note Trustee, the Seller, the Class R Certificateholders, the Legal Title Holder and the Rating Agencies (such notice a **Retention Holder Exercise Notice**) at any time following the occurrence of a Risk Retention Regulatory Change Event.

Notwithstanding the foregoing, for a period of 20 Business Days following the exercise of the Retention Holder Option but prior to any auction of the Portfolio, the Majority Holder will have the option to purchase (or to require the sale to its nominee of) the Portfolio at the Majority Holder Option Purchase Price in accordance with the Majority Holder Option. If the Majority Holder fails to exercise this purchase option, it may still bid in the auction process described above.

Any sale resulting from such an auction must result in the legal title to the Majority Holder Option Loans and Related Security vesting in the successful bidder (or its nominee) unless the prior written consent of the Legal Title Holder to hold legal title on behalf of the successful bidder (or its nominee) has been obtained.

For the purposes of this Prospectus:

Risk Retention Regulatory Change Event means any change in (including any change in interpretation of), or the adoption of, any new law, rule or regulation which

(a) as a matter of law (including by virtue of the Retention Holder's contractual obligation to comply with the EU Retention Requirements), has a binding effect on the Retention Holder or the Seller after the Closing Date which would impose a positive obligation on either of them to increase or change its Retained Interest over and above that required to be maintained by it under its Risk Retention Undertaking as at the Closing Date or otherwise imposes additional material obligations on the Retention Holder or the Seller in order to maintain compliance with the Retention Requirements; or

(b) as a matter of law (including by virtue of the Retention Holder's contractual obligation to comply with the EU Retention Requirements), in respect of the Retention Holder, results in the Retention Holder no longer being able to qualify as an eligible retainer of the Retained Interest for purposes of the Retention Requirements and the Retention Holder is not able to transfer the Retained Interest to one of its affiliates without violating the Retention Requirements or any other applicable law, or incurring any additional material costs or obligations in connection with any such transfer, in any case, as determined by the Retention Holder, in its sole discretion.

Risk Retention Undertaking means the undertakings made by the Retention Holder to the Issuer, the Security Trustee, the Sole Lead Manager and the Co-Arrangers as set out in the Risk Retention Letter.

Condition to Exercise of Portfolio Purchase Options

It will be a condition of the exercise of either of the Portfolio Purchase Options that either (i) each of the purchasers of the legal (if applicable) and beneficial title in the Loans is resident for tax purposes in the United Kingdom, or (ii) each of the Issuer, OSB and the Seller (acting reasonably) having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in the form and substance satisfactory to it, or such other comfort as may reasonably be required by it (including, without

limitation, any clearance or other confirmation granted by HM Revenue and Customs), is satisfied that sale of legal (if applicable) and beneficial title in the relevant Loans will not expose the Issuer, OSB or the Seller to a risk of loss in consequence of United Kingdom income tax being required to be withheld from amounts paid in respect of the Loans. The costs relating to such tax advice will be borne by the Majority Holder (in the case of a Majority Holder Option Sale) or the Retention Holder (in the case of a Retention Holder Option Sale).

Redemption of Notes and cancellation of Certificates

On the relevant Early Redemption Date following satisfaction of all conditions to completion of a Majority Holder Option Sale or a Retention Holder Option Sale, the purchase price deposited into the Deposit Account and will be applied in accordance with the Post-Acceleration Priority of Payments and will result in the Notes (other than the Class R Notes) being redeemed in full and (following any payment to the Class R Certificates as set out below) the Certificates being cancelled. On the relevant Early Redemption Date, the Class R Notes will be redeemed from amounts, if any, standing to the credit of the Warranty Reserve Fund in accordance with Condition 7.2(c) (*Mandatory Redemption*). Any funds remaining after the payment in full of all items ranking prior to item (o) of the Post-Acceleration Priority of Payments will be paid to the Class R Certificateholders.

USE OF PROCEEDS

The Issuer will use the net proceeds of the Notes which are estimated to be £219,262,415.30 to: (a) pay the Initial Consideration payable by the Issuer for the Portfolio to be acquired from the Seller on the Closing Date, (b) establish the General Reserve Fund, (c) establish the Liquidity Reserve Fund, (d) establish the Warranty Reserve Fund and (e) fund initial expenses of the Issuer incurred in connection with the issue of the Notes and Certificates on the Closing Date.

RATINGS

The Rated Notes, on issue, are expected to be assigned the following ratings by Fitch and S&P. The Class G Notes, the Class R Notes and the Certificates are not rated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if, in its judgement, circumstances (including, without limitation, a reduction in the credit rating of the Account Bank in the future) so warrant.

Class of Notes / Certificates	Fitch	S&P
Class A Notes	AAA	AAA
Class B Notes	AA	AA
Class C Notes	A-	A-
Class D Notes	BBB	BBB
Class E Notes	BB+	BB-
Class F Notes	BB+	B
Class G Notes	Not Rated	Not Rated
Class X Notes	B-	B-
Class R Notes	Not Rated	Not Rated
Class Y Certificates	Not Rated	Not Rated
Class R Certificates	Not Rated	Not Rated

As of the date of this Prospectus, each of Fitch and S&P is a credit rating agency established in the UK and is registered in accordance with the UK CRA Regulation.

As of the date of this Prospectus, neither Fitch nor S&P are established in the EU and have not applied for registration under EU CRA Regulation. The ratings issued by Fitch have been endorsed by Fitch Ratings Ireland Limited and the ratings issued by S&P have been endorsed by S&P Global Ratings Europe Limited, in each case in accordance with the EU CRA Regulation. Each of Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited are established in the European Union and registered under the EU CRA Regulation. As such each of Fitch Ratings Ireland Limited and S&P Global Ratings Europe Limited are included in the list of credit rating agencies published by the European Securities and Markets Authority in accordance with the EU CRA Regulation.

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 28 April 2021 (registered number 13365012 as a public limited company under the Companies Act 2006 (as amended). The registered office of the Issuer is 1 Bartholomew Lane, London EC2N 2AX, United Kingdom. The telephone number of the Issuer's registered office is +44 (0) 20 7398 6300. The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each, comprising 1 fully paid up shares and 49,999 shares which are one quarter paid up and all of which are beneficially owned by Holdings (see "*Holdings*").

The Issuer has been established as a special purpose vehicle or entity for the purposes of issuing asset backed securities. The Issuer has no subsidiaries. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer.

There are no restrictions on the objects of the Issuer in its Articles of Association and the Issuer is therefore permitted, among other things, to borrow money, grant security over its property for the performance of its obligations and to purchase property. The Issuer was established solely for the purpose of issuing asset backed notes. The activities of the Issuer will be restricted by its Articles of Association and by the Transaction Documents and will be limited to the issues of the Notes, the exercise of related rights and powers and other activities referred to herein or reasonably incidental thereto.

Under the Companies Act 2006 (as amended), the Issuer's governing documents, including its Articles of Association which contains its principal objects, may be altered by a special resolution of shareholders.

In accordance with the Corporate Services Agreement, the Corporate Services Provider will provide to the Issuer certain directors, a registered and administrative office, the arrangement of meetings of directors and shareholders, a company secretary and financial services. No other remuneration is paid by the Issuer to or in respect of any director or officer of the Issuer for acting as such.

The Issuer has not engaged, since its incorporation, in any material activities nor commenced operations other than those incidental to its registration as a public company under the Companies Act 2006 (as amended) and to the proposed issues of the Notes and Certificates and the authorisation of the other Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing. The Issuer, as necessary, has made a notification under the Data Protection Act 1998. As at the date of this Prospectus, statutory accounts have not yet been prepared or delivered to the Registrar of Companies on behalf of the Issuer. The accounting reference date of the Issuer is 31 December and the first statutory accounts of the Issuer will be drawn up to 31 December 2021.

There is no intention to accumulate surpluses in the Issuer (other than amounts standing to the credit of the Issuer Profit Ledger, the General Reserve Fund, the Liquidity Reserve Fund and the Warranty Reserve Fund).

Directors

The directors of the Issuer and their respective business addresses and occupations are:

Name	Business Address	Business Occupation
Intertrust Directors 1 Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Corporate Director
Intertrust Directors 2 Limited	1 Bartholomew Lane, London	Corporate Director

	EC2N 2AX, United Kingdom	
Daniel Jaffe	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director

The directors of Intertrust Directors 1 Limited and Intertrust Directors 2 Limited and their principal activities are as follows:

Name	**Business Address**	**Principal Activities**
Wenda Adriaanse	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director
Ian Hancock	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director
Daniel Jaffe	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director
Helena Whitaker	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director
Susan Abrahams	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director

The company secretary of the Issuer is Intertrust Corporate Services Limited whose principal office is at 1 Bartholomew Lane, London EC2N 2AX, United Kingdom.

The Issuer has no loan capital, borrowings or material contingent liabilities (including guarantees) as at the date of this Prospectus.

HOLDINGS

Introduction

Holdings was incorporated in England and Wales on 26 April 2021 (registered number 13356421) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 1 Bartholomew Lane, London EC2N 2AX, United Kingdom. The issued share capital of Holdings comprises 1 ordinary share of £1. Intertrust Corporate Services Limited (the **Share Trustee**) holds the entire beneficial interest in the issued share under a discretionary trust for discretionary purposes. Holdings holds the beneficial interest in the issued share capital of the Issuer.

Neither the Seller nor any company connected with the Seller can direct the Share Trustee and none of such companies has any control, direct or indirect, over Holdings or the Issuer.

There are no restrictions on the objects of Holdings in its Articles of Association and Holdings is therefore permitted, among other things, to borrow money, grant security over its property for the performance of its obligations and to purchase property.

Holdings has not engaged since its incorporation in any material activities other than those activities incidental to the authorisation and implementation of the Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing.

Directors

The directors of Holdings and their respective business addresses and occupations are:

Name	Business Address	Business Occupation
Intertrust Directors 1 Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Corporate Director
Intertrust Directors 2 Limited	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Corporate Director
Daniel Jaffe	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director

The directors of Intertrust Directors 1 Limited and Intertrust Directors 2 Limited and their respective occupations are:

Name	Business Address	Principal Activities
Wenda Adriaanse	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director
Ian Hancock	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director
Daniel Jaffe	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director
Helena Whitaker	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director

Susan Abrahams	1 Bartholomew Lane, London EC2N 2AX, United Kingdom	Director

The company secretary of Holdings is Intertrust Corporate Services Limited whose principal office is at 1 Bartholomew Lane, London EC2N 2AX, United Kingdom.

The accounting reference date of Holdings is 31 December and the first statutory accounts of Holdings will be drawn up to 31 December 2021.

Holdings has no employees.

ONESAVINGS BANK PLC

OneSavings Bank PLC (company number 07312896) (**OSB** and, together with its consolidated subsidiary undertakings, the **OSB Group**) is the Master Servicer and Back-up Servicer Facilitator pursuant to the Master Servicing Agreement and also acts as sponsor of the securitisation and Retention Holder for the purposes of the UK Securitisation Regulation. Although the EU Securitisation Regulation is not applicable to it, OSB will also retain, as sponsor, in accordance with Article 6(1) of the EU Securitisation Regulation as if it did apply to it.

Introduction and Formation

OSB's registered office is at Reliance House, Sun Pier, Chatham, Kent, ME4 4ET (telephone number: 01634 848944; e-mail address: mail@osb.co.uk).

OSB is a specialist lending and retail savings bank authorised by the Prudential Regulation Authority (the **PRA**), part of the Bank of England, and regulated by the Financial Conduct Authority (the **FCA**) and the PRA. OSB began trading as a bank on 1 February 2011 following the transfer of the trade and assets of the former Kent Reliance Building Society into the business.

OSB was admitted to the main market of the London Stock Exchange in June 2014 (OSB.L). OSB joined the FTSE 250 index in June 2015. On 4 October 2019, OSB acquired Charter Court Financial Services Group plc (CCFS) and its subsidiary businesses. On 30 November 2020, OSB GROUP PLC became the listed entity and holding company for the OSB Group. The Group reports under two segments, OneSavings Bank and Charter Court Financial Services. As at 31 December 2020, OSB GROUP PLC's total assets were £22,654.5 million.

Shares in issue

As at 30 April 2021, there were 447,304,198 ordinary shares in issue.

Business and Strategy

OSB primarily targets market sub-sectors that offer high growth potential and attractive risk-adjusted returns and where it has established expertise, platforms and capabilities. These include private rented sector buy-to-let, commercial and semi-commercial mortgages, residential development finance, bespoke and specialist residential lending, secured funding lines and asset finance.

OSB originates mortgages organically via specialist brokers and independent financial advisers through its specialist brands including Kent Reliance for Intermediaries and InterBay Commercial. It is differentiated through its use of highly skilled, bespoke underwriting and efficient operating model. The OSB Group has also acquired a number of loan portfolios since its formation.

OSB is predominantly funded by retail savings originated through the long-established Kent Reliance name, which includes online and postal channels as well as a network of branches and third-party operated agencies in the South East of England. Diversification of funding is currently provided by securitisation programmes and, the Bank of England Funding Schemes including, the Term Funding Scheme and the Term Funding Scheme for SMEs.

Constitution

OSB is authorised by the PRA and regulated by the FCA and the PRA (Firm Reference Number 530504) and operates in accordance with the Banking Act and its Articles of Association (the **Articles**). OSB also holds interim permissions from the FCA for consumer credit business (Reference Number 0651834).

The affairs of OSB are conducted and managed by a board of directors (the **Board**). The Board currently consists of the Chairman (considered independent at appointment), two executive directors and five non-executive directors. The Board is responsible to the members for the proper conduct of the affairs of OSB in accordance with the Articles of OSB and appoints and supervises the senior executives of OSB who are responsible to the Board for the day-to-day management of OSB.

Any conflicts of interest between (i) any duties owed to OSB by any member of the Board or any of the senior executives and (ii) their private interests and/or other duties are either (a) permitted by the Articles of OSB or (b) have been disclosed to and validly approved by the Board.

More information is available on the OSB website at www.osb.co.uk.

The other purposes and powers of OSB are specified in its Articles.

THE SELLER AND LEGAL TITLE HOLDER

Introduction

The Seller was incorporated in England and Wales on 23 December 2015 (registered number 9928431) as a private limited company under the Companies Act 2006 (as amended). The registered office of the Seller is Reliance House Sun Pier, Chatham, Kent, United Kingdom, ME4 4ET. The issued share capital of the Seller comprises 1 ordinary share of £1 held by OSB.

There are no restrictions on the objects of the Seller in its Articles of Association and the Seller is therefore permitted, among other things, to borrow money, grant security over its property for the performance of its obligations and to purchase property.

The Seller has not engaged since its incorporation in any material activities other than those activities incidental to the authorisation and implementation of the Transaction Documents referred to in this Prospectus to which it is or will be a party and other matters which are incidental or ancillary to the foregoing.

The Seller is a wholly-owned subsidiary of OSB.

Directors

The directors of the Seller and their respective business addresses and occupations are:

Name	Business Address	Business Occupation
Andy John Golding	Reliance House, Sun Pier, Chatham, Kent ME4 4ET	Director
April Carolyn Talintyre	Reliance House, Sun Pier, Chatham, Kent ME4 4ET	Director
Jens Bech	Reliance House, Sun Pier, Chatham, Kent ME4 4ET	Director

The Seller has no employees.

THE SERVICER

Target Servicing Limited (**Target**) is a private limited company incorporated in England and Wales on 10 November 2005 (registration number 05618062) under the Companies Act 1985. Among other services, Target provides third party residential mortgage administration services to its clients on mortgage loans secured by residential real estate in the United Kingdom.

Target is authorised and regulated by the Financial Conduct Authority under registration number 454569. Target holds relevant licences under the CCA and maintains applicable registrations under the Data Protection Act 2018.

The registered office of Target Services Limited is at Target House, Cowbridge Road East, Cardiff CF11 9AU.

THE CASH MANAGER

U.S. Bank Global Corporate Trust Limited, a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom will be appointed as Cash Manager pursuant to the Cash Management Agreement.

U.S. Bank Global Corporate Trust Limited is part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, the Corporate Trust business is conducted in combination with Elavon Financial Services DAC (the legal entity through which Corporate Trust banking and certain agency appointments are conducted), U.S. Bank Trustees Limited (the legal entity through which Corporate Trust trustee appointments are conducted) and U.S. Bank National Association (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate Trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than $4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

THE ACCOUNT BANK, PRINCIPAL PAYING AGENT, AGENT BANK AND REGISTRAR

Elavon Financial Services DAC, trading as U.S. Bank Global Corporate Trust, is an integral part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, U.S. Bank Global Corporate Trust conducts business through Elavon Financial Services DAC from its offices in Dublin at Building 8, Cherrywood Business Park, Loughlinstown, Dublin 18, Ireland D18 W319. Elavon Financial Services DAC will be appointed as Account Bank pursuant to the Account Bank Agreement and as Principal Paying Agent, Agent Bank and Registrar pursuant to the Agency Agreement.

Elavon Financial Services DAC is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services DAC is authorised by the Central Bank of Ireland and the activities of its UK Branch are also subject to the limited regulation of the UK Financial Conduct Authority and Prudential Regulation Authority.

The Corporate Trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than USD 4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The Corporate Trust business provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB) is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. Visit U.S. Bancorp on the web at www.usbank.com.

THE NOTE TRUSTEE AND SECURITY TRUSTEE

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom. U.S. Bank Trustees Limited will be appointed pursuant to the Trust Deed as Note Trustee for the Noteholders. U.S. Bank Trustees Limited will also be appointed pursuant to the Deed of Charge as Security Trustee for the Secured Creditors.

U.S. Bank Trustees Limited is part of the worldwide Corporate Trust business of the U.S. Bancorp group. In Europe, the Corporate Trust business is conducted in combination with Elavon Financial Services DAC, U.S. Bank Global Corporate Trust Limited (the legal entities through which Corporate Trust banking and agency appointments are conducted) and U.S. Bank National Association (the legal entity through which Corporate Trust conducts business in the United States).

The Corporate Trust business of U.S. Bancorp is one of the world's largest providers of corporate trust services with more than $4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and custody through its network of more than 50 U.S.-based offices and European offices in London and Dublin.

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THE CORPORATE SERVICES PROVIDER

Intertrust Management Limited (registered number 03853947), having its principal address at 1 Bartholomew Lane, London EC2N 2AX, United Kingdom will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement.

Intertrust Management Limited has served and is currently serving as corporate services provider for numerous securitisation transactions and programmes involving pools of mortgage loans.

The Corporate Services Provider will be entitled to terminate its respective appointment under the Corporate Services Agreement on 30 days' written notice to the Issuer, the Security Trustee and each other party to the Corporate Services Agreement, provided that a substitute corporate services provider has been appointed on substantially the same terms as those set out in the Corporate Services Agreement.

The Security Trustee can terminate the appointment of the Corporate Services Provider on 30 days' written notice so long as a substitute corporate services provider has been appointed on substantially the same terms as those set out in the Corporate Services Agreement.

In addition, the appointment of the Corporate Services Provider may be terminated immediately upon notice in writing given by the Security Trustee, if the Corporate Services Provider breaches its obligations under the terms of the Corporate Services Agreement and/or certain insolvency related events occur in relation to the Corporate Services Provider.

THE LOANS

Introduction

The following is a description of some of the characteristics of the Loans comprised in the Portfolio including details of loan types and selected statistical information.

Unless otherwise indicated, the description that follows relates to types of loans that could be sold to the Issuer as part of the Portfolio as at the Closing Date.

The Portfolio

The Portfolio from time to time after the Closing Date will comprise loans advanced to the Borrowers upon the security of residential property situated in England, Wales, Northern Ireland and Scotland and on Closing Date will consist of the Mortgages acquired pursuant to the Mortgage Sale Agreement, other than Mortgages which have been repaid or which have been purchased from the Issuer pursuant to the Mortgage Sale Agreement.

Origination of the Portfolio

The Portfolio is comprised of Loans originated by DB UK Bank Limited (**DB UK**), Edeus Mortgage Creators Limited (**Edeus**) and Money Partners Limited (**Money Partners**), and together with DB UK and Edeus, the **Original Lending Entities**) and each an **Original Lending Entity**).

The Seller has represented to the Issuer that each Loan was made on the basis of the standard mortgage documentation of the relevant Original Lending Entity, as disclosed to the Issuer (the **Standard Mortgage Documentation**), save for those Loans where DB UK agreed certain modifications to the Standard Mortgage Documentation and concessions on a case-by-case basis, as disclosed to the Issuer by way of the Disclosure Letter. DB UK has further identified certain provisions of the Standard Mortgage Documentation, which are potentially unfair or in breach of MCOB if relied upon. The Seller has disclosed to the Issuer by way of the Disclosure Letter that, in circumstances where a modification of terms of the Standard Mortgage Documentation has been agreed between DB UK and a Borrower, DB UK has provided a supplemental variation sheet to the Borrower, specifically varying these terms and that copies of these supplemental variation sheets have been disclosed to the Issuer.

Characteristics of the Portfolio

The tables set out under "*Characteristics of the Portfolio*" provide information representative of the characteristics of the Provisional Portfolio (current as at the Portfolio Reference Date). The properties over which the Mortgages are secured have not been revalued for the purpose of the issue of the Notes. The valuations of such properties as set out in the tables under "*Characteristics of the Portfolio*" relate to the date of the original initial mortgage loan valuation except to the extent that there have been Further Advances in which cases the most recent valuation is utilised. The characteristics of the Portfolio as at the Closing Date will vary from those set out in the tables as a result of, *inter alia*, (a) repayment or purchase of Mortgages prior to the Closing Date and (b) the removal from the Provisional Portfolio of a sub-portfolio of Loans as randomly selected (by reference to the Provisional Portfolio) by an independent third party in an amount equal to at least 5 per cent. of the nominal value of the Portfolio, which sub-portfolio will be sold by the Seller on the Closing Date to OSB and held on and from that date by OSB in compliance with the Risk Retention Undertaking (see "*Certain Regulatory Disclosures*" for further information).

Security

All of the Mortgages are secured by first ranking mortgages or, as applicable, standard securities, save for certain Northern Irish Mortgages where Borrowers have failed to make payments to the Land and Property Services of the Department of Finance and Personnel (the **LPS**), the Northern Ireland Department of the Environment (the **DoE**) or the Northern Irish Housing Executive (the **NIHE**) and the LPS, DoE or NIHE have obtained a charge in respect of such unpaid amounts which ranks in priority to the relevant Mortgage.

Interest Rate Types

The Provisional Portfolio consists of: Mortgages which have (currently or after a specific period) a variable interest rate that is based on Three-Month Sterling LIBOR, a standard variable rate or the Bank of England base rate (the **Base Rate**), plus, for each mortgage, a fixed margin expressed as a percentage over LIBOR or the Base Rate, as applicable.

Title to the Portfolio

Pursuant to, and under the terms of the Vendor Mortgage Sale Agreement, dated on or before the Closing Date, Rochester Financing No.2 plc will, on the Closing Date, transfer the beneficial title to (or, in the case of the Scottish Loans and their Related Security, the beneficial interest in) the Mortgages to the Seller. Pursuant to, and under the terms of the Mortgage Sale Agreement, dated on or before the Closing Date, the Seller will, on the Closing Date, transfer the beneficial title to (or, as applicable, the beneficial interest in) the Mortgages, with a right to call for the legal title thereto, to the Issuer.

In the case of the Mortgages over registered land in England, Wales, Northern Ireland and Scotland which will be transferred to the Issuer on the Closing Date, the Seller has agreed to remain on the relevant Land Registry or the Registers of Scotland, as applicable, as the legal mortgagee or as heritable creditor.

None of the above mentioned transfers to the Issuer is to be completed by registration at the Land Registry or the Registers of Scotland (as the case may be) or notice given to the relevant Borrowers until the occurrence of one of the events mentioned below. The English Mortgages and Northern Irish Mortgages in the Portfolio and their collateral security are accordingly owned in equity only by the Issuer pending such transfer and the Scottish Mortgages in the Portfolio and their collateral security are accordingly held in trust for the Issuer pending such transfer. Legal title in the Mortgages and their collateral security will continue to be vested in the Seller. The Seller has agreed to transfer legal title to the Mortgages and their collateral security to the Issuer, and the Issuer has undertaken to seek the transfer of legal title, only upon the occurrence of a Perfection Event.

The Issuer will grant a first fixed charge in favour of the Security Trustee over its interest in the Mortgages (being, in respect of the Scottish Mortgages an assignation in security of its interests in and to the Scottish Declaration of Trust and the trust constituted thereby).

Save as mentioned below, the Security Trustee has undertaken not to effect any registration at the Land Registry or the Registers of Scotland (as the case may be) to protect the sale of the Mortgages to the Issuer or the granting of security over the Mortgages by the Issuer in favour of the Security Trustee nor, save as mentioned below, to obtain possession of title deeds to the properties the subject of the Mortgages.

Notices of the equitable assignments or declaration of trust in favour of the Issuer and the security in favour of the Security Trustee will not, save as mentioned below, be given to the Borrowers under the Mortgages.

Under the Mortgage Sale Agreement and the Deed of Charge, completion of the transfers to the Issuer will only be effected in certain specific circumstances, in which case the Issuer and the Security Trustee will each be entitled to effect such registrations and give such notices as it considers necessary to protect their respective interests in the Mortgages, and to call for a legal assignment, assignation or transfer of the

Mortgages in favour of the Issuer and a legal submortgage or, as applicable, sub-security over such Mortgages and collateral security in favour of the Security Trustee.

Following such legal assignment, assignation or transfer and sub charge or, as applicable, sub-security, the Issuer and the Security Trustee will each be entitled to take all necessary steps to perfect legal title to its interests in the Mortgages, including the carrying out of any necessary registrations, recordings and notifications. These rights are supported by irrevocable powers of attorney given by the Seller pursuant to the Mortgage Sale Agreement. See "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*" for further details.

Warranties and Breach of Warranties in relation to the Mortgages

The Mortgage Sale Agreement contains certain warranties given by the Seller in favour of the Issuer in relation to the mortgages sold to the Issuer pursuant to the Mortgage Sale Agreement.

No searches, enquiries or independent investigation of title of the type which a prudent purchaser or mortgagee would normally be expected to carry out have been or will be made by the Issuer. The Issuer will rely entirely on the benefit of the warranties given to it under the Mortgage Sale Agreement.

The Seller does not have direct knowledge as to (other than to the extent disclosed to the Seller in connection with the Previous Transaction) whether certain Loan Warranties (including any Loan Warranties which relate to the origination process) are correct or not. Accordingly it may be practically difficult for the Seller to detect a breach of warranty in respect of the Loans sold by it to the extent that the same relates to a matter outside of the immediate knowledge of the Seller.

There is no indemnity or repurchase obligation on the Seller in the event of a breach of Loan Warranty. Instead, an amount equal to the lesser of the balance of the Warranty Reserve Fund and the loss arising from a breach of Loan Warranty (the **Asset Warranty Payment**) will, subject to the Warranty Limitations, be debited from the Warranty Reserve Fund and will form part of Available Principal Receipts, and, to the extent such amount does not fully compensate for the loss arising from such breach of Loan Warranty, the remaining realised loss on the relevant Loan will be recorded as a debit on the Principal Deficiency Ledger as further described in the section "*Credit Structure – Principal Deficiency Ledger*".

There shall be no obligation on the Seller, the Majority Holder or any other person to repurchase any Loan and/or its Related Security following any breach of any Loan Warranty.

Lending Criteria

The following is a short summary of selected features of the lending criteria **Lending Criteria** of DB UK, which originated more than 65 per cent. (by outstanding principal balance) of the Loans in the Portfolio.

The Issuer does not represent that all important features of DB UK's Lending Criteria are included in this section nor terms stated in this summary of DB UK's Lending Criteria were complied with correctly or at all. The Seller was not the originator of any of the Mortgages in the Portfolio and neither the Seller nor DB UK provides any representation or warranty as to the accuracy of the information in this section.

DB UK – Lending Criteria

Lending Criteria Considerations

The Loans in the DB UK portfolio were required to be underwritten generally in accordance with the following lending criteria of DB UK. On 15 December 2010, the FSA issued a final notice in respect of the mortgage origination activities of DB UK (trading as DB Mortgages), which identified certain failures by DB UK to comply with its business underwriting guidelines and other lending policies. Those failings

included failing to obtain details of Borrowers' accommodation arrangements at the end of the mortgage term when entering into an interest-only Loan and failing to offer products with lower interest rates to Borrowers who applied for self-certified mortgages, where such Borrowers may have qualified for products with lower interest rates.

These lending criteria considered, among other things, a borrower's credit history, employment history, status and repayment ability, as well as the value of the property to be mortgaged.

The lending criteria contained criteria that would generally be acceptable to residential mortgage lenders lending to borrowers who have an impaired credit history or do not satisfy the standard requirements of building societies or High Street banks.

The Portfolio may consist of some Loans in the DB UK portfolio to Borrowers who have been subject to repossession in the past.

In order to obtain a mortgage loan, each prospective borrower was required to complete an application form which included information with respect to the applicant's income, then current employment details, financial commitments, then current mortgage information (if applicable) and certain other personal information. A consumer credit search was required to be made in all cases which may give details of any CCJs, BOs and IVAs (or their Scottish equivalent) and which may indicate persons who are listed on the voters' roll as being the residents of the Property.

In the first instance, applications for Loans in the DB UK portfolio were processed automatically by DB UK's decisioning system, which was required to run a credit search, conducts credit-scoring and checks the applicant's details against an external fraud detection database as well as DB UK's own records. Credit-scoring was required to apply statistical analysis to data available from outside sources and customer provided data to assess the likelihood of an account going into arrears. The system was required to apply a suite of case assessment rules to the application data and where a case did not meet published criteria, it was referred to an underwriter.

Discretion to Lend Outside Lending Criteria

Subject to approval in accordance with internal procedures, DB UK may have determined on an individual basis that, based upon compensating factors, a prospective borrower who did not strictly qualify under its lending criteria warranted an underwriting exception. Compensating factors may have included a low LTV (less than 75 per cent.), mortgage loan amount less than or equal to 2.5 times salary, no arrears in last 12 payments on secured credit and no missed instalments on unsecured credit in last three months, stable employment and time in residence at the applicant's current residence. This list is not exhaustive and underwriters were entitled to consider each individual application "in the round" before making a decision.

Term of the Loans

Each Loan in the DB UK portfolio had an original term of between five and 35 years.

Amount of the Loans

DB UK would not originate a Loan that was £25,000 or less at the time of completion. A Loan, including Further Advances, would not exceed £1 million at the time of completion or the Further Advance.

Loan To Value Ratio

The LTV was required to be calculated by dividing the gross principal amount (net of any fees) committed at completion of the Loan by the lower of the valuation of the Property as established by the valuer selected from the approved panel of surveyors (see "– *Valuations*" below) or, in the case of a Loan made for

financing the purchase of a Property, the disclosed purchase price (except in exceptional cases, i.e. where the purchase price reflects a discount). The policy of DB UK was not to originate mortgage loans with an LTV higher than 95 per cent.

Minimum Age of Borrower

Other than in the case of Buy-to-Let Loans in the DB UK portfolio (see further below), all borrowers were required to be at least 18 years of age at application and no older than 75 at the end of the mortgage term.

Number of Borrowers for a Loan

No more than two borrowers were permitted to be parties to a Loan in the DB UK portfolio.

Requirements for Borrowers' Employment

The policies of DB UK in regard to the verification of the details of an applicant's income distinguish between two different categories of applicant—employed and self-employed.

The income of employed applicants was required to be confirmed by: (a) a formal reference from the applicant's employer(s) supporting 12 months' employment history; or (b) a P60 and two months'/three weeks' supporting payslips; or (c) four months'/eight weeks' payslips; or (d) self-certification by the applicant (DB UK obtained verification of applicant's employment on a sample of self-certification applications).

The income of self-employed applicants was required to be confirmed by: (a) an accountant's certificate of income; or (b) an accountant's certificate of last years' trading accounts; or (c) an Inland Revenue final assessment of tax liability; or (d) self-certification by the applicant (DB UK obtained verification of applicant's self-employment on a sample of self-certification applications).

For the purpose of calculating an applicant's gross income, items could be considered in addition to base salary, such as guaranteed overtime, bonuses and commissions, confirmed pension income, rental income, employer subsidies, maintenance payments and 50 per cent. of regular investment income.

Income Multiples/Affordability

Other than in the case of rental based Buy-to-Let Loans in the DB UK portfolio (see further below), a Loan in the DB UK portfolio approved on or prior to 11 June 2007, subject to underwriter discretion, was required to not exceed, where the LTV was 75 per cent. or less, (a) the income of the primary borrower multiplied by 5.0 plus the income of any secondary borrower or (b) the borrowers' joint income multiplied by 4.25, and where the LTV was greater than 75 per cent., (a) the income of the primary borrower multiplied by 4.25 plus the income of any secondary borrower or (b) the borrowers' joint income multiplied by 3.75. These income multiples were maxima and restricted multiples applied for applicants with higher levels of adverse credit history.

Other than in the case of rental-based Buy-to-Let Loans in the DB UK portfolio (see further below), the maximum size of a Loan in the DB UK portfolio approved after 11 June 2007 was required to be determined by the maximum monthly payment which, in the view of DB UK, the borrower was able to afford. The maximum monthly payment was required to be calculated by (a) multiplying the annual gross income of the primary borrower and any secondary borrower by a debt to income ratio, and then (b) subtracting the annualised commitments of the primary borrower and any secondary borrower. This amount was then to be divided by 12.

Credit History of Borrowers

In addition to employer references and valuation reports, DB UK may have, depending upon the particular circumstances, required borrowers to furnish other references, e.g. from corporate landlords (that is, local authorities, housing authorities or letting agents). DB UK might also review a borrower's bank or building society statements but only did so in limited circumstances dependent upon the borrower's credit profile. In addition, DB UK was required to undertake a credit search covering, as a minimum, the preceding three years addresses for each borrower.

DB UK generally considered the accumulated aggregate value of the CCJs (or its Scottish equivalent) lodged against a borrower in the preceding two-year period in its consideration of that borrower's mortgage loan application and/or in its setting of the rate to be charged on the mortgage loan (but would generally disregard any CCJs which had been satisfied in full at the time of application). Where satisfaction of a CCJ was a requirement of the Mortgage Loan, any of the following were required to be provided: a certificate of satisfaction, a credit search showing the date of satisfaction or a letter from the relevant finance company confirming the debt has been satisfied.

Borrowers who were extended a mortgage loan despite being previously subject to a bankruptcy order (or its Scottish equivalent) were generally required to provide evidence of discharge. Borrowers who were subject to an IVA (or its Scottish equivalent) were generally required to provide a confirmation of satisfactory conduct of the IVA where appropriate. Where satisfaction of an IVA was a requirement of the mortgage loan, a letter from the IVA trustee, administrator or supervisor confirming satisfactory completion was required to be provided.

Repossessions of previously mortgaged property and previous mortgage or secured loan payment defaults were also considered as relevant to a borrower's application for a mortgage loan.

Property Types

DB UK's policy required that each Loan in the DB UK portfolio was secured by a first legal charge over a freehold or long leasehold residential property in England or Wales governed by English and Welsh law or a first ranking standard security over a heritable or long leasehold residential property located in Scotland governed by Scots law or a first legal mortgage over a freehold fee farm grant or long leasehold residential property in Northern Ireland. The expiry of a leasehold property that serves as security for a Loan in the DB UK portfolio was required to post-date the maturity of such Loan by at least 40 years.

Generally, only properties intended for use exclusively or at least primarily as a principal place of residence were acceptable. New build properties were generally required to have the benefit of an NHBC Buildmark guarantee, a Zurich Municipal warranty, Premier Guarantee or an architect's certificate.

Certain property types were not be considered for the purposes of providing security for a Loan in the DB UK portfolio. Examples of properties that were not deemed acceptable as security include: (a) freehold flats and freehold maisonettes in England and Wales; (b) holiday homes; (c) mobile homes, houseboats, caravans; (d) commercial property; and (e) properties in shared ownership.

Buy-to-Let Loans in the DB UK portfolio

DB UK offered a type of mortgage loan exclusively for investment properties. These Buy-to-Let Loans in the DB UK portfolio fall into two categories by reference to whether the lending criteria applicable were to be determined by (a) the applicant's income; or (b) the rental income.

In the case of the former, the required income multiples or debt to income ratios were the same as those referred to under "– *Income Multiples/Affordability*" above.

In the case of the latter, the required initial annual rental income for the relevant property was normally required to exceed the scheduled annual interest payment under the mortgage loan by at least 10 per cent.,

subject to underwriters discretion at lower LTVs, and the borrower was required to let the property within three months of the date of the mortgage loan. No borrower was granted Buy-to-Let Loans in the DB UK portfolio secured over more than 21 properties (comprising no more than 20 properties in respect of which the Buy-to-Let Loan was determined by reference to the rental income of the property and 1 property in respect of which the Buy-to-Let Loan was determined by reference to the borrower's income) in aggregate and the aggregate principal balance of any borrower's Buy-to-Let Loans in the DB UK portfolio at origination was not permitted to exceed £5,750,000.

The borrower could only let an investment property on (in England and Wales) an assured shorthold tenancy or (in Scotland) a short assured tenancy (or a similar Northern Irish tenancy) not exceeding 12 months to tenants who had demonstrated themselves to be of acceptable character and able to meet their obligations to pay rent. No sub-letting by the tenants was permitted. The borrower could not let the property to tenants with diplomatic immunity or to people in receipt of DWP Housing Benefit.

Buy-to-Let Loans in the DB UK portfolio were extended only with the investment properties as collateral. DB UK took no additional security for the purposes of the Buy-to-Let Loans in the DB UK portfolio.

The lending criteria for Buy-to-Let Loans in the DB UK portfolio also differed from the criteria applied to other Loans in the DB UK portfolio in certain respects, including the following:

(a) for income based Buy-to-Let Loans in the DB UK portfolio, prior to applying the income multiples or affordability criteria (as applicable), the borrower's existing main residence mortgage balance would be deducted from the borrower's income at a level of 6 per cent.;

(b) for all Buy-to-Let Loans in the DB UK portfolio, borrowers were required to be at least 21 years of age at application;

(c) for rental based Buy-to-Let Loans in the DB UK portfolio, the applicant was required to not be over 75 at the time of the application; and

(d) the maximum LTV for a Buy-to-Let Loan in the DB UK portfolio was 90 per cent. This LTV reduced dependent upon the credit profile of the borrower.

Valuations

For all Loans in the DB UK portfolio, properties were required to be valued on-site by a qualified surveyor chosen from a panel of DB UK's approved valuation firms. Valuations were required to be completed before an offer would be made.

The qualified surveyor was required to be instructed by DB UK or the packager. Following completion of the on-site valuation, a number of valuations were to be selected for audit. DB UK used an automated process as the initial check within the valuation audit process, with further investigation required to be carried out where the automated process highlighted a concern.

Maintenance Covenants

In relation to each of the Loans in the DB UK portfolio, the relevant Borrower has covenanted (or, as applicable, undertaken) to keep the Property in a good state of repair, to comply with all covenants, undertakings and statutory requirements in respect of the Property and to pay in a timely fashion all taxes and other amounts required to be paid in connection with the Property. The relevant Borrower was required to also agree to allow DB UK to enter the Property at any reasonable time to inspect it and to carry out work which DB UK requested the relevant Borrower to do and which the Borrower has failed to do within a reasonable time. If DB UK became aware that the relevant Borrower is in violation of his covenants,

undertakings, statutory requirements or other obligations, DB UK was required to take appropriate action to protect its security.

Buildings Insurance

It was a condition of each Loan in the DB UK portfolio that each Property be insured for its full (index linked) reinstatement value (as stated in the valuation report in respect of the Property) with a reputable insurance company and at the Borrower's cost (subject to certain exceptions in the case of leasehold properties). DB UK required that the firm of solicitors acting on behalf of the Borrower informs it prior to completion if the insurance policy does not cover all required risks. Insurance policies were required to be in the joint names of DB UK and the Borrower (subject to certain exceptions in the case of leasehold properties). DB UK had the option to use any monies received under any insurance policy affecting the property to make good the loss or damage in respect of which the monies were received or to use them to reduce or repay the relevant Loan.

Title Insurance

DB UK permitted a solicitor to arrange local search insurance on a case by case basis where no local search was carried out by the solicitors involved in the mortgaging of a Property.

DB UK might have required its solicitors to obtain a title insurance policy for a particular Property if a title issue had been identified in relation to that Property. For example, a Property may only have had good leasehold title or may have been subject to a suspected transfer at an undervalue in the past. DB UK was required to request its solicitors to check each policy to ensure that the limit on cover was at least 100 per cent. of the valuation of the Property and that all policies were assignable.

The Mortgage Sale Agreement will contain a general assignment of (or, as applicable, the Scottish Declaration of Trust will contain a transfer of the beneficial interest in) any title policies linked to an individual Property.

Solicitors

The borrower would instruct a firm of solicitors to act on its behalf as well as on behalf of DB UK on the origination of the mortgage loan. The nominated firm was required to meet certain minimum requirements. For instance, the solicitors' firm acting on behalf of DB UK was required to have a minimum of two registered partners. If the nominated firm of solicitors did not meet the minimum requirements, DB UK was entitled to instruct other solicitors to act on its behalf at the expense of the borrower. DB UK did not admit licensed or in the case of Scottish Loans in the DB UK portfolio, qualified conveyancers to its panel. The nominated firm may also have acted for the borrower.

Fraud Prevention

DB UK had a risk management team whose primary focus was on preventing fraud and maintaining the quality of the loan book. Fraud prevention measures used by the team included (a) the use of automated credit and fraud alert systems, including CIFAS, Hunter and Detect; (b) periodic staff training in identifying suspicious activity; and (c) borrower identification verification systems.

Origination Procedures and Monitoring of Packagers

None of the Loans in the DB UK portfolio were derived from direct dealings with Borrowers.

DB UK initially sourced its mortgage business through approved packagers (the **Packagers**). The Packagers marketed DB UK's mortgage products to intermediaries who dealt directly with potential applicants. From

June 2007 DB UK opened distribution to also include direct origination from brokers. DB UK's mortgage origination business was undertaken centrally from its offices in Chester.

DB UK required Packagers to enter into a packaging agreement before submitting mortgage applications. By signing the Packaging Agreement the Packager confirms, *inter alia*, that (a) it would comply with all legal and regulatory requirements applicable to its activities and (b) it would exercise its duties with due care and diligence.

DB UK actively monitored Packagers' compliance with the terms of the packaging agreement.

Servicing of the Portfolio

The Servicer will be appointed to service the Portfolio as an agent of the Issuer and the Security Trustee and where applicable the Legal Title Holder under and in accordance with the terms of the Servicing Agreement. The duties of the Servicer will include among other things:

- operating the Collection Account(s) and ensuring that payments are made into and from the Collection Account(s) in accordance with the Servicing Agreement;
- notifying the Borrowers of any change in their monthly payments or in the premium payable on any buildings insurance policy;
- providing a redemption statement upon the request of a Borrower's solicitor or licensed or qualified conveyancer;
- taking all reasonable steps to recover all sums due to the Issuer, including, without limitation, by the institution of proceedings and/or the enforcement of any Mortgage or any related security;
- taking all action and doing all things which it would be reasonable to expect a Prudent Residential Mortgage Servicer to do in administering its mortgages; and
- paying on behalf of the Issuer all the out of pocket expenses of the Servicer incurred in the performance of the Servicer's duties under the Servicing Agreement.

In addition, the Master Servicer will be obliged to consult with the Servicer in respect of certain matters relating to the servicing of the Portfolio.

Collection Account(s) means:

(a) prior to the Collection Account Transfer Date, the collection account held in the name of the Vendor at the Collection Account Bank; and

(b) on and following the Collection Account Transfer Date, the collection account held in the name of the Issuer at the Collection Account Bank.

Collection Account Bank means National Westminster Bank PLC.

Collection Account Transfer Date means the date on which the Collection Account is transferred from the Vendor to the Issuer.

Prudent Residential Mortgage Servicer means a reasonably prudent residential mortgage servicer who is servicing residential mortgage loans and their collateral security in respect of residential property in England, Wales, Northern Ireland or Scotland and which have in all material respects the same or similar characteristics to the Portfolio and are originated, administered and held to maturity to lending standards,

lending criteria and procedures as ought to have been applied in relation to the Portfolio or, if the relevant context in this agreement relates to a specific Loan, as ought to have been applied in relation to such Loan.

See "*Summary of the Key Transaction Documents – Servicing Agreement*" for more detail.

Enforcement Procedures

The Servicer has established procedures for managing loans which are in arrear, including early contact with Borrowers in order to find a solution to any financial difficulties they may be experiencing. The procedures permit discretion to be exercised by the appropriate officer of the Servicer (or any sub servicer of the Servicer) in many circumstances. These procedures, as from time to time varied in accordance with legislative and regulatory requirements, are required to be used by the Servicer in respect of arrears arising on the Mortgages.

In order to realise its security in respect of a Property, the relevant mortgagee or, in Scotland, heritable creditor (be it the legal owner (the Seller), the beneficial owner (the Issuer) or the Security Trustee or its appointee (if the Security Trustee has taken enforcement action against the Issuer)) will need to obtain possession. In England and Wales, there are two means of obtaining possession for this purpose; first, by taking physical possession (seldom done in practice), and second, by obtaining a court order.

If a mortgagee takes physical possession it will, as mortgagee in possession, have an obligation to account to the Borrower for the income obtained from the Property, be liable for any damage to the Property, have a limited liability to repair the Property and, in certain circumstances, may be obliged to make improvements.

Actions for possession are regulated by statute and the courts have certain powers to adjourn possession proceedings, to stay any possession order or postpone the date for delivery of possession. The court will exercise such powers in favour of a Borrower, broadly, where it appears to the court that such Borrower is likely to be able, within a reasonable period, to pay any sums due under the loan or to remedy any default consisting of a breach of any other obligation arising under or by virtue of the loan and/or mortgage.

The court has a very wide discretion and may adopt a sympathetic attitude towards a Borrower faced with eviction. If a possession order in favour of the relevant mortgagee is granted, it may be suspended to allow the Borrower more time to pay. Once possession of the Property has been obtained, the relevant mortgagee has a duty to the Borrower to take reasonable care to obtain a proper price for the Property. Any failure to do so will put the relevant mortgagee at risk of an action for breach of such duty by the Borrower, although it is for the Borrower to prove breach of such duty. There is also a risk that a Borrower may also take court action to force the relevant mortgagee to sell the Property within a reasonable time.

The courts in Scotland formerly had considerably less discretion than those in England and Wales to modify or postpone the heritable creditor's (the Scottish equivalent of mortgagee) rights of enforcement but as a result of legislative changes in Scotland the position is now broadly equivalent in each jurisdiction (see "*Scottish Loans*" below).

Insurance Contracts

Buildings Insurance

Generally, the terms and conditions of the Loans require Borrowers to insure the relevant Property, although in the case of some Loans, the terms and conditions either explicitly or implicitly do not require the relevant Borrowers to insure the relevant Property. An insurance policy that is arranged by the Borrower selecting an insurer and arranging cover is referred to as a **Third Party Buildings Policy**.

Governing law

Each of the Loans and any non-contractual obligations arising out of or in connection with them are governed by English law, or in respect of the Northern Irish loans, Northern Irish law, or in respect of the Scottish loans, Scots law.

Criteria for Credit Granting

In respect of the Loans, the Sponsor has considered information provided by and/or relating to the Original Lending Entities and other information to satisfy itself that the criteria applied by the Original Lending Entities in the credit-granting for the Loans were sound and well-defined and based on clearly established processes for approving, amending, renewing and financing those credits and that the Original Lending Entities had effective systems in place to apply those criteria and processes to ensure that such credit-granting was based on a thorough assessment of the Borrowers' creditworthiness.

In particular, but without limitation, the Sponsor has received and reviewed the following (among other things): (a) standard documentation due diligence reports relating to the Loans originated by each Original Lending Entity prepared by its external legal counsel, an internationally recognised law firm; (b) a loan file review due diligence report in respect of a sample of Loans originated by each Original Lending Entity prepared by its external legal counsel, an internationally recognised law firm; (c) an agreed-upon procedures report in respect of the Loans in the Portfolio provided by an internationally recognised accountancy firm in connection with the Previous Transaction; (d) a report on the servicing and management of the Loans in the Portfolio provided by a specialist third party due diligence and risk management consultancy, prepared in connection with the Previous Transaction; and (e) certain prospectuses and other publicly available information relating to previous securitisations of mortgage loans originated by one or more of the Original Lending Entities.

CHARACTERISTICS OF THE PORTFOLIO

Unless stated otherwise, the statistical and other information contained in this Prospectus has been compiled by reference to certain Loans in the portfolio as at 31 March 2021 (the **Portfolio Reference Date** and such portfolio, the **Provisional Portfolio**), and the statistical and other information contained in the tables below have been compiled by reference to the Portfolio Reference Date. The Provisional Portfolio consisted of 1,960 Loans originated by the Original Lending Entities between 2006 and 2013 and secured over properties located in England, Wales, Northern Ireland and Scotland. The Current Principal Balance of the Provisional Portfolio as at the Portfolio Reference Date was £230,359,213.24.

The Portfolio that will be sold to the Issuer on the Closing Date will be those Loans in the Provisional Portfolio remaining following (a) discharge of any Loans during the period between the Portfolio Reference Date and the Cut-Off Date and (b) the removal from the Provisional Portfolio of a sub-portfolio of Loans as randomly selected (by reference to the Provisional Portfolio) by an independent third party in an amount equal to 5 per cent. of the nominal value of the Portfolio, which sub-portfolio will be sold by the Seller on the Closing Date to OSB and held on and from that date by OSB in compliance with its Risk Retention Undertaking (see "*Certain Regulatory Disclosures*" for further information).

Columns may not add up to 100 per cent. due to rounding. The characteristics of the Portfolio will differ from that set out below as a result of, *inter alia*, repayments and redemptions of the Loans. If a Loan selected for the Portfolio is repaid in full between the start of the first Collection Period and the Closing Date, the principal recoveries from that Loan will form part of Available Principal Receipts. Except as otherwise indicated, these tables have been prepared using the Current Principal Balance as at the Portfolio Reference Date, which includes all principal and accrued interest for the Loans in the Portfolio.

In this section **Mortgage Accounts** means the totality of the relevant Loans granted by the relevant Original Lending Entity or, in respect of any Further Advances, the Seller secured on the same Property and their Related Security.

Whole Pool

Summary Table

Original Lending Entities: DB UK, Edeus and Mortgage Partners	
Total Current Principal Balance	230,359,213.24
Total Original Balance	264,840,202.97
Number of Borrowers	1,930
Number of Loans	1,960
Average Loan Balance	118,436.61
W.A. OLTV	78.81
W.A. CLTV	73.63
W.A. ICLTV	59.51
W.A. Coupon	2.83
W.A. Margin	2.74
Interest-Only	88.62
Buy-to-Let	17.34
Right-to-buy	0.81
First time buyers	6.65
Self-certification	75.05
Self-employed	52.69

Current Principal Balances by Original Lending Entity

The following table shows the Current Principal Balances of the Mortgage Accounts according to Original Lending Entity as at the Portfolio Reference Date.

Original Lending Entity	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
DB UK	158,079,272.69	68.62	1,282	65.41
Edeus	3,935,206.68	1.71	26	1.33
Money Partners	68,344,733.87	29.67	652	33.27
Totals	**230,359,213.24**	**100.00**	**1960**	**100.00**

Current Principal Balances

The following table shows the range of Current Principal Balances (including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees and incorporating all Loans secured on the same Property) as at the Portfolio Reference Date .

Range of Current Principal Balances*	Aggregate Current Principal Balance	% of Total	Number of Mortgage Accounts	% of Total
£0 – £24,999.99	1,499,409.40	0.65	105	5.36
£25,000 – £49,999.99	8,246,418.52	3.58	219	11.17
£50,000 – £74,999.99	19,126,072.02	8.30	308	15.71
£75,000 – £99,999.99	25,728,559.54	11.17	293	14.95
£100,000 – £124,999.99	36,846,353.48	16.00	329	16.79
£125,000 – £149,999.99	30,614,943.89	13.29	223	11.38
£150,000 – £174,999.99	25,306,916.41	10.99	157	8.01
£175,000 – £199,999.99	21,237,815.05	9.22	114	5.82
£200,000 – £299,999.99	35,562,279.58	15.44	150	7.65
£300,000 – £399,999.99	13,088,136.10	5.68	39	1.99
£400,000 – £499,999.99	4,547,733.46	1.97	10	0.51
£500,000 – £599,999.99	3,894,572.33	1.69	7	0.36
£600,000 – £699,999.99	1,946,416.07	0.84	3	0.15
£700,000 – £799,999.99	0.00	0.00	0	0.00
£800,000 – £899,999.99	1,713,892.74	0.74	2	0.10
£900,000 – £999,999.99	999,694.65	0.43	1	0.05
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

** Includes capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees.*

The maximum, minimum and average Current Principal Balance of the Loans as at the Portfolio Reference Date is £999,694.65, £688.63 and £117,530.21, respectively.

Loan to Value Ratios at Origination

The following table shows the range of **Loan to Value Ratios** or **LTV Ratios**, which express the outstanding balance of the aggregate of Loans in the Mortgage Accounts (which incorporate all Loans secured on the same Property) as at the Portfolio Reference Date based on the aggregate amount of the initial advances and any further advances on the later of the date of origination and the date of the further advance of the Loan divided by the value of the Property securing the Loans in the Mortgage Account either (i) as at

that date or (ii) in the event there has been any variation in the mortgage contract, the date of such variation. The relevant mortgage property may not have been revalued since the date of origination of the related Loan other than in certain instances where additional lending has been applied for or advanced, and in certain product switch application cases (where such case is completed or not). In these cases the original valuation may have been updated with a more recent valuation. However, other than as set out above, the revised valuation has not been used in formulating this data.

Range of LTV Ratios at Origination*	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
0% – 24.99%	382,918.62	0.17	11	0.56
25% – 49.99%	6,848,708.30	2.97	119	6.07
50% – 74.99%	61,065,811.05	26.51	592	30.20
75% – 79.99%	27,524,202.06	11.95	212	10.82
80% – 84.99%	33,759,893.77	14.66	238	12.14
85% – 89.99%	51,095,786.33	22.18	412	21.02
90% – 94.99%	42,829,314.51	18.59	323	16.48
95% – 99.99%	6,668,903.55	2.90	52	2.65
>100%	183,675.05	0.08	1	0.05
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

** Including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees.*

The original maximum, minimum and weighted average Loan to Value Ratio as at the Portfolio Reference Date of the Loans in the Portfolio is 100.00%, 12.59% and 78.81%, respectively.

Current Loan to Value Ratios

The following table shows the range of Loan to Value Ratios, which are calculated by dividing the Current Principal Balance of a Loan as at the Portfolio Reference Date by the original valuation of the Property securing that Loan at the same date.

Range of Current LTV Ratios*	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
0%–24.99%	4,559,558.88	1.98	167	8.52
25%–49.99%	21,601,363.13	9.38	328	16.73
50%–74.99%	68,286,921.88	29.64	556	28.37
75%–79.99%	26,737,353.48	11.61	181	9.23
80%–84.99%	32,462,167.89	14.09	218	11.12
85%–89.99%	42,981,321.04	18.66	291	14.85
90%–94.99%	28,023,389.10	12.17	182	9.29
95%–99.99%	4,319,322.12	1.88	30	1.53
>100%	1,387,815.72	0.60	7	0.36
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

** Including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees.*

The maximum, minimum and weighted average current Loan to Value Ratio as at the Portfolio Reference Date of all the Loans (including any capitalised interest, capitalised high LTV fees, insurance fees, valuation fees and booking fees) is 103.24%, 0.20% and 73.63%, respectively.

Current Indexed Loan to Value Ratios

The following table shows the range of Loan to Value Ratios, which are calculated by dividing the Current Principal Balance of a Loan as at the Portfolio Reference Date by the indexed property valuation using NationWide Regional Quarterly Indices (Q4 2020).

Range of Current Indexed LTV Ratios*	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
0% – 24.99%	7,603,668.29	3.30	216	11.02
25% – 49.99%	51,869,042.57	22.52	519	26.48
50% – 74.99%	132,941,901.60	57.71	920	46.94
75% – 79.99%	15,708,078.06	6.82	128	6.53
80% – 84.99%	11,304,194.10	4.91	90	4.59
85% – 89.99%	4,115,091.46	1.79	37	1.89
90% – 94.99%	1,357,645.16	0.59	13	0.66
95% – 99.99%	766,740.15	0.33	5	0.26
>100%	4,692,851.85	2.04	32	1.63
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

** Indexation calculated using NationWide Regional Quarterly Indices. Q4 2020.*
*** Including capitalised interest, capitalised high LTV fees, insurance fees, booking fees and valuation fees.*

The maximum, minimum and weighted average current indexed Loan to Value Ratio as at the Portfolio Reference Date of all the Loans (including any capitalised interest, capitalised high LTV fees, insurance fees, valuation fees and booking fees) is 135.80%, 0.14% and 59.51%, respectively.

Arrears Analysis of Non-Repossessed Mortgage Accounts

Month(s) in Arrears*	Aggregate Current Principal Balance as at the Portfolio Reference Date (£)	% of Total	Number of Mortgage Accounts	% of Total
0.00 – 0.99	195,415,106.57	84.83	1,712	87.35
1.00 – 1.99	9,109,150.92	3.95	72	3.67
2.00 – 2.99	6,861,539.61	2.98	37	1.89
3.00 – 3.99	2,247,966.03	0.98	17	0.87
4.00 – 4.99	2,596,637.33	1.13	19	0.97
5.00 – 5.99	1,936,279.79	0.84	14	0.71
6 >=	12,192,532.99	5.29	89	4.54
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

* *Arrears are calculated in accordance with standard market practice in the UK. A mortgage is identified as being in arrears when, on any due date, the overdue amounts which were due on previous due dates equal, in the aggregate, one or more full monthly payments. In making an arrears determination, the servicer calculates as of the date of determination the difference between the sum of all monthly payments that were due and payable by a borrower on any due date up to that date of determination and the sum of all payments actually made by that borrower up to that date of determination. The resulting number of months in arrears is arrived at by dividing that difference (if any) by the amount of the required monthly payment.*

Geographical Distribution

The following table shows the distribution of Properties securing the Loans throughout England, Wales, Northern Ireland and Scotland as at the Portfolio Reference Date .

Region	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
East Anglia	7,008,155.30	3.04	70	3.57
East Midlands	12,877,693.67	5.59	117	5.97
Greater London	19,130,452.97	8.30	109	5.56
North	9,125,366.25	3.96	116	5.92
North West	26,442,152.11	11.48	270	13.78
Northern Ireland	9,613,151.37	4.17	86	4.39
Scotland	9,147,851.68	3.97	119	6.07
South East	60,331,406.79	26.19	379	19.34
South West	30,731,708.63	13.34	224	11.43
Wales	12,643,582.56	5.49	131	6.68
West Midlands	18,620,549.65	8.08	177	9.03
Yorks & Humber	14,687,142.26	6.38	162	8.27
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Seasoning of Loans

The following table shows the number of months since the date of origination of the initial Loan. The ages of the Loans in this table have been taken as at the Portfolio Reference Date and are calculated with respect to the initial advance.

Seasoning (months)	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
84.00 – 95.99	94,018.71	0.04	1	0.05
108.00 – 119.99	117,991.63	0.05	2	0.10
120.00 – 131.99	249,057.24	0.11	2	0.10
132.00 – 143.99	86,013.59	0.04	2	0.10
144.00 – 155.99	216,410.92	0.09	2	0.10
156.00 – 167.99	201,132,802.15	87.31	1,746	89.08
168.00 – 179.99	28,462,919.00	12.36	205	10.46
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

The maximum, minimum and weighted average seasoning of Loans in the Portfolio as at the Portfolio Reference Date is 177 months, 89 months and 163.63 months respectively.

Years to Maturity of Loans

The following table shows the number of remaining years of the term of the Loans in a Mortgage Account as at the Portfolio Reference Date and are calculated with respect to the initial advance.

Years to Maturity of Loans	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
<= 0.00	5,269,211.61	2.29	28	1.43
0.01 – 5.00	36,206,649.24	15.72	316	16.12
5.01 – 10.00	68,695,989.44	29.82	577	29.44
10.01 – 15.00	103,018,457.78	44.72	871	44.44
15.01 – 20.00	14,723,923.72	6.39	143	7.30
20.01 – 25.00	2,444,981.45	1.06	25	1.28
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

The maximum, minimum and weighted average remaining term of the Loans in the Portfolio as at the Portfolio Reference Date is 21.67 years, -4.00 years and 8.74 years respectively.

Purpose of Loan

The following table shows whether the purpose of the initial Loan in a Mortgage Account on origination was to finance the purchase of a new Property or to remortgage a Property already owned by the borrower.

Use of Proceeds	Aggregate Current Principal Balance as at the Portfolio Reference Date (£)	% of Total	Number of Mortgage Accounts	% of Total
Debt Consolidation	51,085,546.05	22.18	468	23.88
Equity Release	38,713,922.51	16.81	353	18.01
Other	23,421,850.53	10.17	177	9.03
Purchase	66,778,405.13	28.99	538	27.45
Remortgage	48,501,627.05	21.05	400	20.41
Right to Buy	1,857,861.97	0.81	24	1.22
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Buy-to-Let/Owner-Occupied Loans

Buy-to-Let/Owner-Occupied Loans	Aggregate Current Principal Balance as at the Portfolio Reference Date (£)	% of Total	Number of Mortgage Accounts	% of Total
Buy-to-Let	39,941,043.85	17.34	339	17.30
Owner-Occupied	190,418,169.39	82.66	1,621	82.70
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Repayment Terms

The following table shows the repayment terms for the Loans in a Mortgage Account as at the Portfolio Reference Date.

Repayment Terms	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
Interest Only	204,138,961.29	88.62	1,458	74.39
Repayment	26,220,251.95	11.38	502	25.61
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Original Valuation Method

The following table shows the original valuation method used as at the Portfolio Reference Date.

Original Valuation Method	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
AVM	3,216,005.63	1.40	61	3.11
Full	227,143,207.61	98.60	1,899	96.89
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Product Types

The following table shows the distribution of special rate loans as at the Portfolio Reference Date.

Product Type	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
3 Month LIBOR	119,817,566.74	52.01	991	50.56
BBR	42,196,912.63	18.32	317	16.17
SVR	68,344,733.87	29.67	652	33.27
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Current Interest Rate

Current Interest Rate	Aggregate Current Principal Balance (£)	% of Total	Number of Mortgage Accounts	% of Total
0.00% – 0.99%	31,199.15	0.01	1	0.05
1.00% – 1.99%	17,272,494.92	7.50	179	9.13
2.00% – 2.99%	125,720,033.14	54.58	1,107	56.48
3.00% – 3.99%	72,109,764.49	31.30	559	28.52
4.00% – 4.99%	14,021,648.84	6.09	101	5.15
5.00% – 5.99%	1,204,072.70	0.52	13	0.66
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Previous CCJs

The following table is based on a combination of data recorded at loan origination and data recorded from a credit bureau agency at the time of due diligence prior to the Previous Transaction. The credit bureau agency test covered a 6 year period prior to the date of the due diligence for the Previous Transaction.

Previous CCJs (or its Scottish equivalent)	Aggregate Current Principal Balance as at the Portfolio Reference Date (£)	% of Total	Number of Mortgage Accounts	% of Total
No	167,764,683.27	72.83	1,404	71.63
Yes	62,594,529.97	27.17	556	28.37
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Previous Bankruptcy(ies) / Individual Voluntary Arrangements

The following table is based on a combination of data recorded at loan origination and data recorded from a credit bureau agency at the time of due diligence prior to the Previous Transaction. The credit bureau agency test covered a 6 year period prior to the date of the due diligence for the Previous Transaction.

Bankruptcy / Individual Voluntary Arrangements	Aggregate Current Principal Balance as at the Portfolio Reference Date (£)	% of Total	Number of Mortgage Accounts	% of Total
No	223,781,203.09	97.14	1,917	97.81
Yes	6,578,010.15	2.86	43	2.19
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Right to Buy

Right to Buy	Aggregate Current Principal Balance as at the Portfolio Reference Date (£)	% of Total	Number of Mortgage Accounts	% of Total
No	228,501,351.27	99.19	1,936	98.78
Yes	1,857,861.97	0.81	24	1.22
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Income Verification

Income Verification	Aggregate Current Principal Balance as at the Portfolio Reference Date (£)	% of Total	Number of Mortgage Accounts	% of Total
Self-certified	172,879,707.46	75.05	1,341	68.42
Verified	57,479,505.78	24.95	619	31.58
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

Employment Type

Employment Type	Aggregate Current Principal Balance as at the Portfolio Reference Date (£)	% of Total	Number of Mortgage Accounts	% of Total
Employed Full	106,589,695.64	46.27	1,067	54.44
Pensioner	354,954.08	0.15	4	0.20
Self-Employed	121,370,242.49	52.69	870	44.39
Unemployed	2,044,321.03	0.89	19	0.97
Totals	**230,359,213.24**	**100.00**	**1,960**	**100.00**

SUMMARY OF THE KEY TRANSACTION DOCUMENTS

Mortgage Sale Agreement

Portfolio

Under the Mortgage Sale Agreement, on the Closing Date the Issuer will pay the Initial Consideration to the Seller and:

(a) the Seller will sell, assign or otherwise transfer to the Issuer pursuant to the Mortgage Sale Agreement a portfolio of English and Welsh residential mortgage loans and their associated mortgages (the **English Mortgages**) (together, the **English Loans**) and other related security;

(b) the Seller will sell, assign or otherwise transfer to the Issuer pursuant to the Mortgage Sale Agreement a portfolio of Northern Irish residential mortgage loans and their associated mortgages (the **Northern Irish Mortgages**) (together, the **Northern Irish Loans**) and other related security; and

(c) the Seller will transfer to the Issuer by way of the Scottish Declaration of Trust the beneficial interest in the Scottish Loans, (together with the above portfolio of English Loans and Northern Irish Loans, the **Loans**) and associated first ranking standard securities (the **Scottish Mortgages** and together with the English Mortgages and the Northern Irish Mortgages, the **Mortgages)** and other related security (together with the other related security for the English Loans and the Northern Irish Loans, the **Related Security**),

in each case referred to as the sale by the Seller to the Issuer of the Loans and Related Security.

The Loans and Related Security and all monies derived therefrom from time to time are referred to herein as the **Portfolio**.

The consideration due to the Seller in respect of the sale of the Portfolio is due and payable on the Closing Date and is the aggregate of:

(a) an amount equal to £209,408,259.54 (the **Initial Consideration**);

(b) deferred consideration consisting of Class Y Certificate Payments in respect of the Portfolio pursuant to the applicable Priority of Payments, the right to such Class Y Certificate Payments being represented by the Class Y Certificates to be issued by the Issuer to the Seller on the Closing Date; and

(c) deferred consideration consisting of Residual Payments in respect of the Portfolio pursuant to the applicable Priority of Payments, the right to such Residual Payments being represented by the Class R Certificates to be issued by the Issuer to the Seller on the Closing Date.

The economic risk in, and benefit of, the Loans will be deemed to have passed to the Issuer on the Cut-Off Date.

Any Class Y Certificate Payments payable pursuant to the Class Y Certificates and any Residual Payment payable pursuant to the Class R Certificates will be paid in accordance with the priority of payments set out in the section headed "*Cashflows – Application of Available Revenue Receipts prior to the service of a Note Acceleration Notice on the Issuer*" and "*– Distribution of Available Funds following the service of a Note Acceleration Notice on the Issuer*".

Title to the Mortgages, registration and notifications

The completion of the transfer, or, in the case of Scottish Loans and their Related Security, assignation, of the Loans and Related Security (and where appropriate their registration or recording) from the Seller to the Issuer is, save in the limited circumstances referred to below, deferred. Legal title to the Loans and Related Security will remain with the Seller and be held by the Seller on trust for the Issuer. Notice of the sale of the Loans and their Related Security by the Seller to the Issuer will not be given to any Borrower until the occurrence of a Perfection Event as described below.

The Issuer (or following delivery of a Note Acceleration Notice, the Security Trustee) may by delivering a Perfection Notice to the Legal Title Holder (with a copy to the Security Trustee (where applicable) and the Servicer) require the Legal Title Holder to complete the transfer, or, in the case of the Scottish Loans and their Related Security, assignation of the Loans and Related Security from the Seller to the Issuer on or before the 20th Business Day after such notice following the occurrence of any of the following events:

(a) the security created under or pursuant to the Deed of Charge or any material part of that security being, in the opinion of the Security Trustee (acting on the direction of the Note Trustee), in jeopardy and the Security Trustee being directed by the Note Trustee (on behalf of the Noteholders (so long as any Notes are outstanding) or the other Secured Creditors if no Notes are then outstanding) to take action to reduce that jeopardy;

(b) the occurrence of a Master Servicer Termination Event or Servicer Termination Event;

(c) the Issuer assigning or transferring its beneficial interest in the Loans and their Related Security (or any part of them) to a third party, in which case legal title in such Loans and their Related Security shall be transferred to the relevant third party (which shall be deemed to be the nominee of the Issuer for that purpose); or

(d) default is made by the Legal Title Holder in the performance or observance of any of its covenants, undertakings and obligations under the Master Servicing Agreement or any other Transaction Document to which it is a party, which is (in the opinion of the Note Trustee) materially prejudicial to the interests of the Noteholders and such default continues unremedied for a period of 15 Business Days after the earlier of the Legal Title Holder becoming aware of such default and receipt by the Legal Title Holder of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied.

(each of the events set out in paragraphs (a) to (d) (inclusive) above, together with the Automatic Perfection Events being a **Perfection Event**).

In addition, completion of transfer of the legal title of the Loans by the Seller to the Issuer will be completed as soon as reasonably practicable, and in any case, on or before the 20th Business Day after the earliest to occur of the following (each an **Automatic Perfection Event**):

(i) the Seller being required to perfect legal title to the Loans and Related Security by (i) an order of a court of competent jurisdiction or (ii) by a regulatory authority which has jurisdiction over the Seller or its parent or (iii) by any organisation of which the Seller or its parent is a member, or whose members comprise (but are not necessarily limited to) mortgage lenders with whose instructions it is customary for the Seller or its parent to comply, to perfect legal title to the Loans and Related Security;

(ii) it becoming necessary by law to perfect legal title to the Loans and their Related Security;

(iii) the Seller calling for perfection by serving notice in writing to that effect on the Issuer and the Security Trustee; or

(iv) the occurrence of a Seller Insolvency Event.

A **Seller Insolvency Event** will occur in the following circumstances:

(a) an order is made or an effective resolution passed for the winding up of the Seller; or

(b) the Seller stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business; or

(c) an encumbrancer takes possession or a receiver, administrator, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the Seller or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the relevant entity and, in the case of any of the foregoing events, is not discharged within 30 days; or

(d) the Seller is unable to pay its debts as they fall due.

The Seller will undertake that from the date of any Perfection Event all the Title Deeds and Loan Files relating to the Portfolio which are at any time in its possession or under its control or held to its order will be held to the order of the Issuer.

The Issuer has not made or has not caused to be made on its behalf any enquiries, searches or investigations, but is relying entirely on the Loan Warranties and other representations and warranties made by the Seller contained in the Mortgage Sale Agreement.

On the Closing Date, the Loan Warranties (described below in "– *Representations and Warranties*") will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer.

No searches, enquiries or independent investigations have been made by the Issuer, the Security Trustee or the Note Trustee, each of whom is relying on the Loan Warranties and other representations and warranties given by the Seller to the Issuer contained in the Mortgage Sale Agreement. See further "*Risk Factors – Risks Relating to the Underlying Assets – The Loan Warranties are limited by the Warranty Limitations and by the Disclosure Letter*".

Representations and Warranties

The warranties (the **Loan Warranties** and each, a **Loan Warranty**) that will be given on the Closing Date to the Issuer by the Seller pursuant to the Mortgage Sale Agreement include, *inter alia*, similar statements to the following effect (defined terms having the meaning given to them in the Mortgage Sale Agreement):

(a) As of the Cut-off Date, the information relating to each Loan in respect of the outstanding principal balance of that Loan as set out in the electronic file referred to in Schedule 6 to the Mortgage Sale Agreement is true and accurate in all respects.

(b) As of the Cut-off Date, the information relating to each Loan in respect of originator, origination date, maturity date, interest rate type (including margin), current monthly payment due, arrears status/last 12 months payments and postcode of the Property and account number as set out in the electronic file referred to in Schedule 6 to the Mortgage Sale Agreement is true and accurate in all respects.

(c) Each Loan and its related Mortgage was made on the basis of the Standard Mortgage Documentation without any material variation thereto or, where there were any changes, those changes would have been acceptable to a Comparable Mortgage Lender.

(d) Each Loan is at least secured by a valid and subsisting first ranking legal mortgage (or, (i) in Scotland, first ranking standard security, or (ii) in Northern Ireland, first ranking legal mortgage or charge) over the Property to which it relates (subject to completion of any registration or recording requirements at the Land Registry of England and Wales, the Registers of Scotland or the Land Registers of Northern Ireland (as applicable) and (in those cases) there is nothing to prevent that registration or recording being effected).

(e) Each Loan and the related Mortgage constitute a legal, valid, binding non-cancellable, non-voidable, obligation of the relevant Borrower enforceable in accordance with its terms (except that (1) enforceability may be limited by the bankruptcy or insolvency of the Borrower and the court's discretion in relation to equitable remedies or by the application of the UTCCR or the CRA and (2) no warranty is given under this paragraph (e) in relation to any obligation of the Borrower to pay future early prepayment charges, mortgage administration exit fees or charges payable in the event of Borrower default).

(f) All Loans and Related Security are freely assignable (or, in the case of the Scottish Loans and their Related Security, transferable) and no formal approvals, consents or other steps are necessary to permit a legal or an equitable or beneficial transfer of the Loans and Related Security, no notifications to any Borrower is required to effect any equitable or beneficial transfer of the Loans and Related Security to the Issuer pursuant to the Mortgage Sale Agreement and the Loans and Related Security are not subject to any contractual confidentiality restrictions which may restrict the ability of the Issuer to acquire or dispose of the same or exercise its rights or discharge its obligations under the Transaction Documents.

(g) The legal title to all the Loans and their Related Security is freely transferrable, and no formal approvals, consents or other steps are necessary to permit a legal transfer of the Loans and their Related Security (subject to making appropriate registrations with the relevant Land Registry).

(h) Immediately prior to the transfer of the Loans under the Mortgage Sale Agreement, the Seller held or would have held upon completion of any pending applications for registration or recording of the Seller as legal title holder of any Mortgages at the Land Registry of England and Wales, or heritable creditor at the Registers of Scotland or the Land Registers of Northern Ireland (as applicable), legal title to all Loans and related Mortgages and the Related Security.

(i) Immediately prior to the transfer of the Loans under the Mortgage Sale Agreement, the Seller was the absolute beneficial owner of all of such Loans and the related Mortgages and the Related Security to be sold by it to the Issuer thereunder on the Closing Date.

(j) No lien or right of set-off or counterclaim has been created or arisen between the Borrower and the Seller which would entitle such Borrower to reduce the amount of any payment otherwise due under the relevant Loan.

(k) The amount of each Loan has been fully advanced to the Borrower and the Mortgage Documentation contain no obligation on the part of the Seller to make any further advance.

(l) Prior to making a Loan, so far as the Seller is aware, the requirements of the relevant Original Lending Entity's lending criteria were met in all cases, subject only to exceptions made on a case by case basis and in accordance with the relevant Original Lending Entity's internal policies.

(m) Save for title deeds held at the Land Registry or the Registers of Scotland and title deeds existing in dematerialised form, the customer file, the deed constituting the relevant Mortgage (if any) and any documents of title to the relevant Property for each Loan and all other Title Deeds and Mortgage Documentation necessary to transfer the relevant Mortgage is held by or to the order (or is in the process of being arranged to be held to the order) of the Seller.

(n) All things necessary to perfect the vesting of the legal title to each Loan and the related Mortgage in the Seller have been duly done except in the case of ports or, where a port has occurred, are in the process of being done.

(o) Other than when acting as a Comparable Mortgage Lender or where required to comply with any applicable law, regulation or requirement of any governmental, tax or regulatory body, the Seller has not, in writing, waived or acquiesced in any breach of any of its rights in respect of a Loan or its related Mortgage which would materially reduce the value of a Loan, other than in relation to any payment default in respect of those Loans.

(p) In relation to any Loan which is a Regulated Mortgage Contract within the meaning of the Regulated Activities Order, so far as the Seller is aware, all then applicable requirements of MCOB have been complied with in all material respects in connection with the origination (including in respect of any further advance), documentation and administration of such Loan that are material to the value, recoverability or enforcement of the Loans and their related Mortgages (as applicable).

(q) No agreement for any Loan is or includes, in whole or in part, a regulated credit agreement (as defined in Article 60B(3) of the Regulated Activities Order) and no circumstances exist which are capable of making the relationship between the Seller and the customer unfair under section 140A of the CCA.

(r) Interest on each Loan and all other sums charged in connection with such Loan have been charged in accordance with the provisions of the Loan (except in respect of the switch of monthly interest payments from being payable monthly in advance to monthly in arrears and except where a requirement of law otherwise require).

(s) Except in the case of a Loan which is the subject of a policy of insurance in respect of title (howsoever described) to a relevant Property issued by a provider of such policies, so far as the Seller is aware, each Original Lending Entity received from its solicitors a certificate of title or report on title to the relevant Property addressed to the relevant Original Lending Entity and the certificate of title or report on title disclosed nothing which would, if applicable, after further investigation, cause a Comparable Mortgage Lender to decline to proceed with the Loan on the proposed terms.

(t) The Seller has not received written notice of any litigation or claim calling into question in any material way the legal and/or beneficial title to any Loan and the related Mortgage or Related Security of the Seller or its ability to fully and effectively enforce the same.

(u) So far as the Seller is aware, no Borrower is in breach of any material obligation owed in relation to that Loan and/or its related Mortgage (other than in relation to any payment default in respect of those Loans).

(v) Each Borrower is a natural legal person and was aged 18 years or older at the date that he or she executed the relevant Mortgage.

(w) Each Loan was originated in, is denominated in, and all amounts in respect of such Loan are payable in, sterling and may not be changed by the relevant Borrower to any other currency.

(x) No borrower is an employee of the Seller or, so far as the Seller is aware, any Original Lending Entity.

(y) Each related Mortgage secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower (other than, in relation to any prepayment charges) in priority to any other mortgage or security.

(z) To the extent that any Loan and related Mortgage is subject to the UTCCR or the CRA, no action whether formal or informal has been taken by the Office of Fair Trading, the FCA or any other regulator (as defined in the CRA), against the Seller pursuant to the UTCCR, the CRA or otherwise which might restrict or prevent the use in any Loan and related Mortgage of any material term or the enforcement of such terms.

(aa) So far as the Seller is aware, in respect of every person (save for children of Borrowers and children of someone living with the Borrower) who, at the date upon which the relevant Loan was granted, had attained the age of 18 and who had been notified to the Original Lending Entity as being in or about to be in actual occupation of the relevant Property: (i) in respect of a Mortgage over a Property situated in England and Wales or Northern Ireland, such person was either named as a Borrower under the Loan or the Original Lending Entity obtained a Deed of Consent from such person; and (ii) in relation to each Mortgage over a Property situated in Scotland, the Original Lending Entity obtained all necessary MHA/CPA Documentation so as to ensure that neither the relevant Property nor the relevant Mortgage is subject to or affected by any statutory right of occupancy in favour of such person under the Matrimonial Homes (Family Protection) (Scotland) Act 1981 or (as applicable) the Civil Partnership Act 2004.

(bb) The terms of each Loan require the Borrower to insure the relevant Property against loss and damage for an amount no less than its full reinstatement value.

(cc) So far as the Seller is aware, since the making of each Loan, such accounts, books and records as are necessary to show all material transactions, payment, receipts and proceeds relating to that Loan have been kept and all such accounts, books and records are in the possession of the Seller.

(dd) Each Loan has a term ending no later than December 2042.

(ee) Each Property is located in England, Wales, Northern Ireland or Scotland.

(ff) Each Property is a residential property.

(gg) The Seller has not assigned (whether by way of absolute assignment or by way of security only), transferred, charged, released, disposed of or dealt with the benefit of any of the Loans or their related Mortgages, the Related Security or any of the property, rights, title, interest or benefit to be sold or assigned pursuant to the Mortgage Sale Agreement in any way whatsoever other than pursuant to the Mortgage Sale Agreement and the Previous Transaction.

(hh) In relation to each Mortgage over a Property, (i) where such Property is in England, Wales and Northern Ireland, the Borrower has a good and marketable title to the relevant Property, (ii) where such Property is in Scotland, the Borrower has a valid and marketable title to the relevant Property, and (iii) the relevant Property has been registered or recorded or is in the course of registration with such title as would be acceptable to a Comparable Mortgage Lender.

(ii) All the Loans in respect of Properties located in (i) England and Wales are governed by English law, (ii) Scotland are governed by Scots law, and (iii) Northern Ireland are governed by Northern Irish law.

(jj) Neither the Seller nor, as far as the Seller is aware, the relevant Original Lending Entity, has waived or agreed to waive any of its rights against any valuer, solicitor or other professional who has provided information, carried out work or given advice in connection with any Loan and the related Mortgage other than waivers such as a Comparable Mortgage Lender might make on a case by case basis.

(kk) So far as the Seller is aware, it being acknowledged that the Seller is not under a duty to make any enquiry or investigation in order to satisfy itself of the same, no fraud, misrepresentation or concealment has been perpetrated in respect of any Loan by: (i) any person who prepared a valuation of a Property; or (ii) any solicitors who acted for the Seller in relation to any Loan; or (iii) any insurance broker or agent in relation to any insurance contract relating to a Loan; or (iv) any Borrower of any Loan; or (v) any other party within the knowledge of the Seller, which would result in any monies owed by any of the Borrowers not being unlikely to be repaid in full under the terms of any of the Loans.

(ll) Other than the Seller, no third party has an interest in such Loan, the related Mortgages and other rights granted to or held for the Seller and being the subject of the Mortgage Sale Agreement.

(mm) In relation to the Loans in the DB UK portfolio, and so far as the Seller is aware in relation to the Loans in the Edeus portfolio and the Loans in the Money Partners portfolio, in the case of a Loan secured by a leasehold Property, solicitors were instructed at origination to check that:

(i) the lease cannot be forfeited on the bankruptcy of the tenant; and

(ii) any requisite consent of the landlord to or notice to the landlord of, the creation of the Related Security had been obtained or given.

(nn) No Borrower has been offered, and no Borrower has the right to benefit from, any of the "Flexible Features" referred to in part 4 of the DB UK Bank Limited mortgage conditions (England and Wales) April 2007 edition, the DB UK Bank Limited mortgage conditions (Scotland) April 2007 edition or the DB UK Bank Limited mortgage conditions (Northern Ireland) April 2007 edition.

(oo) Each Loan is a "financial asset" as defined in International Accounting Standard 32 (IAS32).

(pp) No Loan or Related Security consists of stock or marketable securities (in either case for the purposes of Section 125 of the Finance Act 2003), chargeable securities (for the purposes of Section 99 of the Finance Act 1986), a chargeable interest for the purposes of Section 48 of the Finance Act 2003 or section 4 of the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 or section 4 of the Land and Buildings Transaction Tax (Scotland) Act 2013).

(qq) The Seller has not sold, and so far as the Seller is aware the relevant Original Lending Entity has not sold, any payment protection insurance or similar to a Borrower in respect of any Loan.

Neither the Security Trustee nor the Co-Arrangers has undertaken any additional due diligence in respect of the application of the Lending Criteria and have relied entirely upon the warranties referred to above which will be made by the Seller to the Issuer and the Security Trustee pursuant to the Mortgage Sale Agreement.

Pursuant to the Mortgage Sale Agreement, the Issuer and the Seller will enter into the Disclosure Letter on or about the Closing Date. Pursuant to the Disclosure Letter, the Seller shall disclose certain matters relating to the Loans and the Loan Warranties. The Issuer shall not be permitted to bring a claim under the Mortgage Sale Agreement in relation to any matter disclosed to the Issuer in the Disclosure Letter, or otherwise fairly disclosed to the Issuer.

Comparable Mortgage Lender means a reasonably prudent lender of residential mortgage loans to borrowers in England, Wales, Northern Ireland and Scotland who include buy-to-let borrowers, the self-employed, independent contractors, temporary employees, borrowers who self-certify their income and/or those who may have experienced previous credit problems including borrowers who generally may not satisfy the lending criteria of traditional mortgage lenders of a similar type to the Loans and on terms and criteria substantially the same as the Standard Mortgage Documentation and the lending criteria and to Borrowers with similar credit histories as the Borrowers;

Cut-Off Date means 31 May 2021;

Interest-only Loan means a Loan where the Borrower is only required to pay interest during the term of the Loan, with the capital being repaid in a lump sum at the end of the term;

Loan Agreement means, in relation to a Loan, the loan agreement entered into between the relevant Borrower and the Seller, as amended and/or restated from time to time;

Loan Files means the file or files relating to each Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing *inter alia* correspondence between the Borrower and the Seller and including mortgage documentation applicable to the Loan, each letter of offer for that Loan, the Valuation Report (if applicable) and, to that extent available, the solicitor's or licensed conveyancer's certificate of title, or (in Scotland) qualified conveyancer's certificate of title and any MHA/CPA Documentation;

Mortgage Conditions means all the terms and conditions applicable to a Loan, including without limitation those set out in the relevant mortgage conditions booklet and the relevant general conditions of the relevant Original Lending Entity, each as varied from time to time by the relevant Loan Agreement and the relevant Mortgage Deed;

Mortgage Documentation means any agreement (including a Mortgage) in relation to a Loan between the relevant lender and a Borrower (including, without limitation, the Mortgage Conditions and the Mortgage over each Property securing such Loan) and **Mortgage Documents** mean all or some of them, as the context may require;

Portfolio means the portfolio comprising mortgage loans (and all monies derived therefrom from time to time) originated by the relevant Original Lending Entity and secured over residential properties located in England, Wales, Northern Ireland and Scotland, which will be sold to the Issuer on the Closing Date.

Right to Buy Loan means a Loan in respect of a Property made in whole or in part to a Borrower for the purpose of enabling that Borrower to exercise his right to buy the relevant Property under section 156 of the Housing Act 1985 excluding however such Loans in respect of which the statutory charge referred to in section 155 of the Housing Act 1985 has expired (in the case of English Mortgages) or the Housing (Scotland) Act 1987 (as amended the **1987 Act**) (in the case of Scottish Mortgages) excluding however any such Loans in respect of which the period during which the standard security in favour of the seller of the Property referred to in section 72 of the 1987 Act is of effect has expired.

Self-Certified Loan means a Loan in relation to which income and employment details of the Borrower are not substantiated by supporting documentation;

Valuation Report means in respect of a Property secured by a Mortgage, a valuation report obtained in connection with the origination of the relevant Loan from a qualified valuer of such experience or qualification as would be acceptable to a reasonable, prudent mortgage lender, the contents of which were such as would be acceptable to a reasonable, prudent mortgage lender.

Breach of Loan Warranties

If any of the Loan Warranties (which, for the avoidance of doubt, do not address all of the potential risks that may arise in relation to the Loans) proves to have been untrue on the Closing Date, the Seller will not be required to make an indemnity payment to the Issuer in respect of the relevant Loan and its Related Security. Instead, an amount equal to the lesser of the balance of the Warranty Reserve Fund and the Asset Warranty Payment will be debited from the Warranty Reserve Fund and will form part of Available Principal Receipts, and, to the extent such amount does not fully compensate for the loss arising from such breach of Loan Warranty, the remaining realised loss on the relevant Loan will be recorded as a debit on the Principal

Deficiency Ledger. There shall be no obligation on the Seller, the Option Holder or any other person to repurchase any Loan and/or its Related Security following any breach of any Loan Warranty.

Any Asset Warranty Payment shall not exceed an amount equal to the Current Principal Balance of such Loan(s) as at the date of such payment prior to any deductions or downward balance adjustment or payments that may have been applied or made in respect of remediation, claims or set-off related to the relevant Loan Warranty to which such Loan and its Related Security (together with any other Loan secured or intended to be secured by such Related Security or any part of it) relates plus the Issuer's costs and expenses (if any) associated with the indemnity payment.

The following limitations (the **Warranty Limitations**) are applicable to the determination of any Asset Warranty Payment:

(a) the Issuer must give written notice of the breach of Loan Warranty to the Seller before the date falling 18 months after the date of the Mortgage Sale Agreement;

(b) no Asset Warranty Payment can be made in connection with any breach or breaches of any Loan Warranty unless the aggregate amount of all such claims exceeds £1,000,000;

(c) no Asset Warranty Payment can be made in connection with any breach of any Loan Warranty unless such claim (when taken with any other such claims relating to the same or similar facts or circumstances, whether or not in respect of the same Loan) exceeds £10,000;

(d) no Asset Warranty Payment can be made in respect of any loss of profit or indirect or consequential loss, whether actual or prospective;

(e) where the Issuer is at any time entitled to recover from some other person any sum in respect of any matter giving rise to an Asset Warranty Payment, the Issuer shall take all commercially reasonable steps (provided that this shall not require such steps to be taken for more than one year after the date of notification of the Seller) to enforce such recovery prior to any Asset Warranty Payment being made. In the event that the Issuer shall recover any amount from such other person in respect of the matter giving rise to the Loan Warranty claim, the amount of the Asset Warranty Payment shall be reduced by the amount so recovered;

(f) no Asset Warranty Payment shall be made to the extent that the claim is attributable to any voluntary act, omission, transaction or arrangement of the Issuer (other than the entry into of the Mortgage Sale Agreement and the performance of the Issuer's obligations under it) to which no comparable mortgage lender would have been a party;

(g) nothing in the Mortgage Sale Agreement shall or shall be deemed to relieve or abrogate the Issuer of any common law or other duty to mitigate any loss or damage incurred by it; and

(h) no Asset Warranty Payment shall be made in relation to any matter fairly disclosed to the Issuer pursuant to the disclosure letter provided by the Seller to the Issuer (the **Disclosure Letter**).

The Seller shall not monitor compliance with the Loan Warranties following the Closing Date.

Further Advances, Ports and Product Switches

Pursuant to the Mortgage Sale Agreement, the Seller undertakes that it will not accept a request from, or make an offer to, a Borrower for Further Advances in respect of a Loan in the Portfolio. The Servicer, under the Servicing Agreement, undertakes with the Issuer and the Security Trustee that it will not agree to grant any Further Advance in respect of a Loan in the Portfolio. Under the Servicing Agreement, the Servicer undertakes with the Issuer and the Security Trustee that if it receives an application from a Borrower

requesting a payment holiday (**Payment Holiday**), a Port, or a Product Switch it shall: (a) not agree to grant a Payment Holiday, a Port or a Product Switch unless required to do so under the relevant Mortgage Conditions or to comply with any applicable law or guidelines (including the requirement to treat customers fairly) (**Required Payment Holidays, Required Ports** and **Required Product Switches**, respectively); and (b) consider and deal with applications for Required Payment Holidays, Required Ports and Required Product Switches in accordance with the relevant Mortgage Conditions.

Business Day means a day (other than a Saturday or Sunday or a public holiday) on which banks are generally open for business in London.

Calculation Date means the 7th calendar day prior to each Interest Payment Date or, if such day is not a Business Day, the immediately preceding Business Day.

Collection Period means the quarterly period commencing on and including the Collection Period Start Date and ending on and including the last calendar day before the immediately following Collection Period Start Date.

Collection Period Start Date means the 1st calendar day of March, June, September and December (provided that the first Collection Period Start Date will be 1 June 2021).

Current Principal Balance means, on any date, the aggregate balance of the Loan at such date (but avoiding double counting) including:

(a) the original principal amount advanced to the relevant Borrower and any further amount advanced on or before the given date to the relevant Borrower secured or intended to be secured by the related Mortgage; and

(b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has been properly capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent and added to the amounts secured or intended to be secured by the related Mortgage,

as at the end of the Business Day immediately preceding that given date less any repayment or payment of any of the foregoing made on or before the end of the Business Day immediately preceding that given date and excluding any retentions made but not released by the end of the Business Day immediately preceding that given date.

Further Advance means, in relation to a Loan, any advance of further money to the relevant Borrower following the making of the Initial Advance, which is secured by the same Mortgage as the Initial Advance, but does not include the amount of any retention advanced to the relevant Borrower as part of the Initial Advance after completion of the Mortgage.

Initial Advance means all amounts advanced by the Seller to a Borrower under a Loan other than a Further Advance.

MHA/CPA Documentation means an affidavit, declaration, consent or renunciation granted in terms of the Matrimonial Homes (Family Protection) (Scotland) Act 1981 and/or (as applicable) the Civil Partnership Act 2004 in connection with a Scottish Mortgage or property secured thereby.

Mortgage means in respect of any English Loan and Northern Irish Loan, each first fixed charge by way of legal mortgage or in respect of any Scottish Loan each first ranking standard security which is, or is to be, sold, assigned or transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement or, in respect of a Scottish Mortgage, the Scottish Declaration of Trust which secures the repayment of the relevant Loan including the Mortgage Conditions applicable to it.

Mortgage Deed means, in respect of any Mortgage, the deed in written form creating that Mortgage (being in respect of any Scottish Loans, a standard security).

Port means the transfer of the Mortgage in respect of a Loan from an existing Property to a new Property where the new Property provides replacement security for the repayment by the Borrower of the relevant Loan.

Product Switch means any variation in the financial terms and conditions applicable to a Loan other than any variation:

(a) agreed with a Borrower to control or manage arrears on the Loan;

(b) in the maturity date of the Loan unless the maturity date would be extended to a date later than three years before the Final Maturity Date of the Notes;

(c) imposed by statute; or

(d) in the frequency with which the interest payable in respect of the Loan is charged.

Property means (in England and Wales) a freehold, leasehold or commonhold property or (in Scotland) a heritable property or property held under a long lease or (in Northern Ireland) a freehold or leasehold property, which is, in each case, subject to a Mortgage and together, the **Properties**.

Related Security means, in relation to a Loan, the security granted for the repayment of that Loan by the relevant Borrower including the relevant Mortgage and all other matters applicable thereto acquired as part of any Portfolio sold to the Issuer pursuant to the Mortgage Sale Agreement.

Governing Law

The Mortgage Sale Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law (other than certain aspects relating to the Northern Irish Loans and their Related Security which are governed by Northern Irish law and certain aspects relating to the Scottish Loans and their Related Security which are governed by and construed in accordance with Scots law).

Master Servicing Agreement

Introduction

The Issuer will enter into the Master Servicing Agreement with, *inter alia*, the Security Trustee, the Seller and the Master Servicer (the **Master Servicing Agreement**) on or about the Closing Date.

The Master Servicer will be appointed by the Issuer and the Seller, to act as Master Servicer with respect to the Loans and their Related Security and to provide the services set out in the Master Servicing Agreement (the **Master Services**), which include:

(a) setting the SVR and any other Discretionary Rates or margins chargeable to Borrowers;

(b) consulting with the Servicer in accordance with the Servicing Agreement as to any variation of any Service Specification relating to the settlement and administration of the Loans and their Related Security by the Servicer;

(c) consulting with the Servicer in accordance with the Servicing Agreement as to any variation of the Service Specification applicable to Loans that are in arrears from time to time and in respect of the Servicer's undertaking in relation to certain discretionary elements of enforcement procedures in accordance with the terms of the Servicing Agreement;

(d) carrying out an audit of the Servicer in accordance with the Servicing Agreement;

(e) attending meetings with the Servicer;

(f) reviewing complaints received by the Servicer or the Legal Title Holder from the Borrowers;

(g) reviewing the Service Specification in relation to the Loans in the Portfolio with the Servicer in order to determine if changes are required to the Service Specification in order to, *inter alia*¸ comply with applicable law or guidelines (including the requirement to treat customers fairly);

(h) notifying the Issuer and the Majority Holder of any fall in the level of servicing provided by the Servicer below the level which would be provided by a Prudent Residential Mortgage Servicer;

(i) reviewing the reports produced by the Servicer in accordance with the Servicing Agreement and, if required, notifying the Issuer, the Servicer, the Legal Title Holder and the Security Trustee of any manifest errors in such reports; and

(j) providing, where required, prompt and all reasonable assistance to the Servicer and any direction or any consultation that may be reasonably be required by the Servicer.

In the performance of certain of the key Master Services, the Master Servicer must act in a manner consistent with that of a Prudent Residential Mortgage Servicer.

The Master Servicer must comply with any proper directions, orders and instructions that the Issuer or, following service of a Note Acceleration Notice, the Security Trustee, may from time to time give to it in accordance with the provisions of the Master Servicing Agreement.

The Master Servicer's actions in acting as Master Servicer with respect to the Loans and their Related Security in accordance with its procedures are binding on the Issuer. The Master Servicer may delegate all or any of its obligations as Master Servicer subject to and in accordance with the terms thereof. However, the Master Servicer remains liable at all times for the performance of all of the obligations of the Master Servicer under the Master Servicing Agreement and for the acts or omissions of any delegate or sub-contractor.

Interest rate setting

The Master Servicer shall have the full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to determine and set in relation to the Loans sold by the Seller to the Issuer or, in respect of the Scottish Loans, held in trust under the Scottish Trust, the rates of interest or margins applicable in relation to the Loans save that in setting the standard variable rate in relation to the Portfolio the Master Servicer has agreed to set such standard variable rate at 3-month LIBOR, or such other replacement rate determined by the Master Servicer. The Master Servicer will also be required to notify the Servicer of any changes in such rates of interest or margins applicable to the Loans.

Replacement of Collection Account Bank

If the rating of the Collection Account Bank falls below the Collection Account Bank Rating, the Master Servicer will, within 30 days of such occurrence, use reasonable endeavours to:

(a) procure that the Issuer (in the case of a downgrade of the Collection Account Bank) opens a replacement collection account in the name of the Issuer with a financial institution (x) having a rating of at least the Collection Account Bank Rating, (y) approved in writing by the Issuer and the Security Trustee and (z) which is a bank as defined in Section 991 of the Income Tax Act 2007; or

(b) procure an unconditional and unlimited guarantee of the obligations of the Collection Account Bank, as applicable, from a financial institution having the Collection Account Bank Rating; or

(c) take any other action as the Rating Agencies may agree will not result in a downgrade of the Rated Notes.

In the event a replacement collection account is opened, the Servicer shall (in accordance with the Servicing Agreement) (A) transfer all direct debit mandates to such replacement collection account and (B) procure that all amounts held on trust for the Issuer standing to the credit of the Collection Accounts are transferred to the replacement account at such replacement institution as soon as practicable, (C) use all reasonable endeavours to procure that such financial institution enters into a deed on terms substantially similar to those set out in the Collection Account Declarations of Trust with respect to the replacement collection account, (D) notify Borrowers that all monthly payments made by a Borrower under a payment arrangement other than by way of direct debit are made to such replacement collection account from the date on which the replacement collection account opened. The Servicer shall take such action as is reasonably required by the Master Servicer in order to effect such arrangements in accordance with the Servicing Agreement.

Transfer of Collection Account and Collection Account Declaration of Trust

The Master Servicer has covenanted to provide reasonable assistance to the Vendor and the Issuer in order to facilitate the transfer of the Collection Account from the Vendor to the Issuer as soon as reasonably practicable following the Closing Date. The Master Servicer shall notify the Issuer, the Servicer and the Cash Manager following the occurrence of the Collection Account Transfer Date.

On the Closing Date, the Issuer, the Master Servicer, the Vendor and the Security Trustee will enter into a declaration of trust (the **Collection Account Declaration of Trust**) pursuant to which the Vendor will declare a trust over all of its rights, title and beneficial interest in all amounts standing to the credit of the Collection Account, absolutely for the Issuer, as beneficiary. The Collection Account Declaration of Trust and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Removal or Resignation of the Master Servicer

The appointment of the Master Servicer under the Master Servicing Agreement may be terminated (i) in relation to the Master Servicer Termination Event set out in paragraph (b) below, immediately without notice; and (ii) in relation to all other Master Servicer Termination Events, by the Issuer (subject to the prior written consent of the Security Trustee acting on the instructions of the Note Trustee) or, following the service of a Note Acceleration Notice, the Security Trustee (acting on the instructions of the Note Trustee), if any of the following events (each a **Master Servicer Termination Event**) occurs and while such event continues (defined terms having the meaning given to them in the Master Servicing Agreement):

(a) default is made by the Master Servicer in the performance or observance of its covenants and obligations in respect of setting the SVR and any other Discretionary Rates or margins chargeable to Borrowers under the Master Servicing Agreement, which default in the opinion of the Security Trustee (acting on the instructions of the Note Trustee) is materially prejudicial to the interests of the Noteholders (which determinations shall be conclusive and binding on all other Secured Creditors) and such default continues unremedied for a period of 30 Business Days after the earlier of: (i) the Master Servicer becoming aware of such default; or (ii) receipt by the Master Servicer of written notice from the Issuer or, after the delivery of a Note Acceleration Notice, the Security Trustee requiring the same to be remedied, provided that where the relevant default occurs as a result of a default by any person to whom the Master Servicer has sub-contracted or delegated part of its obligations under the Master Servicing Agreement, such default shall not constitute a Servicer Termination Event if, within such period of 30 Business Days of receipt of such notice from the Issuer and/or (as the case may be) after the delivery of a Note Acceleration Notice, the Security Trustee, the Master Servicer terminates the relevant sub-contracting or delegation arrangements and

takes such steps as the Issuer and/or, as the case may be, after the delivery of a Note Acceleration Notice, the Security Trustee may in their absolute discretion (in the case of the Security Trustee, acting on the instruction of the Note Trustee) specify to remedy such default or to indemnify and/or secure and/or prefund the Issuer and/or the Security Trustee against the consequences of such default;

(b) the Master Servicer fails to obtain or retain any licences, approvals, authorisations, and consents required in connection with the provision of the Master Services, including without limitation any necessary notifications under the Data Protection Laws, licences under the Consumer Credit Act and authorisations and permissions under the FSMA; or

(c) a Perfection Notice is delivered or an Automatic Perfection Event occurs;

(d) the occurrence of a Change of Control in respect of the Legal Title Holder;

(e) the occurrence of an insolvency event in respect of the Master Servicer.

The appointment of the Master Servicer under the Master Servicing Agreement may be terminated by the Master Servicer:

(a) if on any Interest Payment Date any part of the payments due on the Class Y Certificates is not paid to the Class Y Certificateholder, by written notice of termination given by the Master Servicer to the Issuer and Security Trustee (which notice will be effective immediately or on such later date as may be specified therein) with a copy to the Rating Agencies; or

(b) by giving not less than 12 months' notice (provided that the date on which the resignation is to be effective must fall on or after the earlier of (x) the Interest Payment Date falling in June 2026 or (y) any Interest Payment Date on which the aggregate Principal Amount Outstanding of all of the Notes (other than the Class X Notes and the Class R Notes) (as of the immediately preceding Calculation Date) is equal to or less than 20 per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Class X Notes and the Class R Notes) on the Closing Date) to the Issuer and the Security Trustee and in relation to a resignation referred to in paragraph (x) above, subject to, *inter alia*, a replacement master servicer having been appointed.

In the case of a resignation referred to in paragraph (b)(x) above, the resignation of the Master Servicer is conditional on, *inter alia*:

(a) the resignation having no adverse effect on the then current ratings of the Rated Notes; and

(b) the substitute servicer assuming and performing all the duties and obligations of the Master Servicer on substantially the same terms as the Master Servicing Agreement (with certain limited exceptions where the substitute servicer and the Issuer agree that this is not practicable and instead determine reasonable commercial terms taking into account the then prevailing current market conditions).

Liability of the Master Servicer

The Issuer has agreed to fully and continually indemnify the Master Servicer from and against all losses which the Master Servicer sustains or incurs or which may be brought or established against the Master Servicer by any person and which in any case arise out of or in relation to or by reason of the Master Servicer providing the master services (under or in accordance with, the provisions of the Master Servicing Agreement or the Historic Master Servicing Agreement) and excluding where the relevant losses arise by reason of the Master Servicer's fraud, gross negligence or wilful default or failure to perform any obligation of the Master Servicer in the Master Servicing Agreement or the Historic Master Servicing Agreement.

The Master Servicer has agreed to indemnify each of the Issuer, the Servicer, the Legal Title Holder and the Security Trustee on demand, and on an after tax basis, for any losses suffered or incurred by them in respect of gross negligence, fraud or wilful default of the Master Servicer under the Master Servicing Agreement.

The aggregate liability of the Master Servicer arising out of or in connection with its obligations under the Master Servicing Agreement and any other Transaction Document is limited to, in each 12 month period commencing on the Closing Date and on each subsequent anniversary, 100 per cent. of the Class Y Certificate Payments for that period, or in the case of the first year starting on the Closing Date, an amount in the aggregate equal to the aggregate Class Y Certificate Payments at the time at which such liability arises, annualised, and to an aggregate amount of £450,000.

The Master Servicer will indemnify the Issuer, the Servicer, the Legal Title Holder and the Security Trustee on demand, and on an after tax basis, for any losses suffered or incurred by them in respect of gross negligence, fraud or wilful default of the Master Servicer under the Historic Master Servicing Agreement, but only if and to the extent the Master Servicer would have been liable for the same under the Historic Master Servicing Agreement and subject to any limitation of liability provisions in the Historic Master Servicing Agreement.

Governing Law

The Master Servicing Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Change of Control means that the Legal Title Holder ceases to be Controlled, directly or indirectly, by OSB Group plc.

Control means the holding of a majority of the voting rights in a person, or the right to appoint or remove a majority of its board of directors or equivalent body, or the control of a majority of the voting rights in it under an agreement with other shareholders or investors, in each case whether directly or indirectly, and Controlled shall be interpreted accordingly.

Data Protection Laws means any law, enactment, regulation or order concerning the processing of data relating to living persons including:

(a) the EU GDPR, EU law on the protection of personal data as applicable pursuant to Article 71 of the Withdrawal Agreement and all other European Data Protection Laws; and

(b) the UK GDPR, the UK Data Protection Act 2018 and Privacy and Electronic Communications (EC Directive) Regulations 2003;

each to the extent applicable to the activities or obligations under or pursuant to the Master Servicing Agreement.

EU GDPR means Regulation (EU) 2016/679 of the European Parliament and of the council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

European Data Protection Laws means any law, enactment, regulation or order transposing, implementing, adopting, supplementing or derogating from, the EU GDPR and the EU Directive 2002/58/EC in each EU member state and the United Kingdom.

Historic Master Servicing Agreement means the master servicing agreement made between Target Servicing Limited, OneSavings Bank PLC, Rochester Mortgages Limited, Rochester Financing No. 2 PLC, U.S. Bank Trustees Limited and DB UK Bank Limited and dated 26 February 2016.

Service Specification means the specification scheduled to the Servicing Agreement.

UK GDPR means the EU GDPR as it forms part of retained EU law in the UK, as defined in the European Union (Withdrawal) Act 2018.

Servicing Agreement

Introduction

The Issuer, the Security Trustee, the Seller, the Master Servicer and the Servicer will enter into the Servicing Agreement (the **Servicing Agreement**) on or about the Closing Date.

The Servicer will be appointed (subject to the exception described below) by each of the Issuer and the Legal Title Holder to be its agent to service the Loans and their Related Security (such services to be provided by the Servicer under the Servicing Agreement being the **Services**).

The Servicer must comply with any proper directions, orders and instructions that the Issuer or, following service of a Note Acceleration Notice, the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement.

The Servicer's actions in servicing the Loans and their Related Security in accordance with its procedures are binding on the Issuer. The Servicer may delegate all or any of its obligations as Servicer subject to and in accordance with the terms thereof. However, the Servicer remains liable at all times for servicing the Loans and their Related Security and for the acts or omissions of any delegate or sub-contractor.

Powers

Subject to the guidelines for servicing set forth in the Servicing Agreement, the Servicer has the power to service the Portfolio in accordance with the Servicing Agreement.

Undertakings by the Servicer

The Servicer has undertaken, among other things, to:

(a) devote such time and attention to and provide the Services in such manner and with the same level of skill, care and diligence as would a Prudent Residential Mortgage Servicer;

(b) comply with any proper directions, orders and instructions which the Issuer or the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement;

(c) maintain and keep in force all approvals, authorisations, permissions, consents and licences required in order properly to service the Loans and their Related Security and to perform or comply with its obligations under the Servicing Agreement, and to prepare and submit all necessary applications and requests for any further approvals, authorisations, permissions, registrations, consents and licences required in connection with the performance of the Services under the Servicing Agreement and in particular any necessary notification under the Data Protection Act, licence under the CCA and any authorisation and permissions under the FSMA;

(d) not knowingly fail to comply with any legal or regulatory requirements in the performance of the Services;

(e) make all payments required to be made by it pursuant to the Servicing Agreement on the due date for payment thereof in Sterling (or as otherwise required under the Transaction Documents) in immediately available funds for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim but subject to any deductions required by law;

(f) not knowingly do or omit to do any act or thing which might materially prejudice the respective interests of the Issuer, the Legal Title Holder or the Security Trustee in the Portfolio;

(g) as soon as reasonably practicable upon becoming aware of any fact or circumstance which may have a material adverse effect on any Loan or Loans through performing the Services under the Servicing Agreement, notify the Issuer and the Master Servicer in writing of such event;

(h) promptly notify the Issuer (with a copy to the Master Servicer) upon becoming aware of any legal proceedings being taken against it or of any judgment or decree being given against it in any proceedings, which would, in each case materially and adversely affect its ability to perform its obligations under the Servicing Agreement or which may materially and adversely affect either the Issuer or the Seller; and

(i) as soon as reasonably practicable upon becoming aware of any failure to comply with any of its material obligations under the Servicing Agreement, notify the Issuer and the Security Trustee of such failure.

Interest rate setting

The Servicer acknowledges that the Master Servicer has the full right, liberty and authority from time to time, in accordance with the relevant Mortgage Conditions, to determine and set in relation to the Loans sold by the Seller to the Issuer or, in respect of the Scottish Loans, held in trust under the Scottish Trust, the rates of interest or margins applicable in relation to the Loans. Upon receiving notice from the Master Servicer of any change in such rates of interest or margins, the Servicer will be required to notify Borrowers of any changes in monthly payments in relation to the relevant Loans in accordance with the Mortgage Conditions.

Cash Management obligations of the Servicer

The Servicer shall, at the end of each Business Day, instruct the Collection Account Bank to automatically or otherwise, transfer, at the end of each Business Day, all cleared funds received from the Borrowers and credited to the Collection Account from the Collection Account to the Deposit Account.

Additionally the Servicer shall:

(a) use reasonable endeavours (determined by reference to the usual procedures undertaken by a Prudent Residential Mortgage Servicer) to recover all sums due from the Borrowers under or in connection with the Portfolio, including taking all necessary steps to collect (subject to satisfaction by the Issuer and/or the Legal Title Holder (as applicable) of all requirements under the Direct Debiting Scheme and any related requirements of the Collection Account Bank) sums due from Borrowers (where the Borrower permits a direct debit to be made to his bank account) by direct debit into the Collection Account and complying with all requirements from time to time of the Direct Debiting Scheme; and

(b) procure that all amounts recovered under or in connection with the Portfolio (other than amounts paid directly into the Collection Account by way of direct debit) are promptly, within three Business Days of receipt and identification, paid into the Collection Account.

Direct Debiting Scheme means the scheme for the manual or automated debiting of bank accounts operated in accordance with the detailed rules of certain members of the Association for Payment Clearing Services.

Compensation of the Servicer

On each Interest Payment Date, the Issuer will pay the Servicer the servicing fee (the **Servicing Fee**) for the relevant Interest Payment Date, being the greater of:

(a) the product of (A) £748.49 (subject to annual increase by way of indexation) and (B) the actual number of days comprised in the Collection Period immediately preceding that Interest Payment Date (or, in the case of the first Interest Payment Date after the Closing Date only, the number of days from the Cut-Off Date to the end of the Collection Period in which the Closing Date falls) (exclusive of VAT); and

(b) the aggregate of the Standard Servicing Fee, the Arrears Servicing Fee for that Interest Payment Date and the Redemption Fee for that Interest Payment Date (in each case as defined below).

Arrears Servicing Fee for an Interest Payment Date is equal to the product of £38.41 multiplied by the number of Arrears Loans during each Calculation Period in the Collection Period (or, in the case of the first Interest Payment Date after the Closing Date only, during each Calculation Period in the period from the Cut-Off Date to the end of the first Collection Period in which the Closing Date falls) immediately preceding the Interest Payment Date (exclusive of VAT), subject to annual increase by way of indexation.

Arrears Loans means all Loans which had an MIA Measure of less than 1 at the end of the relevant Calculation Period, in respect of which the Servicer has taken all reasonable steps within its control and in accordance with the Service Specification to encourage the relevant Borrowers to make payments during the relevant Calculation Period.

Calculation Period means a calendar month.

CMS means at any time the monthly mortgage instalment then due under a Loan during the relevant Calculation Period, without regard for any discounted or additional payment arrangements agreed with the Borrower and excluding any fees, costs and charges.

MIA Measure means, as of the last day of a Calculation Period, the aggregate amount of sums paid under a Loan in that month (excluding fees, costs and charges) divided by the CMS for that month for such Loan.

Redemption Fee for an Interest Payment Date is £93.27 for each Loan which is paid out in full and discharged during the Collection Period (or, in the case of the first Interest Payment Date after the Closing Date only, the period from the Cut-Off Date to the end of the first Collection Period in which the Closing Date falls) immediately preceding the Interest Payment Date (exclusive of VAT), subject to annual increase by way of indexation.

Standard Servicing Fee for an Interest Payment Date is the product of (A) the 0.137 per cent. per annum, (B) the actual number of days in the Collection Period immediately preceding that Interest Payment Date (or, in the case of the first Interest Payment Date after the Closing Date only, the number of days from the Cut-Off Date to the end of the Collection Period in which the Closing Date falls) divided by 365 (or over a 366 day year in a leap year) and (C) the aggregate Current Principal Balance of all Loans in the Portfolio (determined as at the beginning of the Collection Period immediately preceding that Interest Payment Date) (exclusive of VAT), subject to annual increase by way of indexation.

In addition, if the appointment of the Servicer is terminated before the fifth anniversary of the Closing Date as a consequence of (i) a Servicer Resignation Event or (ii) following the service of a Perfection Notice or the occurrence of an Automatic Perfection Event if legal title to the Loans is not moved to an Affiliate of the Servicer, the Issuer shall pay the Servicer a termination fee in an amount equal to the Servicing Fee paid to the Servicer for the previous 12 months from the effective date of termination (the **Servicer Make-Whole Fee**). The Servicer Make-Whole Fee shall, for the avoidance of doubt, be payable to the Servicer in addition to all the fees and expenses due and payable to the Servicer hereunder and shall be payable together with all applicable VAT. The Servicer Make-Whole Fee is payable in accordance with the Pre-Acceleration Revenue Priority of Payments or, as the case may be, the Post-Acceleration Priority of Payments.

Following termination of the appointment of the Servicer, the Servicer may be required to assist the Issuer to transfer the servicing function to a substitute servicer. To the extent that the Servicer is required to assist the Issuer, such assistance will be at the cost of the Issuer (calculated on a time and materials basis) (such cost being the **Servicing Transition Costs**).

Removal or Resignation of the Servicer

The Issuer (subject to the prior written consent of the Security Trustee in consultation with the Majority Holder and the Master Servicer) may, upon written notice to the Servicer (with a copy to the Security Trustee, the Master Servicer and the Majority Holder), terminate the Servicer's appointment under the Servicing Agreement if any of the following events (each a **Servicer Termination Event**) occurs and while such event continues:

(a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Agreement and such default continues unremedied for a period of ten Business Days after the earlier of the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer, the Seller or (after the delivery of a Note Acceleration Notice) the Security Trustee (acting on the instructions of the Note Trustee), as the case may be, requiring the same to be remedied;

(b) the Servicer defaults in the performance or observance of any of its other covenants and obligations under the Servicing Agreement, which failure in the reasonable opinion of the Issuer (prior to the delivery of a Note Acceleration Notice) or in the opinion of the Security Trustee (after the delivery of a Note Acceleration Notice) (acting on the instructions of the Note Trustee) is materially prejudicial to the interests of the Noteholders, and the Servicer does not remedy that failure within 20 Business Days after the earlier of the Servicer becoming aware of the failure or of receipt by the Servicer of written notice from the Issuer, the Seller or (after the delivery of a Note Acceleration Notice) the Security Trustee requiring the Servicer's non-compliance to be remedied;

(c) an insolvency event occurs in relation to the Servicer;

(d) a Perfection Notice is delivered or an Automatic Perfection Event occurs provided that legal title to the Loans is not transferred to an Affiliate of the Servicer;

(e) the Servicer ceases to perform the business of mortgage administration; or

(f) if the Servicer loses any regulatory approval which is necessary in order to provide some or all of the Services, as the case may be, or any restriction is applied by a regulator which will prevent the Servicer from complying with its obligations under the Servicing Agreement provided that, it does not result or arise from compliance by the Servicer with any instruction given by or on behalf of the Issuer or the Security Trustee.

The Servicer's termination will not be effective until a successor servicer has been appointed.

Subject to the fulfilment of a number of conditions, the appointment of the Servicer may be terminated by the Servicer (i) by giving not less than 18 months' written notice to the Master Servicer, the Security Trustee and the Issuer (or such shorter time as may be agreed between them) of its resignation or (ii) following the occurrence of a Servicer Resignation Event, by written notice of termination given by the Servicer to the Master Servicer, the Issuer and the Security Trustee in accordance with the terms of the Servicing Agreement, provided that, *inter alia*, a substitute servicer qualified to act as such under the FSMA and the CCA and with a management team with experience of servicing residential mortgages in the United Kingdom has been appointed and enters into a servicing agreement with the Issuer on the similar terms as the Servicing Agreement.

The resignation of the Servicer is conditional on, *inter alia*, (if any Rated Notes remain outstanding) the then current ratings of the Rated Notes issued by the Issuer not being withdrawn, qualified or downgraded as a result of such resignation, unless the resignation is otherwise agreed by an Extraordinary Resolution of the holders of the Rated Notes.

If the appointment of the Servicer is terminated or the Servicer resigns, the Servicer must deliver the Title Deeds and Loan Files relating to the Loans comprised in the Portfolio in its possession to, or at the direction of, the Issuer. The Servicing Agreement will terminate at such time as the Issuer has no further interest in any of the Loans or their Related Security serviced under the Servicing Agreement that have been comprised in the Portfolio.

Account Transfer Date means 1 May 2016.

Historic Servicing Agreement means the servicing agreement made between among other parties, Target Servicing Limited, OneSavings Bank plc, Rochester Mortgages Limited and Rochester Financing No.2 plc dated 26 February 2016.

Majority Holder means the holder (or representative of the holder) from time to time of more than 50.1 per cent. (or the representative of holders of Class R Certificates acting in concert who together hold more than 50.1 per cent.) of the issued Class R Certificates.

Servicer Resignation Event means the occurrence of any of the following events:

(a) a default is made by the Issuer in the payment of the fees or any other amounts due and payable to the Servicer under the Servicing Agreement and such default continues unremedied for 15 days from the date such payment is due;

(b) a default is made by the Issuer in the performance or observance of any of its other covenants and obligations under the Servicing Agreement, and in the reasonable opinion of the Servicing Agreement such default causes a material adverse effect on any of (i) the performance of the Services or (ii) the ability of the Servicer to fulfil its general corporate obligations or its regulatory or statutory obligations or (iii) the Servicer's reputation, or its economic or financial interests, and such default continues unremedied for a period of 20 Business Days after the earlier of the Issuer becoming aware of such default and receipt by the Issuer of written notice from the Servicer requiring the default to be remedied, provided that where an obligation or covenant is required to be performed by a third party on behalf of the Issuer, default by such third party in the performance of such obligations shall not constitute a Servicer Resignation Event; or

(c) the occurrence of an insolvency event in respect of the Issuer.

Title Deeds means, in relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds, certificates and all other documents which relate to the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower of the related Mortgage.

Neither the Note Trustee nor the Security Trustee is obliged to act as servicer in any circumstances.

The Issuer fully and continually indemnifies the Servicer from and against any and all proceedings, costs, liabilities, damages, claims and expenses which the Servicer sustains or incurs or which may be brought or established against the Servicer by any person (excluding any regulator) and which in any case arise out of or in relation to or by reason of the Servicer providing the services (including, for the avoidance of doubt, applying the fees and expenses set out in the tariff of charges to any Borrower and/or Loan and the taking of any step in connection with any arrears/possession) in all cases arising out of the Servicer's proper performance of, or acts properly performed or omissions properly made under or in accordance with, the

provisions of the Servicing Agreement or the Historic Servicing Agreement (including without limitation the Servicer also acting as prudent residential mortgage servicer) and excluding where the relevant proceedings, costs, liabilities, damages, claims and expenses arise by reason of the Servicer's fraud, breach or negligent performance of or failure to perform any obligation of the Servicer in the Servicing Agreement or the Historic Servicing Agreement and save that this indemnity shall not extend to any tax imposed on or calculated by reference to the fees, charges, commissions or other remuneration payable to the Servicer or any of its subcontractors or delegates.

Liability of the Servicer

The Servicer undertakes to the Issuer, the Seller and the Security Trustee to indemnify the Issuer, the Seller and the Security Trustee against all proceedings, costs, liabilities, damages, claims and expenses which such other may suffer or incur as a direct and foreseeable result of the Servicer's fraud, breach or negligent performance of or failure to perform any obligation in the Servicing Agreement but only to the extent of the Servicer's own fraud, breach or negligent performance of or failure to perform any obligation in the Servicing Agreement and not the wilful default of the Issuer, the Seller or the Security Trustee seeking indemnity. This indemnity does not extend to any special, indirect or consequential damage, loss of profit or business which liability to a party is specifically excluded from the Servicing Agreement.

The Servicer's liability (other than where such liability arises as a result of the fraud, wilful default or gross negligence of the Servicer) in contract, tort (including negligence or breach of statutory or regulatory duty) or otherwise howsoever, and whatever the cause thereof, arising by reason of or in connection with the Servicing Agreement:

(a) shall be limited to:

  (i) in each 12 month period commencing from the Closing Date, 100 per cent. of the Servicing Fee payable to the Servicer in that 12 month period, or in the case of the first year starting on the Closing Date, an amount in the aggregate equal to the aggregate Servicing Fee paid under the Servicing Agreement at the time at which such liability arises, annualised; and

  (ii) in aggregate, £1,500,000; and

(b) shall not include any claim for any increased costs and expenses, loss of profit, business, contracts, revenues or anticipated savings or for any special indirect or consequential damage of any nature whatsoever which liability is hereby excluded.

The Servicer excludes all liability howsoever arising for any actions, claims, costs or damages accruing against the Seller and occasioned by defective underwriting or administration of any Mortgage, the cause of which has accrued before the Account Transfer Date.

The Servicer undertakes to the Issuer, the Legal Title Holder and the Security Trustee to indemnify the Issuer, the Legal Title Holder and the Security Trustee against all proceedings, costs, Liabilities, damages, claims and expenses which such other may suffer or incur as a direct and foreseeable result of the Servicer's fraud, breach or negligent performance of or failure to perform any obligation in the Historic Servicing Agreement but only to the extent of the Servicer's own fraud, breach or negligent performance of or failure to perform any obligation in the Historic Servicing Agreement and not the wilful default of the Issuer, the Legal Title Holder or the Security Trustee seeking indemnity and only if and to the extent the Servicer would have been liable for the same under the Historic Servicing Agreement and subject to any limitation of liability provisions in the Historic Servicing Agreement. This indemnity does not extend to any special, indirect or consequential damage, loss of profit or business which liability to a party is specifically excluded from the Historic Servicing Agreement.

Portfolio information and reporting – general

The Servicer has covenanted to prepare and deliver the following reports:

(a) on the 7th Business Day of each month (the **Servicer Reporting Date**), the Servicer Report (the **Servicer Report**) in the format scheduled to the Servicing Agreement to the Issuer, the Master Servicer and the Cash Manager;

(b) on the 5th Business Day of each month, the portfolio report and the trial balance information, each in the format scheduled to the Servicing Agreement to the Issuer, the Legal Title Holder, the Master Servicer and the Cash Manager;

(c) on the 3rd Business Day of each month in which an Interest Payment Date falls, the loan level data in the format scheduled to the Servicing Agreement for the purposes of the Bank of England's Discount Window Facility, to the Master Servicer, the Cash Manager and EuroABS; and

(d) subject to the provisions of the Servicing Agreement, any other report in any format that may be required by the FCA in relation to complaints received from Borrowers.

Portfolio information and reporting – regulatory reporting

The Servicer has covenanted to prepare and provide to EuroABS the loan level data necessary to enable EuroABS to prepare and file, on a quarterly basis, certain loan-by-loan information in relation to the Portfolio in respect of each Collection Period in accordance with (i) Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Data Tape**); and (ii) Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Data Tape** and together with the UK SR Data Tape, the **SR Data Tapes**).

The Servicer shall provide the relevant loan level data to EuroABS (in the format agreed between EuroABS, the Issuer and the Servicer) no later than 5 Business Days prior to the relevant Interest Payment Date to enable EuroABS to make available the SR Data Tapes to the holders of any Notes, relevant competent authorities and potential investors in the Notes.

The Servicer will provide reasonable assistance to the Issuer (and its nominees), the Cash Manager and the Corporate Services Provider by making available any such further information related to the Portfolio that the Issuer (or its nominees), the Cash Manager or the Corporate Services Provider reasonably requests in connection with the information to be disclosed under Article 7(1) of the UK Securitisation Regulation and Article 7(1) of the EU Securitisation Regulation, including but not limited to assisting the Issuer and/or the Corporate Services Provider in the preparation of any SR Significant Event Information, to the extent the Servicer is capable of providing such information without additional cost or material administrative burden, or otherwise at the Issuer's cost.

Governing Law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Deed of Charge

On the Closing Date, the Issuer will enter into the Deed of Charge with, *inter alia*, the Security Trustee.

Security

Under the terms of the Deed of Charge, the Issuer will provide the Security Trustee with the benefit of, *inter alia*, the following security (the **Security**) as trustee for itself and for the benefit of the Secured Creditors (including the Noteholders and the Certificateholders):

(a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) all of the Issuer's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (subject to any set-off or netting provisions provided therein) (other than the Trust Deed, the Deed of Charge, the Scottish Supplemental Charge and the Scottish Declaration of Trust);

(b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) all of the Issuer's rights, title, interest and benefit, present and future, in, to and under the Loans (other than any Scottish Loans) and the Mortgages (other than any Scottish Mortgages) and their other Related Security and other related rights comprised in the Portfolio;

(c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge (which may take effect as a floating charge) over) all of the Issuer's rights, title, interest and benefit, present and future, in, to and under the insurance policies assigned to the Issuer pursuant to the Mortgage Sale Agreement;

(d) an assignation in security of the Issuer's whole right, title and interest in and to all of the Scottish Loans and their Related Security (comprising the Issuer's beneficial interest under the trust declared by the Seller (as Legal Title Holder) over such Scottish Loans and their Related Security for the benefit of the Issuer pursuant to the Scottish Declaration of Trust) (the **Scottish Supplemental Charge**)

(e) a charge by way of first fixed charge (which may take effect as a floating charge) over all of the Issuer's rights, title, interest and benefit, present and future, in and to all monies now or at any time hereafter standing to the credit of the its Bank Accounts maintained with the Account Bank and each other account (if any) in which the Issuer may at any time have or acquire any right, title benefit or interest, together with all interest accruing from time to time thereon and the debt represented thereby;

(f) a charge by way of first fixed charge (which may take effect as a floating charge) over all of the Issuer's rights, title, interest and benefit, present and future, in, to and under all Authorised Investments permitted to be made by the Issuer or the Cash Manager on its behalf;

(g) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) the benefit of the Issuer's rights, title, interest and benefit, present or future, under or in respect of the Collection Account Declaration of Trust; and

(h) a floating charge over all other assets of the Issuer not otherwise subject to a fixed charge but extending over all of the Issuer's property, assets, rights and revenues as are situated in Scotland or governed by Scots law (whether or not the subject of fixed charges as aforesaid).

The floating charge created by the Deed of Charge may "crystallise" and become a fixed charge over the relevant class of assets owned by the Issuer at the time of crystallisation. Crystallisation will occur automatically (subject to applicable law) following the occurrence of specific events set out in the Deed of Charge, including, among other events, when an Event of Default occurs, except in relation to the Issuer's Scottish assets, where crystallisation will occur on the appointment of administrative receiver or receiver or upon commencement of the winding up of the Issuer. A crystallised floating charge will rank ahead of the

claims of unsecured creditors which are in excess of the prescribed part but will rank behind the expenses of any administration or liquidator, the claims of preferential creditors and the beneficiaries of the prescribed part on enforcement of the Security.

Authorised Investments means:

(a) Sterling gilt-edged securities;

(b) money market funds;

(c) Sterling demand or time deposits and certificates of deposit; and

(d) short-term debt obligations (including commercial paper),

provided that in all cases such investments will only be made such that there is no withholding or deduction for or on account of taxes applicable thereto and such investments:

(i) either:

(A) have a maturity date of 90 days or less and mature on or before the next following Interest Payment Date or within 90 days, whichever is sooner, and are rated at least F1+ (short term) and/or AA- (long term) by Fitch and at least P-1 (short term) and A-1+ (short term) by S&P (and AA- (long term) by S&P if the investments have a long-term rating); or

(B) have a maturity date of 30 days or less and mature on or before the next Interest Payment Date or within 30 days, whichever is the sooner, and are rated at least F1 (short term) and A (long term) by Fitch and at least A-1 (short term) by S&P, in respect of money market funds;

(ii) in the case of money market funds, such funds are rated at least AAAmmf by Fitch or, in the absence of a rating by Fitch, Aaamf by Moody's; and

(iii) may be broken or demanded by the Issuer (at no cost to the Issuer) on or before the next following Interest Payment Date or within 30 to 90 days, whichever is sooner, as specified in (i) above,

and save that where such investments would result in the recharacterisation of the Notes or any transaction under the Transaction Documents as a "resecuritisation" or a "synthetic securitisation" as defined in the UK Securitisation Regulation or the EU Securitisation Regulation, such investments shall not qualify as "Authorised Investments".

Secured Creditors means the Security Trustee, the Note Trustee, the Noteholders, the Certificateholders, the Seller, the Legal Title Holder, the Master Servicer, the Servicer, the Cash Manager, the Account Bank, the Back-up Servicer Facilitator, the Corporate Services Provider, the Paying Agents, the Registrar, the Agent Bank, the Co-Arrangers, the Sole Lead Manager and any other person who is expressed in any deed supplemental to the Deed of Charge to be a secured creditor.

Transaction Documents means the Servicing Agreement, the Master Servicing Agreement, the Agency Agreement, the Bank Account Agreement, the Cash Management Agreement, the Corporate Services Agreement, the Deed of Charge (including the Scottish Supplemental Charge, any Scottish Sub-Security and any other documents entered into pursuant to the Deed of Charge), each Deed Poll, the Share Trust Deed, the Issuer Power of Attorney, the Master Definitions and Construction Schedule, the Mortgage Sale Agreement, the Scottish Declaration of Trust, the Seller Power of Attorney, the Trust Deed, the Subscription Agreement, the Collection Account Declaration of Trust and such other related documents which are referred to in the terms of the above documents or which relate to the issue of the Notes and the Certificates.

Pre-Acceleration Revenue Priority of Payments and Pre-Acceleration Principal Priority of Payments

Prior to the Note Trustee serving a Note Acceleration Notice on the Issuer pursuant to Condition 10 (*Events of Default*) of the Notes declaring the Notes to be immediately due and payable, or if no Notes remain outstanding, pursuant to Certificates Condition 9 (*Events of Default*) declaring the Certificates to be immediately due and payable, the Cash Manager (on behalf of the Issuer) shall apply monies standing to the credit of the relevant Deposit Account as described in "*Cashflows – Application of Available Revenue Receipts prior to the service of a Note Acceleration Notice on the Issuer*" and "*– Application of Available Principal Receipts prior to the service of a Note Acceleration Notice on the Issuer*".

Post-Acceleration Priority of Payments

After the Note Trustee has served a Note Acceleration Notice (which has not been withdrawn) on the Issuer pursuant to Condition 10 (*Events of Default*) of the Notes, declaring the Notes to be immediately due and payable, or if no Notes remain outstanding, pursuant to Certificates Condition 9 (*Events of Default*) declaring that any Class Y Certificates Payments and Residual Payments pursuant to the Certificates are immediately due and payable, the Security Trustee (or the Cash Manager on its behalf) shall apply the monies available in accordance with the Post-Acceleration Priority of Payments defined in "*Cashflows – Distribution of Available Funds following the service of a Note Acceleration Notice on the Issuer*".

The Security will become enforceable following the service of a Note Acceleration Notice on the Issuer pursuant to Condition 10 (*Events of Default*) of the Notes, or if no Notes remain outstanding, pursuant to Certificates Condition 9 (*Events of Default*), provided that, if the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes and/or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the holders of the Notes (other than the Class R Notes) and the Certificates (and all persons ranking in priority to the holders of the Notes and the Certificates), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the holders of the Notes and the Certificates (and all persons ranking in priority thereto).

The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer.

Governing Law

The Deed of Charge and any non-contractual obligations arising out of or in connection with it will be governed by English law provided that aspects relating to Scottish Loans and their Related Security will be construed in accordance with Scots law and the Scottish Supplemental Charge entered into pursuant thereto will be governed by Scots law, and provided that any terms of the Deed of Charge which are particular to the law of Northern Ireland shall be governed by and construed in accordance with Northern Irish law.

Trust Deed

On or about the Closing Date, the Issuer, the Security Trustee and the Note Trustee will enter into the Trust Deed pursuant to which the Issuer and the Note Trustee will agree that the Notes are subject to the provisions in the Trust Deed. The Conditions, the Certificates Conditions and the forms of the Notes and the Certificates are each constituted by (and set out in), the Trust Deed.

The Note Trustee will agree to hold the benefit of the Issuer's covenant to pay amounts due in respect of the Notes and the Certificates on trust for the Noteholders and the Certificateholders.

In accordance with the terms of the Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Trust Deed at the rate and times agreed between the Issuer and the Note Trustee together with the payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under or in connection with the Trust Deed and the other Transaction Documents.

Retirement of Note Trustee

The Note Trustee may retire at any time upon giving not less than 60 days' notice in writing to the Issuer without giving any reason and without being responsible for any liabilities by reason of such retirement. The holders of the Most Senior Class of Notes outstanding may by Extraordinary Resolution remove all trustees (but not some only) for the time being who are acting pursuant to the Trust Deed and the Deed of Charge. The retirement of the Note Trustee shall not become effective unless there remains a trustee (being a trust corporation) in office or until a successor trustee (being a trust corporation) is appointed after such retirement or being removed by Extraordinary Resolution. The Issuer will agree in the Trust Deed that, in the event of the sole trustee or the only trustee under the Trust Deed giving notice of its retirement, it shall use its best endeavours to procure a new trustee to be appointed as soon as practicable thereafter and if, after 60 days from the date the Note Trustee gives its notice of retirement, the Issuer is not able to find such replacement, the Note Trustee will be entitled to appoint a new trustee.

Governing Law

The Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Agency Agreement

On or prior to the Closing Date, the Issuer, the Note Trustee, the Principal Paying Agent, the Agent Bank, the Registrar and the Security Trustee will enter into the Agency Agreement pursuant to which provision will be made for, among other things, payment of principal and interest in respect of the Notes.

Governing Law

The Agency Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Cash Management Agreement

On the Closing Date, the Cash Manager, the Issuer, the Seller and the Security Trustee will enter into the Cash Management Agreement.

Cash Management Services to be Provided to the Issuer

Pursuant to the Cash Management Agreement, the Cash Manager will agree to provide certain cash management services to the Issuer and the Security Trustee. The Cash Manager's principal function will be effecting payments to and from the Deposit Account. In addition, the Cash Manager will, among other things:

(a) on each Interest Payment Date prior to the delivery of a Note Acceleration Notice, apply, or cause to be applied, Available Revenue Receipts, in accordance with the Pre-Acceleration Revenue Priority of Payments and Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments;

(b) on each Calculation Date determine if there would be a Liquidity Deficiency on the immediately following Interest Payment Date following the application of Available Revenue Receipts and,

where applicable, apply, or cause to be applied, Liquidity Reserve Fund Release Amounts to meet such Liquidity Deficiency;

(c) on each Calculation Date determine if there would be a Revenue Deficiency on the immediately following Interest Payment Date following the application of Revenue Receipts and Liquidity Reserve Fund Release Amounts and, where applicable, apply, or cause to be applied, General Reserve Fund Release Amounts to meet such Revenue Deficiency;

(d) on each Calculation Date determine if there would be a Remaining Revenue Deficiency on the immediately following Interest Payment Date following the application of Available Revenue Receipts, Liquidity Reserve Fund Release Amounts and General Reserve Fund Release Amounts and, where applicable, apply, or cause to be applied, Principal Addition Amounts to meet such Remaining Revenue Deficiency;

(e) on each Calculation Date, determine whether the immediately following Interest Payment Date will the Class B Notes Final Redemption Date, the Class G Notes Final Redemption Date, the Warranty Reserve Initial Asset Release Date (based on information provided to it by the Issuer), the Warranty Reserve Final Asset Release Date (based on information provided to it by the Issuer) or the Warranty Reserve Final Release Date;

(f) record credits to, and debits from, the Liquidity Reserve Fund Ledger, the General Reserve Fund Ledger, the Principal Deficiency Ledger, the Principal Ledger, the Revenue Ledger, the Issuer Profit Ledger and the Warranty Reserve Fund Ledger as and when required; and

(g) if required (i) during the Determination Period, calculate the Interest Determination Ratio, the Calculated Revenue Receipts and the Calculated Principal Receipts and (ii) following any Determination Period, upon and subject to receipt by the Cash Manager of the Servicer Reports in respect of such Determination Period, reconcile the calculations to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amounts in accordance with Condition 5.8(c) and Certificates Condition 5.8(c) and the Cash Management Agreement.

In addition, the Cash Manager will, among other things:

(a) maintain the following ledgers (the **Ledgers**) on behalf of the Issuer:

(i) the **Principal Ledger**, which shall record (i) as a credit, all Principal Receipts received by the Issuer and (ii) as a debit, the distribution of the Principal Receipts among the relevant ledgers and the distribution of Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments or the Post-Acceleration Priority of Payments (as applicable);

(ii) the **Revenue Ledger**, which shall record (i) as a credit all Revenue Receipts received by the Issuer and (ii) as a debit the distribution of the same in accordance with the Pre-Acceleration Revenue Priority of Payments or the Post-Acceleration Priority of Payments (as applicable) or by way of Third Party Amounts;

(iii) the **Liquidity Reserve Fund Ledger** which shall record (i) as a credit, all amounts credited to the Liquidity Reserve Fund from the proceeds of the issuance of the Notes and all amounts of Available Revenue Receipts credited thereto in accordance with the Pre-Acceleration Revenue Priority of Payments and (ii) as a debit, amounts withdrawn to meet a Liquidity Deficiency (subject to the relevant Liquidity Reserve Fund Condition being satisfied) and amounts withdrawn as Liquidity Reserve Fund Excess Amounts (see "*Credit Structure – Liquidity Reserve Fund and Liquidity Reserve Fund Ledger*");

(iv) the **General Reserve Fund Ledger** which shall record (i) as a credit, all amounts credited to the General Reserve Fund from the proceeds of the issuance of the Notes and all amounts of Available Revenue Receipts credited thereto in accordance with the Pre-Acceleration Revenue Priority of Payments and (ii) as a debit, amounts withdrawn to meet a Revenue Deficiency (subject to the relevant General Reserve Fund Condition being satisfied) and amounts withdrawn as General Reserve Fund Excess Amounts (see "*Credit Structure – General Reserve Fund and General Reserve Fund Ledger*");

(v) the **Principal Deficiency Ledger** (comprising seven sub-ledgers), which shall record on the Class A Principal Deficiency Sub-Ledger, Class B Principal Deficiency Sub-Ledger, the Class C Principal Deficiency Sub-Ledger, the Class D Principal Deficiency Sub-Ledger, the Class E Principal Deficiency Sub-Ledger, the Class F Principal Deficiency Sub-Ledger, the Class G Principal Deficiency Sub-Ledger as a debit, any Losses affecting Loans in the Portfolio and the use of any Available Principal Receipts as Principal Addition Amounts in accordance with item (a) of the Pre-Acceleration Principal Priority of Payments. The Principal Deficiency Ledger will record as a credit Available Revenue Receipts applied pursuant to items (e), (h), (j), (l), (n), (p), (q) and (t) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Principal Receipts) (see "*Credit Structure – Principal Deficiency Ledger*");

(vi) the **Warranty Reserve Fund Ledger** which shall record (i) as a credit, all amounts credited to the Warranty Reserve Fund from the proceeds of the issuance of the Notes on the Closing Date in an amount equal to the Warranty Reserve Initial Funding Amount and (ii) as debits amounts drawn to fund Warranty Payments (see "*Credit Structure – Warranty Reserve Fund*"); and

(vii) the **Issuer Profit Ledger** which shall record as a credit amounts retained by the Issuer as profit in accordance with the Pre-Acceleration Revenue Priority of Payments.

(b) calculate on each Calculation Date the amount of Available Revenue Receipts and Available Principal Receipts to be applied on the relevant Interest Payment Date;

(c) calculate on each Calculation Date whether there will be a Liquidity Deficiency and the amount of any Liquidity Reserve Fund Release Amounts and Liquidity Reserve Fund Excess Amounts to be applied;

(d) calculate on each Calculation Date whether there will be a Revenue Deficiency and the amount of any General Reserve Fund Release Amounts and General Reserve Fund Excess Amounts to be applied;

(e) calculate on each Calculation Date whether there will be a Remaining Revenue Deficiency and the amount of any Principal Addition Amounts to be applied;

(f) calculate the Majority Holder Option Purchase Price and the Retention Holder Option Purchase Price in accordance with the Deed Polls; and

(g) at the instruction of the Issuer, invest monies standing from time to time to the credit of the Deposit Account in Authorised Investments, subject to the following provisions:

(i) any such Authorised Investment shall be made in the name of the Issuer;

(ii) any costs properly incurred in making and changing Authorised Investments will be reimbursed to the Cash Manager by the Issuer; and

(iii) all income and other distributions arising on, or proceeds following the disposal or maturity of, Authorised Investments shall be credited to the Deposit Account.

Reporting

Subject to the terms of the Cash Management Agreement, the Cash Manager shall:

(a) assuming delivery by the Servicer of the Servicer Report by no later than the Servicer Reporting Date, prepare a quarterly investor report (the **Investor Report**) in the form of the investor report set out in the Cash Management Agreement and shall: (i) prepare and make available the Investor Report to the Issuer, the Security Trustee, the Seller, the Noteholders, the Certificateholders, EuroABS and the Rating Agencies by uploading the Investor Report to the Cash Manager Website, in each case on or before the relevant Interest Payment Date;

(b) assuming delivery by the Servicer of the Servicer Report by no later than the Servicer Reporting Date:

(i) prepare a quarterly investor report in respect of the relevant period in a form satisfactory to the Issuer as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the **UK SR Investor Report**); and

(ii) prepare a quarterly investor report in respect of the relevant period in a form satisfactory to the Issuer in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (the **EU SR Investor Report**),

and shall provide the UK SR Investor Report and the EU SR Investor Report to EuroABS (in the format agreed in writing between EuroABS, the Issuer and the Cash Manager from time to time) no later than 5 Business Days prior to the relevant Interest Payment Date to enable EuroABS to make available the UK SR Investor Report and the EU SR Investor Report to the holders of any Notes, relevant competent authorities and potential investors in the Notes on the relevant Interest Payment Date;

(c) provide reasonable assistance to the Issuer and the Corporate Services Provider by making available any such further information related to the Portfolio that the Reporting Entity or the Corporate Services Provider reasonably requests in connection with the information to be disclosed under Article 7(1) of the UK Securitisation Regulation or Article 7(1) of the EU Securitisation Regulation and shall provide the same to the Issuer and/or the Corporate Services Provider to the extent that the Cash Manager is capable of providing such information without additional cost or material administrative burden, or otherwise at the Issuer's cost.

Cash Manager Website means: https://pivot.usbank.com or such replacement website.

Remuneration of Cash Manager

The Cash Manager will be paid a fee for its cash management services under the Cash Management Agreement quarterly in arrears on each Interest Payment Date in the manner contemplated by and in accordance with the Pre-Acceleration Revenue Priority of Payments or, as the case may be, the Post-Acceleration Priority of Payments. If a replacement cash manager is appointed in accordance with the terms of the Cash Management Agreement, the Issuer shall pay the replacement cash manager for its services under the Cash Management Agreement a fee to be determined at the time of such appointment in accordance with the provisions of the Cash Management Agreement.

Termination of Appointment and Replacement of Cash Manager

In certain circumstances the Issuer and the Security Trustee will each have the right to terminate the appointment of the Cash Manager and the Issuer shall use reasonable endeavours to appoint a substitute (the identity of which will be subject to the Security Trustee's prior written approval). Any substitute cash manager will have substantially the same rights and obligations as the Cash Manager (although the fee payable to the substitute cash manager may be higher).

For the avoidance of doubt, if after using reasonable endeavours to enter into such a substitute cash management agreement, the Issuer is unable to find a suitable third party willing to act as a substitute cash manager, this shall not constitute any breach of the provisions of the Cash Management Agreement.

Liability of the Cash Manager

The Cash Manager will indemnify each of the Issuer and the Security Trustee on demand on an after-tax basis for any loss, liability, claim, expense or damage suffered or incurred by it in respect of the gross negligence, fraud or wilful default of the Cash Manager or any of its sub-contractors or delegates, in carrying out its functions as Cash Manager under the Cash Management Agreement or the other Transaction Documents to which the Cash Manager is a party (in its capacity as such).

Governing Law

The Cash Management Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Bank Account Agreement

Pursuant to the terms of the Bank Account Agreement entered into on or about the Closing Date between the Issuer, the Account Bank, the Cash Manager and the Security Trustee, the Issuer will maintain the Deposit Account with the Account Bank which will be operated in accordance with the Cash Management Agreement and the Deed of Charge.

If the Account Bank ceases to have any of the Account Bank Ratings, the Issuer and the Account Bank (or in the case of paragraph (a) below, the Issuer) shall within 30 days following the first day on which such downgrade occurred, either:

(a) close the Deposit Account held with the Account Bank and use all reasonable endeavours to open replacement accounts with a financial institution (a) having all of the Account Bank Ratings and (b) which is a bank as defined in Section 991 of the Income Tax Act 2007; or

(b) use all reasonable endeavours to obtain a guarantee of the obligations of such Account Bank under the Bank Account Agreement from a financial institution having all of the Account Bank Ratings; or

(c) take such other reasonable actions as may be required by the Issuer to ensure that the then current rating of the Rated Notes are not adversely affected by the Account Bank ceasing to have all of the Account Bank Ratings.

Governing Law

The Bank Account Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Account Bank Rating means

(a) in the case of S&P: a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 by S&P (if a short-term unsecured, unguaranteed and unsubordinated debt rating is assigned by S&P) and a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A by S&P, or should the Account Bank not benefit from a short-term unsecured, unguaranteed and unsubordinated debt rating of at least A-1 from S&P, a long-term unsecured, unguaranteed and unsubordinated debt rating of at least A+ by S&P;

(b) in the case of Fitch: a short term issuer default rating of at least F1 or a long-term issuer default rating (or deposit rating, if assigned) of at least A; or

(c) such other lower rating which is consistent with the then current rating methodology of the Rating Agencies in respect of the then current ratings of the Rated Notes.

Corporate Services Agreement

On or prior to the Closing Date, *inter alia*, the Issuer, the Corporate Services Provider, the Share Trustee, Holdings, the Seller and the Security Trustee will enter into the Corporate Services Agreement pursuant to which the Corporate Services Provider will provide the Issuer and Holdings with certain corporate and administrative functions against the payment of a fee. Such services include, *inter alia*, the performance of all general secretarial, registrar and company administration services for the Issuer and Holdings (including the provision of directors), the providing of the directors with information in connection with the Issuer and Holdings, financial services and the arrangement for the convening of shareholders' and directors' meetings.

The Corporate Services Provider has agreed that, without undue delay (i) upon receipt from the Issuer, the Servicer, the Cash Manager or the Master Servicer of any information required to be reported by the Issuer, (ii) upon itself becoming aware of any such information required to be reported by the Issuer and (iii) at the same time as any SR Investor Report and SR Data Tape is made available, pursuant to and in accordance with:

(a) Article 7(1)(g) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (such information **UK SR Significant Event Information**); or

(b) Article 7(1)(f) or Article 7(1)(g) of the EU Securitisation Regulation and the EU Article 7 Technical Standards (such information **EU SR Significant Event Information** and together with any UK SR Significant Event Information, **SR Significant Event Information**),

it will prepare the SR Significant Event Information in the format agreed with the Issuer and will provide such SR Significant Event Information to EuroABS for uploading to the Reporting Website (or shall itself upload such SR Significant Event Information to the Reporting Website) without delay.

The Corporate Services Provider will also provide reasonable assistance to the Issuer, the Cash Manager, the Servicer, the Master Servicer and EuroABS by making available any further information that the Issuer, the Cash Manager, the Servicer, the Master Servicer and/or EuroABS reasonably requests in connection with the information to be disclosed under Article 7(1) of the UK Securitisation Regulation or Article 7(1) of the EU Securitisation Regulation and shall provide the same to the Issuer, the Cash Manager, the Servicer, the Master Servicer and/or EuroABS to the extent that the Corporate Services Provider is capable of providing such information without additional cost or material administrative burden, or otherwise at the Issuer's cost.

Governing Law

The Corporate Services Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Regulatory Reporting Letter

The Issuer will enter into an engagement letter with EuroABS Limited (**EuroABS**) on or about the Closing Date in respect of certain regulatory reporting services to be provided by EuroABS (the **Regulatory Reporting Letter**).

Pursuant to the Regulatory Reporting Letter, EuroABS will covenant with the Issuer to:

(a) provide the Issuer with a secure website for the hosting of information to be made available in accordance with the Transaction Documents (the **Reporting Website**) and enable the Corporate Services Provider to upload documents (including, but not limited to, any SR Significant Event Information) directly to the Reporting Website;

(b) subject to receipt of the relevant loan level data from the Servicer prepare the UK SR Data Tape and the EU SR Data Tape in respect of each Collection Period and publish the same on the Reporting Website on the immediately following Interest Payment Date;

(c) subject to receipt of the UK SR Investor Report and the EU SR Investor Report from the Cash Manager, publish the same on the Reporting Website on the relevant Interest Payment Date; and

(d) subject to receipt of the Investor Reports from the Cash Manager, publish the same on the Reporting Website on the date of receipt from the Cash Manager.

EuroABS shall ensure that the Reporting Website is accessible to, inter alia, the Issuer, the Cash Manager, the Servicer, the Master Servicer, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes or the Certificates.

As at the date of this Prospectus, the Reporting Website address is:
https://www.euroabs.com/IH.aspx?d=15835.

Governing Law

The Regulatory Reporting Letter and any non-contractual obligations arising out of or in connection with it will be governed by English law.

CREDIT STRUCTURE

The Notes and the Certificates are obligations of the Issuer only. The Notes and the Certificates are not obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. In particular, the Notes and the Certificates are not obligations of, or the responsibility of, or guaranteed by, any of the Seller, the Co-Arrangers, the Master Servicer, the Servicer, the Back-up Servicer Facilitator, the Cash Manager, the Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Note Trustee, the Security Trustee, the Retention Holder, any company in the same group of companies as any such entities or any other party to the Transaction Documents. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes or the Certificates shall be accepted by any of the Seller, the Co-Arrangers, the Master Servicer, the Servicer, the Cash Manager, the Account Bank, the Principal Paying Agent, the Agent Bank, the Registrar, the Note Trustee, the Security Trustee, the Retention Holder or by any other person other than the Issuer.

The structure of the credit support arrangements may be summarised as follows:

1. Credit enhancement and liquidity support for the Notes provided by Available Revenue Receipts

It is anticipated that, during the life of the Notes, the interest payable by Borrowers on the Loans will, assuming that all of the Loans are fully performing, be sufficient so that the Available Revenue Receipts will be sufficient to pay the amounts payable under items (a) to (v) (inclusive) of the Pre-Acceleration Revenue Priority of Payments. The actual amount of any excess payable to the Class R Certificateholders under item (w) of the Pre-Acceleration Revenue Priority of Payments will vary during the life of the Notes. Two of the key factors determining such variation are the interest rates applicable to the Loans in the Portfolio (as to which, see "*Risks relating to the Structure—Interest Rate Risk*") and the performance of the Portfolio.

Available Revenue Receipts may be applied (after making payments or provisions ranking higher in the Pre-Acceleration Revenue Priority of Payments) on each Interest Payment Date in accordance with the Pre-Acceleration Revenue Priority of Payments, towards reducing any Principal Deficiency Ledger entries which may arise from Losses on the Portfolio.

To the extent that the amount of Available Revenue Receipts on each Interest Payment Date exceeds the aggregate of the payments and provisions required to be met under items (a) to (f) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, such excess is available to replenish the Liquidity Reserve Fund up to and including an amount equal to the Liquidity Reserve Fund Required Amount.

To the extent that the amount of Available Revenue Receipts on each Interest Payment Date exceeds the aggregate of the payments and provisions required to be met under items (a) to (q) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, such excess is available to replenish the General Reserve Fund up to and including an amount equal to the General Reserve Fund Required Amount.

On each Interest Payment Date on and following the Step-Up Date, to the extent that the amount of Available Revenue Receipts on such Interest Payment Date exceeds the aggregate of the payments and provisions required to be met under items (a) to (s) (inclusive) of the Pre-Acceleration Revenue Priority of Payments, such excess is available to be applied as Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments.

2. Liquidity Reserve Fund and Liquidity Reserve Fund Ledger

The Issuer will establish the liquidity reserve fund (the **Liquidity Reserve Fund**) on the Closing Date to provide liquidity for senior expenses, payments of the Class Y Certificates Payment Amount and interest due and payable on the Class A Notes and the Class B Notes.

The Liquidity Reserve Fund will be funded on the Closing Date by the proceeds of the Notes in an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes on the Closing Date and will be deposited in the Deposit Account. The Cash Manager shall maintain the Liquidity Reserve Fund Ledger in order to record the balance of and amounts credited to and debited from to the Liquidity Reserve Fund from time to time.

Prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date up to and excluding the Class B Notes Final Redemption Date, the Liquidity Reserve Fund will be replenished up to the Liquidity Reserve Fund Required Amount from Available Revenue Receipts (if any) available for such purpose in accordance with the Pre-Acceleration Revenue Priority of Payments.

Prior to the delivery of a Note Acceleration Notice, to the extent that there would be a Liquidity Deficiency on an Interest Payment Date after application of Available Revenue Receipts, an amount equal to the Liquidity Reserve Fund Release Amount shall be debited from the Liquidity Reserve Fund and applied to cure such Liquidity Deficiency (in the order of priority that the relevant items appear in the Pre-Acceleration Revenue Priority of Payments), subject to the relevant Liquidity Reserve Fund Conditions being met in relation to any such drawing, where applicable.

Prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date an amount equal to the Liquidity Reserve Fund Excess Amount (if any) will be debited from the Liquidity Reserve Fund and applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments.

On the Class B Notes Final Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund (after application of any Liquidity Reserve Fund Release Amounts) will be applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments.

Following delivery of a Note Acceleration Notice, all amounts standing to the credit of the Liquidity Reserve Fund will be applied in accordance with the Post-Acceleration Priority of Payments.

Class B Notes Final Redemption Date means the Interest Payment Date on which, following the application of Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and application of any Principal Addition Amounts in accordance with the Pre-Acceleration Principal Priority of Payments, the sum of Available Principal Receipts will be sufficient to redeem the Class B Notes in full.

Liquidity Deficiency means, on any Interest Payment Date, an amount equal to any shortfall in amounts available to pay items (a) to (d) and (f) of the Pre-Acceleration Revenue Priority of Payments following application of Available Revenue Receipts.

Liquidity Reserve Fund Condition means, in respect of any payment towards interest due on the Class B Notes, (a) the debit balance of the Class B Principal Deficiency Sub-Ledger is less than or equal to 25 per cent. of the Principal Amount Outstanding of the Class B Notes (taking into account any redemptions of the Class B Notes to be applied on the relevant Interest Payment Date) or (b) the Class B Notes are the Most Senior Class of Notes outstanding.

Liquidity Reserve Fund Excess Amount means, on each Interest Payment Date, the amount by which amounts standing to the credit of the Liquidity Reserve Fund (taking into account other

amounts to be credited to or debited from the Liquidity Reserve Fund on such Interest Payment Date) exceeds the Liquidity Reserve Fund Required Amount on such Interest Payment Date.

Liquidity Reserve Fund Release Amount means, on any Interest Payment Date, an amount equal to the lesser of (a) the amount standing to the credit of the Liquidity Reserve Fund (prior to any other amounts to be credited to or debited from the Liquidity Reserve Fund on such Interest Payment Date) and (b) the Liquidity Deficiency.

Liquidity Reserve Fund Required Amount means:

(a) on any Interest Payment Date falling prior to the Class B Notes Final Redemption Date, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes and the Class B Notes prior to the application of Available Principal Receipts on such Interest Payment Date; and

(b) on any Interest Payment Date falling on or after the Class B Notes Final Redemption Date, zero.

3. General Reserve Fund and General Reserve Fund Ledger

The Issuer will establish the general reserve fund (the **General Reserve Fund**) on the Closing Date to provide liquidity for senior expenses, payments of the Class Y Certificates Payment Amount, interest due and payable on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes and to cure deficits on the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger and/or the Class G Principal Deficiency Sub-Ledger.

The General Reserve Fund will be funded on the Closing Date by the proceeds of the Notes in an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes and will be deposited in the Deposit Account. The Cash Manager shall maintain the General Reserve Fund Ledger in order to record the balance of and amounts credited to and debited from to the General Reserve Fund from time to time.

Prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date up to and excluding the Class G Notes Final Redemption Date, the General Reserve Fund will be replenished up to the General Reserve Fund Required Amount from Available Revenue Receipts (if any) available for such purpose in accordance with the Pre-Acceleration Revenue Priority of Payments.

Prior to the delivery of a Note Acceleration Notice, to the extent that there would be a Revenue Deficiency on an Interest Payment Date after application of Available Revenue Receipts and application of any Liquidity Reserve Fund Release Amounts, an amount equal to the General Reserve Fund Release Amount shall be debited from the General Reserve Fund and applied to cure such Revenue Deficiency (in the order of priority that the relevant items appear in the Pre-Acceleration Revenue Priority of Payments), subject to the relevant General Reserve Fund Conditions being met in relation to any such drawing, where applicable.

Prior to the delivery of a Note Acceleration Notice, on each Interest Payment Date an amount equal to the General Reserve Fund Excess Amount (if any) will be debited from the General Reserve Fund and applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments.

On the Class G Notes Final Redemption Date, all amounts standing to the credit of the General Reserve Fund (after application of any General Reserve Fund Release Amounts) will be applied as Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments.

Following delivery of a Note Acceleration Notice, all amounts standing to the credit of the General Reserve Fund will be applied in accordance with the Post-Acceleration Priority of Payments.

Class G Notes Final Redemption Date means the Interest Payment Date on which, following the application of Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and application of any Principal Addition Amounts in accordance with the Pre-Acceleration Principal Priority of Payments, the sum of Available Principal Receipts together with amounts standing to the credit of the General Reserve Fund would be sufficient to redeem the Class G Notes in full on such Interest Payment Date.

Cumulative Defaults means, at any time, the Current Principal Balance of all Loans in respect of which the relevant Property has been repossessed.

General Reserve Fund Condition means:

(a) in respect of any payment towards interest due on the Class B Notes:

(i) the debit balance of the Class B Principal Deficiency Sub-Ledger is less than or equal to 25 per cent. of the Principal Amount Outstanding of the Class B Notes (taking into account any redemptions of the Class B Notes to be applied on the relevant Interest Payment Date); or

(ii) the Class B Notes are the Most Senior Class of Notes outstanding;

(b) in respect of any payment towards interest due on the Class C Notes:

(i) there is no debit balance of the Class C Principal Deficiency Sub-Ledger; or

(ii) the Class C Notes are the Most Senior Class of Notes outstanding;

(c) in respect of any payment towards interest due on the Class D Notes:

(i) there is no debit balance of the Class D Principal Deficiency Sub-Ledger; or

(ii) the Class D Notes are the Most Senior Class of Notes outstanding;

(d) in respect of any payment towards interest due on the Class E Notes:

(i) there is no debit balance of the Class E Principal Deficiency Sub-Ledger; or

(ii) the Class E Notes are the Most Senior Class of Notes outstanding; and

(e) in respect of any payment towards interest due on the Class F Notes:

(i) there is no debit balance of the Class F Principal Deficiency Sub-Ledger; or

(ii) the Class F Notes are the Most Senior Class of Notes outstanding.

General Reserve Fund Excess Amount means, on each Interest Payment Date, the amount by which amounts standing to the credit of the General Reserve Fund (taking into account other

amounts to be credited to or debited from the General Reserve Fund on such Interest Payment Date) exceeds the General Reserve Fund Required Amount on such Interest Payment Date.

General Reserve Fund Release Amount means, on any Interest Payment Date, an amount equal to the lesser of (a) the amount standing to the credit of the General Reserve Fund (prior to any other amounts to be credited to or debited from the General Reserve Fund on such Interest Payment Date) and (b) the Revenue Deficiency.

General Reserve Fund Required Amount means:

(a) on any Interest Payment Date falling prior to the Class G Notes Final Redemption Date:

(i) if a General Reserve Fund Trigger Event has not occurred on or prior to the Calculation Date immediately preceding such Interest Payment Date, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes prior to the application of Available Principal Receipts on such Interest Payment Date minus the Liquidity Reserve Fund Required Amount; and

(ii) if a General Reserve Fund Trigger Event has occurred on or prior to the Calculation Date immediately preceding such Interest Payment Date, an amount equal to 1.5 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes on the Interest Payment Date immediately preceding the date on which the General Reserve Fund Trigger Event occurred (prior to the application of Available Principal Receipts on such Interest Payment Date), minus the Liquidity Reserve Fund Required Amount; and

(b) on any Interest Payment Date falling on or after the Class G Notes Final Redemption Date, zero.

General Reserve Fund Trigger Event means the event that occurs if:

(a) the Notes (other than the Class R Notes) are not redeemed on the Step-Up Date in accordance with Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*); or

(b) Cumulative Defaults in respect of the Loans comprising the Portfolio are greater than 5 per cent. of the aggregate Current Principal Balance of the Loans comprised in the Portfolio as at the Cut-Off Date.

Revenue Deficiency means, on any Interest Payment Date, an amount equal to any shortfall in amounts available to pay items (a) to (f) and (h) to (q) of the Pre-Acceleration Revenue Priority of Payments following application of Available Revenue Receipts and Liquidity Reserve Fund Release Amounts.

4. Use of Principal Addition Amounts to pay Remaining Revenue Deficiency

On each Calculation Date prior to the delivery of a Note Acceleration Notice, the Cash Manager will calculate whether there will be a deficit on the immediately following Interest Payment Date in amounts available to pay items (a) to (d), (f), (i), (k), (m) and (o) of the Pre-Acceleration Revenue Priority of Payments taking into account Available Revenue Receipts and any Liquidity Reserve

Fund Release Amounts and General Reserve Fund Release Amounts to be applied on such Interest Payment Date (any such deficit, a **Remaining Revenue Deficiency**).

If there is a Remaining Revenue Deficiency, then pursuant to item (a) of the Pre-Acceleration Principal Priority of Payments, the Issuer can use Available Principal Receipts as Principal Addition Amounts to pay items (a) to (d) and (f), (i), (k), (m) and (o) of the Pre-Acceleration Revenue Priority of Payments, provided that (taking into account any such payment) the relevant Principal Addition Amount Conditions are satisfied. In meeting such Remaining Revenue Deficiency, Principal Addition Amounts will be applied against the relevant items in the order that they appear in the Pre-Acceleration Revenue Priority of Payments.

Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger, as described below.

Principal Addition Amount means, on any Interest Payment Date, an amount equal to the lesser of (a) the amount of Available Principal Receipts available for application on such Interest Payment Date in accordance with the Pre-Acceleration Principal Priority of Payments and (b) the Remaining Revenue Deficiency.

Principal Addition Amount Conditions mean:

(a) in respect of any payment towards interest due on the Class B Notes:

(i) the debit balance of the Class B Principal Deficiency Sub-Ledger being less than or equal to 25 per cent. of the Principal Amount Outstanding of the Class B Notes (taking into account any redemptions of the Class B Notes to be applied on the relevant Interest Payment Date); or

(ii) the Class B Notes are the Most Senior Class of Notes outstanding;

(b) in respect of any payment towards interest due on the Class C Notes, the Class C Notes are the Most Senior Class of Notes outstanding;

(c) in respect of any payment towards interest due on the Class D Notes, the Class D Notes are the Most Senior Class of Notes outstanding;

(d) in respect of any payment towards interest due on the Class E Notes, the Class E Notes are the Most Senior Class of Notes outstanding; and

(e) in respect of any payment towards interest due on the Class F Notes, the Class F Notes are the Most Senior Class of Notes outstanding.

5. Principal Deficiency Ledger

A Principal Deficiency Ledger will be established and will record (i) as a debit entry any Losses affecting the Loans in the Portfolio and the use of Available Principal Receipts as Principal Addition Amounts in accordance with item (a) of the Pre-Acceleration Principal Priority of Payments and (ii) as a credit entry the application of Available Revenue Receipts pursuant to items (e), (h), (j), (l), (n), (p), (q) and (t) of the Pre-Acceleration Revenue Priority of Payments (if any) (which amounts of Available Revenue Receipts shall, for the avoidance of doubt, thereupon be treated as Available Principal Receipts).

The Principal Deficiency Ledger will comprise seven sub-ledgers: the Class A Principal Deficiency Sub-Ledger (relating to the Class A Notes), the Class B Principal Deficiency Sub-Ledger (relating to the Class B Notes), the Class C Principal Deficiency Sub-Ledger (relating to the Class C Notes), the

Class D Principal Deficiency Sub-Ledger (relating to the Class D Notes), the Class E Principal Deficiency Sub-Ledger (relating to the Class E Notes), the Class F Principal Deficiency Sub-Ledger (relating to the Class F Notes) and the Class G Principal Deficiency Sub-Ledger (relating to the Class G Notes).

Any debits to be recorded to the Principal Deficiency Ledger will be recorded (a) first, to the Class G Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class G Notes; (c) second, to the Class F Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class F Notes; (d) third, to the Class E Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class E Notes; (e) fourth, to the Class D Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class D Notes; (f) fifth, to the Class C Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class C Notes; (g) sixth, to the Class B Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class B Notes; and (h) seventh, to the Class A Principal Deficiency Sub-Ledger up to an amount equal to the Principal Amount Outstanding of the Class A Notes.

Losses in any period will be calculated after applying any recoveries following enforcement of a Loan to outstanding fees and interest amounts due and payable on the relevant Loan.

Losses means the aggregate of (a) all realised losses on the Loans which are not recovered from the proceeds following the sale of the Property to which such Loan relates or, if later, upon completion of all relevant enforcement procedures; (b) any loss to the Issuer as a result of an exercise of any set-off by any Borrower in respect of its Loan and (c) without double counting and to the extent not already compensated for by the payment of an Asset Warranty Payment, all realised losses on any Loan in respect of which there has been a breach of Loan Warranty.

6. Warranty Reserve Fund

On the Closing Date, the Issuer will establish a warranty reserve fund (the **Warranty Reserve Fund**) funded from the proceeds of the Notes on the Closing Date in an amount equal to 2 per cent. of the Current Principal Balance of the Portfolio on the Cut-Off Date (the **Warranty Reserve Initial Funding Amount**). Amounts drawn from the Warranty Reserve Fund (**Warranty Payments**) will be available to:

(a) provide compensation for losses arising from a breach of Loan Warranty; and

(b) satisfy amounts due to the Sole Lead Manager under the Subscription Agreement arising from a breach of a Subscription Warranty.

The Issuer may invest the amounts standing to the credit of the Warranty Reserve Fund Ledger from time to time in Authorised Investments.

The Issuer will notify the Cash Manager prior to a Calculation Date, of any Warranty Payments to be debited from the Warranty Reserve Fund Ledger on the following Interest Payment Date.

On each Interest Payment Date prior to the Warranty Reserve Final Asset Release Date, if during the relevant Collection Period, a loss arising from a breach of Loan Warranty has been determined, subject to the Warranty Limitations an amount equal to the lesser of the balance of the Warranty Reserve Fund and such loss (the **Asset Warranty Payment**) will be debited from the Warranty Reserve Fund and will form part of Available Principal Receipts to be distributed on such Interest Payment Date.

On each Interest Payment Date, subject to the liability cap set out in the Subscription Agreement (the **Subscription Agreement Liability Cap**), the amount of any finally determined liability (a **Subscription Warranty Payment**) of the Issuer towards the Sole Lead Manager resulting from a breach by the Issuer or the Seller of a representation or warranty given by the Issuer or the Seller in favour of the Sole Lead Manager (a **Subscription Warranty**) will be debited from the Warranty Reserve Fund and will be payable to the Sole Lead Manager on such Interest Payment Date.

On the Warranty Reserve Initial Asset Release Date, the Warranty Reserve Initial Asset Release Amount will be applied to redeem the Class R Notes.

On the Warranty Reserve Final Asset Release Date, the Warranty Reserve Final Asset Release Amount will be applied to redeem the Class R Notes.

On the Warranty Reserve Final Release Date, all remaining amounts standing to the credit of the Warranty Reserve Fund Ledger, if any, will be applied to redeem the Class R Notes.

Warranty Reserve Final Asset Release Amount means an amount, if any, calculated on the Warranty Reserve Final Asset Release Date equal to the amount by which funds standing to the credit of the Warranty Reserve Fund exceed the Warranty Reserve Floor on such date (after the making of any Asset Warranty Payment on such date).

Warranty Reserve Final Asset Release Date means the first Interest Payment Date falling on or after the payment or discharge of any Outstanding Asset Warranty Claims.

Warranty Reserve Initial Asset Release Amount means an amount calculated on the Warranty Reserve Initial Asset Release Date equal to the amount by which funds standing to the credit of the Warranty Reserve Fund exceed the Warranty Reserve Floor on such date less (to the extent there are any unremedied breaches of Loan Warranty that have been notified by the Issuer to the Seller on or prior to the date falling 18 months after the date of the Mortgage Sale Agreement (such claims being **Outstanding Asset Warranty Claims**)) an amount equal to the aggregate of such Outstanding Asset Warranty Claims.

Warranty Reserve Initial Asset Release Date means the first Interest Payment Date falling 18 months after the date of the Mortgage Sale Agreement.

Warranty Reserve Final Release Date means the earlier of (i) any Early Redemption Date, (ii) the Interest Payment Date on which, following the application of Available Principal Receipts and Available Revenue Receipts on such Interest Payment Date, the Notes of each Class (other than the Class R Notes) would be redeemed in full and (iii) the date on which the Charged Assets have been realised in full and applied in accordance with the Post-Acceleration Priority of Payments.

Warranty Reserve Floor means £1,000,000.

7. Available Revenue Receipts and Available Principal Receipts

To the extent that the Available Revenue Receipts and Available Principal Receipts are sufficient on any Calculation Date, they shall be paid on the immediately following Interest Payment Date to the persons entitled thereto (or a relevant provision made) in accordance with the Pre-Acceleration Revenue Priority of Payments or the Pre-Acceleration Principal Priority of Payments, as applicable. It is not intended that any surplus will be accumulated in the Issuer, which for the avoidance of doubt does not include amounts which the Issuer expects to generate each accounting period as its profit in respect of the business of the Issuer, amounts standing to the credit of the General Reserve Fund Ledger or the Liquidity Reserve Fund Ledger.

If, on any Interest Payment Date while there are Notes outstanding, the Issuer has insufficient Available Revenue Receipts to pay the interest (other than on the Most Senior Class of Notes outstanding) then the Issuer will be entitled under Condition 17 (*Subordination by Deferral*) to defer payment of that amount (to the extent of the insufficiency) until the following Interest Payment Date. This will not constitute an Event of Default.

Failure to pay interest on the Most Senior Class of Notes outstanding within any applicable grace period in accordance with the Conditions shall constitute an Event of Default under the Notes which may result in the Security Trustee enforcing the Security.

CASHFLOWS

Definition of Revenue Receipts

Revenue Receipts means (a) payments of interest and other fees due and paid from time to time under the Loans (including any Early Repayment Fees) and other amounts received by the Issuer in respect of the Loans other than Principal Receipts, (b) recoveries of interest from defaulting Borrowers under Loans being enforced and (c) recoveries of interest and/or principal from defaulting Borrowers under Loans in respect of which the Servicer has determined in accordance with the Servicing Agreement that its enforcement procedures have been completed, subject in each case to the Mortgage Enforcement Allocation Conditions.

Mortgage Enforcement Allocation Conditions means the conditions which apply to the allocation of amounts received from a Borrower (including any amounts received as a result of repossessions or other recoveries) where the amount recovered is insufficient to pay all amounts due in respect of the Loan. Such amounts shall be applied as (i) principal, and such amounts shall be included in Principal Receipts, (ii) interest, and such amounts shall be included in Revenue Receipts, and (iii) as fees due from time to time under the Loans, and such amounts shall be included in Revenue Receipts.

Definition of Available Revenue Receipts

Available Revenue Receipts means, for each Interest Payment Date, an amount equal to the aggregate of (without double-counting):

(a) Revenue Receipts received during the immediately preceding Collection Period or, if in a Determination Period, Calculated Revenue Receipts in such Determination Period, in each case, excluding any Reconciliation Amounts to be applied as Available Principal Receipts on that Interest Payment Date;

(b) interest payable to the Issuer on the Deposit Account and income from any Authorised Investments in each case to be received on the Interest Payment Date;

(c) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Principal Receipts;

(d) on each Interest Payment Date up to but excluding the Class B Notes Final Redemption Date, the Liquidity Reserve Fund Excess Amount;

(e) on the Class B Notes Final Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund (after applying any Liquidity Reserve Fund Release Amounts);

(f) on each Interest Payment Date up to but excluding the Class G Notes Final Redemption Date, the General Reserve Fund Excess Amount;

(g) following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 5.8(c) and Certificates Condition 5.8(c);

(h) any Available Principal Receipts to be applied as Available Revenue Receipts pursuant to item (i) of the Pre-Acceleration Principal Priority of Payments;

less:

(i) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties instructed to the Cash Manager by

the Servicer (including the Servicer, the Master Servicer, the Seller and the Cash Manager) such as (but not limited to):

(i) certain costs and expenses charged by the Servicer in respect of its servicing of the Loans, other than any Servicing Fee and not otherwise covered by the items below;

(ii) any service charge, ground rent, insurance premium or additional amounts paid by the Servicer, which such payment is necessary in order to maintain and protect the value of any property secured by a Mortgage contained within the Portfolio;

(iii) payments of certain insurance premiums provided that such cash amounts have been paid by the relevant Borrower and form part of Revenue Receipts;

(iv) amounts under a direct debit which are repaid to the bank making the payment if such bank is unable to recoup such amount itself from its customer's account;

(v) any amount received from a Borrower for the express purpose of payment being made to a third party for the provision of a service to that Borrower or the Seller; and

(vi) any Insurance Premium Amounts,

(items within items (i) being collectively referred to herein as **Third Party Amounts**). Third Party Amounts may be deducted by the Cash Manager on a daily basis from the Deposit Account to make payment to the persons entitled thereto except where such payments have already been provided for elsewhere).

Application of Monies released from the Liquidity Reserve Fund

Prior to service of a Note Acceleration Notice on the Issuer, (i) the Liquidity Reserve Fund Excess Amount will be applied on each Interest Payment Date as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and (ii) an amount equal to the Liquidity Reserve Fund Release Amount will be applied on each Interest Payment Date up to and including the Class B Notes Final Redemption Date, following the application of Available Revenue Receipts, to meet any Liquidity Deficiency existing on such Interest Payment Date in the order the relevant items appear in the Pre-Acceleration Revenue Priority of Payments, subject to the relevant Liquidity Reserve Fund Conditions being met in relation to such application, where applicable.

On the Class B Notes Final Redemption Date, all amounts standing to the credit of the Liquidity Reserve Fund (after first having applied any Liquidity Reserve Fund Release Amounts in meeting any Liquidity Deficiency on such date and recording such amount as a debit on the Liquidity Reserve Fund Ledger) will be applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments.

Following service of a Note Acceleration Notice on the Issuer, all amounts standing to the credit of the Liquidity Reserve Fund will be applied in accordance with the Post-Acceleration Priority of Payments.

Application of Monies released from the General Reserve Fund

Prior to service of a Note Acceleration Notice on the Issuer, (i) the General Reserve Fund Excess Amount will be applied on each Interest Payment Date as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments and (ii) an amount equal to the General Reserve Fund Release Amount will be applied on each Interest Payment Date up to and including the Class G Notes Final Redemption Date, following the application of Available Revenue Receipts and any Liquidity Reserve Fund Release Amounts, to meet any Revenue Deficiency existing on such Interest Payment Date in the order the

relevant items appear in the Pre-Acceleration Revenue Priority of Payments, subject to the relevant General Reserve Fund Conditions being met in relation to such application, where applicable.

On the Class G Notes Final Redemption Date, all amounts standing to the credit of the General Reserve Fund (after first having applied any General Reserve Fund Release Amounts in meeting any Revenue Deficiency on such date and recording such amount as a debit on the General Reserve Fund Ledger) will be applied as Available Principal Receipts in accordance with the Pre-Acceleration Principal Priority of Payments.

Following service of a Note Acceleration Notice on the Issuer, all amounts standing to the credit of the General Reserve Fund will be applied in accordance with the Post-Acceleration Priority of Payments.

Application of Principal Addition Amounts to pay Remaining Revenue Deficiency

Prior to service of a Note Acceleration Notice on the Issuer and subject to the satisfaction of the relevant Principal Addition Amount Conditions, to the extent there would be a Remaining Revenue Deficiency on an Interest Payment Date following the application of Available Revenue Receipts, Liquidity Reserve Fund Release Amounts and General Reserve Fund Release Amounts, the Issuer shall apply Principal Addition Amounts pursuant to item (a) of the Pre-Acceleration Principal Priority of Payments to meet any such Remaining Revenue Deficiency (with such amounts applied against the relevant items in the order that they appear in the Pre-Acceleration Revenue Priority of Payments). Any Available Principal Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger.

Application of Available Revenue Receipts prior to the service of a Note Acceleration Notice on the Issuer

On each relevant Interest Payment Date prior to the service of a Note Acceleration Notice by the Note Trustee on the Issuer, the Cash Manager, on behalf of the Issuer, shall apply or provide for the application of the Available Revenue Receipts in the following order of priority (in each case, subject to any relevant provisos set out in the definition of Available Revenue Receipts, only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Pre-Acceleration Revenue Priority of Payments**) (unless the Interest Payment Date is also an Early Redemption Date, in which case Available Revenue Receipts shall be applied in accordance with the Post-Acceleration Priority of Payments):

(a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any fees, costs, charges, liabilities, expenses and all other amounts then due or to become due and payable in the immediately succeeding Interest Period to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents together with (if payable) value added tax (**VAT**) thereon as provided therein; and

(ii) any fees, costs, charges, liabilities, expenses and all other amounts then due or to become due and payable in the immediately succeeding Interest Period to the Security Trustee and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) to pay the Issuer an amount equal to £250 on each Interest Payment Date to be retained by the Issuer as profit in respect of the business of the Issuer;

(ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Seller or the Legal Title Holder under the provisions of any Transaction Document, together with (if applicable) VAT thereon as provided therein;

(iii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to Agent Bank, the Registrar and the Principal Paying Agent under the provisions of the Agency Agreement and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;

(iv) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Cash Manager under the provisions of the Cash Management Agreement and the other Transaction Documents, together with VAT (if payable) thereon as provided therein;

(v) any fees, costs, charges, liabilities, expenses and all other amounts (but excluding any Servicing Fee, any Servicer Make-Whole Fee and any Servicing Transition Costs) then due and payable by the Issuer to the Servicer under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(vi) any costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Master Servicer under the provisions of the Master Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(vii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Back-up Servicer Facilitator under the provisions of the Master Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(viii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Corporate Services Provider under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;

(ix) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Account Bank under the provisions of the Account Bank Agreement, together with (if applicable) VAT thereon as provided therein; and

(x) any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period and any amounts required to pay or discharge any liability of the Issuer for corporation tax on any income or chargeable gain of the Issuer to the extent only that such liability to tax is not capable of being satisfied out of amounts retained by the Issuer under item (b)(i) above);

(c) *third*, to pay, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any Servicing Fee, Servicer Make-Whole Fee and any Servicing Transition Costs then due and payable by the Issuer to the Servicer under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein; and

(ii) the Class Y Certificate Payment due and payable on the Class Y Certificates;

(d) *fourth*, 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 A Notes;

(e) *fifth*, (so long as the Class A Notes are outstanding on such Interest Payment Date), to credit the Class A Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);

(f) *sixth*, 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;

(g) *seventh*, (prior to and excluding the Class B Notes Final Redemption Date), to credit the Liquidity Reserve Fund up to the Liquidity Reserve Fund Required Amount;

(h) *eighth*, (so long as the Class B Notes are outstanding on 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 Principal Receipts);

(i) *ninth*, 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;

(j) *tenth*, (so long as the Class C Notes are outstanding on 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 Principal 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 D Notes;

(l) *twelfth*, (so long as the Class D Notes are outstanding on 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 Principal 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 E Notes;

(n) *fourteenth*, (so long as the Class E Notes are outstanding on 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 Principal 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 F Notes;

(p) *sixteenth*, (so long as the Class F Notes are outstanding on such Interest Payment Date), to credit the Class F Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts);

(q) *seventeenth*, (so long as the Class G Notes will remain outstanding following such Interest Payment Date), to credit the Class G Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Principal Receipts)

(r) *eighteenth*, (prior to and excluding the Class G Notes Final Redemption Date), to credit the General Reserve Fund up to the General Reserve Fund Required Amount;

(s) *nineteenth*, to pay any amounts due to the Co-Arrangers and the Sole Lead Manager under the Subscription Agreement, subject to the Subscription Agreement Liability Cap and to the extent such amounts have not otherwise been satisfied by way of Subscription Warranty Payment;

(t) *twentieth*, on any Interest Payment Date on or after the Step-Up Date, while the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class G Notes are outstanding, an amount equal to the lesser of:

(i) all remaining Available Revenue Receipts; and

(ii) the amount required by the Issuer, together with any Available Principal Receipts available to be applied on such Interest Payment Date, to redeem the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class G Notes in full,

such amount to be applied as Available Principal Receipts;

(u) *twenty-first*, to pay, *pro rata* and *pari passu* interest due and payable on the Class X Notes;

(v) *twenty-second*, in or towards repayment *pro rata* and *pari passu* of principal amounts outstanding on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;

(w) *twenty-third*, any excess amounts *pro rata* and *pari passu* to the holders of the Class R Certificates.

As used in this Prospectus:

Accrued Interest means in respect of a Loan as at any date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the monthly payment date immediately preceding the relevant date to (but excluding) the relevant date.

Appointee means any attorney, manager, agent, delegate, nominee, Receiver, receiver and manager, custodian or other person properly appointed or employed by the Note Trustee under the Trust Deed or the Security Trustee under the Deed of Charge (as applicable) to discharge any of its functions.

Arrears of Interest means as at any date in respect of any Loan, the aggregate of all interest (other than Capitalised Interest or Accrued Interest) on that Loan which is currently due and payable and unpaid on that date.

Borrower Redemption Fee means the standard redemption fee charged to the Borrower by the Seller where the Borrower makes a repayment of the full outstanding principal of a Loan on the maturity date of such Loan.

Capitalised Interest means, for any Loan at any date, interest which is overdue in respect of that Loan and which as at that date has been added to the Current Principal Balance of that Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower (excluding for the avoidance of doubt any Arrears of Interest which have not been so capitalised on that date).

Early Repayment Fee means any fee (other than a Borrower Redemption Fee) which a Borrower is required to pay in the event that the Borrower is in default or his or her Loan becomes repayable for any other mandatory reason or he or she repays all or any part of the relevant Loan before a specified date in the Mortgage Conditions.

Insurance Premium Amounts means an amount equal to the *pro rata* share of any cost of contingent insurance premium taken out by the Seller or the Servicer, as applicable, in respect of the Loans.

Interest Period means, in relation to a Note, the period from (and including) an Interest Payment Date for that Note (except in the case of the first Interest Period for the Notes, where it shall be the period from (and including) the Closing Date) to (but excluding) the next succeeding or first Interest Payment Date.

Definition of Principal Receipts

Principal Receipts means (a) principal repayments under the Loans (including payments of arrears, Capitalised Interest and Capitalised Expenses and Capitalised Arrears), (b) recoveries of principal from defaulting Borrowers under Loans being enforced (including the proceeds of sale of the relevant Property), (c) any payment pursuant to any insurance policy in respect of a mortgaged property in connection with a Loan in the Portfolio, (d) the proceeds of the repurchase of any Loan by the Seller or the Option Holder from the Issuer pursuant to the Mortgage Sale Agreement (including, for the avoidance of doubt, amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant repurchase date), and (e) the sale proceeds received by the Issuer on a sale of the Loans pursuant to either a Majority Holder Option Sale or a Retention Holder Option Sale (in each case minus any costs and expenses incurred in respect of the relevant sale).

Capitalised Arrears means, in relation to a Loan, at any date, amounts which are overdue in respect of that Loan and which as at that date have been included in the Current Principal Balance of the Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower.

Capitalised Expenses means, in relation to a Loan, the amount of all expenses charges, fees, premiums or payments capitalised and included in the Current Principal Balance in respect of such Loan in accordance with the relevant Mortgage Conditions.

Definition of Available Principal Receipts

Available Principal Receipts means for any Interest Payment Date an amount equal to the aggregate of (without double counting):

(a) all Principal Receipts or, if in a Determination Period, any Calculated Principal Receipts, in each case excluding an amount equal to any Reconciliation Amounts to be applied as Available Revenue Receipts on that Interest Payment Date and received by the Issuer during the immediately preceding Collection Period;

(b) the amounts (if any) calculated on that Interest Payment Date by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class B Principal Deficiency Sub-Ledger and/or the Class C Principal Deficiency Sub-Ledger and/or the Class D Principal Deficiency Sub-Ledger and/or the Class E Principal Deficiency Sub-Ledger and/or the Class F Principal Deficiency Sub-Ledger and/or the Class G Principal Deficiency Sub-Ledger is reduced pursuant to items (e), (h), (j), (l), (n), (p) and (q) of the Pre-Acceleration Revenue Priority of Payments;

(c) on any Interest Payment Date falling on or after the Step-Up Date, any Available Revenue Receipts to be applied as Available Principal Receipts pursuant to item (t) of the Pre-Acceleration Revenue Priority of Payments;

(d) on the Class G Notes Final Redemption Date, all amounts standing to the credit of the General Reserve Fund (after having applied any General Reserve Fund Release Amounts to meet a Revenue Deficiency);

(e) following a Determination Period, any Reconciliation Amounts deemed to be Available Principal Receipts in accordance with Condition 5.8(c) and Certificates Condition 5.8(c);

(f) amounts debited from the Warranty Reserve Fund to make an Asset Warranty Payment; and

(g) (in respect of the first Interest Payment Date only) an amount equal to the difference between (i) the aggregate of the proceeds of the Notes minus (X) any amounts credited to the Liquidity Reserve Fund, the General Reserve Fund and the Warranty Reserve Fund on the Closing Date and (Y) any fees and expenses of the Issuer to be paid on the Closing Date and (ii) the Initial Consideration.

Application of Available Principal Receipts prior to the service of a Note Acceleration Notice on the Issuer

Prior to the service of a Note Acceleration Notice on the Issuer, the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Principal Receipts on each Interest Payment Date in the following order of priority (the **Pre-Acceleration Principal Priority of Payments**) (in each case only if and to the extent that payments or provisions of higher priority have been paid in full) (unless the Interest Payment Date is also an Early Redemption Date or an Early Redemption Date, in which case Available Principal Receipts shall be applied in accordance with the Post-Acceleration Priority of Payments):

(a) *first*, any Principal Addition Amounts to be applied to meet any Remaining Revenue Deficiency, subject to the relevant Principal Addition Amount Conditions being satisfied;

(b) *second*, in or towards repayment *pro rata* and *pari passu* of principal amounts outstanding on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;

(c) *third*, in or towards repayment *pro rata* and *pari passu* of principal amounts outstanding on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;

(d) *fourth*, in or towards repayment *pro rata* and *pari passu* of principal amounts outstanding on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;

(e) *fifth*, in or towards repayment *pro rata* and *pari passu* of principal amounts outstanding on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;

(f) *sixth*, in or towards repayment *pro rata* and *pari passu* of principal amounts outstanding on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;

(g) *seventh*, in or towards repayment *pro rata* and *pari passu* of principal amounts outstanding on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero;

(h) *eighth*, in or towards repayment *pro rata* and *pari passu* of principal amounts outstanding on the Class G Notes until the Principal Amount Outstanding on the Class G Notes has been reduced to zero; and

(i) *ninth*, any excess amounts to be applied as Available Revenue Receipts in accordance with the Pre-Acceleration Revenue Priority of Payments.

Distribution of Available Funds following the service of a Note Acceleration Notice on the Issuer

Following the service of a Note Acceleration Notice (which has not been revoked) on the Issuer or on an Interest Payment Date which is also an Early Redemption Date, the Security Trustee (or the Cash Manager on its behalf) will apply amounts received or recovered following the service of a Note Acceleration Notice

on the Issuer (including, for the avoidance of doubt, on enforcement of the Security) or, where the Interest Payment Date is an Early Redemption Date, the Cash Manager will apply all amounts available to the Issuer (including all amounts standing to the credit of the General Reserve Fund and the Liquidity Reserve Fund but excluding amounts standing to the credit of the Warranty Reserve Fund) in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the **Post-Acceleration Priority of Payments** and, together with the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments, the **Priority of Payments**):

(a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any fees, costs, charges, liabilities, expenses and all other amounts then due or to become due and payable in the immediately succeeding Interest Period to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents together with (if payable) value added tax (**VAT**) thereon as provided therein; and

(ii) any fees, costs, charges, liabilities, expenses and all other amounts then due or to become due and payable in the immediately succeeding Interest Period to the Security Trustee and any Appointee under the provisions of the Deed of Charge and the other Transaction Documents together with (if payable) VAT thereon as provided therein;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Seller or the Legal Title Holder under the provisions of any Transaction Document, together with (if applicable) VAT thereon as provided therein;

(ii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Agent Bank, the Registrar and the Principal Paying Agent under the provisions of the Agency Agreement and the other Transaction Documents, together with (if payable) VAT thereon as provided therein;

(iii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Cash Manager under the provisions of the Cash Management Agreement and the other Transaction Documents, together with VAT (if payable) thereon as provided therein;

(iv) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Corporate Services Provider under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein; and

(v) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Account Bank under the provisions of the Account Bank Agreement, together with (if applicable) VAT thereon as provided therein;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Servicer under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(ii) any costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Master Servicer under the provisions of the Master Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(iii) any fees, costs, charges, liabilities, expenses and all other amounts then due and payable by the Issuer to the Back-up Servicer Facilitator under the provisions of the Master Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(iv) the Class Y Certificate Payment due and payable on the Class Y Certificates;

(d) *fourth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof interest and principal due and payable on the Class A Notes until the Principal Amount Outstanding on the Class A Notes has been reduced to zero;

(e) *fifth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof interest and principal due and payable on the Class B Notes until the Principal Amount Outstanding on the Class B Notes has been reduced to zero;

(f) *sixth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof interest and principal due and payable on the Class C Notes until the Principal Amount Outstanding on the Class C Notes has been reduced to zero;

(g) *seventh*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof interest and principal due and payable on the Class D Notes until the Principal Amount Outstanding on the Class D Notes has been reduced to zero;

(h) *eighth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof interest and principal due and payable on the Class E Notes until the Principal Amount Outstanding on the Class E Notes has been reduced to zero;

(i) *ninth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof interest and principal due and payable on the Class F Notes until the Principal Amount Outstanding on the Class F Notes has been reduced to zero;

(j) *tenth*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof principal due and payable on the Class G Notes until the Principal Amount Outstanding on the Class G Notes has been reduced to zero;

(k) *eleventh*, to pay *pro rata* and *pari passu* according to the respective outstanding amounts thereof interest and principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;

(l) *twelfth*, to pay any amounts due to the Co-Arrangers and the Sole Lead Manager under the Subscription Agreement, subject to the Subscription Agreement Liability Cap and to the extent such amounts have not otherwise been satisfied by way of Subscription Warranty Payment;

(m) *thirteenth*, to pay the Issuer an amount equal to £250 to be retained by the Issuer as profit in respect of the business of the Issuer;

(n) *fourteenth*, to pay any amounts due and payable by the Issuer to third parties and incurred without breach by the Issuer of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and any amounts necessary to provide for any such amounts expected to become due and payable by the Issuer in the immediately succeeding Interest Period and any amounts required to pay or discharge any liability of the Issuer for corporation tax on any

income or chargeable gain of the Issuer, to the extent only that such liability to tax is not capable of being satisfied out of amounts retained by the Issuer under item (m) above; and

(o) *fifteenth*, any excess amounts *pro rata* and *pari passu* to the holders of the Class R Certificates.

DESCRIPTION OF THE GLOBAL NOTES AND GLOBAL CERTIFICATES

General

As at the Closing Date each Class of Notes will be represented by a global note certificate (each a **Global Note** and each of Class of Certificates will be represented by a Global Certificate (each a **Global Certificate**). All capitalised terms not defined in this section shall be as defined in the Conditions of the Notes.

The Global Notes and the Global Certificate will be registered in the name of the nominee for the Common Safekeeper for both Euroclear and Clearstream, Luxembourg. The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the owner of the Global Note or Global Certificate, as applicable.

Upon confirmation by the Common Safekeeper that it has custody of the Global Notes and Global Certificates, Euroclear or Clearstream, Luxembourg, as the case may be, will record in book-entry form interests representing beneficial interests in the Global Notes and Global Certificates attributable thereto (**Book-Entry Interests**).

Book-Entry Interests in respect of each Global Note will be recorded in denominations of £100,000 and higher integral multiples of £1,000 (an **Authorised Denomination**).

Ownership of Book-Entry Interests is limited to persons that have accounts with Euroclear or Clearstream, Luxembourg (**Participants**) or persons that hold interests in the Book-Entry Interests through Participants (**Indirect Participants**), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg, either directly or indirectly. Indirect Participants shall also include persons that hold beneficial interests through such Indirect Participants. Book-Entry Interests will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective Book-Entry Interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. The accounts initially credited will be designated by the Co-Arrangers. Ownership of Book-Entry Interests will be shown on, and transfers of Book-Entry Interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their Participants) and on the records of Participants or Indirect Participants (with respect to the interests of Indirect Participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge Book-Entry Interests.

So long as a nominee for the Common Safekeeper is the registered holder of the relevant Global Note or Global Certificate, as applicable, underlying the Book-Entry Interests, the nominee for the Common Safekeeper will be considered the sole Noteholder of the Global Note or Certificateholder of the Global Certificate, as applicable, for all purposes under the Trust Deed. Except as set forth under "*– Issuance of Registered Definitive Notes and Registered Definitive Certificates*" below, Participants or Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes or Certificates in definitive registered form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of Notes or Certificates under the Trust Deed. See "*– Action in Respect of the Global Notes or Global Certificates and the Book-Entry Interests*" below.

Unlike legal owners or holders of the Notes or Certificates, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders or Certificateholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be, and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Registered Definitive Notes or Registered Definitive Certificates are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

In the case of a Global Note or a Global Certificate, unless and until Book-Entry Interests are exchanged for Registered Definitive Notes or Registered Definitive Certificates, the Global Note or Global Certificate held by the Common Safekeeper may not be transferred except as a whole by the Common Safekeeper to a successor of the Common Safekeeper.

Purchasers of Book-Entry Interests in a Global Note or Global Certificate will hold Book-Entry Interests in the Global Note or Global Certificate relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note or a Global Certificate directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set forth under "– *Transfers and Transfer Restrictions*" below), if they are account holders in such systems, or indirectly through organisations which are account holders in such systems. Euroclear and Clearstream, Luxembourg will hold Book-Entry Interests in the Global Note or Global Certificate on behalf of their account holders through securities accounts in the respective account holders' names on Euroclear's and Clearstream, Luxembourg's respective book-entry registration and transfer systems.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Co-Arrangers, the Note Trustee, the Security Trustee or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants or account holders of their respective obligations under the rules and procedures governing their operations.

Payments on the Global Notes and Global Certificates

Payment of principal and interest on, and any other amount due in respect of, the Global Notes or Global Certificates will be made in Sterling by or to the order of Elavon Financial Services DAC (the **Principal Paying Agent**) on behalf of the Issuer to the order of the Common Safekeeper or its nominee as the registered holder thereof with respect to the Global Notes or Global Certificates. Each holder of Book-Entry Interests must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of any amounts paid by or on behalf of the Issuer to the order of the Common Safekeeper or their nominees in respect of those Book-Entry Interests. All such payments will be distributed without deduction or withholding for or on account of any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer, the Principal Paying Agent nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Book-Entry Interests as shown in the records of

Euroclear or Clearstream, Luxembourg. On each record date (the **Record Date**) Euroclear and Clearstream, Luxembourg will determine the identity of the Noteholders or Certificateholders for the purposes of making payments to the Noteholders and Certificateholders. The Record Date in respect of the Notes or the Certificates, (i) where the Notes or the Certificates are in global registered form, shall be at the close of the Business Day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) prior to the relevant Interest Payment Date and (ii) where the Notes or the Certificates are in definitive registered form, shall be the date falling 15 days prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Book-Entry Interests held through such Participants or Indirect Participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants or Indirect Participants. None of the Issuer, any agent of the Issuer, the Co-Arrangers, the Note Trustee or the Security Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of a Participant's ownership of Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Book-Entry Interests.

Information Regarding Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg have advised the Issuer as follows:

Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from a lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depositary and custodial relationships. The respective systems of Euroclear and of Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if any of the Issuer, the Note Trustee or the Security Trustee requests any action of owners of Book-Entry Interests or if an owner of a Book-Entry Interest desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed or the Deed of Charge, Euroclear or Clearstream, Luxembourg as the case may be, would authorise the Participants owning the relevant Book-Entry Interests to give instructions or take such action, and such Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Redemption of Global Notes

In the event that a Global Note (or portion thereof) is redeemed, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the order of the Common Safekeeper and, upon final payment, will surrender such Global Note (or portion thereof) to or to the order of the Principal Paying Agent for cancellation. Appropriate entries will be made in the Register. The redemption price payable in connection with the redemption of Book-Entry Interests will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of the Global Note in part, selection of the relevant Book-Entry Interest relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such basis as Euroclear or Clearstream, Luxembourg, as the case may be, deems fair and appropriate). Upon any redemption in part, the Principal Paying Agent will mark down the schedule to such Global Note by the principal amount so redeemed.

Cancellation of Global Notes and Global Certificates

Cancellation of any Note represented by a Global Note and required by the Conditions, or any Certificate represented by a Global Certificate and required by the Certificates Conditions, to be cancelled following its redemption will be effected by endorsement by or on behalf of the Principal Paying Agent of the reduction in the principal amount of the relevant Global Note, or cancellation of the relevant Global Certificate, on the relevant schedule thereto and the corresponding entry on the Register.

Transfers and Transfer Restrictions

All transfers of Book-Entry Interests will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants. See "– *General*" above.

Issuance of Registered Definitive Notes and Registered Definitive Certificates

Holders of Book-Entry Interests in a Global Note or a Global Certificate will be entitled to receive Definitive Notes or Definitive Certificates in registered form (**Registered Definitive Notes** or **Registered Definitive Certificates**, as applicable in exchange for their respective holdings of Book-Entry Interests if (a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business and do so cease to do business and no alternative clearing system satisfactory to the Note Trustee is available or (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration by a revenue authority or a court or in the administration of such laws or regulations which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes or Certificates which would not be required were the Notes or Certificates in definitive registered form. Any Registered Definitive Notes or Registered Definitive Certificates issued in exchange for Book-Entry Interests in the Global Note or the Global Certificate will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, as the case may be. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their Participants with respect to ownership of the relevant Book-Entry Interests. Holders of Registered Definitive Notes or Registered Definitive Certificates issued in exchange for Book-Entry Interests in the Global Note or the Global Certificate will not be entitled to exchange such Registered Definitive Note or Registered Definitive Certificate for Book-Entry Interests in such Global Note or the Global Certificate. Any Notes or Certificates issued in definitive form will be issued in registered form only and will be subject to the provisions set forth under "– *Transfers and Transfer Restrictions*" above and provided that no transfer shall be registered for a period of 15 days immediately preceding any due date for payment in respect of the Note or Certificate or, as the case may be (in the case of Notes), the due date

for redemption. Registered Definitive Notes will not be issued in a denomination that is not an integral multiple of the minimum Authorised Denomination. See "*Risk Factors-Definitive Notes and denominations in integral multiples*" above.

Action in Respect of the Global Notes or Global Certificates and the Book-Entry Interests

Not later than ten days after receipt by the Issuer of any notices in respect of a Global Note or a Global Certificate or any notice of solicitation of consents or requests for a waiver or other action by the holder of such Global Note or Global Certificate, the Issuer will deliver to Euroclear and Clearstream, Luxembourg a notice containing (a) such information as is contained in such notice, (b) a statement that at the close of business on a specified record date Euroclear and Clearstream, Luxembourg will be entitled to instruct the Issuer as to the consent, waiver or other action, if any, pertaining to the Book-Entry Interests or the Global Note or Global Certificate and (c) a statement as to the manner in which such instructions may be given. Upon the written request of Euroclear or Clearstream, Luxembourg, as applicable, the Issuer shall endeavour insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the Book-Entry Interests or the Global Note or Global Certificate in accordance with any instructions set forth in such request. Euroclear or Clearstream, Luxembourg are expected to follow the procedures described under "– *General*" above, with respect to soliciting instructions from their respective Participants. The Registrar will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Book-Entry Interests or the Global Notes or Global Certificates.

Reports

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices, reports and other communications received relating to the Issuer, the Global Note or the Book-Entry Interests. In addition, notices regarding the Notes or Certificates will be published in a leading newspaper having a general circulation in London (which so long as the Notes are listed on the Official List of Euronext Dublin and the rules of such Stock Exchange shall so require, is expected to be the *Financial Times*); provided that if, at any time, the Issuer procures that the information contained in such notice shall appear on a page of the Reuters screen, the Bloomberg screen or any other medium for electronic display of data as may be previously approved in writing by the Note Trustee, publication in the *Financial Times* shall not be required with respect to such information so long as the rules of Euronext Dublin allow. See also Condition 15 (*Notice to Noteholders*) of the Notes.

New Safekeeping Structure and Eurosystem Eligibility

The Notes and the Certificates are intended to be held in a manner which would allow Eurosystem eligibility and will be deposited with one of the ICSDs as common safekeeper. However, the deposit of the Notes and of the Certificates with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that the Notes and/or the Certificates will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at issuance or at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Issuer-ICSD Agreement

Prior to the issuance of the Notes and the Certificates, the Issuer will enter into an Issuer-ICSD Agreement with the ICSDs in respect of the Notes and the Certificates The Issuer-ICSD Agreement provides that the ICSDs will, in respect of any of the Notes and the Certificates (while being held in the New Safekeeping Structure), maintain their respective portion of the issue outstanding amount through their records. The Issuer-ICSD Agreement will be governed by English law.

TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions (the **Conditions** of the Notes and any reference to a **Condition** shall be construed accordingly) of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).*

1. GENERAL

The £167,260,000 Class A mortgage backed floating rate notes due December 2044 (the **Class A Notes**), the £18,230,000 Class B mortgage backed floating rate notes due December 2044 (the **Class B Notes**), the £11,790,000 Class C mortgage backed floating rate notes due December 2044 (the **Class C Notes**), the £4,290,000 Class D mortgage backed floating rate notes due December 2044 (the **Class D Notes**), the £3,220,000 Class E mortgage backed floating rate notes due December 2044 (the **Class E Notes**), the £2,140,000 Class F mortgage backed floating rate notes due December 2044 (the **Class F Notes**, the £5,360,000 Class X mortgage backed floating rate notes due December 2044 (the **Class X Notes**) and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the **Rated Notes**); the £7,499,000 Class G mortgage backed notes due December 2044 (the **Class G Notes**) and the £4,290,000 Class R notes due December 2044 (the **Class R Notes** and together with the Class G Notes the **Unrated Notes**, and the Unrated Notes together with the Rated Notes, the **Notes**), in each case of Rochester Financing No.3 plc (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) dated on or about 15 June 2021 (the **Closing Date**) and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Noteholders (in such capacity, the **Note Trustee**). Any reference in these terms and conditions (the **Conditions**) to a **Class** of Notes or of Noteholders shall, unless stated otherwise, be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes, the Class G Notes, the Class X Notes or the Class R Notes, as the case may be, or to the respective holders thereof. Any reference in these Conditions to the Noteholders means, unless stated otherwise, the registered holders for the time being of the Notes, or if preceded by a particular Class designation of Notes, the registered holders for the time being of such Class of Notes. The security for the Notes is constituted by a deed of charge and assignment (the **Deed of Charge**) dated on the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Secured Creditors (in such capacity, the **Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) dated on the Closing Date and made between the Issuer, the Note Trustee, Elavon Financial Services DAC as principal paying agent (in such capacity, the **Principal Paying Agent** and, together with any further or other paying agent appointed under the Agency Agreement, the **Paying Agent**), Elavon Financial Services DAC as registrar (in such capacity, the **Registrar**) and Elavon Financial Services DAC as agent bank (in such capacity, the **Agent Bank**), provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the Master Definitions and Construction Schedule (the **Master Definitions and Construction Schedule**) entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date and the other Transaction Documents (as defined therein).

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents and are available electronically at the Reporting Website. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Capitalised terms not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above. These Conditions shall be

construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

2. FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

Each Note will initially be represented by a global note certificate in registered form (a **Global Note**).

For so long as any of the Notes are represented by a Global Note, transfers and exchanges of beneficial interests in such Global Note and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank SA/NV (**Euroclear**) or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), as appropriate. Each Global Note will be deposited with and registered in the name of a common safekeeper (or a nominee thereof) for Euroclear and Clearstream, Luxembourg.

For so long as the Notes are represented by a Global Note, and for so long as Euroclear and Clearstream, Luxembourg so permit, the Notes shall be tradable only in the minimum nominal amount of £100,000 and higher integral multiples of £1,000. A Global Note will be exchanged for the relevant Note in definitive registered form (such exchanged Global Note, the **Registered Definitive Notes**) only if either of the following applies:

(a) both Euroclear and Clearstream, Luxembourg:

(i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or

(ii) announce an intention permanently to cease business and do so cease to do business

and in either case no alternative clearing system satisfactory to the Note Trustee is available; or

(b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the Notes which would not be required were the relevant Notes in definitive registered form.

If Definitive Notes are issued in respect of Notes originally represented by a Global Note, the beneficial interests represented by such Global Note shall be exchanged by the Issuer for the relevant Notes in registered definitive form. The aggregate principal amount of the Registered Definitive Notes shall be equal to the Principal Amount Outstanding at the date on which notice of exchange is given of the Global Note, subject to and in accordance with the detailed provisions of these Conditions, the Agency Agreement, the Trust Deed and the relevant Global Note.

Registered Definitive Notes (which, if issued, will be in the denomination set out below) will be serially numbered and will be issued in registered form only.

The minimum denomination of the Notes in global and (if issued and printed) definitive form will be £100,000.

References to **Notes** in these Conditions shall include the Global Notes and the Registered Definitive Notes.

2.2 Title

Title to the Global Notes shall pass by and upon registration in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Note may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Global Note regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Registered Definitive Notes may be transferred upon the surrender of the relevant Registered Definitive Note, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. Such transfers shall be subject to the minimum denominations specified in Condition 2.1 (*Form and Denomination*). All transfers of Registered Definitive Notes are subject to any restrictions on transfer set forth on the Registered Definitive Notes and the detailed regulations concerning transfers in the Agency Agreement.

Each new Registered Definitive Note to be issued upon transfer of such Registered Definitive Note will, within five Business Days of receipt and surrender of such Registered Definitive Note (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Registered Definitive Note to such address as may be specified in the relevant form of transfer.

Registration of a Registered Definitive Note on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

The Notes are not issuable in bearer form.

3. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

3.1 Status and relationship between the Notes

(a) The Class A Notes constitute direct, secured and (subject to the limited recourse provision in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class A Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times.

(b) The Class B Notes constitute direct, secured and (subject to the limited recourse provision in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class B Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class B Noteholders will be subordinated to the interests of the Class A Noteholders (so long as any Class A Notes remain outstanding).

(c) The Class C Notes constitute direct, secured and (subject to the limited recourse provision in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class C Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes and the Class B Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class C Noteholders will be subordinated to the interests of each of the Class A Noteholders and the Class B Noteholders (so long as any Class A Notes and/or any Class B Notes remain outstanding).

(d) The Class D Notes constitute direct, secured and (subject to the limited recourse provision in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class D Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes and the Class C Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class D Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders and the Class C Noteholders (so long as any Class A Notes and/or any Class B Notes and/or any Class C Notes remain outstanding).

(e) The Class E Notes constitute direct, secured and (subject to the limited recourse provision in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class E Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, subordinate to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class E Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (so long as any Class A Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes remain outstanding).

(f) The Class F Notes constitute direct, secured and (subject to the limited recourse provision in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class F Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class F Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (so long as any Class A Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes remain outstanding).

(g) The Class G Notes constitute direct, secured and (subject to the limited recourse provisions in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class G Notes rank *pari passu* without preference or priority among themselves in relation to payment of principal at all times, but subordinate to payments of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class G Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders (so long as any Class A Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or any Class F Notes remain outstanding).

(h) The Class X Notes constitute direct, secured and (subject to the limited recourse provision in Condition 11 (*Enforcement*)) unconditional obligations of the Issuer. The Class X Notes rank *pari passu* without preference or priority among themselves in relation to payment of interest and principal at all times, but subordinate to payments of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the Class X Noteholders will be subordinated to the interests of each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders, the Class F Noteholders and the Class G Noteholders (so long as any Class A Notes and/or any Class B Notes and/or any Class C Notes and/or any Class D Notes and/or any Class E Notes and/or Class F Notes and/or any Class G Notes remain outstanding).

(i) The Class R Notes rank *pari passu* without preference or priority among themselves in relation to payment of principal at all times. The Class R Notes shall only be repaid from amounts standing to the credit of the Warranty Reserve Fund in accordance with these Terms and Conditions and the provisions of the Transaction Documents. Notwithstanding any provision of the Trust Deed or any Transaction Document, the holders of the Class R Notes shall not have recourse to the Issuer beyond the amounts standing to the credit of the Warranty Reserve Fund from time to time.

(j) The Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders and Certificateholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights and the Class R Certificates Entrenched Rights) but requiring the Note Trustee where there is a conflict of interests between one or more Classes of Notes and/or the Certificates in any such case to have regard (except as expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights and the Class R Certificates Entrenched Rights) to the interests of the holders of the Most Senior Class.

(k) The Trust Deed also contains provisions limiting the powers of any Class of Noteholders or Class of Certificateholders to request or direct the Note Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the Most Senior Class of Notes. Except in certain circumstances described in Condition 12 (*Meetings of Noteholders, Modification, Waiver and substitution*), the Trust Deed contains no such limitation on the powers of the Most Senior Class of Notes, the exercise of which (save in respect of a Basic Terms Modification and at all times subject to the Class Y Certificates Entrenched Rights and the Class R Certificates Entrenched Rights) will be binding on all other Classes of Notes and Certificates in each case irrespective of the effect thereof on their respective interests.

As long as any Notes are outstanding, the Security Trustee shall not have regard to the interests of the other Secured Creditors.

3.2 Security

(a) The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Noteholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.

(b) The Noteholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

4. COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Transaction Documents, the Issuer shall not, so long as any Note remains outstanding:

(a) **Negative pledge**: create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking;

(b) **Restrictions on activities**: (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as amended) (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;

(c) **Corporation tax**: prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Securitisation Tax Regulations;

(d) **Disposal of assets**: assign, transfer, sell, lend, lease, part with or otherwise dispose of, declare any trust over or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;

(e) **Equitable and Beneficial Interest**: permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(f) **Dividends or distributions by the Issuer**: pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the Priorities of Payments which are available for distribution in accordance with the Issuer's Memorandum and Articles of Association and with applicable laws or issue any further shares;

(g) **Indebtedness**: incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;

(h) **Merger**: consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(i) **No modification or waiver**: permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed or waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

(j) **Bank accounts**: have an interest in any bank account other than the Collection Account, the Deposit Account or any other Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

(k) **Purchase Notes or Certificates**: purchase or otherwise acquire any Notes or Certificates;

(l) **U.S. activities**: engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles; or

(m) **VAT**: apply to become part of any group with any other company or group of companies for the purposes of Sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931), or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

5. INTEREST

5.1 Accrual of interest

Interest Accrual

Each Note (other than the Class G Notes and the Class R Notes) bears interest on its Principal Amount Outstanding from (and including) the Closing Date. Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest from and including the due date for redemption unless, upon due presentation in accordance with Condition 6 (*Payments*), payment of the principal in respect of the Note is improperly withheld or refused or default is otherwise made in respect of the payment, in which event interest shall continue to accrue as provided in the Trust Deed.

5.2 Interest Payment Dates

(a) Interest will be payable quarterly in arrears on each Interest Payment Date, for all Classes of Notes (other than the Class G Notes and the Class R Notes). The first Interest Payment Date will be the Interest Payment Date falling in September 2021.

(b) In these Conditions, **Interest Payment Date** means the 18th day of March, June, September and December in each year or, if such day is not a Business Day, the immediately succeeding Business Day.

(c) Interest shall accrue from (and including) an Interest Payment Date (except in the case of the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Interest Payment Date (each such period, an **Interest Period)**.

5.3 Rate of Interest

(a) The rate of interest payable from time to time in respect of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes and the Class X Notes (the **Rate of Interest**) will be equal to the Floating Rate of Interest determined in accordance with Condition 5.3(b) plus the Margin. The Rate of Interest shall be subject to a floor of zero.

(b) The floating rate of interest (the **Floating Rate of Interest**) will be determined on the basis of the following provisions:

(i) Subject to paragraph (ii) below, the Agent Bank will determine the Compounded Daily SONIA as at the Interest Calculation Date in question. The Floating Rate of Interest for the relevant Interest Period shall be the aggregate Compounded Daily SONIA as at such Interest Calculation Date.

(ii) Notwithstanding the provisions of these Conditions, in the event the Bank of England publishes guidance as to (A) how the SONIA Reference Rate is to be determined or (B) any rate that is to replace the SONIA Reference Rate, the Agent Bank shall, subject to receiving written instructions from the Issuer (upon which the Agent Bank shall be entitled to rely conclusively and without enquiry or liability) and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

(iii) In the event that the Floating Rate of Interest cannot be determined in accordance with the foregoing provisions by the Agent Bank, the Floating Rate of Interest shall be (A) that

determined as at the last preceding Interest Calculation Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Calculation Date, the initial Floating Rate of Interest which would have been applicable to the relevant Class of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) that first Interest Payment Date (but applying the Margin applicable to the first Interest Period).

There will be no maximum Floating Rate of Interest and the minimum Floating Rate of Interest will be zero.

(c) In these Conditions (except where otherwise defined), the expression:

(i) **Business Day** means a day (other than a Saturday or Sunday or a public holiday) on which banks are generally open for business in London;

(ii) **Compounded Daily SONIA** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank as at the Interest Calculation Date in question, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 per cent. being rounded upwards:

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

Where:

d is the number of calendar days in the relevant Interest Period;

d_o is the number of London Banking Days in the relevant Interest Period;

i is a series of whole numbers from one to d_o, each representing the relevant Business Day in chronological order from, and including, the first Business Day in the relevant Interest Period to, but excluding, the last London Banking Day in such Interest Period;

LBD means a London Banking Day;

London Banking Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

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

$SONIA_{i\text{-}5LBD}$ means in respect of any London Banking Day falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling five Business Days prior to that Business Day "i";

(iii) **Interest Calculation Date** means the fifth London Banking Day before the Interest Payment Date for which the relevant Rate of Interest will apply;

(iv) **Observation Period** means the period from and including the date falling five London Banking Days prior to the first day of the relevant Interest Period (and the first Interest

Period shall begin on and include the Closing Date) and ending on, but excluding, the date falling five London Banking Days prior to the Interest Payment Date for such Interest Period (or, if applicable, the date falling five London Banking Days prior to any such earlier date, if any, on which the Notes become due and payable);

(v) **Margin** means in respect of each Class of the Notes the following percentage per annum:

(A) in respect of the Class A Notes, 0.70 per cent. per annum (and, following the Step-Up Date, 1.30 per cent. per annum);

(B) in respect of the Class B Notes, 1.20 per cent. per annum (and, following the Step-Up Date, 1.80 per cent. per annum;

(C) in respect of the Class C Notes, 1.50 per cent. per annum (and, following the Step-Up Date, 2.25 per cent. per annum);

(D) in respect of the Class D Notes, 1.85 per cent. per annum (and, following the Step-Up Date, 2.775 per cent. per annum);

(E) in respect of the Class E Notes, 2.50 per cent. per annum (and, following the Step-Up Date, 3.50 per cent. per annum);

(F) in respect of the Class F Notes, 2.50 per cent. per annum (and, following the Step-Up Date, 3.50 per cent. per annum); and

(G) in respect of the Class X Notes, 4.00 per cent. per annum (and, following the Step-Up Date, 4.00 per cent. per annum);

(vi) **Reuters Screen SONIA Page** means 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 service as may replace such screen;

(vii) **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, and published by, authorised distributors of the rate as of 9.00 a.m. London time on the Reuters Screen SONIA Page or, if the Reuters Screen SONIA Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such Business Day);

(viii) **Step-Up Date** means the Interest Payment Date falling in June 2026.

(d) If, in respect of any London Banking Day in the relevant Observation Period, the Agent Bank determines that the SONIA Reference Rate is not available on the Reuters Screen SONIA Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be: (A) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (B) 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.

5.4 Determination of Rates of Interest and Interest Amounts

The Agent Bank shall, as soon as practicable after 11.00 a.m. (London time) on each Interest Calculation Date but in no event later than the third Business Day thereafter, determine the Sterling amount (the **Interest Amounts**) in respect of the Notes payable in respect of interest on the Principal Amount Outstanding of each Class of the Notes for the relevant Interest Period.

The Interest Amounts shall be determined by applying the relevant Rate of Interest to such Principal Amount Outstanding, multiplying the sum by the actual number of days in the Interest Period concerned divided by 365 (or 366 days if the relevant calculation is being made in respect of an Interest Period ending in a leap year) and rounding the figure downwards to the nearest penny.

5.5 Publication of Rates of Interest and Interest Amounts

The Agent Bank shall cause the Rates of Interest and the Interest Amounts for each Interest Period and each Interest Payment Date to be notified to the Issuer, the Cash Manager, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to any stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Condition 15 (*Notice to Noteholders*) as soon as possible after their determination and in no event later than the second Business Day thereafter. The Interest Amounts and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

5.6 Notifications etc to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, by the Agent Bank, the Cash Manager or the Note Trustee, will (in the absence of wilful default, gross negligence or fraud) be binding on the Issuer, the Cash Manager, the Note Trustee, the Agent Bank, the Registrar the Paying Agents and all Noteholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Noteholders shall attach to the Cash Manager, the Agent Bank, the Registrar or, if applicable, the Note Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 5.

5.7 Agent Bank

The Issuer shall procure that, so long as any of the Notes remain outstanding, there is at all times an Agent Bank for the purposes of the Notes and the Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Agent Bank or failing duly to determine the Rates of Interest and the Interest Amounts for any Interest Period, the Issuer shall, subject to the prior written approval of the Note Trustee, appoint another major bank engaged in the relevant interbank market to act in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed.

5.8 Determinations and Reconciliation

(a) In the event that the Cash Manager does not receive any Servicer Report due during a Collection Period (each such period, a **Determination Period**), then the Cash Manager may use the Servicer Reports in respect of the three most recent Collection Periods for which all relevant Servicer Reports are available (or, where there are not at least three previous Collection Periods, any previous Collection Periods) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in this Condition 5.8. When the Cash Manager receives all Servicer Reports relating to the Determination Period, it will make the reconciliation calculations and reconciliation

payments as set out in Condition 5.8(c). Any (i) calculations properly made on the basis of such estimates in accordance with Conditions 5.8(b) and/or 5.8(c); (ii) payments made under any of the Notes and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such reconciliation calculations, each in accordance with Conditions 5.8(b) and/or 5.8(c), shall be deemed to be made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.

(b) In respect of any Determination Period the Cash Manager shall:

(i) determine the Interest Determination Ratio (as defined below) by reference to the three most recent Collection Periods in respect of which all relevant Servicer Reports are available (or, where there are not at least three previous Collection Periods, any previous Collection Periods);

(ii) calculate the Revenue Receipts for such Determination Period as the product of (A) the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the **Calculated Revenue Receipts**); and

(iii) calculate the Principal Receipts for such Determination Period as the product of (A) 1 minus the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the **Calculated Principal Receipts**).

(c) Following any Determination Period, upon receipt by the Cash Manager of all Servicer Reports in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with Condition 5.8(b) to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount (as defined below) as follows:

(i) if the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger); and

(ii) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Collection Period in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Security Trustee of such Reconciliation Amount.

Interest Determination Ratio means (a) the aggregate Revenue Receipts calculated in the three preceding Collection Periods for which all relevant Servicer Reports are available (or, where there are not at least three previous such Collection Periods, any previous Collection Periods) divided by (b) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Collection Periods.

Reconciliation Amount means in respect of any Collection Period which is a Determination Period, (a) the actual Principal Receipts as determined in accordance with the available Servicer Reports, less (b) the Calculated Principal Receipts in respect of such Collection Period, plus (c) any Reconciliation Amount not applied in previous Collection Periods.

Servicer Report means the reports required to be provided from time to time by the Servicer in accordance with the Servicing Agreement.

6. PAYMENTS

6.1 Payment of Interest and Principal

Payments of any amount in respect of a Note including principal and interest shall be made by Sterling cheque in the case of the Notes, or upon application by the relevant Noteholder to the specified office of the Principal Paying Agent not later than the 15th day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Global Note or Registered Definitive Notes (as the case may be) at the specified office of any Paying Agent.

6.2 Laws and Regulations

Payments of any amount in respect of a Note including principal and interest in respect of the Notes are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. Noteholders will not be charged commissions or expenses on payments.

6.3 Payment of Interest following a Failure to pay Principal

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest, which continues to accrue in respect of such Note in accordance with Condition 5.1 (*Accrual of interest*) and Condition 5.3 (*Rate of Interest*) will be paid, in respect of a Global Note, as described in Condition 6.1 (*Payment of Interest and Principal*) and, in respect of any Registered Definitive Note, in accordance with this Condition 6.

6.4 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London, and a person appointed to perform the obligations of the Registrar with a specified office in Luxembourg or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in accordance with Condition 15 (*Notice to Noteholders*) and will notify the Rating Agencies of such change or addition.

6.5 No Payment on non-Business Day

If the date for payment of any amount in respect of a Note is not a Presentation Date, Noteholders shall not be entitled to payment until the next following Presentation Date in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. In this Condition 6.5, the expression **Presentation Date** means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

6.6 Partial Payment

If a Paying Agent makes a partial payment in respect of any Note, the Registrar will, in respect of the relevant Note, annotate the Register, indicating the amount and date of such payment.

6.7 Payment of Interest

If interest is not paid in respect of a Note of any Class on the date when due and payable (other than because the due date is not a Presentation Date (as defined in Condition 6.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the Noteholder with Condition 6.1 (*Payment of Interest and Principal*), then such unpaid interest shall itself bear interest at the Rate of Interest applicable from time to time to such Note until such interest and interest thereon are available for payment and notice thereof has been duly given in accordance with Condition 15 (*Notice to Noteholders*).

7. REDEMPTION

7.1 Redemption at Maturity

Unless previously redeemed in full or purchased and cancelled as provided below, the Issuer will redeem the Notes at their respective Principal Amounts Outstanding on the Interest Payment Date falling in December 2044 (the **Final Maturity Date**).

7.2 Mandatory Redemption

(a) Prior to the service of a Note Acceleration Notice, each of the Notes (other than the Class X Notes and the Class R Notes) shall, subject to Conditions 7.3 (*Optional Redemption for Taxation Reasons*), 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*) and 7.5 (*Mandatory Redemption of the Notes following the exercise of the Retention Holder Option*) for, be redeemed on each Interest Payment Date in an amount equal to the Available Principal Receipts available for such purpose in accordance with the Pre-Acceleration Principal Priority of Payments which shall be applied in the following order of priority:

(i) to repay the Class A Notes until they are each repaid in full, and thereafter be applied

(ii) to repay the Class B Notes until they are each repaid in full, and thereafter to be applied

(iii) to repay the Class C Notes until they are each repaid in full, and thereafter to be applied

(iv) to repay the Class D Notes until they are each repaid in full, and thereafter to be applied

(v) to repay the Class E Notes until they are each repaid in full, and thereafter to be applied

(vi) to repay the Class F Notes until they are each repaid in full, and thereafter to be applied

(vii) to repay the Class G Notes until they are each repaid in full.

(b) Prior to the service of a Note Acceleration Notice, the Class X Notes shall be redeemed on each Interest Payment Date in an amount equal to the Available Revenue Receipts available for such purpose in accordance with the Pre-Acceleration Revenue Priority of Payments, together with accrued but unpaid interest (including any interest deferred in accordance with Condition 17 (Subordination by Deferral)) up to but excluding the date of redemption.

(c) Prior to the service of a Note Acceleration Notice, the Class R Notes shall be redeemed (i) on the Warranty Reserve Initial Asset Release Date, in an amount equal to the Warranty Reserve Initial

Asset Release Amount; (ii) on the Warranty Reserve Final Asset Release Date, in an amount equal to the Warranty Reserve Final Asset Release Amount; and (iii) on the Warranty Reserve Final Release Date, in an amount equal to the remaining amounts standing to the credit of the Warranty Reserve Fund, if any, on such date.

(d) The principal amount redeemable in respect of each of the Notes (the **Note Principal Payment**) on any Interest Payment Date shall be in the case of the Notes, the Available Principal Receipts available for such purpose on the Calculation Date immediately preceding the Interest Payment Date to be applied in redemption of that Class divided by the number of Notes in that Class in the relevant denomination then outstanding. With respect to each Note on (or as soon as practicable after) each Calculation Date, the Issuer shall determine (or cause the Cash Manager to determine) (i) the amount of any Note Principal Payment due on the Interest Payment Date next following such Calculation Date, (ii) the Principal Amount Outstanding of each such Note and (iii) the fraction expressed as a decimal to the sixth decimal point (the **Pool Factor**), of which the numerator is the Principal Amount Outstanding of that Note (as referred to in (ii) above) and the denominator, in the case of the Notes, is 100,000. Each determination by or on behalf of the Issuer of any principal repayment, the Principal Amount Outstanding of a Note and the Pool Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

(e) The Issuer will cause each determination of a principal repayment, Principal Amount Outstanding and Pool Factor to be notified by not less than two Business Days prior to the relevant Interest Payment Date to the Note Trustee, the Paying Agents, the Agent Bank and (for so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on its Regulated Market) Euronext Dublin, and will immediately cause notice of each such determination to be given in accordance with Condition 15 (*Notice to Noteholders*) by not later than two Business Days prior to the relevant Interest Payment Date. If no principal repayment is due to be made on the Notes on any Interest Payment Date a notice to this effect will be given to the holders of the Notes.

7.3 Optional Redemption for Taxation Reasons

If by reason of a change in tax law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on or before the next Interest Payment Date the Issuer or each of the Paying Agents would be required to deduct or withhold from any payment of principal or interest on any Notes (other than because the relevant holder has some connection with the United Kingdom other than the holding of such Notes) any amount for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political sub-division thereof or any authority thereof or therein having power to tax; then the Issuer shall, if the same would avoid the effect of such relevant event described above, appoint a Paying Agent in another jurisdiction or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and the Trust Deed, provided that (i) the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the Noteholders of the Most Senior Class of Notes (and in making such determination, the Note Trustee may rely, without further investigation or inquiry, on (A) any written confirmation from each of the Rating Agencies that the then current ratings of the Rated Notes would not be adversely affected by such substitution) or (B) a written certification from or on behalf of the Issuer (in each case on the basis of appropriate advice being received by the Issuer or the party which provides such certification on behalf of the Issuer) to the Note Trustee that such proposed action (i) (while any Rated Notes remain outstanding) has been notified to the Rating Agencies, (ii) would not have an adverse impact on the Issuer's ability to make payment when due in respect of the Notes, (iii) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security, (iv) would not have an adverse effect on the rating of the Rated Notes) (upon which confirmation or certificate the Note Trustee shall be entitled to rely absolutely without liability to any person for so doing), and (v) such

substitution would not require registration of any new security under U.S. securities laws or materially increase the disclosure requirements under U.S. law.

If the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described above is continuing and that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution, then the Issuer may, on any Interest Payment Date and having given not more than 60 nor less than 30 days' notice to the Note Trustee and holders of the Notes in accordance with Condition 15 (*Notice to Noteholders*), redeem all of the Notes at their respective Principal Amount Outstanding together with any interest accrued (and unpaid) thereon up to (but excluding) the date of redemption provided that (in either case), prior to giving any such notice, the Issuer shall have provided to the Note Trustee (a) a certificate signed by two directors of the Issuer (i) stating that one or more of the circumstances referred to above prevail(s), (ii) setting out details of such circumstances and (iii) confirming that the appointment of a Paying Agent or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such appointment or substitution and (b) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisers of recognised standing to the effect that the Issuer and each of the Paying Agents has or will become obliged to deduct or withhold amounts as a result of such change. The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstance set out in the paragraph immediately above, in which event they shall be conclusive and binding on each Class of the holders of the Rated Notes.

The Issuer may only redeem the Notes as described above if the Issuer has certified to the Note Trustee that it will have the necessary funds, not subject to the interest of any other person, required to redeem the Notes as aforesaid and any amounts required under the Post-Acceleration Priority of Payments to be paid in priority to or *pari passu* with the Notes outstanding in accordance with the Conditions, such certification to be provided by way of a certificate signed by two directors of the Issuer.

7.4 Mandatory Redemption in full following exercise of the Majority Holder Option

(a) On giving not more than 30 nor less than five days' notice to the holders of the Notes in accordance with Condition 15 (*Notice to Noteholders*) and the Note Trustee, the Issuer shall, following the exercise of the Majority Holder Option, redeem on the relevant Early Redemption Date, all of the Notes (other than the Class R Notes) on such Early Redemption Date.

(b) Any Note redeemed pursuant to Condition 7.4(a) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

Early Redemption Date means the Interest Payment Date on which the Notes are to be redeemed in accordance with Condition 7.3 (*Optional Redemption for Taxation Reasons*), Condition 7.4 (*Mandatory Redemption in full following exercise of the Majority Holder Option*) or Condition 7.5 (*Mandatory Redemption of the Notes following the exercise of the Retention Holder Option*).

7.5 Mandatory Redemption of the Notes following the exercise of the Retention Holder Option

(a) On giving not more than 30 nor less than five days' notice to the holders of the Notes in accordance with Condition 15 (*Notice to Noteholders*) and the Note Trustee, the Issuer shall, following the exercise of the Retention Holder Option, redeem on the immediately following Interest Payment Date, all of the Notes (other than the Class R Notes) on such Interest Payment Date.

(b) Any Note redeemed pursuant to Condition 7.5(a) will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to but excluding the date of redemption.

7.6 Principal Amount Outstanding

The **Principal Amount Outstanding** of each Class of Notes on any date shall be in each case their original principal amount, in respect of the Class A Notes of £167,260,000, in respect of the Class B Notes of £18,230,000, in respect of the Class C Notes of £11,790,000, in respect of the Class D Notes of £4,290,000, in respect of the Class E Notes of £3,220,000, in respect of the Class F Notes of £2,140,000, in respect of the Class G Notes of £7,499,000, in respect of the Class X Notes of £5,360,000 and in respect of the Class R Notes of £4,290,000 in each case less the aggregate amount of all principal payments in respect of such Class of Notes which have been made since the Closing Date.

7.7 Notice of Redemption

Any such notice as is referred to in Condition 7.3 (*Optional Redemption for Taxation Reasons*) above shall be irrevocable and, upon the expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above. Any certificate or legal opinion given by or on behalf of the Issuer pursuant to Condition 7.3 (*Optional Redemption for Taxation Reasons*) may be relied on by the Note Trustee without further investigation and, if so relied on, shall be conclusive and binding on the Noteholders.

7.8 No Purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

7.9 Cancellation

All Notes redeemed in full will be cancelled upon redemption and may not be resold or reissued.

8. TAXATION

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, subject to Condition 7.3 (*Optional Redemption for Taxation Reasons*), the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor any Paying Agent nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

9. PRESCRIPTION

Claims in respect of principal and interest on the Notes will be prescribed after ten years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the relevant payment.

In this Condition 9, the **Relevant Date**, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on

which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Noteholders in accordance with Condition 15 (*Notice to Noteholders*).

10. EVENTS OF DEFAULT

10.1 Notes

The Note Trustee at its absolute discretion may, and if so directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or if so directed by an Extraordinary Resolution of the Most Senior Class of Notes shall, (subject to being indemnified and/or prefunded and/or secured to its satisfaction as more particularly described in the Trust Deed) give a notice (a **Note Acceleration Notice**) to the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed, in any of the following events (each, an **Event of Default**):

(a) subject to Condition 17 (*Subordination by Deferral*) if default is made in the payment of any principal or interest due in respect of the Most Senior Class of Notes and the default continues for: (i) a period of seven days in the case of principal, or (ii) 14 days in the case of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions or any Transaction Document to which it is a party which in the opinion of the Note Trustee is materially prejudicial to the interests of the holders of the Most Senior Class of Notes and (except in any case where the Note Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(c) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of each Class of Notes then outstanding; or

(d) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of each Class of Notes then outstanding, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or

(e) if (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application to the court for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) or an administration order is granted or the appointment of an administrator takes effect or an administrative or other receiver, manager or other similar official is appointed, in relation to the Issuer or in relation to the whole or any part of the undertaking or assets of the Issuer or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Issuer, or a distress, diligence, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the

whole or any part of the undertaking or assets of the Issuer and (ii) in the case of any such possession or any such last-mentioned process, unless initiated by the Issuer, is not discharged or otherwise ceases to apply within 30 days; or

(f) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

10.2 General

Upon the service of a Note Acceleration Notice by the Note Trustee in accordance with Condition 10.1 (*Notes*), all the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amounts Outstanding, together with accrued interest as provided in the Trust Deed.

11. ENFORCEMENT

11.1 General

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Notes, the Certificates or the Trust Deed (including these Conditions or the Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of a Note Acceleration Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

(a) the Security Trustee is directed by the Note Trustee having itself been so directed by an Extraordinary Resolution of the Most Senior Class of Notes then outstanding or directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes or the Note Trustee shall have been so directed by an Extraordinary Resolution of the Most Senior Class of Notes then outstanding or directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class of Notes; and

(b) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

No Noteholder may proceed directly against the Issuer unless the Note Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

11.2 Preservation of Assets

If the Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes or the Certificates, the Security Trustee will not be entitled to dispose of any of the Charged Assets or any part thereof unless either (a) a sufficient amount would be realised to allow discharge in full on a *pro rata* and *pari passu* basis of all amounts owing to the holders of the Notes (other than the Class R Notes) and the Certificates (and all persons ranking in priority to

the holders of the Notes and the Certificates), or (b) the Security Trustee is of the opinion, which shall be binding on the Secured Creditors, that the cashflow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the holders of the Notes and the Certificates (and all persons ranking in priority thereto).

11.3 Limitations on Enforcement

No Noteholder or Certificateholder shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

Amounts available for distribution after enforcement of the Security shall be distributed in accordance with the terms of the Deed of Charge.

11.4 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders or Certificateholders are limited in recourse to the property, assets and undertakings of the Issuer the subject of any security created under and pursuant to the Deed of Charge (the **Charged Assets**). If:

(a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;

(b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and

(c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Notes (including payments of principal, premium (if any) or interest),

then neither the Noteholders nor the Certificateholders shall have any further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of principal, premium (if any) or interest in respect of the Notes, or Class Y Certificate Payments in respect of the Class Y Certificates or Residual Payments in respect of the Class R Certificates) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

12. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

12.1 General

(a) The Trust Deed contains provisions for convening meetings of the Noteholders and/or Certificateholders of each Class and, in certain cases, more than one Class, to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions, the Certificates Conditions or the provisions of any of the Transaction Documents.

(b) The Trust Deed also provides that, notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made) which:

(i) constitutes a Basic Terms Modification in respect of the Class R Certificates:

(ii) changes the Class R Certificateholders' rights under the Servicing Agreement;

(iii) changes the Class R Certificateholders' rights under the Deed Poll;

(iv) changes the definition of "Class R Certificates Entrenched Rights"; or

(v) is adverse to the interests of the Class R Certificateholders (and whether or not the interests of the Class R Certificateholders align with the interests of the holders of the relevant Class or Classes of Notes and/or Certificates) (paragraphs (i) to (v) above being the **Class R Certificates Entrenched Rights**),

unless each of the Class R Certificateholders have consented to such modification or waiver.

(c) The Trust Deed also provides that, notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made) which:

(i) constitutes a Basic Terms Modification in respect of the Class Y Certificates;

(ii) changes the priority of payments of amounts in respect of the Class Y Certificates; or

(iii) changes the definition of "Class Y Certificates Entrenched Rights" (paragraphs (i) to (iii) above being the **Class Y Certificates Entrenched Rights**),

unless each of the Class Y Certificateholders have consented to such modification or waiver.

(d) For the purposes of these Conditions, **Most Senior Class** means the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class B Notes then outstanding, the Class C Notes or, if there are no Class C Notes then outstanding, the Class D Notes or, if there are no Class D Notes outstanding, the Class E Notes or, if there are no Class E Notes then outstanding, the Class F Notes or, if there are no Class F Notes then outstanding, the Class G Notes or, if there are no Class G Notes outstanding, the Class X Notes or, if there are no Class X Notes outstanding, the Class R Certificates. Neither the Class R Notes or the Class Y Certificates shall at any time constitute the Most Senior Class.

12.2 Most Senior Class of Notes, Limitations on other Noteholders and Certificateholders

Other than (i) in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of each of the relevant affected Classes of Notes and/or Certificates passed at separate meetings(s) of the holders of such classes of Notes and/or Certificates and (ii) matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right, which requires the consent of the Class Y Certificateholders or the Class R Certificateholders, as applicable:

(a) A resolution (including an Extraordinary Resolution) passed at any meeting of the Most Senior Class of Noteholders shall be binding on all other Classes of Notes and the Certificates irrespective of the effect it has upon them.

(b) A resolution (including an Extraordinary Resolution) passed at any meeting of a relevant Class of Noteholders shall be binding on (i) all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Acceleration Priority of Payments and (ii) the Certificates, irrespective of the effect it has upon them.

(c) No resolution or Extraordinary Resolution of any other Class of Noteholders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class

remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Most Senior Class of Noteholders or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Most Senior Class of Noteholders.

12.3 Other than in relation to a Basic Terms Modification and matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right (which shall only be binding if the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented) and subject as provided in Conditions 12.2 (Most Senior Class of Notes, Limitations on other Noteholders and Certificateholders) and 12.4 (Quorum):

(a) a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of (A) one Class of Notes only or (B) one Class of Certificates only, shall be deemed to have been duly passed if passed at a meeting of the holders of (A) that Class of Notes or (B) that Class of Certificates, as applicable;

(b) a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Notes so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of all the Classes of Notes so affected;

(c) a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of any one or more Classes of Notes, and one or more Classes of Certificates, but does not give rise to an actual or potential conflict of interest between the holders of such one or more Classes of Notes or Certificates, shall be deemed to have been duly passed if passed at a single meeting of the holders of such one or more Classes of Notes without the consent of the Certificateholders;

(d) a resolution which in the opinion of the Note Trustee affects the interests of the holders of any two or more Classes of Notes and gives or may give rise to an actual or potential conflict of interest between the holders of such two or more Classes of Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Notes; and

(e) a resolution which in the opinion of the Note Trustee affects the interests of the holders of any one or more Classes of Notes and one or more Classes of Certificates and gives or may give rise to an actual or potential conflict of interest between the holders of such one or more Classes of Notes and the holders of such one or more Classes of Certificates, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such one or more Classes of Notes and Certificates, it shall be duly passed at separate meetings of the holders of such one or more Classes of Notes and without the consent of the Certificateholders.

12.4 Quorum

(a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes and the quorum at any meeting of Certificateholders of any Class or Classes for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the number of Certificates then in issue of such Class or Classes of Certificates.

(b) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class or Classes of Notes or holders of any Class or Classes of Certificates passing an Extraordinary Resolution relating to a Basic Terms Modification shall be one or more persons holding or representing in the aggregate not less than three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes or one or more persons holding or representing in the aggregate not less than three-quarters of the number of Certificates then in issue, as applicable.

Where a **Basic Terms Modification** means (i) a modification of the date of maturity of any Notes, (ii) a modification of the date of payment of principal or interest in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, or a modification of the date of payment in respect of the Certificates, or where applicable, of the method of calculating the date of payment in respect of the Certificates, (iii) a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes, or the method of calculating or the definitions of Class Y Certificate Payment or Class Y Certificate Payment Amount or the method of calculating or the definitions of Residual Payment or Residual Payment Amount (including, in relation to any Class of Notes or Certificates, if any such modification is proposed for any Class of Notes or Certificates senior to such Class of Notes or Certificates) (iv) a modification of the currency in which payments under the Notes or the Certificates are to be made (v) a modification of the quorum or majority required in relation to this exception, (vi) a modification of the provisions of Clause 24 (*Additional Right of Modification*) of the Trust Deed or Condition 13 (*Additional Right of Modification*) or Certificates Condition 12 (*Additional Right of Modification*), (vii) any sanctioning of any scheme or proposal for the sale, conversion or cancellation of the Notes or the Certificates, (viii) a modification of the provisions of paragraph 27, 28 and 29 of Schedule 5 to the Trust Deed or Condition 15 (*Notice to Noteholders*) or Certificates Condition 14 (*Notice to Certificateholders*), or (ix) a modification of any of the provisions contained in this definition, and **provided that** any amendment made in accordance with Condition 13 (*Additional Right of Modification*) shall not constitute a Basic Terms Modification.

(c) The quorum at any adjourned meeting (whether passing an Ordinary Resolution, Extraordinary Resolution or Extraordinary Resolution in relation to a Basic Terms Modification) shall be one or more persons present and holding or representing in the aggregate not less than one-quarter of the aggregate Principal Amount Outstanding of the Notes of such Class or one or more persons holding or representing in the aggregate not less than one-quarter of the number of Certificates of such Class in issue.

The Trust Deed and the Deed of Charge contain similar provisions in relation to directions in writing from the Noteholders upon which the Note Trustee or, as the case may be, the Security Trustee is bound to act.

12.5 Other than in respect of an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice, or any modifications of the Conditions, the Certificate Conditions or the Transaction Documents pursuant to Clause 24 (*Additional Right of Modification*) of the Trust Deed, Condition 13 (*Additional Right of Modification*) or Certificates Condition 12 (*Additional Right of Modification*) and other than in relation to a Basic Terms Modification of the Notes and matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right, and subject to the more detailed provisions of the Trust Deed, an Extraordinary Resolution or an Ordinary Resolution of the Noteholders or Certificateholders of any Class, may be duly passed and shall be binding on all of the Noteholders or Certificateholders of such Class (as applicable) in accordance with its terms where regardless of whether or not such Noteholder or Certificateholder has notified the Note Trustee and, for so long as the Notes and/or Certificates are held through the Clearing Systems, the Principal Paying Agent in accordance with Condition 12.5(c) of its objection to such Ordinary Resolution or Extraordinary Resolution where:

(a) notice of such Extraordinary Resolution or Ordinary Resolution, as applicable, (including the full text of the same) has been given to the Noteholders or the Certificateholders of such Class, as applicable in accordance with the provisions of Condition 15 (*Notice to Noteholders*) and Certificates Condition 14 (Notice to Certificateholders) and is simultaneously made available through Bloomberg or any industry recognised successor to Bloomberg on a page associated with the Notes and/or Certificates (unless impracticable to do so due to changes in the Bloomberg system after the Closing Date) (with such notice being repeated in the same manner 20 days after such notice is first given);

(b) such notice contains a statement requiring such Noteholders or Certificateholders to notify both the Note Trustee in writing (with such evidence as to holding and blocking of such Noteholder's or Certificateholder's holding of such Notes or Certificates, as applicable, as the Note Trustee may require) and, for so long as the Notes and/or the Certificates are held through the Clearing Systems, the Principal Paying Agent via the Clearing Systems if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of (i) in the case of an Extraordinary Resolution, 10 per cent. or more in (A) aggregate Principal Amount Outstanding of the Notes or the Notes of such Class (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders); or (ii) in the case of an Ordinary Resolution, 15 per cent. or more in (A) aggregate Principal Amount Outstanding of the Notes or the Notes of such Class (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders), makes such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Noteholders or the Noteholders of such Class or the Certificateholders or the Certificateholders of such Class (as applicable) and specifying the requirements for the making of such objections (including addresses, email addresses and deadlines) further as set out in the following paragraph; and

(c) holders of (i) in the case of an Extraordinary Resolution, 10 per cent. or more in (A) aggregate Principal Amount Outstanding of the Notes or the Notes of such Class (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders) or (ii) in the case of an Ordinary Resolution, 15 per cent. or more in (A) aggregate Principal Amount Outstanding of the Notes or the Notes of such Class (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders), have not notified the Note Trustee in

writing (with such evidence as to holding and blocking of such Noteholder's or Certificateholder's holding of such Notes or Certificates, as applicable, as the Note Trustee may require) and, for so long as the Notes and/or Certificates are held through the Clearing Systems, the Principal Paying Agent via the Clearing Systems of their objection to such Extraordinary Resolution or Ordinary Resolution within 40 days of the date that notice was first given to Noteholders and Certificateholders in accordance with Condition 15 (*Notice to Noteholders*) and Certificates Condition 14 (*Notice to Certificateholders*). For the avoidance of doubt, a notice given in accordance with this paragraph will not constitute a notice of meeting of Noteholders and/or Certificateholders and a notice given in accordance with this paragraph cannot run concurrently with a notice of a meeting relating to the same matters.

Upon the Note Trustee receiving objections from the Noteholders or Certificateholders of 10 per cent. or more (in the case of an Extraordinary Resolution) or 15 per cent. or more (in the case of an Ordinary Resolution) in (A) aggregate of the Principal Amount Outstanding of the Notes of the relevant Class or Classes (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders), the Note Trustee shall give notice to the relevant Class or Classes of Noteholders or Certificateholders (as applicable) in accordance with the provisions of Condition 15 (*Notice to Noteholders*) and Certificates Condition 14 (*Notice to Certificateholders*) that the relevant Extraordinary Resolution or the Ordinary Resolution (as the case may be) has not passed. In such circumstance, a meeting of Noteholders may be called in accordance with the provisions of this Condition 12 or a meeting of the Certificateholders in accordance with the provisions of Certificates Condition 11 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*) in order to pass the relevant Extraordinary Resolution or Ordinary Resolution in accordance with the provisions of this Condition 12 or Certificates Condition 11 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*), as applicable.

12.6 Other than in respect of matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right (which shall only be binding if the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented), the Note Trustee, may agree with the Issuer and any other parties but without the consent or sanction of the Noteholders or the Certificateholders or the other Secured Creditors (and may direct the Security Trustee to so agree) at any time and from time to time concur with the Issuer or any other person in making or sanctioning any modification:

(a) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document, other than in respect of a Basic Terms Modification, 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, so long as there are any Notes or Certificates outstanding or all the Secured Creditors if there are no Notes or Certificates outstanding), will not be materially prejudicial to the interests of the holders of the Most Senior Class, or the interests of the Note Trustee or the Security Trustee; or

(b) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document if 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, so long as there are any Notes or Certificates outstanding or all the Secured Creditors if there are no Notes or Certificates outstanding), such modification is of a formal, minor or technical nature or to correct a manifest error.

12.7 The Note Trustee may also without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any subsequent breach or Event of Default at any time and from time to time but only if and in so far as in the sole opinion of the Note Trustee (acting in accordance with the Trust Deed) the interests of the Most Senior Class

shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in the Trust Deed or any other Transaction Document or determine that any Event of Default shall not be treated as such provided that the Note Trustee shall not exercise any power conferred on it in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Condition 10 (*Events of Default*) or Certificates Condition 9 (*Events of Default*)) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

12.8 Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and Certificateholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders and the Certificateholders as soon as practicable thereafter in accordance with Condition 15 (*Notice to Noteholders)* and Certificates Condition 14 (*Notice to Certificateholders*).

12.9 Any modification to the Transaction Documents shall be notified by the Issuer in writing to the Rating Agencies.

12.10 In determining whether a proposed action will not be materially prejudicial to the Noteholders or any Class thereof, the Note Trustee may, among other things, have regard to whether the Rating Agencies have confirmed in writing to the Issuer or any other party to the Transaction Documents that any proposed action will not result in the withdrawal or reduction of, or entail any other adverse action with respect to, the then current rating of the Rated Notes. It is agreed and acknowledged by the Note Trustee that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to take into account that each of the Rating Agencies have confirmed that the then current rating of the Notes would not be adversely affected, it is agreed and acknowledged by the Note Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Note Trustee, the Noteholders or any other person or create any legal relations between each of the Rating Agencies, the Note Trustee, the Noteholders or any other person whether by way of contract or otherwise.

12.11 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee is required to have regard to the interests of the Noteholders or Certificateholder of any Class or Classes, it shall have regard to the general interests of the Noteholders or Certificateholders of such Class or Classes as a Class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder or Certificateholders be entitled to claim from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Certificateholders.

12.12 **Extraordinary Resolution** means in respect of the holders of any Class of Notes:

(a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed and these Conditions by a majority consisting of not less than two thirds of persons eligible to attend and vote at such meeting and voting at such meeting upon a show of hands or, if a

poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll; or

(b) a resolution in writing signed by or on behalf of the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders.

12.13 **Ordinary Resolution** means in respect of the holders of any Class of Notes:

(a) a resolution passed at a meeting duly convened and held in accordance with these presents by a clear majority of the persons eligible to attend and vote at such meeting and voting at such meeting on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll; or

(b) a resolution in writing signed by or on behalf of the Noteholders of not less than a clear majority in aggregate Principal Amount Outstanding of the relevant Class of Notes, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders.

12.14 Details of any Extraordinary Resolution passed in accordance with the provisions of the Trust Deed shall be notified to each of the Rating Agencies by the Principal Paying Agent on behalf of the Issuer.

12.15 Issuer Substitution Condition

The Note Trustee may concur with the Issuer to any substitution under these Conditions and subject to such amendment of these Conditions and of any of the Transaction Documents and to such other conditions as the Note Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed and the Notes and in respect of the other secured obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Notes are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Condition 4 (*Covenants*).

13. ADDITIONAL RIGHT OF MODIFICATION

Notwithstanding the provisions of Condition 12 (*Meetings of Noteholders, Modification, Waiver and substitution*) but provided that there are Notes or Certificates outstanding, each of the Security Trustee and the Note Trustee shall be obliged, without any consent or sanction of the Noteholders of the Certificateholders, or any of the other Secured Creditors, to concur with the Issuer and any other person in making any modification (other than in respect of a Basic Terms Modification and, to the extent such modification affects a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right only with the prior consent of the Class Y Certificateholders or Class R Certificateholders, as applicable) to these Conditions, the Certificates Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

(a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:

(i) the Issuer certifies in writing to each of the Security Trustee and the Note Trustee that such modification is reasonably necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and

(ii) in the case of any modification to a Transaction Document proposed by any of the Account Bank or the Cash Manager in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to take action which is required to take under the new criteria or to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds), the Account Bank or the Cash Manager, as the case may be, certifies in writing to the Issuer or each of the Security Trustee and the Note Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to each of the Security Trustee and the Note Trustee that it has received the same from the Account Bank or the Cash Manager, as the case may be);

(b) to comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date, provided that the Issuer certifies to each of the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(c) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to each of the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(d) for the purposes of enabling the Issuer or any of the other transaction parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant transaction party, as applicable, certifies to each of the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(e) to comply with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or EU CRA Regulation or regulations or official guidance in relation thereto provided that the Issuer certifies to each of the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by the Issuer or the relevant transaction party, as the case may be, pursuant to Condition 13(a) to (e) being a **Modification Certificate**); or

(f) to change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may be calculated in a different manner), (any such rate, which may include an alternative screen rate, an **Alternative Base Rate**) and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer to facilitate such change (a **Base Rate Modification**), provided that the Issuer provides a certificate to the Note Trustee

and the Security Trustee certifying (such certificate, a **Base Rate Modification Certificate**) that:

(i) such Base Rate Modification is being undertaken due to any one or more of the following:

(A) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;

(B) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;

(C) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);

(D) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);

(E) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

(F) a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or

(G) the reasonable expectation of the Issuer that any of the events specified in paragraphs (A) to (F) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

(ii) such Alternative Base Rate is:

(A) a base rate published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or the Prudential Regulatory Authority or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

(B) a base rate utilised in a material number of publicly listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification; or

(C) such other base rate as the Issuer reasonably determines (to preserve, so far as reasonably and commercially practicable, what would have been the expected Floating Rate of Interest applicable to the Most Senior Class of Notes) or which is proposed by any holder of the Most Senior Class of Notes then outstanding or any holder of the Class R Certificates then in issue.

For the avoidance of doubt, the Issuer may propose an Alternative Base Rate on more than one occasion, provided that the conditions set out in this Condition 13(f) are satisfied,

provided that (in the case of each of the paragraphs 13(a) to 13(f) above):

(A) at least 30 calendar days' prior written notice of any such proposed modification has been given to each of the Security Trustee, the Note Trustee and the Agent Bank;

(B) the Modification Certificate or Base Rate Modification Certificate (as applicable) in relation to such modification shall be provided to each of the Security Trustee and the Note Trustee both at the time each of the Security Trustee and the Note Trustee is notified of the proposed modification and on the date that such modification takes effect and the Note Trustee and the Security Trustee shall be entitled to rely on any such Modification Certificate or Base Rate Modification Certificate absolutely without liability and enquiry;

(C) the consent of each Secured Creditor (other than any Noteholder or Certificateholder) which is party to the relevant Transaction Document, or which, as a result of the relevant modification would be further contractually subordinated to any Secured Creditor than would otherwise have been the case prior to such modification, has been obtained; and

(D) the Issuer pays all costs and expenses (including legal fees) incurred by the Issuer and each of the Security Trustee and the Note Trustee in connection with such modification,

and **provided further that**:

(E) either:

I. the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); or

II. the Issuer certifies in the Modification Certificate or Base Rate Modification Certificate (as applicable) that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and

(F) (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class and the Certificateholders of the proposed modification in accordance with Condition 15 (*Notice to Noteholders*) or Certificates Condition 14 (*Notice to Certificateholders*) (as applicable) and by publication on Bloomberg on the "Company News" screen relating to the Notes or the Certificates, and (II) neither Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding nor Certificateholders representing 10 per cent. by number of the Class R Certificates then in issue have notified the Note Trustee in writing (or otherwise in accordance

with the then current practice of any applicable clearing system through which such Notes or the Certificates, as applicable, may be held) within such notification period notifying the Note Trustee that such Noteholders or the Certificateholders, as applicable, do not consent to the modification.

If either Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or Certificateholders representing at least 10 per cent. by number of the Class R Certificates then in issue have notified the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or Certificates, as applicable, may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding (if such notification was received from Noteholders of the Most Senior Class of Notes then outstanding) and/or an Extraordinary Resolution of the Class R Certificateholders (if such notification was received from the Class R Certificateholders), as applicable, is passed in favour of such modification in accordance with the Conditions or the Certificates Conditions, as applicable.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes or the relevant Certificateholder's holding of the Certificates, as applicable.

(g) When implementing any modification pursuant to this Condition 13, each of the Security Trustee and the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 13 and shall not be liable to the Noteholders, the Certificateholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

(h) Each of the Security Trustee and the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Security Trustee or the Note Trustee would have the effect of (i) exposing the Security Trustee or the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Security Trustee or the Note Trustee in the Transaction Documents and/or the Conditions and/or the Certificates Conditions.

Any such modification effected pursuant to this Condition 13 shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:

(i) so long as any of the Rated Notes remain outstanding, each Rating Agency;

(ii) the Secured Creditors; and

(iii) the Noteholders and the Certificateholders in accordance with the Conditions and the Certificates Conditions, as applicable.

14. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

15. NOTICE TO NOTEHOLDERS

15.1 Publication of Notice

(a) Subject to Condition 15.1(b), all notices to the Noteholders will be valid if published in a manner which complies with the rules and regulations of Euronext Dublin (which includes delivering a copy of such notice to Euronext Dublin) and any such notice will be deemed to have been given on the date sent to Euronext Dublin. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Note Trustee may approve. The holders of any coupons will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

(b) While the Notes are represented by Global Notes, notices to Noteholders will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Noteholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.

16. REPLACEMENT NOTES

If any Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange requirements. Replacement of any mutilated, defaced, lost, stolen or destroyed Note will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Note must be surrendered before a new one will be issued.

17. SUBORDINATION BY DEFERRAL

17.1 Interest

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of all amounts of interest (which shall, for the purposes of this Condition 17, include any interest previously deferred under this Condition 17.1 and accrued interest thereon) payable (other than in respect of the Most Senior Class of Notes) after having paid or provided for items of higher priority

in the Pre-Acceleration Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of interest (such interest, the **Deferred Interest**) in respect of the relevant Class of Notes (other than the Most Senior Class of Notes) to the extent only of any insufficiency of funds (only after having paid or provided for all amounts specified as having a higher priority in the Pre-Acceleration Revenue Priority of Payments.

17.2 General

Any amounts of Deferred Interest shall accrue interest (**Additional Interest**) at the same rate and on the same basis as scheduled interest in respect of the corresponding Class of Notes, but shall not be capitalised. Such Deferred Interest and Additional Interest shall, in any event, become payable on the next Interest Payment Date (unless and to the extent that Condition 17.1 (*Interest*) applies) or on such earlier date as the relevant Class of Notes become due and repayable in full in accordance with these Conditions.

17.3 Notification

As soon as practicable after becoming aware that any part of a payment of interest on a Class of Notes will be deferred or that a payment previously deferred will be made in accordance with this Condition 17, the Issuer will give notice thereof to the holders of the relevant Class of Notes, in accordance with Condition 15 (*Notice to Noteholders*). Any deferral of interest in accordance with this Condition 17 will not constitute an Event of Default. The provisions of this Condition 17 shall cease to apply on the Final Maturity Date, or any earlier date on which the Notes are redeemed in full or required to be redeemed in full at which time all deferred interest and accrued interest thereon shall become due and payable.

18. NON-RESPONSIVE RATING AGENCY

(a) In respect of the exercise of any power, duty, trust, authority or discretion as contemplated hereunder or in relation to the Rated Notes and any of the Transaction Documents, the Note Trustee and the Security Trustee shall be entitled but not obliged to take into account any written confirmation or affirmation (in any form acceptable to the Note Trustee and the Security Trustee) from the relevant Rating Agencies that the then current ratings of the Rated Notes will not be reduced, qualified, adversely affected or withdrawn thereby (a **Rating Agency Confirmation**).

(b) If a Rating Agency Confirmation or other response by a Rating Agency is a condition to any action or step under any Transaction Document and a written request for such Rating Agency Confirmation or response is delivered to each Rating Agency by or on behalf of the Issuer (copied to the Note Trustee and the Security Trustee, as applicable) and:

(i) (A) one Rating Agency (such Rating Agency, a **Non-Responsive Rating Agency**) indicates that it does not consider such Rating Agency Confirmation or response necessary in the circumstances or that it does not, as a matter of practice or policy provide such Rating Agency Confirmation or response or (B) within 30 days of delivery of such request, no Rating Agency Confirmation or response is received and/or such request elicits no statement by such Rating Agency that such Rating Agency Confirmation or response could not be given; and

(ii) the Issuer has otherwise received no indication from that Rating Agency that its then current ratings of the Rated Notes would be reduced, qualified, withdrawn or put on negative watch as a result of such action, step or matter,

then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be modified so that there shall be no requirement for the Rating Agency Confirmation or

response from the Non-Responsive Rating Agency if the Issuer provides to the Note Trustee and the Security Trustee a certificate signed by two directors certifying and confirming that each of the events in paragraphs (i)(A) or (B) and (ii) above has occurred, the Issuer having sent a written request to each Rating Agency.

19. GOVERNING LAW

The Trust Deed, the Deed of Charge, the Notes and these Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law (other than certain terms of the Deed of Charge which are particular to the law of Scotland, and any supplemental security documents to be granted pursuant thereto, which will be governed by and shall be construed in accordance with Scots law and other than certain terms of the Deed of Charge which are particular to the law of Northern Ireland, which shall be governed by and construed in accordance with Northern Irish law).

20. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes or these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act

TERMS AND CONDITIONS OF THE CERTIFICATES

*The following are the Terms and Conditions of the Certificates (the **Certificates Conditions**)) and any reference to a Certificate Condition shall be construed accordingly) in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below)*

1. GENERAL

The 1,000,000 Class Y Certificates (the **Class Y Certificates**) and the 1,000,000 Class R certificates (the **Class R Certificates**, and together with the Class Y Certificates, the **Certificates**) of Rochester Financing No.3 plc (the **Issuer**) are constituted by a trust deed (the **Trust Deed**) dated on or about 15 June 2021 (the **Closing Date**) and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Certificateholders (in such capacity, the **Note Trustee**). Any reference in these certificate terms and conditions (the **Certificates Conditions**) to a **Class** of Notes or of Noteholders shall, unless stated otherwise, be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes, the Class F Notes or the Class G Notes, as the case may be, or to the respective holders thereof. Any reference in these Certificates Conditions to the **Class Y Certificateholders** means the registered holders for the time being of the Class Y Certificates. Any reference in these Certificates Conditions to the **Class R Certificateholders** means the registered holders for the time being of the Class R Certificates. Any reference in these Certificates Conditions to the **Certificateholders** means, unless stated otherwise, any of the Class Y Certificateholders and the Class R Certificateholders. The security for the Certificates is constituted by a deed of charge and assignment (the **Deed of Charge**) dated on the Closing Date and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the Secured Creditors (in such capacity, the **Security Trustee**).

Pursuant to an agency agreement (the **Agency Agreement**) dated on the Closing Date and made between the Issuer, the Note Trustee, Elavon Financial Services DAC as principal paying agent (in such capacity, the **Principal Paying Agent** and, together with any further or other paying agent appointed under the Agency Agreement, the **Paying Agent**), Elavon Financial Services DAC as registrar (in such capacity, the **Registrar**) and Elavon Financial Services DAC as agent bank (in such capacity, the **Agent Bank**), provision is made for, *inter alia*, the payment of amounts in respect of the Certificates.

The statements in these Certificates Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and the Master Definitions and Construction Schedule (the **Master Definitions and Construction Schedule**) entered into by, among others, the Issuer, the Note Trustee and the Security Trustee on the Closing Date and the other Transaction Documents (as defined therein).

Copies of the Trust Deed, the Deed of Charge, the Agency Agreement, the Master Definitions and Construction Schedule and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents and are available electronically at the Reporting Website. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Capitalised terms not otherwise defined in these Certificates Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above. These Certificates Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

2. FORM, DENOMINATION AND TITLE

2.1 Form and Denomination

Each Class Y Certificate will initially be represented by a global Class Y Certificate in registered form (a **Global Class Y Certificate**). Each Class R Certificate will initially be represented by a global Class R Certificate in registered form (a **Global Class R Certificate**).

For so long as any of the Certificates are represented by a Global Certificate, transfers and exchanges of beneficial interests in such Global Certificate and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of Euroclear Bank SA/NV (**Euroclear**) or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), as appropriate. Each Global Certificate will be deposited with and registered in the name of a common safekeeper (or a nominee thereof) for Euroclear and Clearstream, Luxembourg.

A Global Certificate will be exchanged for the relevant Certificate in definitive registered form (such exchanged Global Class Y Certificate, the **Registered Definitive Class Y Certificates** and such exchanged Global Class R Certificate, the **Registered Definitive Class R Certificates**) only if either of the following applies:

(a) both Euroclear and Clearstream, Luxembourg:

(i) are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or

(ii) announce an intention permanently to cease business and do so cease to do business

and in either case no alternative clearing system satisfactory to the Note Trustee is available; or

(b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration by a revenue authority or a court or in the application of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding for or on account of tax from any payment in respect of the relevant Certificates which would not be required were the relevant Certificates in definitive registered form.

If Definitive Certificates are issued in respect of Certificates originally represented by a Global Certificate, the beneficial interests represented by such Global Certificate shall be exchanged by the Issuer for the relevant Certificates in registered definitive form.

Registered Definitive Certificates will be serially numbered and will be issued in registered form only.

References to Certificates in these Certificates Conditions shall include the Global Certificates and the Registered Definitive Certificates.

2.2 Title

Title to the Global Certificates shall pass by and upon registration in the register (the **Register**) which the Issuer shall procure to be kept by the Registrar. The registered holder of a Global Certificate may (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute

owner of such Global Certificate regardless of any notice of ownership, theft or loss or any trust or other interest therein or of any writing thereon (other than the endorsed form of transfer).

Title to Registered Definitive Certificates shall only pass by and upon registration of the transfer in the Register.

The Class Y Certificates are issued in 1,000,000 units and can be transferred in integrals of 1.

The Class R Certificates are issued in 1,000,000 units and can be transferred in integrals of 1.

Registered Definitive Certificates may be transferred upon the surrender of the relevant Registered Definitive Certificate, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. All transfers of Registered Definitive Certificates are subject to any restrictions on transfer set forth on the Registered Definitive Certificates and the detailed regulations concerning transfers in the Agency Agreement.

Each new Registered Definitive Certificate to be issued upon transfer of such Registered Definitive Certificate will, within five Business Days of receipt and surrender of such Registered Definitive Certificate (duly completed and executed) for transfer, be available for delivery at the specified office of the Registrar or be mailed at the risk of the transferee entitled to such Registered Definitive Certificate to such address as may be specified in the relevant form of transfer.

Registration of a Registered Definitive Certificate on transfer will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax, stamp duty or other government charges which may be imposed in relation to it.

The Certificates are not issuable in bearer form.

3. STATUS AND SECURITY

3.1 Status of the Certificates

(a) The Certificates constitute direct, secured and (subject to the limited recourse provision in Certificates Condition 10 (*Enforcement*)) unconditional obligations of the Issuer and reflect the Issuer's obligation to pay deferred consideration for its purchase of the Portfolio, consisting, as applicable, of the Class Y Certificate Payments and Residual Payments.

(b) The Class Y Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payments on the Class Y Certificates. The Class Y Certificate Payment will at all times rank in priority to the payments of interest and principal on the Notes.

(c) The Class R Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payments on the Class R Certificates. Payments of interest and principal on the Notes will at all times rank in priority to payments on the Class R Certificates. Payments of the Class Y Certificate Payment Amounts in respect of the Class Y Certificates will at all times rank in priority to payments on the Class R Certificates.

(d) The Trust Deed and the Deed of Charge contain provisions requiring the Note Trustee and the Security Trustee, respectively, to have regard to the interests of (A) the Class Y Certificateholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise) and (B) Class R Certificateholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee and the Security Trustee (except where expressly provided otherwise), but requiring the Note Trustee and the Security Trustee in any such case to have regard only (except as

expressly provided otherwise and other than in respect of matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right (which shall only be binding if the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented)) to the interests of the Noteholders for so long as there are any Notes outstanding or, if there are no Notes outstanding, to the interests of the Class R Certificateholders for so long as there are any Class R Certificates outstanding.

3.2 Security

(a) The security constituted by or pursuant to the Deed of Charge is granted to the Security Trustee for it to hold on trust for the Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.

(b) The Certificateholders and the other Secured Creditors will share in the benefit of the security constituted by or pursuant to the Deed of Charge, upon and subject to the terms and conditions of the Deed of Charge.

4. COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of the Transaction Documents, the Issuer shall not, so long as any Certificate remains outstanding:

(a) **Negative pledge**: create or permit to subsist any encumbrance (unless arising by operation of law) or other security interest whatsoever over any of its assets or undertaking;

(b) **Restrictions on activities**: (i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities in which the Transaction Documents provide or envisage that the Issuer will engage or (ii) have any subsidiaries, any subsidiary undertaking (as defined in the Companies Act 1985 and the Companies Act 2006 (as amended) (as applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;

(c) **Corporation tax**: prejudice its eligibility for its corporation tax liability to be calculated in accordance with regulation 14 of the Securitisation Tax Regulations;

(d) **Disposal of assets**: assign, transfer, sell, lend, lease, part with or otherwise dispose of, declare any trust over or deal with, or grant any option or present or future right to acquire all or any of its assets or undertakings or any interest, estate, right, title or benefit therein or attempt or purport to do any of the foregoing;

(e) **Equitable and Beneficial Interest**: permit any person, other than itself and the Security Trustee, to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein;

(f) **Dividends or distributions by the Issuer**: pay any dividend or make any other distribution to its shareholders except out of amounts of profit retained by the Issuer in accordance with the Priorities of Payments which are available for distribution in accordance with the Issuer's Memorandum and Articles of Association and with applicable laws or issue any further shares;

(g) **Indebtedness**: incur any financial indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness or of any other obligation of any person;

(h) **Merger**: consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(i) **No modification or waiver**: permit any of the Transaction Documents to which it is a party to become invalid or ineffective or permit the priority of the security interests created or evidenced thereby or pursuant thereto to be varied, modified, terminated, postponed or waived or agree to any modification of, or grant any consent, approval, authorisation or waiver pursuant to, or in connection with, any of the Transaction Documents to which it is a party or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations or exercise any right to terminate any of the Transaction Documents to which it is a party;

(j) **Bank accounts**: have an interest in any bank account other than the Collection Account, the Deposit Account or any other Issuer Accounts, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

(k) **Purchase Notes or Certificates**: purchase or otherwise acquire any Notes or Certificates;

(l) **U.S. activities**: engage in any activities in the United States (directly or through agents), or derive any income from United States sources as determined under United States income tax principles, or hold any property if doing so would cause it to be engaged in a trade or business within the United States as determined under United States income tax principles; or

(m) **VAT**: apply to become part of any group with any other company or group of companies for the purposes of Sections 43 to 43D of the Value Added Tax Act 1994 and the VAT (Groups: eligibility) Order (S.I. 2004/1931), or such act, regulation, order, statutory instrument or directive which may from time to time re-enact, replace, amend, vary, codify, consolidate or repeal any of the same.

5. PAYMENTS

5.1 Right to Payments

(a) Each Class Y Certificate represents a *pro rata* entitlement to receive Class Y Certificate Payments.

(b) Each Class R Certificate represents a *pro rata* entitlement to receive Residual Payments.

5.2 Payment

Class Y Certificate Payments and Residual Payments will be payable on the Interest Payment Dates, determined in accordance with the Conditions of the Notes, in accordance with the Priority of Payments.

In these Certificates Conditions:

(a) **Interest Payment Date** means, each date determined as an Interest Payment Date in accordance with the Conditions of the Notes.

(b) **Class Y Certificate Payment** means, on any date of determination:

(i) prior to the delivery of a Note Acceleration Notice and in respect of each Interest Payment Date, an amount equal to:

$$\frac{A \times B \times C}{D}$$

where,

A = 0.001

B = the aggregate Current Principal Balance of the Loans as at the Collection Period Start Date for the Collection Period ending immediately prior to the relevant Interest Payment Date

C = the number of days in the relevant Interest Period

D = 365

with the total figure rounded downwards to the nearest £0.01; and

(ii) following the delivery of a Note Acceleration Notice, for any date on which amounts are to be applied in accordance with the Post-Acceleration Priority of Payments, any Class Y Certificate Payment calculated in accordance with paragraph (i) above which has accrued but is unpaid on the date of the Note Acceleration Notice.

(c) **Class Y Certificate Payment Amount** means, in relation to any Class Y Certificate on any date on which amounts are to be applied in accordance with the relevant Priorities of Payments, the Class Y Certificate Payment for that date divided by the number of the Class Y Certificates then in issue;

(d) **Residual Payment** means:

(i) prior to the delivery of a Note Acceleration Notice, for an Interest Payment Date, the amount by which Available Revenue Receipts exceeds the amounts required to satisfy items (a) to (v) of the Pre-Acceleration Revenue Priority of Payments on that Interest Payment Date; and

(ii) following the delivery of a Note Acceleration Notice, for any date on which amounts are to be applied in accordance with the Post-Acceleration Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Acceleration Priority of Payments exceeds the amounts required to satisfy items (a) to (n) of the Post-Acceleration Priority of Payments on that date; and

(e) **Residual Payment Amount** means, for each Class R Certificate on any date on which amounts are to be applied in accordance with the relevant Priorities of Payments, the Residual Payment for that date, divided by the number of the Class R Certificates then in issue.

5.3 Determination of Class Y Certificate Payment and Residual Payment

The Cash Manager shall, as soon as practicable after 11.00 a.m. (London time) on each Interest Calculation Date but in no event later than the third Business Day thereafter, determine:

(a) the Class Y Certificate Payment and, in respect of each Class Y Certificate, the Class Y Certificate Payment Amount; and

(b) the Residual Payment and, in respect of each Class R Certificate, the Residual Payment Amount.

5.4 Publication of Class Y Certificate Payment, Class Y Certificate Payment Amount, Residual Payment and Residual Payment Amount

The Cash Manager shall cause the Class Y Certificate Payment, the Class Y Certificate Payment Amount, the Residual Payment and the Residual Payment Amount (if any) for each Interest Payment Date to be notified to the Issuer, the Note Trustee, the Registrar and the Paying Agents (as applicable) and to be published in accordance with Certificates Condition 14 (*Notice to Certificateholders*) as soon as possible after their determination and in no event later than the second Business Day thereafter. The Class Y Certificate Payment, the Class Y Certificate Payment Amount, the Residual Payment and the Residual Payment Amount may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

5.5 Determination by the Note Trustee

The Note Trustee may, without liability therefor, if the Cash Manager defaults at any time in its obligation to determine the Class Y Certificate Payment, the Class Y Certificate Payment Amount, the Residual Payment and the Residual Payment Amount (if any) in accordance with the above provisions and the Note Trustee has been notified of this default, determine or cause to be determined the Class Y Certificate Payment, the Class Y Certificate Payment Amount, the Residual Payment and the Residual Payment Amount (if any), in the manner provided in this Certificates Condition 5. Any such determination shall be deemed to be determinations made by the Cash Manager.

5.6 Notifications etc to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Certificates Condition 5, whether by the Cash Manager or the Note Trustee, will (in the absence of wilful default, gross negligence or fraud) be binding on the Issuer, the Cash Manager, the Note Trustee, the Registrar the Paying Agents and all Certificateholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer or the Certificateholders shall attach to the Cash Manager, the Registrar or, if applicable, the Note Trustee in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Certificates Condition 5.

5.7 Termination of Payments and cancellation of Certificates

Following the redemption in full of the Notes and the realisation of the Charged Assets, and payment of the proceeds in accordance with the relevant Priorities of Payments, no more Class Y Certificate Payments or Residual Payments will be made by the Issuer and the Certificates shall be cancelled.

5.8 Determinations and Reconciliation

(a) In the event that the Cash Manager does not receive any Servicer Report due during a Collection Period (each such period, a **Determination Period**), then the Cash Manager may use the Servicer Reports in respect of the three most recent Collection Periods for which all relevant Servicer Reports are available (or, where there are not at least three previous Collection Periods, any previous Collection Periods) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in this Condition 5.8. When the Cash Manager receives all Servicer Reports relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Condition 5.8(c). Any (i) calculations properly made on the basis of such

estimates in accordance with Conditions 5.8(b) and/or 5.8(c); (ii) payments made under any of the Notes and Transaction Documents in accordance with such calculations; and (iii) reconciliation calculations and reconciliation payments made as a result of such reconciliation calculations, each in accordance with Conditions 5.8(b) and/or 5.8(c), shall be deemed to be made in accordance with the provisions of the Transaction Documents and will in themselves not lead to an Event of Default and no liability will attach to the Cash Manager in connection with the exercise by it of its powers, duties and discretion for such purposes.

(b) In respect of any Determination Period the Cash Manager shall:

(i) determine the Interest Determination Ratio (as defined below) by reference to the three most recent Collection Periods in respect of which all relevant Servicer Reports are available (or, where there are not at least three previous Collection Periods, any previous Collection Periods);

(ii) calculate the Revenue Receipts for such Determination Period as the product of (A) the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the **Calculated Revenue Receipts**); and

(iii) calculate the Principal Receipts for such Determination Period as the product of (A) 1 minus the Interest Determination Ratio and (B) all collections received by the Issuer during such Determination Period (the **Calculated Principal Receipts**).

(c) Following any Determination Period, upon receipt by the Cash Manager of all Servicer Reports in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with Condition 5.8(b) to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount (as defined below) as follows:

(i) if the Reconciliation Amount is a positive number, the Cash Manager shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Revenue Ledger, as Available Principal Receipts (with a corresponding debit of the Revenue Ledger); and

(ii) if the Reconciliation Amount is a negative number, the Cash Manager shall apply an amount equal to the lesser of (A) the absolute value of the Reconciliation Amount and (B) the amount standing to the credit of the Principal Ledger, as Available Revenue Receipts (with a corresponding debit of the Principal Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Principal Receipts for such Collection Period in accordance with the terms of the Cash Management Agreement and the Cash Manager shall promptly notify the Issuer and the Security Trustee of such Reconciliation Amount.

Interest Determination Ratio means (a) the aggregate Revenue Receipts calculated in the three preceding Collection Periods for which all relevant Servicer Reports are available (or, where there are not at least three previous such Collection Periods, any previous Collection Periods) divided by (b) the aggregate of all Revenue Receipts and all Principal Receipts calculated in such Collection Periods.

Reconciliation Amount means in respect of any Collection Period which is a Determination Period, (a) the actual Principal Receipts as determined in accordance with the available Servicer Reports, less (b) the Calculated Principal Receipts in respect of such Collection Period, plus (c) any Reconciliation Amount not applied in previous Collection Periods.

Servicer Report means the reports required to be provided from time to time by the Servicer in accordance with the Servicing Agreement.

6. PAYMENTS

6.1 Payment of Class Y Certificate Payment Amounts and Residual Payment Amounts

Payments of Class Y Certificate Payment Amounts and Residual Payment Amounts shall be made by Sterling cheque in the case of the Certificates, or upon application by the relevant Certificateholder to the specified office of the Principal Paying Agent not later than the 15th day before the due date for any such payment, by transfer to a Sterling account maintained by the payee with a bank in London.

6.2 Laws and Regulations

Payments of Class Y Certificate Payment Amounts and Residual Payment Amounts are subject, in all cases, to (i) any fiscal or other laws and regulations applicable thereto and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to sections 1471 to 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto. Certificateholders will not be charged commissions or expenses on payments.

6.3 Change of Paying Agents

The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent or the Registrar and to appoint additional or other agents provided that there will at all times be a person appointed to perform the obligations of the Principal Paying Agent with a specified office in London, and a person appointed to perform the obligations of the Registrar with a specified office in Luxembourg or in London.

Except where otherwise provided in the Trust Deed or the Agency Agreement, the Issuer will cause notice of no more than 30 days and no less than 15 days of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Certificateholders in accordance with Certificates Condition 14 (Notice to Certificateholders) and will notify the Rating Agencies of such change or addition.

6.4 No Payment on non-Business Day

If the date for payment of any amount in respect of a Certificate is not a Presentation Date, Certificateholders shall not be entitled to payment until the next following Presentation Date in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. In this Certificates Condition 6.4, the expression **Presentation Date** means a day which is (a) a Business Day and (b) a day on which banks are generally open for business in the relevant place.

7. TAXATION

All payments of Class Y Certificate Payment Amounts or Residual Payment Amounts by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer shall make such payment after the withholding or deduction has been made and shall account to the relevant authorities for the amount required to be withheld or deducted. Neither the Issuer nor

any Paying Agent nor any other person shall be obliged to make any additional payments to Certificateholders in respect of such withholding or deduction.

8. PRESCRIPTION

Claims in respect of Class Y Certificate Payment Amounts and Residual Payment Amounts will be prescribed after five years from the Relevant Date in respect of the relevant payment.

In this Certificates Condition 8, the **Relevant Date**, in respect of a payment, is the date on which such payment first becomes due or (if the full amount of the monies payable on that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which, the full amount of such monies having been received, notice to that effect is duly given to the relevant Certificateholders in accordance with Certificates Condition 14 (*Notice to Certificateholders*).

9. EVENTS OF DEFAULT

9.1 Event of Default

Provided all of the Notes have been redeemed in full, the Note Trustee at its absolute discretion may, and, provided all of the Notes have been redeemed in full, if (A) so directed in writing by the holders of at least 25 per cent. of (X) the number of the Class R Certificates then outstanding or (Y) provided no Class R Certificates remain outstanding, the number of the Class Y Certificates then outstanding or (B) if so directed by an Extraordinary Resolution of the Class R Certificates or, provided no Class R Certificates remain outstanding, by an Extraordinary Resolution of the Class Y Certificates, shall (subject to being indemnified and/or prefunded and/or secured to its satisfaction as more particularly described in the Trust Deed) give a notice (a **Note Acceleration Notice**) to the Issuer that any Class Y Certificate Payments (together with any interest accrued pursuant to Condition 18.1 (*Class Y Certificate Payments*) pursuant to the Class Y Certificates and/or any Residual Payments pursuant to the Class R Certificates are immediately due and payable in any of the following events (each, an **Event of Default**):

(a) if default is made in the payment of any amount due in respect of the Certificates and the default continues for a period of 14 days; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Certificates Conditions or any Transaction Document to which it is a party which in the opinion of the Note Trustee is materially prejudicial to the interests of the Class R Certificateholders or, provided no Class R Certificates remain outstanding, the Class Y Certificateholders and (except in any case where the Note Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 30 days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(c) if any order is made by any competent court or any resolution is passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Class R Certificates, or provided all Class R Certificates shall have been redeemed in full, by Extraordinary Resolution of the Class Y Certificates; or

(d) if the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved in writing by the Note Trustee or by Extraordinary Resolution of the Class R Certificates, or provided all Class R

Certificates shall have been redeemed in full, by Extraordinary Resolution of the Class Y Certificates, or the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or the value of its assets falls to less than the amount of its liabilities (taking into account its contingent and prospective liabilities) or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law or is adjudicated or found bankrupt or insolvent; or

(e) if (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including, but not limited to, application to the court for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice of intention to appoint an administrator) or an administration order is granted or the appointment of an administrator takes effect or an administrative or other receiver, manager or other similar official is appointed, in relation to the Issuer or in relation to the whole or any part of the undertaking or assets of the Issuer or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Issuer, or a distress, diligence, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the Issuer and (ii) in the case of any such possession or any such last-mentioned process, unless initiated by the Issuer, is not discharged or otherwise ceases to apply within 30 days; or

(f) if the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or takes steps with a view to obtaining a moratorium in respect of any of its indebtedness or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors).

9.2 General

Upon the service of a Note Acceleration Notice by the Note Trustee in accordance with Certificates Condition 9.1 (*Event of Default*), any Class Y Certificate Payments pursuant to the Class Y Certificates and any Residual Payments pursuant to the Class R Certificates shall thereby immediately become due and payable.

10. ENFORCEMENT

10.1 General

Each of the Note Trustee and the Security Trustee may, at any time, at its discretion and without notice, take such proceedings, actions or steps against the Issuer or any other party to any of the Transaction Documents as it may think fit to enforce the provisions of (in the case of the Note Trustee) the Certificates, the Notes or the Trust Deed (including the Conditions and these Certificates Conditions) or (in the case of the Security Trustee) the Deed of Charge or (in either case) any of the other Transaction Documents to which it is a party and, at any time after the service of a Note Acceleration Notice, the Security Trustee may, at its discretion and without notice, take such steps as it may think fit to enforce the Security, but neither of them shall be bound to take any such proceedings, action or steps unless:

(a) all of the Notes have been redeemed in full;

(b) the Security Trustee or the Note Trustee shall have been so directed:

(i) by an Extraordinary Resolution of the Class R Certificates or, provided no Class R Certificates remain in issue, by an Extraordinary Resolution of the Class Y Certificates; or

(ii) in writing by the holders of at least 25 per cent. of (A) the number of the Class R Certificates then in issue or (B) provided no Class R Certificates remain in issue, the number of the Class Y Certificates in issue; and

(c) in all cases, it shall have been indemnified and/or prefunded and/or secured to its satisfaction.

No Certificateholder may proceed directly against the Issuer unless the Note Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

10.2 Limitations on Enforcement

No Certificateholder shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

Amounts available for distribution after enforcement of the Security shall be distributed in accordance with the terms of the Deed of Charge.

10.3 Limited Recourse

Notwithstanding any other Condition or Certificate Condition or any provision of any Transaction Document, all obligations of the Issuer to the Certificateholders are limited in recourse to the property, assets and undertakings of the Issuer which are the subject of any security created under and pursuant to the Deed of Charge (the **Charged Assets**). If:

(a) there are no Charged Assets remaining which are capable of being realised or otherwise converted into cash;

(b) all amounts available from the Charged Assets have been applied to meet or provide for the relevant obligations specified in, and in accordance with, the provisions of the Deed of Charge; and

(c) there are insufficient amounts available from the Charged Assets to pay in full, in accordance with the provisions of the Deed of Charge, amounts outstanding under the Certificates (including payments of Class Y Certificate Payment Amounts or Residual Payment Amounts, as applicable),

then the Certificateholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid (including, for the avoidance of doubt, payments of Class Y Certificate Payment Amounts in respect of the Class Y Certificates or Residual Payment Amounts in respect of the Class R Certificates) and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

11. MEETINGS OF CERTIFICATEHOLDERS AND NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

11.1 General

(a) The Trust Deed contains provisions for convening meetings of the Noteholders and/or Certificateholders of each Class and, in certain cases, more than one Class, to consider any matter

affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of these Conditions, the Certificates Conditions or the provisions of any of the Transaction Documents.

(b) The Trust Deed also provides that, notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made) which:

(i) constitutes a Basic Terms Modification in respect of the Class R Certificates;

(ii) changes the Class R Certificateholders' rights under the Servicing Agreement;

(iii) changes the Class R Certificateholders' rights under the Deed Poll;

(iv) changes the definition of "Class R Certificates Entrenched Rights"; or

(v) is adverse to the interests of the Class R Certificateholders (and whether or not the interests of the Class R Certificateholders align with the interests of the holders of the relevant Class or Classes of Notes and/or Certificates) (paragraphs (i) to (v) above being the **Class R Certificates Entrenched Rights**),

unless each of the Class R Certificateholders have consented to such modification or waiver.

(c) The Trust Deed also provides that, notwithstanding any other provision of the Conditions, the Trust Deed or any other Transaction Documents, no Extraordinary Resolution or Ordinary Resolution may authorise or sanction any modification or waiver (and no such modification or waiver may otherwise be made) which:

(i) constitutes a Basic Terms Modification in respect of the Class Y Certificates;

(ii) changes the priority of payments of amounts in respect of the Class Y Certificates; or

(iii) changes the definition of "Class Y Certificates Entrenched Rights" (paragraphs (i) to (iii) above being the **Class Y Certificates Entrenched Rights**),

unless each of the Class Y Certificateholders have consented to such modification or waiver.

(d) For the purposes of these Certificate Conditions, **Most Senior Class** means the Class A Notes or, if there are no Class A Notes then outstanding, the Class B Notes or, if there are no Class B Notes then outstanding, the Class C Notes or, if there are no Class C Notes then outstanding, the Class D Notes or, if there are no Class D Notes outstanding, the Class E Notes or, if there are no Class E Notes then outstanding, the Class F Notes or, if there are no Class F Notes then outstanding, the Class G Notes or, if there are no Class G Notes outstanding, the Class X Notes or, if there are no Class X Notes outstanding, the Class R Certificates. Neither the Class R Notes or the Class Y Certificates shall at any time constitute the Most Senior Class.

11.2 Most Senior Class of Notes, Limitations on other Noteholders and Certificateholders

Other than (i) in relation to a Basic Terms Modification, which requires an Extraordinary Resolution of each of the relevant affected Classes of Notes and/or Certificates passed at separate meetings(s) of the holders of such classes of Notes and/or Certificates and (ii) matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right, which requires the consent of the Class Y Certificateholders or the Class R Certificateholders, as applicable:

(a) A resolution (including an Extraordinary Resolution) passed at any meeting of the Most Senior Class of Noteholders shall be binding on all other Classes of Notes and the Certificates irrespective of the effect it has upon them.

(b) A resolution (including an Extraordinary Resolution) passed at any meeting of a relevant Class of Noteholders shall be binding on (i) all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Acceleration Priority of Payments and (ii) the Certificates, irrespective of the effect it has upon them.

(c) No resolution or Extraordinary Resolution of any other Class of Noteholders or the Certificateholders shall take effect for any purpose while any of the Most Senior Class remain outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the Most Senior Class of Noteholders or the Note Trustee is of the opinion that it would not be materially prejudicial to the interests of the Most Senior Class of Noteholders.

11.3 Other than in relation to a Basic Terms Modification and matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right (which shall only be binding if the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented) and subject as provided in Certificates Conditions 11.2 (Most Senior Class of Notes, Limitations on other Noteholders and Certificateholders) and 11.4 (Quorum):

(a) a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of (A) one Class of Notes only or (B) one Class of Certificates only, shall be deemed to have been duly passed if passed at a meeting of the holders of (A) that Class of Notes or (B) that Class of Certificates, as applicable;

(b) a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of more than one Class of Notes but does not give rise to an actual or potential conflict of interest between the holders of such Classes of Notes so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of all the Classes of Notes so affected;

(c) a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of any one or more Classes of Notes, and one or more Classes of Certificates, but does not give rise to an actual or potential conflict of interest between the holders of such one or more Classes of Notes or Certificates, shall be deemed to have been duly passed if passed at a single meeting of the holders of such one or more Classes of Notes without the consent of the Certificateholders;

(d) a resolution which in the opinion of the Note Trustee affects the interests of the holders of any two or more Classes of Notes and gives or may give rise to an actual or potential conflict of interest between the holders of such two or more Classes of Notes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such two or more Classes of Notes, it shall be duly passed at separate meetings of the holders of such two or more Classes of Notes; and

(e) a resolution which in the opinion of the Note Trustee affects the interests of the holders of any one or more Classes of Notes and one or more Classes of Certificates and gives or may give rise to an actual or potential conflict of interest between the holders of such one or more Classes of Notes and the holders of such one or more Classes of Certificates, shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the holders of such one or more Classes of Notes and Certificates, it shall be duly passed at separate meetings of the holders of such one or more Classes of Notes and without the consent of the Certificateholders.

11.4 Quorum

(a) Subject as provided below, the quorum at any meeting of:

(i) Class Y Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the number of Class Y Certificates then outstanding; and

(ii) Class R Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of the number of the Class R Certificates then outstanding by number of the Class R Certificates.

(b) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Class or Classes of Notes or holders of any Class or Classes of Certificates passing an Extraordinary Resolution relating to a Basic Terms Modification shall be one or more persons holding or representing in the aggregate not less than three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes or one or more persons holding or representing in the aggregate not less than three-quarters of the number of Certificates then in issue, as applicable.

Where a **Basic Terms Modification** means (i) a modification of the date of maturity of any Notes, (ii) a modification of the date of payment of principal or interest in respect of the Notes, or where applicable, of the method of calculating the date of payment of principal or interest in respect of the Notes, or a modification of the date of payment in respect of the Certificates, or where applicable, of the method of calculating the date of payment in respect of the Certificates, (iii) a modification of the amount of principal or the rate of interest payable in respect of the Notes, or where applicable, of the method of calculating the amount payable of any principal or interest in respect of the Notes, or the method of calculating or the definitions of Class Y Certificate Payment or Class Y Certificate Payment Amount or the method of calculating or the definitions of Residual Payment or Residual Payment Amount (including, in relation to any Class of Notes or Certificates, if any such modification is proposed for any Class of Notes or Certificates senior to such Class of Notes or Certificates) (iv) a modification of the currency in which payments under the Notes or the Certificates are to be made (v) of the quorum or majority required in relation to this exception, (vi) a modification of the provisions of Clause 24 (*Additional Right of Modification*) of the Trust Deed or Condition 13 (*Additional Right of Modification*) or Certificates Condition 12 (*Additional Right of Modification*), (vii) any sanctioning of any scheme or proposal for the sale, conversion or cancellation of the Notes or the Certificates, (viii) a modification of the provisions of paragraphs 27, 28 and 29 of Schedule 5 to the Trust Deed or Condition 15 (*Notice to Noteholders*) or Certificates Condition 14 (*Notice to Certificateholders*), or (ix) a modification of any of the provisions contained in this definition, and **provided that** any amendment made in accordance with Condition 13 (*Additional Right of Modification*) shall not constitute a Basic Terms Modification.

(c) The quorum at any adjourned meeting (whether passing an Ordinary Resolution, Extraordinary Resolution or Extraordinary Resolution in relation to a Basic Terms Modification) shall be one or more persons present and holding or representing in the aggregate not less than one-quarter of the aggregate Principal Amount Outstanding of the Notes of such Class or one or more persons holding or representing in the aggregate not less than one-quarter of the number of Certificates of such Class in issue.

The Trust Deed and the Deed of Charge contain similar provisions in relation to directions in writing from the Noteholders upon which the Note Trustee or, as the case may be, the Security Trustee is bound to act.

11.5 Other than in respect of an Extraordinary Resolution directing the Note Trustee to give a Note Acceleration Notice, or any modifications of the Conditions, the Certificate Conditions or the

Transaction Documents pursuant to Clause 24 (*Additional Right of Modification*) of the Trust Deed, Condition 13 (*Additional Right of Modification*) or Certificates Condition 12 (*Additional Right of Modification*) and other than in relation to a Basic Terms Modification of the Notes and matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right, and subject to the more detailed provisions of the Trust Deed, an Extraordinary Resolution or an Ordinary Resolution of the Noteholders or Certificateholders of any Class, may be duly passed and shall be binding on all of the Noteholders or Certificateholders of such Class (as applicable) in accordance with its terms where regardless of whether or not such Noteholder or Certificateholder has notified the Note Trustee and, for so long as the Notes and/or Certificates are held through the Clearing Systems, the Principal Paying Agent in accordance with Condition 11.5(c) of its objection to such Ordinary Resolution or Extraordinary Resolution where:

(a) notice of such Extraordinary Resolution or Ordinary Resolution, as applicable, (including the full text of the same) has been given to the Noteholders or the Certificateholders of such Class, as applicable in accordance with the provisions of Condition 15 (*Notice to Noteholders*) and Certificates Condition 14 (Notice to Certificateholders) and is simultaneously made available through Bloomberg or any industry recognised successor to Bloomberg on a page associated with the Notes and/or Certificates (unless impracticable to do so due to changes in the Bloomberg system after the Closing Date) (with such notice being repeated in the same manner 20 days after such notice is first given);

(b) such notice contains a statement requiring such Noteholders or Certificateholders to notify both the Note Trustee in writing (with such evidence as to holding and blocking of such Noteholder's or Certificateholder's holding of such Notes or Certificates, as applicable, as the Note Trustee may require) and, for so long as the Notes and/or the Certificates are held through the Clearing Systems, the Principal Paying Agent via the Clearing Systems if they object to such Extraordinary Resolution or Ordinary Resolution, stating that unless holders of (i) in the case of an Extraordinary Resolution, 10 per cent. or more in (A) aggregate Principal Amount Outstanding of the Notes or the Notes of such Class (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders); or (ii) in the case of an Ordinary Resolution, 15 per cent. or more in (A) aggregate Principal Amount Outstanding of the Notes or the Notes of such Class (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders), makes such objection, the Extraordinary Resolution or Ordinary Resolution will be deemed to be passed by the Noteholders or the Noteholders of such Class or the Certificateholders or the Certificateholders of such Class (as applicable) and specifying the requirements for the making of such objections (including addresses, email addresses and deadlines) further as set out in the following paragraph; and

(c) holders of (i) in the case of an Extraordinary Resolution, 10 per cent. or more in (A) aggregate Principal Amount Outstanding of the Notes or the Notes of such Class (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders) or (ii) in the case of an Ordinary Resolution, 15 per cent. or more in (A) aggregate Principal Amount Outstanding of the Notes or the Notes of such Class (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders), have not notified the Note Trustee in writing (with such evidence as to holding and blocking of such Noteholder's or Certificateholder's holding of such Notes or Certificates, as applicable, as the Note Trustee

may require) and, for so long as the Notes and/or Certificates are held through the Clearing Systems, the Principal Paying Agent via the Clearing Systems of their objection to such Extraordinary Resolution or Ordinary Resolution within 40 days of the date that notice was first given to Noteholders and Certificateholders in accordance with Condition 15 (*Notice to Noteholders*) and Certificates Condition 14 (*Notice to Certificateholders*). For the avoidance of doubt, a notice given in accordance with this paragraph will not constitute a notice of meeting of Noteholders and/or Certificateholders and a notice given in accordance with this paragraph cannot run concurrently with a notice of a meeting relating to the same matters.

Upon the Note Trustee receiving objections from the Noteholders or Certificateholders of 10 per cent. or more (in the case of an Extraordinary Resolution) or 15 per cent. or more (in the case of an Ordinary Resolution) in (A) aggregate of the Principal Amount Outstanding of the Notes of the relevant Class or Classes (in the case of a meeting of the Noteholders) or (B) number of Class Y Certificates then in issue (in the case of a meeting of Class Y Certificateholders) or (C) number of the Class R Certificates then in issue (in the case of a meeting of the Class R Certificateholders), the Note Trustee shall give notice to the relevant Class or Classes of Noteholders or Certificateholders (as applicable) in accordance with the provisions of Condition 15 (*Notice to Noteholders*) and Certificates Condition 14 (*Notice to Certificateholders*) that the relevant Extraordinary Resolution or the Ordinary Resolution (as the case may be) has not passed. In such circumstance, a meeting of Noteholders may be called in accordance with the provisions of this Condition 12 or a meeting of the Certificateholders in accordance with the provisions of Certificates Condition 11 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*) in order to pass the relevant Extraordinary Resolution or Ordinary Resolution in accordance with the provisions of this Condition 12 or Certificates Condition 11 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*), as applicable.

11.6 Other than in respect of matters affecting a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right (which shall only be binding if the Class Y Certificateholders or Class R Certificateholders, as applicable, have consented), the Note Trustee may agree with the Issuer and any other parties but without the consent or sanction of the Noteholders or the Certificateholders or the other Secured Creditors (and may direct the Security Trustee to so agree) at any time and from time to time concur with the Issuer or any other person in making or sanctioning any modification:

(a) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document, other than in respect of a Basic Terms Modification, 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, so long as there are any Notes or Certificates outstanding or all the Secured Creditors if there are no Notes or Certificates outstanding), will not be materially prejudicial to the interests of the holders of the Most Senior Class, or the interests of the Note Trustee or the Security Trustee; or

(b) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document if 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, so long as there are any Notes or Certificates outstanding or all the Secured Creditors if there are no Notes or Certificates outstanding), such modification is of a formal, minor or technical nature or to correct a manifest error.

11.7 The Note Trustee may also without the consent or sanction of the Noteholders, the Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any subsequent breach or Event of Default at any time and from time to time but only if and in so far as in the sole opinion of the Note Trustee (acting in accordance with the Trust Deed) the interests of the Most Senior Class shall not be materially prejudiced thereby waive or authorise any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions contained in the Trust Deed or any

other Transaction Document or determine that any Event of Default shall not be treated as such provided that the Note Trustee shall not exercise any power conferred on it in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Condition 10 (*Events of Default*) or Certificates Condition 9 (*Events of Default*)) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

11.8 Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and Certificateholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders and the Certificateholders as soon as practicable thereafter in accordance with Condition 15 (*Notice to Noteholders*) and Certificates Condition 14 (*Notice to Certificateholders*).

11.9 Any modification to the Transaction Documents shall be notified by the Issuer in writing to the Rating Agencies.

11.10 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents (including, without limitation, in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee is required to have regard to the interests of the Noteholders or Certificateholder of any Class or Classes, it shall have regard to the general interests of the Noteholders or Certificateholders of such Class or Classes as a Class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Noteholders or Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Note Trustee shall not be entitled to require, nor shall any Noteholder or Certificateholders be entitled to claim from the Issuer, the Note Trustee or the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Certificateholders.

11.11 Where, in connection with the exercise or performance by each of them of any right, power, trust, authority, duty or discretion under or in relation to these Certificates Conditions or any of the Transaction Documents the Note Trustee shall (except as expressly provided otherwise and at all times subject to the Class Y Certificates Entrenched Rights and the Class R Certificates Entrenched Rights), have regard to the interests of each class of Certificateholder equally, provided that, the Note Trustee in its sole opinion shall have regard to the interests of only the Class R Certificateholders if, (for so long as there are any Class R Certificates outstanding), in the Note Trustee's opinion, there is a conflict between the interests of:

(a) the Class R Certificateholders; and

(b) the Class Y Certificateholders,

and the Class Y Certificateholders shall have no claim against the Note Trustee for so doing.

11.12 **Extraordinary Resolution** means in respect of the Class Y Certificateholders or the Class R Certificateholders:

(a) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed and these Certificates Conditions by a majority consisting of not less than two thirds of persons eligible to attend and vote at such meeting and voting at such meeting upon a show

of hands or, if a poll is duly demanded, by a majority consisting of not less than three-quarters of the votes cast on such poll; or

(b) a resolution in writing signed by or on behalf of the Certificateholders of not less than three-quarters of the (A) number of the Class Y Certificates then outstanding (in the case of a resolution of Class Y Certificateholders) or (B) number of the Class R Certificates then outstanding (in the case of a resolution of the Class R Certificateholders), which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Certificateholders.

11.13 **Ordinary Resolution** means in respect of the Class Y Certificateholders or the Class R Certificateholders:

(a) a resolution passed at a meeting duly convened and held in accordance with these presents by a clear majority of the persons eligible to attend and vote at such meeting and voting at such meeting on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll; or

(b) a resolution in writing signed by or on behalf of the Certificateholders of not less than a clear majority of the (A) number of the Class Y Certificates then outstanding (in the case of a resolution of Class Y Certificateholders) or (B) number of the Class R Certificates then outstanding (in the case of a resolution of the Class R Certificateholders), which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Certificateholders.

11.14 Issuer Substitution Condition

The Note Trustee may concur, with the Issuer to any substitution under the Conditions, these Certificates Conditions and subject to such amendment of the Conditions, these Certificates Conditions and of any of the Transaction Documents and to such other conditions as the Note Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders or the Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed and the Certificates and in respect of the other secured obligations, provided that the conditions set out in the Trust Deed are satisfied including, *inter alia*, that the Notes and the Certificates are unconditionally and irrevocably guaranteed by the Issuer (unless all of the assets of the Issuer are transferred to such body corporate) and that such body corporate is a single purpose vehicle and undertakes itself to be bound by provisions corresponding to those set out in Certificates Condition 4 (*Covenants*).

12. ADDITIONAL RIGHT OF MODIFICATION

Notwithstanding the provisions of Certificates Condition 11 (*Meetings of Certificateholders and Noteholders, Modification, Waiver and Substitution*) but provided that there are Notes or Certificates outstanding, each of the Security Trustee and the Note Trustee shall be obliged, without any consent or sanction of the Noteholders of the Certificateholders, or any of the other Secured Creditors, to concur with the Issuer and any other person in making any modification (other than in respect of a Basic Terms Modification and, to the extent such modification affects a Class Y Certificates Entrenched Right or a Class R Certificates Entrenched Right only with the prior consent of the Class Y Certificateholders or Class R Certificateholders, as applicable) to the Conditions, the Certificates Conditions or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

(a) for the purpose of complying with, or implementing or reflecting, any change in the criteria of one or more of the Rating Agencies which may be applicable from time to time, provided that:

(i) the Issuer certifies in writing to each of the Security Trustee and the Note Trustee that such modification is reasonably necessary to comply with such criteria or, as the case may be, is solely to implement and reflect such criteria; and

(ii) in the case of any modification to a Transaction Document proposed by any of the Account Bank or the Cash Manager in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to take action which is required to take under the new criteria or to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds), the Account Bank or the Cash Manager, as the case may be, certifies in writing to the Issuer or each of the Security Trustee and the Note Trustee that such modification is necessary for the purposes described in paragraph (ii)(x) and/or (y) above (and in the case of a certification provided to the Issuer, the Issuer shall certify to each of the Security Trustee and the Note Trustee that it has received the same from the Account Bank or the Cash Manager, as the case may be);

(b) to comply with, implement or reflect any changes in the requirements (including, but not limited to, risk retention, transparency and/or investor due diligence) of, or to enable the Issuer or any other transaction party to comply with an obligation under, the UK Securitisation Regulation or the EU Securitisation Regulation, together with any relevant laws, regulations, technical standards, rules, other implementing legislation, official guidance or policy statements, in each case as amended, varied or substituted from time to time after the Closing Date, provided that the Issuer certifies to each of the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(c) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to each of the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(d) for the purposes of enabling the Issuer or any of the other transaction parties to comply with FATCA (or any voluntary agreement entered into with a taxing authority in relation thereto), provided that the Issuer or the relevant transaction party, as applicable, certifies to each of the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(e) to comply with any changes in the requirements of the UK CRA Regulation or the EU CRA Regulation after the Closing Date including as a result of the adoption of regulatory technical standards in relation to the UK CRA Regulation or EU CRA Regulation or regulations or official guidance in relation thereto, provided that the Issuer certifies to each of the Security Trustee and the Note Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect,

(the certificate to be provided by the Issuer or the relevant transaction party, as the case may be, pursuant to Certificate Condition 12(a) to (e) above being a **Modification Certificate**); or

(f) to change the reference rate or the base rate that then applies in respect of the Notes to an alternative base rate (including where such base rate may remain linked to SONIA but may

be calculated in a different manner), (any such rate, which may include an alternative screen rate, an **Alternative Base Rate**) and making such other amendments as are necessary or advisable in the commercially reasonable judgement of the Issuer to facilitate such change (a Base Rate Modification), provided that the Issuer provides a certificate to the Note Trustee and the Security Trustee certifying (such certificate, a **Base Rate Modification Certificate**) that:

(i) such Base Rate Modification is being undertaken due to any one or more of the following:

(A) an alternative manner of calculating a SONIA-based rate being introduced and becoming a standard means of calculating interest for similar transactions;

(B) a material disruption to SONIA, an adverse change in the methodology of calculating SONIA or SONIA ceasing to exist or be published;

(C) the insolvency or cessation of business of the SONIA administrator (in circumstances where no successor SONIA administrator has been appointed);

(D) a public statement by the SONIA administrator that it will cease publishing SONIA permanently or indefinitely (in circumstances where no successor SONIA administrator has been appointed that will continue publication of SONIA);

(E) a public statement by the supervisor of the SONIA administrator that SONIA has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;

(F) a public statement by the supervisor of the SONIA administrator that means SONIA may no longer be used or that its use is subject to restrictions or adverse consequences; or

(G) the reasonable expectation of the Issuer that any of the events specified in paragraphs (A) to (F) above will occur or exist within six months of the proposed effective date of such Base Rate Modification; and

(ii) such Alternative Base Rate is:

(A) a base rate published, endorsed, approved or recognised by the Bank of England, the Financial Conduct Authority or the Prudential Regulatory Authority or any stock exchange on which the Notes are listed (or any relevant committee or other body established, sponsored or approved by any of the foregoing);

(B) a base rate utilised in a material number of publicly listed new issues of Sterling-denominated asset-backed floating rate notes prior to the effective date of such Base Rate Modification; or

(C) such other base rate as the Issuer reasonably determines (to preserve, so far as reasonably and commercially practicable, what would have been the expected Floating Rate of Interest applicable to the Most Senior Class of Notes) or which is proposed by any holder of the Most Senior Class of

Notes then outstanding or any holder of the Class R Certificates then in issue.

For the avoidance of doubt, the Issuer may propose an Alternative Base Rate on more than one occasion, provided that the conditions set out in this Condition 12(f) are satisfied,

provided that (in the case of each of the paragraphs 12(a) to (f) above):

(A) at least 30 calendar days' prior written notice of any such proposed modification has been given to each of the Security Trustee, the Note Trustee and the Agent Bank;

(B) the Modification Certificate or Base Rate Modification Certificate (as applicable) in relation to such modification shall be provided to each of the Security Trustee and the Note Trustee both at the time each of the Security Trustee and the Note Trustee is notified of the proposed modification and on the date that such modification takes effect and the Note Trustee and the Security Trustee shall be entitled to rely on any such Modification Certificate or Base Rate Modification Certificate absolutely without liability and enquiry;

(C) the consent of each Secured Creditor (other than any Noteholder or Certificateholder) which is party to the relevant Transaction Document, or which, as a result of the relevant modification would be further contractually subordinated to any Secured Creditor than would otherwise have been the case prior to such modification, has been obtained; and

(D) the Issuer pays all costs and expenses (including legal fees) incurred by the Issuer and each of the Security Trustee and the Note Trustee in connection with such modification,

and **provided further that**:

(E) either:

I. the Issuer obtains from each of the Rating Agencies written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); or

II. the Issuer certifies in the Modification Certificate or Base Rate Modification Certificate (as applicable) that it has informed the Rating Agencies of the proposed modification and none of the Rating Agencies has indicated that such modification would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to any Class of the Rated Notes by such Rating Agency or (y) such Rating Agency placing any Rated Notes on rating watch negative (or equivalent); and

(F) (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class and the Certificateholders of the proposed modification in accordance with Condition 15 (*Notice to Noteholders*) or Certificates Condition 14 (*Notice to Certificateholders*) (as applicable) and by publication on Bloomberg on the "Company News" screen relating to the Notes or the Certificates, and (II) neither Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding nor Certificateholders representing 10 per cent. by number of the Class R Certificates then in issue have notified the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or the Certificates, as applicable, may be held) within such notification period notifying the Note

Trustee that such Noteholders or the Certificateholders, as applicable, do not consent to the modification.

If either Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding or Certificateholders representing at least 10 per cent. by number of the Class R Certificates then in issue have notified the Note Trustee in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes or Certificates, as applicable, may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding (if such notification was received from Noteholders of the Most Senior Class of Notes then outstanding) and/or an Extraordinary Resolution of the Class R Certificateholders (if such notification was received from the Class R Certificateholders), as applicable, is passed in favour of such modification in accordance with the Conditions or the Certificates Conditions, as applicable.

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Note Trustee's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes or the relevant Certificateholder's holding of the Certificates, as applicable.

(G) When implementing any modification pursuant to this Certificates Condition 12, each of the Security Trustee and the Note Trustee shall not consider the interests of the Noteholders, the Certificateholders, any other Secured Creditor or any other person and shall act and rely solely and without further investigation on any certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Certificates Condition 12 and shall not be liable to the Noteholders, the Certificateholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

(H) Each of the Security Trustee and the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Security Trustee or the Note Trustee would have the effect of (i) exposing the Security Trustee or the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Security Trustee or the Note Trustee in the Transaction Documents and/or the Conditions and/or the Certificates Conditions.

Any such modification effected pursuant to this Certificates Condition 12 shall be binding on all Noteholders and Certificateholders and shall be notified by the Issuer as soon as reasonably practicable to:

I. so long as any of the Rated Notes remain outstanding, each Rating Agency;

II. the Secured Creditors; and

III. the Noteholders and the Certificateholders in accordance with the Conditions and the Certificates Conditions, as applicable.

13. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

The Trust Deed and the Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Security Trustee respectively and providing for their indemnification in certain circumstances, including provisions relieving them from taking action or, in the case of the Security Trustee, enforcing the Security, unless indemnified and/or prefunded and/or secured to their satisfaction.

The Trust Deed and the Deed of Charge also contain provisions pursuant to which the Note Trustee and the Security Trustee are entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any other party to any of the Transaction Documents and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any other party to any of the Transaction Documents, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, individual Certificateholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

14. NOTICE TO CERTIFICATEHOLDERS

Publication of Notice

While the Certificates are represented by Global Certificates, notices to Certificateholders will be valid if published as described above, or, at the option of the Issuer, if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Certificateholders. Any notice delivered to Euroclear and/or Clearstream, Luxembourg, as aforesaid shall be deemed to have been given on the day of such delivery.

15. REPLACEMENT CERTIFICATES

If any Certificate is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws and stock exchange requirements. Replacement of any mutilated, defaced, lost, stolen or destroyed Certificate will only be made on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. A mutilated or defaced Certificate must be surrendered before a new one will be issued.

16. GOVERNING LAW

The Trust Deed, the Deed of Charge, the Certificates and these Certificates Conditions (and any non-contractual obligations arising out of or in connection with them) are governed by, and shall be construed in accordance with, English law (other than certain terms of the Deed of Charge which are particular to the law of Scotland, and any supplemental security documents to be granted pursuant thereto, which will be governed by and shall be construed in accordance with Scots law and other than certain terms of the Deed of Charge which are particular to the law of Northern Ireland, which shall be governed by and construed in accordance with Northern Irish law).

17. RIGHTS OF THIRD PARTIES

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Certificates or these Certificates Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. DEFERRAL

18.1 Class Y Certificate Payments

If, on any Interest Payment Date, the Issuer has insufficient funds to make payment in full of any Class Y Certificate Payment (which shall, for the purposes of this Certificate Condition 18, include any Deferred Class Y Certificate Payment from prior Interest Payment Dates, each as defined under this Certificate Condition 18) payable in respect of the Class Y Certificates after having paid or provided for items of higher priority in the Pre-Acceleration Revenue Priority of Payments, then the Issuer shall be entitled to defer to the next Interest Payment Date the payment of some or all of the relevant Class Y Certificate Payment due (such deferred amount, the **Deferred Class Y Certificate Payment** and, to the extent of any insufficiency of funds from the amounts owing as at the prior Interest Payment Date or Interest Payment Dates (as applicable), to include to incur interest at Compounded Daily SONIA plus 3 per cent. in respect of the Class Y Certificates to the extent only of any insufficiency of funds.

18.2 Notification

As soon as practicable after becoming aware that any part of a Class Y Certificate Payment will be deferred or that a previous Deferred Class Y Certificate Payment will be made in accordance with this Certificate Condition 18, the Issuer will give notice thereof to the Class Y Certificateholder in accordance with Certificate Condition 14 (*Notice to Certificateholders*). Any deferral of a Class Y Certificate Payment or deferral of a Deferred Class Y Certificate Payment in accordance with this Certificate Condition 18 will not constitute an Event of Default. The provisions of this Certificate Condition 18 shall cease to apply on the Final Maturity Date, or any earlier date on which the Class Y Certificates are cancelled or are required to be redeemed in full, at which time all Deferred Class Y Certificate Payments (including any interest accrued and payable thereon) shall become due and payable.

FURTHER INFORMATION RELATING TO THE REGULATION OF MORTGAGES IN THE UK

Regulated Mortgage Contracts

In the United Kingdom, regulation of residential mortgage business under the Financial Services and Markets Act 2000 (**FSMA**) came into force on 31 October 2004 (the **Regulation Effective Date**). Entering into as a lender, arranging or advising in respect of, and administering regulated mortgage contracts and agreeing to do any of those activities are (subject to applicable exemptions) regulated activities under the FSMA and the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the **RAO**) requiring authorisation and permission from the FCA.

The original definition of a Regulated Mortgage Contract was such that if a mortgage contract was entered into on or after the Regulation Effective Date but prior to 21 March 2016, it will be a Regulated Mortgage Contract under the RAO if: (i) the lender provides credit to an individual or to trustees; and (ii) the obligation of the borrower to repay was secured by a first legal mortgage on land (other than timeshare accommodation) in the United Kingdom, at least 40 per cent. of which was used, or was intended to be used, as or in connection with a dwelling by the borrower or (in the case of credit provided to trustees) by an individual who was a beneficiary of the trust, or by a related person.

There have been incremental changes to the definition of Regulated Mortgage Contract over time, including the removal of the requirement for the security to be first ranking and the extension of the territorial scope to cover property in the EEA rather than just the UK. The current definition of a regulated mortgage contract is such that if the mortgage contract was entered into on or after 21 March 2016, it will be a Regulated Mortgage Contract if it meets the following conditions (when read in conjunction with and subject to certain relevant exclusions): (a) the borrower is an individual or trustee; and (b) the obligation of the borrower to repay is secured by a mortgage on land, at least 40 per cent. of which is used, or is intended to be used, in the case of credit provided to an individual, as or in connection with a dwelling; or in the case of credit provided to a trustee who is not an individual, as or in connection with a dwelling by an individual who is a beneficiary of the trust, or by a related person (and a related person is broadly the person's spouse, civil partner, near relative or a person with whom the borrower has a relationship which is characteristic of a spouse). In relation to a contract entered into before 23:00 on 31 December 2020, 'land' means land in the United Kingdom or within the territory of an EEA State and in relation to a contract entered into on or after 23:00 on 31 December 2020, 'land' means land in the United Kingdom. Credit agreements which were originated before 21 March 2016, which were regulated by the CCA, and that would have been regulated mortgage contracts had they been entered into on or after 21 March 2016 are "consumer credit back book mortgage contracts"' and are also therefore regulated mortgage contracts.

If requirements as to the authorisation of lenders and brokers involved in the origination of a Regulated Mortgage Contract are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a criminal offence. An unauthorised person who carries on the regulated mortgage activity of administering a Regulated Mortgage Contract that has been validly entered into may commit an offence, although this will not render the contract unenforceable against the borrower.

The Servicer holds authorisation and permission to administer Regulated Mortgage Contracts. Subject to certain exemptions, brokers will be required to hold authorisation and permission to arrange and, where applicable, to advise in respect of Regulated Mortgage Contracts. The Issuer is not, and does not propose to be, an authorised person under the FSMA. Under article 62 of the RAO, the Issuer does not require authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract. The Issuer does not carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered by the Servicer which has the required FSMA authorisations and permissions. If such servicing agreement terminates, the Issuer will have a period of not more than one month (beginning with the day on

which such arrangement terminates) in which to arrange for mortgage administration to be carried out by a replacement servicer having the required FSMA authorisation and permission.

Prior to the occurrence of a Perfection Event, the Issuer will only hold beneficial title to the Loans. In the event that legal title is transferred to the Issuer following the occurrence of a Perfection Event, the Issuer must arrange for a servicer to administer these Loans and is not expected to enter into any new Regulated Mortgage Contracts as lender under article 61(1) of the RAO. However, in the event that a mortgage is varied, such that a new contract is entered into and that contract constitutes a Regulated Mortgage Contract, then the arrangement of, advice on, administration of and entering into of such variation would need to be carried out by an appropriately authorised entity.

The regime under the FSMA regulating financial promotions covers the content and manner of the promotion of agreements relating to qualifying credit and by whom such promotions can be issued or approved. In this respect, the FSMA regime not only covers financial promotions of Regulated Mortgage Contracts but also promotions of certain other types of secured credit agreements under which the lender is a person (such as the Seller) who carries on the regulated activity of entering into a Regulated Mortgage Contract. Failure to comply with the financial promotion regime (as regards who can issue or approve financial promotions) is a criminal offence and will render the Regulated Mortgage Contract or other secured credit agreement in question unenforceable against the borrower except with the approval of a court. There is a risk that failure by a relevant entity to comply with the financial promotion regime may render the Loans unenforceable and may adversely affect the Issuer's ability to make payments on the Notes.

The FCA's Mortgages and Home Finance: Conduct of Business Sourcebook (**MCOB**), which sets out the FCA's rules for regulated mortgage activities under FSMA, came into force on 31 October 2004. These rules cover, *inter alia,* certain pre-origination matters such as financial promotion and pre-application illustrations, pre-contract and start-of-contract and post-contract disclosure, contract changes, charges and arrears and repossessions. Further rules for prudential and authorisation requirements for mortgage firms, and for extending the appointed representatives regime to mortgages, came into force on 31 October 2004.

A borrower who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an authorised person of the FCA or PRA rules, and may set off the amount of the claim against the amount owing by the borrower under the mortgage loan or any other loan that the borrower has taken with that authorised person. Any such set-off may adversely affect the Issuer's ability to make payments on the Notes.

Under the Mortgage Sale Agreement, the Seller gives Loan Warranties relating to MCOB compliance. However, the Seller has disclosed certain information in respect of MCOB compliance, which has qualified the relevant Loan Warranties, including that: on 15 December 2010, the FSA issued a final notice in respect of the mortgage origination activities of DB UK (trading as DB Mortgages), which identified certain breaches of MCOB by DB UK. The FSA identified breaches of MCOB rules 11.3.1R, 12.4.1R, 13.3.1R and 13.4.1R in connection with failures to:

- consider the ability of borrowers to repay their mortgage on retirement;
- ensure that fees charged upon entering into arrears were representative of a reasonable estimate of the administrative costs involved;
- deal with customers fairly upon entering into arrears, including not paying due consideration to a customer’s individual circumstances and failing to take reasonable steps to ensure that customers were informed of the options available to them; and
- provide customers with relevant information upon entering into arrears (or providing such information outside the required regulatory time frame).

During ordinary course reviews in 2010 and 2013, DB UK identified certain aspects of the servicing that were potentially not compliant with MCOB. The Seller was informed by DB UK that such breaches were remedied and all necessary remediation made to Borrowers.

Regulation of buy-to-let mortgage loans

Buy-to-let mortgage loans can fall under several different regulatory regimes. They can be:

- unregulated;
- regulated by the Consumer Credit Act 1974 (the "**CCA**") as a regulated credit agreement – as defined under article 60B of the RAO (a **Regulated Credit Agreement**);
- regulated by the FSMA as a regulated mortgage contract – as defined by article 61 of the RAO) (a **Regulated Mortgage Contract**); or
- regulated as a consumer buy-to-let mortgage contract under the consumer buy-to-let regime – as defined by the Mortgage Credit Directive Order 2015 (a **Consumer Buy-to-Let Loan**).

The Portfolio comprises Loans that the Seller believes are either Regulated Mortgage Contracts or are unregulated. As described below, the Seller has given a warranty in the Mortgage Sale Agreement that no agreement for any Loan is in whole or in part a Regulated Credit Agreement. If any of the Loans are in fact Regulated Credit Agreements, then breach of the relevant regulations could give rise to a number of consequences (as applicable), including but not limited to: unenforceability of the Loans, interest payable under the Loans being irrecoverable for certain periods of time, or borrowers being entitled to claim damages for losses suffered and being entitled to set off the amount of their claims against the amount owing by the borrower under the Loans, all of which may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

Buy-to-let loans which are Regulated Mortgage Contracts

A buy-to-let loan secured on the property to be let is potentially a Regulated Mortgage Contract. A Regulated Mortgage Contract would arise if such buy-to-let loan is not excluded from being a Regulated Mortgage Contract as a loan to a commercial borrower or is not excluded from being a Regulated Mortgage Contract as a Consumer Buy-to-Let Loan. For example, a buy-to-let loan could be Regulated Mortgage Contract if the property upon which the buy-to-let loan was secured was to be occupied by the borrower's relatives as their home. If requirements as to the authorisation of lenders and brokers involved in the origination of a Regulated Mortgage Contract are not complied with, a Regulated Mortgage Contract will be unenforceable against the borrower except with the approval of a court and the unauthorised person may commit a criminal offence. An unauthorised person who carries on the regulated mortgage activity of administering a Regulated Mortgage Contract that has been validly entered into may commit an offence, although this will not render the contract unenforceable against the borrower.

Unregulated buy-to-let mortgage loans

Many buy-to-let mortgage loans will be unregulated because they do not meet the criteria for a Regulated Credit Agreement, Regulated Mortgage Contract or Consumer Buy-to-Let Loan. There are, however, still some regulated activities that apply to unregulated buy-to-let mortgage loans; the relevant activities in respect of the Loans being, debt administration and debt collection. The Seller (because, and while, it holds legal title to the Loans and their Related Security) and Issuer (because, and while, it holds beneficial title to the Loans and their Related Security) will be excluded as lender from the regulated activities of debt administration and debt collection in respect of any unregulated loan, Consumer Buy-To-Let Loans or Regulated Credit Agreements.

Land Registration Reform in Scotland

The Land Registration etc. (Scotland) Act 2012 (the **2012 Act**) came into force in Scotland on 8 December 2014. One of the policy aims of the 2012 Act is to encourage the transfer of property titles recorded in the historic General Register of Sasines to the more recently established Land Register of Scotland with the aim of eventually closing the General Register of Sasines.

Title to a residential property that is recorded in the General Register of Sasines is required to be moved to the Land Register of Scotland (a process known as "first registration") when that property is sold or if the owner decides voluntarily to commence first registration. First registration will also be triggered where an application is made to record a standard security over a property recorded in the General Register of Sasines. This would include any standard security granted by the Issuer in favour of the Security Trustee over Scottish Mortgages in the Portfolio recorded in the General Register of Sasines, pursuant to the terms of the Deed of Charge following a transfer to the Issuer of legal title to the Scottish Loans and their Related Security pursuant to the Mortgage Sale Agreement (a **Scottish Sasine Sub-Security**). A first registration triggered by a Scottish Sasine Sub-Security will likely result in higher legal costs and a longer period required to complete registration than would previously have been the case, which could reduce the amounts available to the Issuer to make payments under the Notes.

Given that the proportion of residential properties in Scotland which remain recorded in the General Register of Sasines continues to decline (Registers of Scotland estimated that in April 2020 around 68 per cent. of property titles in Scotland were registered in the Land Register of Scotland), it is likely that, in relation to the current Portfolio where 3.97 per cent. of the Portfolio by Current Principal Balance are Scottish Loans, only a minority of the Scottish Mortgages will be recorded in the General Register of Sasines.

The Renting Homes (Wales) Act 2016

The Renting Home (Wales) Act (the **Renting Homes Act**) received royal assent on 18 January 2016 but has not yet been brought into force. The Renting Homes Act will convert the majority of residential tenancies in Wales into a 'standard contract' with retrospective effect when it has been brought into force, however some tenancies will not be converted with retrospective effect (including those which have Renting Homes Act protection and tenancies for more than 21 years).

The Renting Homes Act (which only has effect in Wales) does not contain an equivalent mandatory ground for possession that a lender had under the Housing Act 1988 where a property was subject to a mortgage granted before the beginning of the tenancy and the lender required possession in order to dispose of the property with vacant possession.

Private Housing (Tenancies) (Scotland) Act 2016

The Private Housing (Tenancies) (Scotland) Act 2016 came into force on 1 December 2017. Existing assured tenancies and short assured tenancies in place before 1 December 2017 will continue until brought to an end or converted. Each qualifying tenancy agreement from 1 December 2017 will be a "private residential tenancy" which will (except in a limited number of exceptions) provide tenants with security of tenure by restricting a landlord's ability to regain possession of the property to a number of specific eviction grounds.

Accordingly, a lender or security holder may not be able to obtain vacant possession if it wishes to enforce its security unless one of the specific eviction grounds under the legislation applies. It should be noted though that one of the mandatory grounds on which an eviction order can be sought is that a lender or security holder intends to sell the property and requires the tenant to leave the property in order to dispose of it with vacant possession (although regard should be given to the amendments implemented under the Coronavirus (Scotland) Act 2020 in this regard – *For further information please see the section entitled "Buy*

to-Let Loans" above). The effect of this legislative change will primarily be restricted to any Buy-to-Let Loans secured over a property in Scotland.

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (the Energy Efficiency Regulations)

From 1 April 2018, landlords of domestic private rented properties (as defined in the Energy Efficiency Regulations) in England and Wales may not grant a tenancy to new or existing tenants if the relevant property has an Energy Performance Certificate (as defined in the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulation 2007 (an **EPC**) rating of band F or G (as shown on a valid EPC for the property) and from 1 April 2020, landlords must not continue letting a relevant domestic property which is already let if that property has an EPC rating of band F or G (as shown on a valid EPC for the property). In both cases described above, this is referred to in the Energy Efficiency Regulations as the prohibition on letting substandard property. Where a landlord wishes to continue letting property which is currently substandard, landlords will need to ensure that energy efficiency improvements are made which raise the EPC rating to a minimum of E. In certain circumstances landlords may be able to claim an exemption from this prohibition on letting sub-standard property; this includes situations where the landlord is unable to obtain funding to cover the cost of making improvements, or where all improvements which can be made have been made, and the property remains below an EPC rating of band E. Local authorities will enforce compliance with the domestic minimum level of energy efficiency. Local authorities may check whether a property meets the minimum level of energy efficiency, and may issue a compliance notice requesting information where it appears to the local authorities that a property has been let in breach of the Energy Efficiency Regulations (or an invalid exemption has been registered in respect of it). Where a local authority is satisfied that a property has been let in breach of the Energy Efficiency Regulations it may serve a notice on the landlord imposing financial penalties.

Similar requirements were due to apply to landlords of domestic properties in Scotland from 1 October 2020 under the Energy Efficiency (Private Rented Property) (Scotland) Regulations 2020, however the timescale for this coming into effect continues to be unclear due to the global coronavirus pandemic.

Assured Shorthold Tenancy

Depending on the level of ground rent payable at any one time it is possible that a long leasehold in England and Wales may also be an Assured Tenancy (**AT**) or Assured Shorthold Tenancy (**AST**) under the Housing Act 1988 (**HA 1988**). If it is, this could have the consequences set out below.

A tenancy or lease in England and Wales will be an AT if granted after 15 January 1989 and:

(a) the tenant or, as the case may be, each of the joint tenants is an individual;

(b) the tenant or, as the case may be, at least one of the joint tenants occupies the dwelling-house as their only or principal home; and

(c) if granted before 1 April 1990:

  (i) the property had a rateable value at 31 March 1990 lower than £1,500 in Greater London or £750 elsewhere; and

  (ii) the rent payable for the time being is greater than two thirds of the rateable value at 31 March 1990;

(d) if granted on or after 1 April 1990 the rent payable for the time being is between £251 and £100,000 inclusive (or between £1,001 and £100,000 inclusive in Greater London).

There is no maximum term for an AT and therefore any lease can constitute an AT if it satisfies the relevant criteria.

Since 28 February 1997 all ATs will automatically be ASTs (unless the landlord serves notice to the contrary) which gives landlords the right to recover the property at the end of the term of the tenancy. The HA 1988 also entitles a landlord to obtain an order for possession and terminate an AT/AST during its fixed term on proving one of the grounds for possession specified in section 7(6) of the HA 1988. The ground for possession of most concern in relation to long leaseholds is Ground 8 – namely that if the rent is payable yearly (as most ground rents are), at least three months' rent is more than three months in arrears both at the date of service of the landlord's notice and the date of the hearing.

Most leases in England and Wales give the landlord a right to forfeit the lease if rent is unpaid for a certain period of time but the courts normally have power to grant relief, cancelling the forfeiture as long as the arrears are paid off. There are also statutory protections in place to protect long leaseholders from unjustified forfeiture action. However, an action for possession under Ground 8 is not the same as a forfeiture action and the court's power to grant relief does not apply to Ground 8. In order to obtain possession, the landlord will have to follow the notice procedure in section 8 of the HA 1988 and, if the tenant does not leave on expiry of the notice, apply for a court order. However, as ground 8 is a mandatory ground, the court will have no discretion and will be obliged to grant the order if the relevant conditions are satisfied. There is government consultation underway to review residential leasehold law generally and it is anticipated that this issue will be addressed as part of any resulting reforms.

In Scotland, the corresponding provisions of the Housing (Scotland) Act 1988 that govern assured tenancies and short assured tenancies (being broadly the Scottish equivalent of an AT and an AST in England and Wales) do not apply to long leases in respect of residential property in Scotland that are capable of being registered in the Registers of Scotland and secured by a standard security.

Unfair relationships

Under the CCA, the "extortionate credit" regime was replaced by an "unfair relationship" test. The "unfair relationship" test applies to all existing and new credit agreements, except Regulated Mortgage Contracts under the FSMA and regulated home purchase plans under the FSMA. If the court makes a determination that the relationship between a lender and a borrower is unfair, then it may make an order, among other things, requiring the Seller as legal title holder, or any assignee such as the Issuer, to repay amounts received from such borrower. In applying the "unfair relationship" test, the courts are able to consider a wider range of circumstances surrounding the transaction, including the creditor's conduct (or anyone acting on behalf of the creditor) before and after making the agreement or in relation to any related agreement. There is no statutory definition of the word "unfair" in the CCA as the intention is for the test to be flexible and subject to judicial discretion and it is therefore difficult to predict whether a court would find a relationship "unfair". However, the word "unfair" is not an unfamiliar term in UK legislation due to the UTCCR (as defined below). The courts may, but are not obliged to, look solely to the CCA for guidance. The principle of "treating customers fairly" under the FSMA, and guidance published by the FSA and, as of 1 April 2013, the FCA on that principle and by the Office of Fair Trading (the **OFT**) on the unfair relationship test, may also be relevant. Under the CCA, once the debtor alleges that an "unfair relationship" exists, the burden of proof is on the creditor to prove the contrary.

Plevin v Paragon Personal Finance Limited [2014] UKSC 61, a Supreme Court judgment, has clarified that compliance with the relevant regulatory rules by the creditor (or a person acting on behalf of the creditor) does not preclude a finding of unfairness, as a wider range of considerations may be relevant to the fairness of the relationship than those which would be relevant to the application of the rules. If a mortgage loan subject to the unfair relationship test is found to be unfair, the court has a wide range of powers and may require the lender (and any associate or former associate of the lender) to repay sums to the debtor, or to do, not do or cease doing anything in relation to the agreement or any related agreement, and may require the lender to reduce or discharge any sums payable by the debtor or surety, return to a surety any security

provided by him, alter the terms of the agreement, direct accounts to be taken or otherwise set aside any duty imposed on the debtor or surety. The term creditor (i.e. lender as defined under section 189 of the CCA) means the person providing the credit under a consumer credit agreement or the person to whom their rights and duties under the agreement have passed by assignment or operation of law.

Distance Marketing

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 (the **Distance Marketing Regulations**) apply to contracts for financial services entered into on or after 31 October 2004 by a "consumer" within the meaning of the Distance Marketing Regulations and by means of distance communication (i.e. without any substantive simultaneous physical presence of the originator and the borrower).

The Distance Marketing Regulations require suppliers of financial services by way of distance communication to provide certain information to consumers. This information generally has to be provided before the consumer is bound by the contract and includes, but is not limited to, general information in respect of the supplier and the financial service, the contractual terms and conditions, and whether or not there is a right of cancellation.

A regulated mortgage contract under the FSMA, if originated by a United Kingdom lender (who is authorised by the FCA) from an establishment in the United Kingdom, will not be cancellable under the Distance Marketing Regulations, but will be subject to related pre-contract disclosure requirements in MCOB. Failure to comply with MCOB pre-contract disclosure rules could result in, among other things, disciplinary action by the FCA and claims for damages under Section 138D of FSMA.

Certain other agreements for financial services will be cancellable under the Distance Marketing Regulations in certain circumstances. Where the credit agreement is cancellable under the Distance Marketing Regulations, the borrower may send notice of cancellation at any time before the expiry of 14 days beginning with (i) the day after the day on which the contract is made (where all of the prescribed information has been provided prior to the contract being entered into); or (ii) the day after the day on which the last of the prescribed information is provided (where all the of prescribed information was not provided prior to the contract being entered into).

Compliance with the Distance Marketing Regulations may be secured by way of injunction (interdict in Scotland) obtained by an enforcement authority, granted on such terms as the court thinks fit to ensure such compliance, and certain breaches of the Distance Marketing Regulations may render the originator or intermediaries (and their respective relevant officers) liable to a fine. If the borrower cancels the contract under the Distance Marketing Regulations, then: (a) the borrower is liable to repay the principal and any other sums paid by or on behalf of the originator to the borrower, under or in relation to the contract, within 30 calendar days of cancellation; (b) the borrower is liable to pay interest, early repayment charges and other charges for services actually provided in accordance with the contract only if: (i) the amount is in proportion to the extent of the service provided before cancellation (in comparison with the full coverage of the contract) and is not such that it could be construed as a penalty; (ii) the borrower received certain prescribed information at the prescribed time about the amounts payable; and (iii) the originator did not commence performance of the contract before the expiry of the relevant cancellation period (unless requested to do so by the borrower); and (c) any security provided in relation to the contract is to be treated as never having had effect.

Unfair Terms in Consumer Contracts Regulations 1994 and 1999 and Consumer Rights Act 2015

In the United Kingdom, the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the **1999 Regulations**), together with (in so far as applicable) the Unfair Terms in Consumer Contracts Regulation 1994 (together with the 1999 Regulations, (the **UTCCR**), applies to agreements made on or after 1 July 1995 but prior to 1 October 2015 by a "consumer" within the meaning of the UTCCR, where the terms have not

been individually negotiated. The Consumer Rights Act 2015 (the **CRA**) has revoked the UTCCR in respect of contracts made on or after 1 October 2015 (see "*Consumer Rights Act 2015*" below). In respect of contracts that (a) were entered into on or after 1 October 2015; or (b) were, since 1 October 2015, subject to a material variation such that they are treated as new contracts falling within the scope of the CRA, the CRA applies. The CRA is also applicable on or after 1 October 2015, to notices of variation, such as variation of interest rate under contracts.

The FCA have stated that the finalised FCA guidance "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (see "*Consumer Rights Act 2015*" below) applies equally to factors that firms should consider to achieve fairness under the UTCCR.

The UTCCR and the CRA provide that a consumer (which would include a borrower under all or almost all of the Loans) may challenge a term in an agreement on the basis that it is "unfair" within the UTCCR or the CRA as applicable and therefore not binding on the consumer (although the rest of the agreement will remain enforceable if it is capable of continuing in existence without the unfair term) and provide that a regulator may take action to stop the use of terms which are considered to be unfair.

The UTCCR will not generally affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal, provided that these terms are written in plain and intelligible language and are drawn adequately to the consumer's attention. The UTCCR may affect terms that are not considered to be terms which define the main subject matter of the contract, such as the lender's power to vary the interest rate and certain terms imposing early repayment charges and mortgage exit administration fees. For example, if a term permitting the lender to vary the interest rate (as the originator is permitted to do) is found to be unfair, the borrower will not be liable to pay interest at the increased rate or, to the extent that the borrower has paid it, will be able, as against the lender, or any assignee such as the Issuer, to claim repayment of the extra interest amounts paid or to set off the amount of the claim against the amount owing by the borrower under the loan or any other loan agreement that the borrower has taken with the lender.

In July 2019, the FCA and the Competition and Markets Authority (the **CMA**) entered into a memorandum of understanding in relation to consumer protection (the **MoU**) which replaced the original memorandum of understanding entered into between the FCA and the CMA on 12 January 2016. The MoU states that the FCA will consider fairness within the meaning of the CRA and the UTCCR, of standard terms, and within the meaning of the CRA of negotiated terms, in financial services contracts entered into by authorised firms or appointed representatives and within the meaning of the Consumer Protection from Unfair Trading Regulations 2008 (the **CPUTR**), of commercial practices in financial services and claims management services of an authorised firm or appointed representative. In the MoU 'authorised' includes having an interim permission and a 'relevant permission' includes an interim permission.

The FCA's consideration of fairness under the CRA, UTCCR and CPUTR will include contracts for: mortgages and the selling of mortgages.

In July 2012, the Law Commission launched a consultation in order to review and update the recommendations set out in their 2005 Report on Unfair Terms in Contracts. In March 2013, the Law Commission published its advice, in a paper entitled "Unfair Terms in Consumer Contracts: Advice to the Department for Business, Innovation and Skills". This advice paper repeats the recommendation from the 2005 Report on Unfair Terms in Contracts that the Unfair Contract Terms Act 1977 and the UTCCR should be consolidated, as well as providing new recommendations, including extending the protections of unfair terms legislation to notices and some additions to the "grey list" of terms which are indicatively unfair. The Law Commission also recommended that the UTCCR should expressly provide that, in proceedings brought by individual consumers, the court is required to consider the fairness of the term, even if the consumer has not raised the issue, where the court has available to it the legal and factual elements necessary for that task. Such reforms are included in the Consumer Rights Act 2015, which came into force in October 2015.

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

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

The extremely broad and general wording of the UTCCR and CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Loans which have been made to Borrowers covered by the UTCCR and CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans.

The guidance issued by the FSA (and, as of 1 April 2013, the FCA), the OFT and the CMA has changed over time and it is possible that it may change in the future. No assurance can be given that any such changes in guidance on the UTCCR and CRA, or reform of the UTCCR and the CRA, will not have a material adverse effect on the Seller, the Servicer and the Issuer and their respective businesses and operations.

Consumer Rights Act 2015

The main provisions of the CRA came into force on 1 October 2015 and apply to agreements made on or after that date. The CRA significantly reforms and consolidates consumer law in the UK. The CRA involves the creation of a single regime out of the Unfair Contract Terms Act 1977 (which essentially deals with attempts to limit liability for breach of contract) and the UTCCR. The CRA has revoked the UTCCR in respect of contracts made on or after 1 October 2015 and introduced a new regime for dealing with unfair contractual terms as follows:

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

Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 11 lists "a term which has the object or effect of enabling the trader to alter the terms of the contract unilaterally without a valid reason which is specified in the contract" although paragraph 22 of Schedule 2 provides that this does not include a term by which a supplier of financial services reserves the right to alter the rate of interest payable by or due to the consumer, or the amount of other charges for financial services without notice where there is a valid reason if the supplier is required to inform the consumer of the alteration at the earliest opportunity and the consumer is free to dissolve the contract immediately.

A term of a consumer contract which is not on the "grey list" may nevertheless be regarded unfair.

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

Ultimately, only a court can decide whether a term is fair, however it may take into account relevant guidance published by the Competition and Markets Authority (the **CMA**) or the FCA. On 19 December 2018, the FCA published new guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (FG18/7), outlining factors the FCA consider firms should have regard to when drafting and reviewing variation terms in consumer contracts. This follows developments in case law, including at the Court of Justice of the European Union (the **CJEU**). The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA state that firms should consider both this guidance and any other rules that apply when they draft and use variation terms in their consumer contracts. The FCA state that the finalised guidance will apply to FCA authorised persons and their appointed representative in relation to any consumer contracts which contain variation terms.

The provisions in the CRA governing unfair contractual terms came into force on 1 October 2015. The Unfair Contract Terms Regulatory Guide (UNFCOG in the FCA Handbook) explains the FCA's policy on how it uses its formal powers under the CRA and the CMA published guidance on the unfair terms provisions in the CRA on 31 July 2015 (the **CMA Guidance**). The CMA indicated in the CMA Guidance that the fairness and transparency provisions of the CRA are regarded to be "effectively the same as those of the UTCCR" (save in applying the consumer notices and negotiated terms). The document further notes that "the extent of continuity in unfair terms legislation means that existing case law generally, and that of the Court of Justice of the European Union particularly, is for the most part as relevant to the Act as it was the UTCCRs". In general, the interpretation of the UTCCR and/or the CRA is open to some doubt, particularly in the light of sometimes conflicting reported case law between English courts and the CJEU. The extremely broad and general wording of the CRA makes any assessment of the fairness of terms largely subjective and makes it difficult to predict whether or not a term would be held by a court to be unfair. It is therefore possible that any Loans which have been made to Borrowers covered by the CRA may contain unfair terms which may result in the possible unenforceability of the terms of the underlying loans. If any term of the Loans entered into on or after 1 October 2015 is found to be unfair for the purpose of the CRA, this may reduce the amounts available to meet the payments due in respect of the Notes. The guidance issued by the FSA (and as of 1 April 2013, the FCA), the OFT and the CMA has changed over time and it is possible that it may change in the future.

Repossessions

There is a protocol for mortgage repossession cases in England and Wales (the **Pre-action Protocol**) which sets out the steps that judges will expect any lender to take before starting a claim. A number of mortgage lenders have confirmed that they will delay the initiation of repossession action for at least three months after a borrower, who is an owner occupier, is in arrears. The application of such a moratorium is subject to the wishes of the relevant borrower and may not apply in cases of fraud.

In addition, MCOB rules for regulated mortgage contracts from 25 June 2010 prevent the lender from: (a) repossessing the property unless all other reasonable attempts to resolve the position have failed, which include considering whether it is appropriate to offer an extension of term, or a change in the product type; and (b) automatically capitalising a payment shortfall.

The Mortgage Repossession (Protection of Tenants etc.) Act 2010 (the **Repossession Act**) came into force in October 2010. The Repossession Act gives courts in England and Wales the same power to postpone and suspend repossession for up to two months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent) as generally exists on application by an authorised tenant. The lender has to serve notice at the property before enforcing a possession order.

Investors should note, as at the date of this Prospectus, the Tailored Support Guidance, as described below in the section entitled "*Mortgages and coronavirus: FCA guidance for firms*" in response to the Covid-19 outbreak in the UK states that from 1 April 2021, subject to any relevant government restrictions on repossessions, firms may enforce repossession provided they act in accordance with the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. The Tailored Support Guidance provides that action to seek possession should be a last resort and should not be started unless all other reasonable attempts to resolve the position have failed. The FCA makes clear in the guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with these requirements.

The protocol in these Acts and the MCOB requirements for mortgage possession cases may have adverse effects in markets experiencing above average levels of possession claims. Delays in the initiation of responsive action in respect of the Loans may result in lower recoveries and a lower repayment rate on the Notes and the Certificates.

Scottish Loans

The granting of a standard security (the equivalent to a legal charge in England and Wales) is the only means of creating a fixed charge or security over heritable or long leasehold property (i.e. land and buildings thereon) in Scotland. The Scottish Loans are secured over the relevant Property by way of a standard security. The beneficial interest in the Scottish Loans (together with the security thereof) will be transferred to the Issuer pursuant to the Scottish Declaration of Trust. In respect of Scottish Loans, references herein to a "mortgage" and a "mortgagee" are to be read as references to such a standard security and the heritable creditor thereunder, respectively.

A statutory set of "Standard Conditions" is automatically imported into all standard securities although the majority of these conditions may be varied by agreement between the parties. Most lenders in the residential mortgage market vary the Standard Conditions by a "Deed of Variations", the terms of which are in turn imported into each standard security.

The main provisions of the Standard Conditions which cannot be varied by agreement relate to enforcement. The enforcement of standard securities is principally governed by the Conveyancing and Feudal Reform (Scotland) Act 1970 (the **1970 Act**) as amended by the Home Owner and Debtor Protection (Scotland) Act 2010 (the **2010 Act**). While, as in England and Wales, it is in principle possible for a lender to enforce without making application to the court if the borrower voluntarily vacates the property, the statutory requirements imposed on the lender in such cases are onerous and as a consequence court proceedings are in practice almost invariably required.

As a preliminary step the lender must in all cases serve a "calling up notice" requiring repayment of the principal debt and all interest due, with which the borrower has two months to comply. Once the two months' notice has expired without payment the lender may apply to the court for a decree against the borrower enabling the lender to exercise the relevant enforcement remedies, being principally the sale of the property or entering into possession.

Court application can only be made when certain pre-action requirements imposed by the 2010 Act have been met. These requirements are similar to those of the Pre-action Protocol applicable in England and Wales (*see "Repossessions"* above) and require the lender to provide the borrower with various information and to make reasonable efforts to agree repayment proposals with the borrower. In particular, a court application cannot proceed while the borrower is taking steps which are likely to result in repayment of the debt within a reasonable time. The court will not grant decree unless satisfied that the lender has complied with the pre-action requirements and that it is reasonable in the circumstances to do so (and the 2010 Act specifies various factors to be taken into account by the court in assessing reasonableness in this context).

A key difference between the Scottish and English provisions is that in Scotland the lender's application may be contested by an "Entitled Resident" as well as by, and on the same grounds as, the borrower. The definition of "Entitled Resident" is complex but essentially includes anyone resident in the secured property who is or has been a spouse, civil partner or co-habitant of the borrower (but does not include tenants or members of the borrower's family).

The court decree, once granted, entitles the lender if necessary to evict the borrower and to proceed either to sell the property or itself take possession of it. Sale may be by private bargain or public auction and the lender is under a duty to advertise the sale and to take steps to ensure that the sale price is the best which can reasonably be obtained.

See further "Repossession" above for more information in relation to the FCA Tailored Support Guidance and enforcement, which also applies to Borrowers located in Scotland.

Breathing Space Regulations

The Breathing Space Regulations (which came into force on 4 May 2021) will give eligible individuals in England and Wales the right to legal protection from their creditors, including almost all enforcement action, during a period of "breathing space". A standard breathing space will give an individual in England and Wales with problem debt legal protection from creditor action for up to 60 days; and a mental health crisis breathing space will give an individual in England and Wales protection from creditor action for the duration of their mental health crisis treatment (which is not limited in duration) plus an additional 30 days.

However, the Breathing Space Regulations do not apply to mortgages, except for arrears which are uncapitalised at the date of the application under the Breathing Space Regulations. Interest can still be charged on the principal secured debt during the breathing space period, but not on the arrears. Any mortgage arrears incurred during any breathing space period are not protected from creditor action. The Borrower must continue to make mortgage payments in respect of any mortgage secured against their primary residence (save in respect of arrears accrued prior to the moratorium) during the breathing space period, otherwise the relevant debt adviser may cancel the breathing space period.

There is a risk that delays in the initiation of enforcement action in respect of the Loans may result in lower recoveries and may adversely affect the ability of the Issuer to make payments due under the Notes.

In Scotland, eligible individuals are afforded similar legal protection under the Bankruptcy (Scotland) Act 2016 although the moratorium period of 42 days is shorter than in England and Wales (notwithstanding the current extension to the moratorium period from six weeks to six months effected by the Coronavirus (Scotland) Act 2020 which expires on 30 September 2021) and does not make any accommodation for mental health crisis.

Mortgages and coronavirus: FCA guidance for firms

On 20 March 2020, the FCA published guidance for, *inter alia*, mortgage lenders and administrators entitled "Mortgages and coronavirus: our guidance for firms", in connection with the ongoing outbreak of Covid-19 in the UK. This guidance was updated on 4 June 2020, on 16 June 2020 and again on 17 November 2020, such update coming into effect on 20 November 2020 (the **FCA Payment Deferral Guidance**). Among other things, this guidance provides that mortgage lenders are required, where an eligible borrower is experiencing or reasonably expects to experience payment difficulties as a result of circumstances relating to Covid-19, and wishes to receive a payment deferral, to grant a borrower a payment deferral unless the mortgage lender agrees with the borrower a different option that the lender reasonably considers to be in the best interests of the borrower. A request for a full or partial payment deferral for three monthly payments may be made by a borrower at any time until 31 March 2021 in respect of payments up to and including 31 July 2021. The FCA Payment Deferral Guidance provides that: (i) borrowers who have not yet had a payment deferral will be eligible for payment deferrals of six months in total; (ii) those borrowers who

currently have a payment deferral will be eligible to top up to six months in total; (iii) those borrowers who have previously had payment deferrals of less than six months will be able to top up, as long as total deferrals do not exceed six months. This includes those borrowers receiving tailored support and those who are behind on payments; and (iv) borrowers who have already had six months of payment deferrals will not be eligible for a further payment deferral. Lenders should provide tailored support to those borrowers who are in financial difficulty and not eligible for a payment deferral under the FCA Payment Deferral Guidance appropriate to their circumstances. Borrowers will have until 31 March 2021 to apply for an initial or a further payment deferral. After that date, they will be able to extend existing deferrals to 31 July 2021, provided these extensions cover consecutive payments, and subject to the maximum six months allowed. The FCA advise that borrowers who have not yet taken a deferral, and who think they need the full six months should apply in good time before their February 2021 payment is due.

Interest will continue to accrue on the sum temporarily unpaid as the result of a payment deferral, however no fee or charge may be levied in connection with the grant of a payment deferral. Any missed payments arising under such payment deferrals will not constitute arrears and will not be reported as such to Noteholders (for the avoidance of doubt, except in relation to Loans that were in arrears when the payment deferral was granted, for which the arrears accrued before the start of the payment deferral period will continue to be reported as arrears, but the missed payments during the payment deferral period will not be treated as an increase in arrears).

On 16 September 2020, additional guidance for firms entitled "*Mortgages and coronavirus: additional guidance for firms*" came into force (the **Tailored Support Guidance**) to supplement the FCA Payment Deferral Guidance. The Tailored Support Guidance was updated on 17 November 2020, such update coming into effect on 20 November 2020 and on 27 January 2021, such update coming into effect on 29 January 2021 and again on 25 March 2021, such update coming into effect on 29 March 2021. The Tailored Support Guidance applies to firms dealing with borrowers facing payment difficulties due to circumstances related to coronavirus who are not receiving payment deferrals under the FCA Payment Deferral Guidance, including where they are not or are no longer eligible for payment deferral. The Tailored Support Guidance is designed to enable firms to continue to deliver short and long-term support to borrowers affected by the evolving coronavirus pandemic and the Government's response to it. It is intended to support firms to treat borrowers affected by coronavirus fairly and to help borrowers to bridge the crisis to get back to a more stable financial position. If the borrower indicates that they continue or reasonably expect to continue, to face payment difficulties after receiving payment deferrals under the FCA Payment Deferral Guidance, then the Tailored Support Guidance applies and unless the borrower objects, the lender may capitalise the deferred amounts.

The Tailored Support Guidance provides that at the end of the payment deferral period, no payment shortfall for the purposes of MCOB 13 will arise, where the accrued amounts are repaid (this includes where sums are capitalised or repaid in a lump sum) before the next payment is due. In all other cases, mortgage lenders should regard those accrued amounts as a payment shortfall under MCOB 13 once the next payment falls due.

The FCA expects mortgage lenders to be flexible and employ a full range of short and long-term forbearance options to support their borrowers and minimise avoidable financial distress and anxiety experienced by customers in financial difficulty as a result of coronavirus. This may include short term arrangements under which the lender permits the customer to make no or reduced payments for a specified period. However it should be noted that where after the end of a payment deferral period under the FCA Payment Deferral Guidance, a mortgage lender agrees to the customer making no or reduced payments for a further period (without changing the sums due under the contract) this will cause a payment shortfall that will be subject to MCOB 13.

The Tailored Support Guidance further provides in respect of deferral shortfalls (amount added to the shortfall because of any payment deferrals) that unless the borrower is unreasonably refusing to engage with the mortgage lender in relation to addressing the shortfall, a mortgage lender should not repossess the property without the borrower's consent solely because of a deferral shortfall. Further, in considering

whether and when steps to repossess the property should be taken and whether all other reasonable attempts to resolve the position have failed, mortgage lenders should take into account that the shortfall arose by agreement with the mortgage lender and in exceptional circumstances and the borrower was not expected to address the shortfall during the payment deferral period and so may have had less time to address it.

The FCA makes clear in the FCA Payment Deferral Guidance and the Tailored Support Guidance that it expects lenders of both owner-occupied and buy-to-let mortgage loans to act in a manner consistent with the guidance.

Increased levels of payment deferrals and enforcement moratoriums may result in a reduction of funds available to the Issuer to make payments due under the Notes. Nor can there be any assurance that the FCA, or other UK government or regulatory bodies, may not take further steps in response to the Covid-19 outbreak in the UK which may impact the performance of the Loans, including further amending and extending the scope of the above guidance.

Mortgage Prisoners

The FCA are aware that there are some consumers who cannot switch to a more affordable mortgage despite being up to date with their mortgage payments. This includes those who can't switch because of changes to lending practices during and after the 2008 financial crisis and subsequent regulation that tightened lending standards – often called 'mortgage prisoners.

Under Policy Statement PS19/27 which came into effect on 28 October 2019, the FCA have amended their responsible lending rules and guidance to help remove potential barriers to consumers switching to a more affordable mortgage and to reduce the time and costs of switching for all relevant consumers. The changes will mean that mortgage lenders can choose to carry out a modified affordability assessment where a consumer has a current mortgage, is up-to-date with their mortgage payments (and has been for the last 12 months), does not want to borrow more, other than to finance any relevant product, arrangement or intermediary fee for that mortgage and is looking to switch to a new mortgage deal on their current property. Further, inactive lenders and administrators acting for unregulated entities (such as the Issuer), must review their customer books and develop and implement a communication strategy for contacting relevant consumers to tell them it could be simpler for them to remortgage. The Policy Statement provides that the communication exercise must be completed by 1 December 2020, however the FCA released an update in October 2020 to extend the window during which the FCA expected administrators and inactive lenders to contact eligible customers about switching options to 15 January 2021. A mailing was issued by the Servicer in January 2021 to all eligible accounts at that point in time.

The modification of the responsible lending rules should make it easier for a borrower who is a mortgage prisoner to switch to a new lender and this, together with the proposed notification obligations, could increase redemption rates where there are a significant number of mortgage prisoners held by a lender.

Covid-19 has had a significant impact on the mortgage market. Lenders have reported that they will be unable to offer a range of switching options or support remortgaging for mortgage prisoners as quickly as initially anticipated.

The 1 May 2020 FCA Covid-19 letter

On 1 May 2020, the FCA published a letter to mortgage lenders and administrators managing closed mortgage books. In view of the financial challenges facing some mortgage borrowers as a result of coronavirus (**Covid-19**), the FCA are asking firms with customers who took out mortgages with higher risk characteristics before the financial crisis to review the interest rates charged to such customers as a matter of urgency. This is to ensure that, in line with the FCA Handbook requirements such as PRIN 6 and MCOB 12.5, customers on variable rates of interest are being treated fairly. The FCA states that firms should review their rates to consider whether they are consistent with the obligation to treat customers fairly in the light of

the exceptional circumstances arising out of coronavirus. Firms should also ensure that they do not pose unjustifiable burdens, especially on customers who may be experiencing temporary payment difficulties or may not be able to switch to another lender. If applicable, as a result of receiving this letter the FCA expects lenders to critically review their variable rates of interest against their funding costs, contracts terms and any other factors that may apply and take any necessary action.

FCA Policy on mortgages: Removing barriers to intra-group switching and helping borrowers with maturing interest- only and part-and-part mortgages

In October 2020, the FCA published the policy statement PS20/11 entitled 'Mortgages: Removing barriers to intra-group switching and helping borrowers with maturing interest-only and part-and-part mortgages'. This policy statement contains guidance which applies to mortgage lenders and mortgage administrators in relation to the exceptional circumstances arising out of Covid-19 and its impact on the financial situation of borrowers with interest-only and part-and-part mortgages (the **October Guidance**). The October Guidance came into force on 31 October 2020 (and was updated on 17 November 2020) and expires on 31 October 2021 and applies in respect of interest-only and part-and-part mortgages with maturity dates between 20 March 2020 and 31 October 2021 where the capital repayment is still outstanding. The October Guidance only applies to Regulated Mortgage Contracts (but does not apply to bridging loans). The October Guidance provides that where a borrower has a relevant mortgage and is up-to-date with their mortgage payments (which includes borrowers which have made use of a payment deferral granted under the FCA Payment Deferral Guidance both before and after the relevant loan's maturity date), firms should allow that borrower the flexibility to choose to delay the repayment of any capital on their mortgage until no later than 31 October 2021 provided the borrower continues to make interest payments. Firms are not to charge any additional fees as a condition of offering a delay to the capital repayment and interest may continue to be charged at the rate charged pre-maturity, at the rate charged at maturity, or lower, in accordance with the relevant contractual terms (and where the rate is the standard variable rate, payments may be varied in accordance with changes to this rate). If the customer fails to make interest payments after agreeing a delay to the capital repayment (except in accordance with a payment deferral agreed under the FCA Payment Deferral Guidance), the October Guidance will no longer apply.

The FCA expect lenders and administrators to begin telling eligible borrowers about the option to delay capital repayment promptly and firms should make the risk of delaying capital repayment clear to borrowers, for example that property prices may drop between now and 31 October 2021. To take advantage of the October Guidance the borrower will have to make an active choice to delay the repayment and borrowers could still choose to proceed with repayment.

As at 31 of March there were 33 Loans (£5,569,623.32) with a maturity date between 20 March 2020 and 31 October 2021 and of those 29 (£5,561,474.47) are interest only or part & part Loans.

Financial Ombudsman Service

Under the FSMA, the Financial Ombudsman Service (the **Ombudsman**), an independent adjudicator, is required to make decisions on, among other things, complaints relating to activities and transactions under its jurisdiction on the basis of what, in the Ombudsman's opinion, would be fair and reasonable in all circumstances of the case, taking into account, among other things, law and guidance rather than strictly on the basis of compliance with law.

Complaints properly brought before the Ombudsman for consideration must be decided on a case-by-case basis, with reference to the particular facts of any individual case. Each case would first be adjudicated by an adjudicator. Either party to the case may appeal against the adjudication. In the event of an appeal, the case proceeds to a final decision by the Ombudsman. As the Ombudsman is required to make decisions on the basis of, among other things, the principles of fairness, and may order a monetary award to a complaining borrower, it is not possible to predict how any future decision of the Ombudsman would affect the ability of the Issuer to make payments to Noteholders and the Certificateholders.

Consumer Protection from Unfair Trading Regulations 2008

On 11 May 2005, the European Parliament and the Council adopted a Directive (2005/29/EC) regarding unfair business-to-consumer commercial practices (the **Unfair Practices Directive**). Generally, this directive applies full harmonisation, which means that Member States may not impose more stringent provisions in the fields to which full harmonisation applies. By way of exception, the Unfair Practices Directive permits Member States to impose more stringent provisions in the fields of financial services and immovable property, such as mortgage loans.

The Unfair Practices Directive provides that enforcement bodies may take administrative action or legal proceedings against a commercial practice on the basis that it is "unfair" within the Unfair Practices Directive. The Unfair Practices Directive is intended to protect only collective interests of consumers, and so is not intended to give any claim, defence or right of set-off to an individual consumer.

The Unfair Practices Directive is implemented into UK law by the Consumer Protection from Unfair Trading Regulations 2008 (the **CPUTR**), which came into force on 26 May 2008. The CPUTR prohibit certain practices which are deemed "unfair" within the terms of the CPUTR. Breach of the CPUTR does not (of itself) render an agreement void or unenforceable, but is a criminal offence punishable by a fine and/or imprisonment. The possible liabilities for misrepresentation or breach of contract in relation to the underlying credit agreements may result in irrecoverable losses on amounts to which such agreements apply. Except as set out below, the CPUTR do not provide consumers with a private act of redress. Instead, consumers must rely on existing private law remedies based on the law of misrepresentation and duress. The Consumer Protection (Amendment) Regulations 2014 (SI No.870/2014) was laid before Parliament on 1 April 2014 and came into force on 1 October 2014. These amendments to the CPUTR give consumers a right to redress for misleading or aggressive commercial practices (as defined in the CPUTR), including a right to unwind agreements. This applies to any debt collection activity with regard to commercial demands for payment.

In addition, the Unfair Practices Directive is taken into account in reviewing rules under the FSMA. For example, MCOB rules for Regulated Mortgage Contracts from 25 June 2010 prevent the lender from (a) repossessing the mortgaged property unless all other reasonable attempts to resolve the position have failed, which include considering whether it is appropriate to offer an extension of term, or conversion to interest-only for a period, or an alternative product, and (b) automatically capitalising a payment shortfall where this would have a material effect on the borrower.

The Unfair Practices Directive provided for a transitional period until 12 June 2013 for the application of full harmonisation in the fields to which it applies. In March 2013, the European Commission published a report on the application of the Unfair Practices Directive, which indicated (among other things) that there is no case for further harmonisation in the fields of financial services and immovable property. No assurance can be given that the implementation of the Unfair Practices Directive into UK law and any further harmonisation will not have a material adverse effect on the Loans or on the manner in which they are serviced and accordingly on the ability of the Issuer to make payments to Noteholders and Certificateholders.

Mortgage repossession

A protocol for mortgage repossession cases in England and Wales came into force on 19 November 2008 and sets out the steps that judges will expect any lender to take before starting a claim. A number of mortgage lenders have confirmed that they will delay the initiation of repossession action for at least three months after a borrower who is an owner-occupier is in arrears. The application of such moratorium is subject to the wishes of the borrower and may not apply in cases of fraud.

The Mortgage Repossessions (Protection of Tenants etc.) Act 2010 came into force on 1 October 2010. This Act gives courts in England and Wales the same power to postpone and suspend repossession for up to two months on application by an unauthorised tenant (i.e. a tenant in possession without the lender's consent) as

generally exists on application by an authorised tenant. The lender has to serve notice at the property before enforcing a possession order.

In relation to Scottish Loans, Part I of the 2010 Act came into force on 30 September 2010 and imposes additional requirements on heritable creditors (the Scottish equivalent of a mortgagee) in relation to the enforcement of standard securities over residential property in Scotland. Under Part I of the 2010 Act, the heritable creditor, which may be the Legal Title Holder or, in the event of it taking legal title to the Scottish Loans and their Related Security, the Issuer, has to obtain a court order to exercise its power of sale (in addition to initiating the enforcement process by the service of a two-month "calling up" notice), unless the borrower and any other occupiers have surrendered the property voluntarily. In applying for the court order, the heritable creditor also has to demonstrate that it has taken various preliminary steps to attempt to resolve the borrower's position, and comply with further procedural requirements.

The protocol in these Acts and the MCOB requirements for mortgage possession cases may have adverse effects in markets experiencing above average levels of possession claims. Delays in the initiation of responsive action in respect of the Loans may result in lower recoveries and a lower repayment rate on the Notes and the Certificates.

Potential effects of any additional regulatory changes

In the United Kingdom and elsewhere, there is continuing political and regulatory scrutiny of the banking industry and, in particular, retail banking. In the United Kingdom, regulators such as the CMA, the PRA and the FCA (and their predecessors for example the OFT) have recently carried out, or are currently conducting, several enquiries. In recent years there have been several issues in the UK financial services industry in which these local bodies have intervened directly, including the sale of card and identity protection policies, interest rate hedging products, payment protection insurance, personal pensions and mortgage-related endowments. No assurance can be given that changes will not be made to the regulatory regime and developments described above in respect of the mortgage market in the United Kingdom generally, the Seller's particular sector in that market or specifically in relation to the Seller. Any such action or developments or compliance costs may have a material adverse effect on the Seller, the Issuer, the Servicer and their respective businesses and operations. This may adversely affect the Issuer's ability to make payments in full on the Notes and the Certificates when due.

TAXATION

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs (**HMRC**) practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future (possibly with retrospective effect). Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

The United Kingdom tax treatment of the Certificates is not considered below.

Payment of Interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the **Act**) or are admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange within the meaning of section 987 of the Act. Euronext Dublin is a recognised stock exchange. The Notes will satisfy this requirement if they are officially listed in Ireland in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on Euronext Dublin's Regulated Market. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without deduction of or withholding on account of United Kingdom income tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to that Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Where Notes are issued at an issue price of less than 100 per cent. of the principal amount, any payments in respect of the discount element on any such Notes should not generally be subject to any withholding or deduction for or on account of United Kingdom income tax.

EU financial transaction tax

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

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may

be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the financial transaction is issued in a participating Member State.

The FTT may give rise to tax liabilities for the Issuer with respect to certain transactions (including concluding swap transactions and/or purchases or sales of securities (such as authorised investments)) if it is adopted based on the Commission's Proposal. Any such tax liabilities may reduce amounts available to the Issuer to meet its obligations under the Notes and may result in investors receiving less interest or principal than expected. To the extent that such liabilities may arise at a time when winding up proceedings have been commenced in respect of the Issuer, such liabilities may be regarded as an expense of the liquidation and, as such, be payable out of the floating charge assets of the Issuer (and its general estate) in priority to the claims of Noteholders and other secured creditors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Notes (including secondary market transactions) if the conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Under the Commission's Proposal, primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

FATCA imposes a reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a **Recalcitrant Holder**).

The withholding regime is now in effect for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than the date that is two years after the date on which final regulations defining foreign passthru payments are published. This foreign passthru payment withholding would potentially apply to payments in respect of (i) any Notes or Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term "foreign passthru payments" are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes or Certificates characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued.

The United States and a number of other jurisdictions have entered into or announced their intention to enter into intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the **Model 1 IGA** and **Model 2 IGA** (each a **Model IGA**) released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or any law implementing an IGA (any such withholding being a **FATCA Withholding**) from payments it makes. An FFI in a Model 2 IGA jurisdiction and a Participating FFI in a non-IGA jurisdiction may, depending on the circumstances, be required to make a FATCA Withholding in respect of certain payments from sources within the United States. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its

home government or to the IRS. The United States and the United Kingdom have entered into an agreement (the **U.S.-UK IGA**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the U.S.-UK IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes or Certificates are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes or Certificates is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA, or (ii) an investor is a Recalcitrant Holder.

While the Notes and Certificates are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under or in respect of the Notes or Certificates by the Issuer, any paying agent or the Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes or the Certificates. The documentation expressly contemplates the possibility that the Notes or Certificates may convert into definitive form and therefore that they may cease to be held through the ICSDs. If this were to happen then, depending on the circumstances, a non-FATCA-compliant holder could be subject to FATCA Withholding. However, conversion into Registered Definitive Notes or Certificates is only anticipated to occur in remote circumstances.

Notwithstanding this, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA Withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of FATCA Withholding, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA Withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA Withholding. The Issuer's obligations under the Notes and the Certificates are discharged once it has made payment to, or to the order of, the ICSDs, and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the U.S.-UK IGA, all of which are subject to change or may be implemented in a materially different form.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated on or about 11 June 2021 between BofA Securities (where **BofA Securities** means (and is the trading name of) Merrill Lynch International) (a **Co-Arranger** and the **Sole Lead Manager**), OSB (a **Co-Arranger** and, together with BofA Securities, the **Co-Arrangers**), the Seller and the Issuer (the **Subscription Agreement**), the Sole Lead Manager has agreed with the Issuer and the Seller (subject to certain conditions) to subscribe or purchase and pay for on the Closing Date:

(a) £167,260,000 of the Class A Notes at the issue price of 99.617 per cent. of the aggregate principal amount of the Class A Notes;

(b) £18,230,000 of the Class B Notes at the issue price of 99.520 per cent. of the aggregate principal amount of the Class B Notes;

(c) £11,790,000 of the Class C Notes at the issue price of 99.524 per cent. of the aggregate principal amount of the Class C Notes;

(d) £4,290,000 of the Class D Notes at the issue price of 99.293 per cent. of the aggregate principal amount of the Class D Notes;

(e) £3,220,000 of the Class E Notes at the issue price of 97.701 per cent. of the aggregate principal amount of the Class E Notes;

(f) £2,140,000 of the Class F Notes at the issue price of 93.275 per cent. of the aggregate principal amount of the Class F Notes; and

(g) £5,360,000 of the Class X Notes at the issue price of 100.098 per cent. of the aggregate principal amount of the Class X Notes,

(together the **LM Notes**).

Only the LM Notes are being sold through the Sole Lead Manager. The Class G Notes and the Class R Notes will not be sold through the Sole Lead Manager and are intended to be offered only in a privately placed transaction. The Certificates are not being offered by this Prospectus. Any transferee or purchaser of any Certificate is prohibited from relying on this prospectus in connection with any such transaction.

On the Closing Date, the Issuer will agree to issue 100 per cent. of the Class Y Certificates and 100 per cent. of the Class R Certificates to the Seller as deferred consideration for the sale of the Portfolio. It is anticipated that, on the Closing Date, the Seller will immediately upon issue to it, transfer all of the Class Y Certificates to OSB and all of the Class R Certificates to one or more third party investors.

The Issuer has agreed to indemnify the Co-Arrangers and the Sole Lead Manager against certain liabilities and to pay certain costs and expenses in connection with the issue of the Notes and the Certificates (subject to certain caps and limitations).

Except with the prior written consent of OSB in the form of a U.S. Risk Retention Consent and where such sale falls within the exemption provided by Section __.20 of the U.S. Risk Retention Rules, the Notes offered and sold on the Closing Date may not be purchased by, or for the account or benefit of Risk Retention U.S. Persons. See "*Risk Factors - Legal and Regulatory Risks* – Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes and/or decrease liquidity in respect of the Notes *Risk Retention Requirements*".

Other than admission of the Notes to the Official List of Euronext Dublin and the admission of the Notes to trading on its Regulated Market, no action has been taken by the Issuer or the Co-Arrangers, which would or has been intended to permit a public offering of the Notes, or possession or distribution of this Prospectus or other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

This Prospectus does not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

United States

The Notes and the Certificates have not been and will not be registered under the Securities Act or the securities laws or "blue sky" laws of any state or any other relevant jurisdiction of the United States, and therefore may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable state or local securities laws, and under circumstances which would not require the Issuer to register under the Investment Company Act. Accordingly, the Notes and the Certificates are being offered and sold in "offshore transactions" (as defined Rule 902 of Regulation S) in reliance on Regulation S.

The Co-Arranger and the Sole Lead Manager (in respect of the Rated Notes only) have each agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the **Distribution Compliance Period**) within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 or 904 of Regulation S, and it will have sent to each affiliate or other dealer (if any) to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. See the section entitled "*Transfer Restrictions and Investor Representations*".

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes or Certificates within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from the registration requirements under the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes and the Certificates outside the United States. The Issuer and the Sole Lead Manager (in respect of the Rated Notes only) reserve the right to reject any offer to purchase the Notes or the Certificates, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, other than those persons, if any, retained to advise such non-U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non-U.S. person, is prohibited.

United Kingdom

Prohibition of sales to UK Retail Investors

The Sole Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom.

For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

The Sole Lead Manager has represented to and agreed with the Issuer that:

(a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

Ireland

The Sole Lead Manager has represented, warranted and undertaken to the Issuer that:

(a) it will not underwrite the issuance of, or place the Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the **MiFID Regulations**) including, without limitation, Regulation 5 (*Requirement for authorisation (and certain provisions concerning MTFs and OTFs)*) thereof, any codes of conduct made under the MiFID Regulations and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 (as amended);

(b) it will not underwrite the issuance of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the **Irish Companies Act**), the Central Bank Acts 1942-2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);

(c) it will not underwrite the issuance of, or place, or do anything in Ireland with respect to, the Notes otherwise than in conformity with the provisions of the European Union (Prospectus) Regulations 2019 and any rules issued by the Central Bank of Ireland (the **Central Bank**) under Section 1363 of the Irish Companies Act; and

(d) it will not underwrite the issuance of, place or otherwise act in Ireland with respect to, the Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Irish Companies Act.

Prohibition of Sales to EEA Retail Investors

The Sole Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **EU MiFID II**); or

(b) a customer within the meaning of Directive 2016/97/EU (as amended, the **EU Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

General

Each of the Issuer, the Co-Arrangers, the Sole Lead Manager and the Seller has acknowledged that, save for having obtained the approval of the Prospectus as a prospectus in accordance with the EU Prospectus Regulation, applying for the admission of the Notes to the Official List of Euronext Dublin and applying for the admission of the Notes to trading on its regulated market, no action has been taken by the Issuer, the Co-Arrangers, the Sole Lead Manager or the Seller that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each of the Issuer, the Co-Arrangers and the Sole Lead Manager and the Seller has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms. Notwithstanding the foregoing, the Sole Lead Manager will have no liability to the Issuer or the Seller for compliance by the Issuer or the Seller or any other person with the U.S. Risk Retention Rules.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

Offers and Sales

The Notes (including interests therein represented by a Global Note, a Registered Definitive Note or a Book-Entry Interest) have not been and will not be registered under the Securities Act or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to such registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions pursuant to Regulation S.

Any offers, sales or deliveries of the Notes in the United States or to U.S. persons by an investor purchasing in an offshore transaction pursuant to Regulation S prior to the date that is 40 days after the later of (i) the commencement of the offering of the Notes and (ii) the Closing Date, may constitute a violation of United States law.

Investor Representations and Restrictions on Resale

Each purchaser of the Notes (which term for the purposes of this section will be deemed to include any interests in the Notes or the Certificates, including Book-Entry Interests) will be deemed to have represented, acknowledged and agreed as follows:

(a) if the purchaser purchased the Notes during the initial syndication of the Notes, such purchaser (1) either (i) is not a Risk Retention U.S. Person or (ii) has obtained a U.S. Risk Retention Consent, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Notes and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10 per cent. Risk Retention U.S. Person limitation in the exemption provided for in Section __.20 of the U.S. Risk Retention Rules);

(b) the Notes have not been and will not be registered under the Securities Act, or the securities laws or "blue sky" laws of any state or other jurisdiction of the United States and, accordingly, such Notes are being offered only in a transaction that does not require registration under the Securities Act and, if such purchaser decides to resell or otherwise transfer such Notes, then it agrees that it will offer, resell, pledge or transfer such Notes only (i) to a purchaser who is not a U.S. person (as defined in Regulation S) or an affiliate of the Issuer or a person acting on behalf of such an affiliate, and who is not acquiring the Notes for the account or benefit of a U.S. person and who is acquiring the Notes in an offshore transaction pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S, or (ii) pursuant to another exemption from the registration requirements under the Securities Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States, *provided* that in no event under (i) or (ii) above may Notes or Certificates be transferred or resold to or for the account of a U.S. person until the expiry of the Distribution Compliance Period, *provided further*, that the agreement of such purchaser is subject to any requirement of law that the disposition of the purchaser's property shall at all times be and remain within its control;

(c) during the applicable Distribution Compliance Period, such purchaser shall notify each transferee of Notes (as applicable) from it that (i) such Notes have not been registered under the Securities Act, (ii) the holder of such Notes is subject to the restrictions on the resale or other transfer thereof described in paragraph (b) above, (iii) such transferee shall be deemed to have represented that such transferee is acquiring the Notes in an offshore transaction and that such transfer is made pursuant to an exemption from registration in accordance with Rule 903 or Rule 904 of Regulation S and (iv)

such transferee shall be deemed to have agreed to notify its subsequent transferees as to the foregoing; and

(d) the Issuer, the Registrar, the Co-Arrangers, the Sole Lead Manager and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

The Notes bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE SECURITIES LAWS OR "BLUE SKY" LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE ISSUER HAS NOT BEEN REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED.

ACCORDINGLY THIS NOTE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) , EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING OF THE OFFERING OF THE NOTES, ANY TRANSFER OF THE NOTES MAY ONLY BE MADE TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**). ANY PURPORTED TRANSFER OF THIS NOTE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS SHALL BE NULL AND VOID AB INITIO.

THE FOREGOING PARAGRAPH SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE OF THE OFFERING OF THE NOTES.

EACH PURCHASER OR HOLDER OF THIS NOTE (OR ANY INTEREST HEREIN) SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED BY SUCH PURCHASE AND/OR HOLDING THAT IT IS NOT, AND IS NOT USING THE ASSETS OF, AND SHALL NOT AT ANY TIME HOLD THIS NOTE FOR OR ON BEHALF OF, A BENEFIT PLAN INVESTOR OR A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW OR REGULATION THAT IS SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (**ERISA**), OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE **CODE**). THE TERM "BENEFIT PLAN INVESTOR" SHALL MEAN (1) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF ERISA), WHICH IS SUBJECT TO TITLE I OF ERISA, (II) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE ENTITY UNDER U.S. DEPARTMENT OF LABOR REGULATIONS AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA.

THE PURCHASER OR ACQUIRER ACKNOWLEDGES THAT THE ISSUER RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER MAY

REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

GENERAL INFORMATION

1. The LEI of the Issuer is 213800SDJSX34JWBW675.

2. It is expected that the admission of the Notes to the Official List of Euronext Dublin and the admission of the Notes to trading on its Regulated Market will be granted on or around 15 June 2021. The Certificates are not and will not be listed.

3. None of the Issuer or Holdings is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Holdings respectively is aware), since 28 April 2021 (in the case of the Issuer) and 26 April 2021 (in the case of Holdings) (being the date of incorporation of the Issuer and Holdings respectively) which may have, or have had in the recent past, significant effects upon the financial position or profitability of the Issuer or Holdings (as the case may be).

4. No statutory or non-statutory accounts within the meaning of sections 434 and 435 of the Companies Act 2006 (as amended) in respect of any financial year of the Issuer have been prepared. So long as the Notes are admitted to trading on Euronext Dublin's Regulated Market, the most recently published audited annual accounts of the Issuer from time to time shall be available at the specified office of the Principal Paying Agent in London. The Issuer does not publish interim accounts.

5. For so long as the Notes are admitted to the Official List of Euronext Dublin and to trading on its Regulated Market, the Issuer shall maintain a Paying Agent in the United Kingdom.

6. Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.

7. Since 28 April 2021 (in the case of the Issuer) and 26 April 2021 (in the case of Holdings) (being the date of incorporation of the Issuer and Holdings respectively), there has been (a) no material adverse change in the financial position or prospects of the Issuer or Holdings and (b) no significant change in the financial or trading position of the Issuer or Holdings.

8. The issue of the Notes and the Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on or about 9 June 2021.

9. The Notes and the Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISINs and Common Codes:

Class	ISIN	Common Code
Class A Notes	XS2348602835	234860283
Class B Notes	XS2348603643	234860364
Class C Notes	XS2348603999	234860399
Class D Notes	XS2348604021	234860402
Class E Notes	XS2348604377	234860437
Class F Notes	XS2348604534	234860453
Class G Notes	XS2348604617	234860461
Class X Notes	XS2348604963	234860496
Class R Notes	XS2348605267	234860526
Class Y Certificates	XS2348610424	234861042
Class R Certificates	XS2348611406	234861140

10. The Notes and the Certificates have the following CFIs and FISNs:

Class	CFI	FISN
Class A Notes	DAVNFR	ROCHESTER FINAN/VARASST BKD 2062121
Class B Notes	DAVXFR	ROCHESTER FINAN/VARASST BKD 2062121
Class C Notes	DAVXFR	ROCHESTER FINAN/VARASST BKD 2062121
Class D Notes	DAVXFR	ROCHESTER FINAN/VARASST BKD 2062121
Class E Notes	DAVXFR	ROCHESTER FINAN/VARASST BKD 2062121
Class F Notes	DAVXFR	ROCHESTER FINAN/VARASST BKD 2062121
Class G Notes	DAZXFR	ROCHESTER FINAN/ZERO CPNASST BKD 20
Class X Notes	DAVXFR	ROCHESTER FINAN/VARASST BKD 2062121
Class R Notes	DAVXFR	ROCHESTER FINAN/VARASST BKD 2062121
Class Y Certificates	DAZXFR	ROCHESTER FINAN/ZERO CPNASST BKD 20
Class R Certificates	DAZXFR	ROCHESTER FINAN/ZERO CPNASST BKD 20

UK Securitisation Regulation Reporting

11. The Issuer and OSB (as SSPE and sponsor, respectively, within the meaning of the UK Securitisation Regulation), have agreed that the Issuer is designated as the reporting entity (the **Reporting Entity**) as required under Article 7(2) of the UK Securitisation Regulation.

The Reporting Entity has undertaken in the Subscription Agreement and the Risk Retention Letter:

(a) that it will fulfil the requirements of Article 7 of the UK Securitisation Regulation and the UK Article 7 Technical Standards either itself or shall procure that such requirements are fulfilled on its behalf;

(b) that it will procure that:

(i) the UK SR Investor Report is published as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards;

(ii) the UK SR Data Tape is published as required by and in accordance with Article 7(1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards;

(iii) any information required to be reported pursuant to Article 7(1)(g) (as applicable) of the UK Securitisation Regulation is published as required by and in accordance with Article 7(1)(g) (as applicable) of the UK Securitisation Regulation and the UK Article 7 Technical Standards; and

(c) that:

(i) the UK SR Investor Report and UK SR Data Tape will be made available to, *inter alia*, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator and, upon request, to potential investors in the Notes or the Certificates by being published on the Reporting Website on each Interest Payment Date (and in any event no later than one month following each such Interest Payment Date); and

(ii) any UK SR Significant Event Information will be made available to, *inter alia*, Noteholders, Certificateholders, the FCA, the Bank of England, the PRA and/or the

Pensions Regulator and, upon request, to potential investors in the Notes or the Certificates by being published on the Reporting Website without delay,

in each case subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity is only required to do so to the extent that the disclosure requirements under Article 7 of the UK Securitisation Regulation remain in effect.

The Reporting Entity further confirms that it has made available this Prospectus and the Transaction Documents as required by Article 7(1)(b) of the UK Securitisation Regulation (in draft form) prior to the pricing of the Notes and that it will procure that final documents are provided no later than 15 days after the Closing Date.

UK Article 7 ITS means Commission Implementing Regulation (EU) 2020/1225 as it forms part of the domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

UK Article 7 RTS means Commission Delegated Regulation (EU) 2020/1224 as it forms part of the domestic law by virtue of the EUWA, including any relevant legislation, instruments, rules, policy statements, guidance, transitional relief or other implementing measures of the FCA, the Bank of England, the PRA, the Pensions Regulator or other relevant UK regulator (or their successor) in relation thereto.

UK Article 7 Technical Standards mean the UK Article 7 RTS and the UK Article 7 ITS.

EU Securitisation Regulation Reporting

12. Although the EU Securitisation Regulation is not applicable to it, the Reporting Entity has undertaken in the Subscription Agreement and the Risk Retention Letter to procure the provision of information to Noteholders and (upon request) potential investors in accordance with the requirements of Article 7(1) of the EU Securitisation Regulation and in a manner consistent with Article 7(2) of the EU Securitisation Regulation and the EU Article 7 Technical Standards as if such provisions were applicable to it, subject always to any requirement of law, and provided that: (i) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply due to events, actions or circumstances beyond the Reporting Entity's control; and (ii) the Reporting Entity will not be in breach of such undertaking if the Reporting Entity fails to so comply as a result of any change in or the adoption of any new law, rule or regulation or any determination of a relevant regulator which would impose additional material obligations on the Issuer in order for it to maintain compliance with its EU Article 7 Undertaking provided that it or another party on its behalf, consults with the Retention Holder and the Majority Holder in relation to potential actions to avert or remedy such non-compliance.

EU Article 7 ITS means Commission Implementing Regulation (EU) 2020/1225226 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission.

EU Article 7 RTS means Commission Delegated Regulation (EU) 2020/1224227 including any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor) or by the European Commission.

EU Article 7 Technical Standards mean the EU Article 7 RTS and the EU Article 7 ITS.

13. From the date of this Prospectus and for so long as the Notes are listed on the Official List of Euronext Dublin, physical copies of the following documents may be inspected at the registered office of the Issuer (and, with the exception of paragraph (a) below, at the specified office of the Principal Paying Agent) during usual business hours, on any weekday (public holidays excepted) and electronic copies are available on the Reporting Website (https://www.euroabs.com/IH.aspx?d=15835):

(a) the Memorandum and Articles of Association of each of the Issuer and Holdings;

(b) copies of the following documents:

(i) the Agency Agreement;

(ii) the Bank Account Agreement;

(iii) the Cash Management Agreement;

(iv) the Corporate Services Agreement;

(v) the Deed of Charge;

(vi) the Deed Polls;

(vii) the Master Definitions and Construction Schedule;

(viii) the Master Servicing Agreement;

(ix) the Mortgage Sale Agreement and the Disclosure Letter;

(x) the Servicing Agreement;

(xi) the Collection Account Declaration of Trust; and

(xii) the Trust Deed.

14. The Issuer confirms that the Loans backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. Investors are advised that this confirmation is based on the information available to the Issuer at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of the Notes. Investors are advised to review carefully any disclosure in this Prospectus together with any amendments or supplements thereto.

15. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on its Regulated Market for the purposes of the EU Prospectus Regulation.

INDEX OF TERMS

ISSUER

Rochester Financing No.3 plc
1 Bartholomew Lane, London EC2N 2AX
United Kingdom

SELLER

Rochester Mortgages Limited
Reliance House, Sun Pier
Chatham, Kent ME4 4ET

RETENTION HOLDER

OneSavings Bank Plc
Reliance House, Sun Pier
Chatham, Kent ME4 4ET

CO-ARRANGERS

BofA Securities
2 King Edward Street
London, E14 5JP

OneSavings Bank Plc
Reliance House, Sun Pier
Chatham, Kent ME4 4ET

SOLE LEAD MANAGER

BofA Securities
2 King Edward Street
London, E14 5JP

MASTER SERVICER AND BACK-UP SERVICER FACILITATOR

OneSavings Bank Plc
Reliance House, Sun Pier
Chatham, Kent, ME4 4ET

SERVICER

Target Servicing Limited
Target House, Cowbridge
Road East, Cardiff CF11 9AU

CASH MANAGER

U.S. Bank Global Corporate Trust Limited
125 Old Broad Street, Fifth Floor
London EC2N 1AR

PRINCIPAL PAYING AGENT, AGENT BANK, ACCOUNT BANK AND REGISTRAR

Elavon Financial Services DAC
125 Old Broad Street, Fifth Floor
London EC2N 1AR

NOTE TRUSTEE AND SECURITY TRUSTEE

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Fifth Floor, 125 Old Broad Street,
London EC2N 1AR

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One Bishops Square
London E1 6AD

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