IMPORTANT NOTICE

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

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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 1993, 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 Article 49(2)(a) to (d) of the Financial Services and Markets Act (Financial Promotion) Order 2005.

This Prospectus has been sent to you in 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 Canterbury Finance No.5 PLC (the "**Issuer**"), OneSavings Bank PLC ("**OSB**"), Merrill Lynch International nor any person who controls any such person nor any director, officer, employee or 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 Merrill Lynch International.

CANTERBURY FINANCE NO.5 PLC

(*Incorporated in England and Wales with limited liability, registered number 14095662*)

Class of Notes	Initial Principal Amount	Issue Price	Reference Rate	Margin (payable up to and including the Optional Redemption Date)	Step-Up Margin (payable after the Optional Redemption Date)	Ratings (Fitch/DBRS)	Final Maturity Date
Class A1 Notes	£589,732,000	100%	Compounded Daily SONIA	1.30% per annum	1.95% per annum	AAAsf/ AAA(sf)	The Interest Payment Date falling in May 2059
Class A2 Notes	£518,446,000	100%	Compounded Daily SONIA	1.40% per annum	2.10% per annum	AAAsf/ AAA(sf)	The Interest Payment Date falling in May 2059
Class Z Notes	£187,936,000	100%	Fixed	0.0%	0.0%	Not rated	The Interest Payment Date falling in May 2059
Class X Notes	£12,961,000	100%	Compounded Daily SONIA	5.0% per annum	5.0% per annum	Not rated	The Interest Payment Date falling in May 2059

The Optional Redemption Date is the Interest Payment Date falling in July 2027.

From the Collection Period Start Date immediately preceding the Optional Redemption Date, the Option Holder has the right to exercise the Call Option in relation to the Portfolio, which would result in an early redemption of the Collateralised Notes.

ARRANGER and **LEAD MANAGER**

BOFA SECURITIES[1]

The date of this Prospectus is 4 August 2022

[1] BofA Securities means Merrill Lynch International.

Issue Date	The Issuer will issue the Notes in the classes set out above and the Residual Certificates and the ERC Certificates (together, the "**Certificates**") on or about 4 August 2022 (the "**Closing Date**").
Standalone/ programme issuance	Standalone issuance.
Listing	This document comprises a prospectus (the "**Prospectus**") for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**EU Prospectus Regulation**"). This Prospectus has been approved 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 should not be considered as an endorsement of the Issuer or of the quality of the Issuer or the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. Such approval relates to the Class A1 Notes, the Class A2 Notes and the Class Z Notes (together, the "**Collateralised Notes**" and the holders thereof the "**Collateralised Noteholders**"), and the Class X Notes (together with the Collateralised Notes, the "**Notes**") which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU (as amended "**EU MiFID II**") and/or which are to be offered to the public in any Member State of the European Economic Area. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Regulated Market**"). Euronext Dublin's Regulated Market is a regulated market for the purposes of EU MiFID II. **This Prospectus (as supplemented as at the relevant time, if applicable) is valid for the admission to trading of the Notes on the regulated market of Euronext Dublin until the time when trading on such regulated market begins. 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 trading on the regulated market of Euronext Dublin.**
Underlying Assets	The Issuer will make payments on the Notes from, *inter alia*, payments of principal and revenue received from a portfolio comprising mortgage loans and their related security originated by OneSavings Bank PLC ("**OSB**") under its trading names of Kent Reliance and secured over residential properties located in England and Wales and sold by OSB (in its capacity as the seller, the "**Seller**") to the Issuer on the Closing Date. The Issuer confirms that the assets backing the issue of the Notes and the Notes are not part of a re-securitisation. See the sections entitled "*Transaction Overview – Portfolio and Servicing*", "*The Loans*" and "*Characteristics of the Provisional Portfolio*" for further details.
Credit Enhancement	Credit enhancement of the Notes is provided in the following manner: • in relation to any Class of Collateralised Notes, the relevant overcollateralisation funded by Notes ranking junior to such Class of Collateralised Notes in the Priority of Payments;

- the availability of the General Reserve Fund;
- the amount by which Available Revenue Receipts exceed the amounts required to pay interest on the relevant Class of Notes in accordance with the Pre-Enforcement Revenue Priority of Payments and all other amounts ranking in priority thereto; and
- following service of an Enforcement Notice, in respect of all Notes all amounts credited to the General Reserve Fund Ledger, subject to application in accordance with the Post-Enforcement Priority of Payments.

See the sections entitled "*Transaction Overview – Credit Structure and Cashflow*" and "*Credit Structure*" for further details. In relation to the General Reserve Fund Excess Amount, see the section entitled "*Credit Structure – General Reserve Fund and General Reserve Fund Ledger*" for further details.

Liquidity Support

Liquidity support for the Notes is provided in the following manner:

- the subordination in payment of those Classes of Notes ranking junior in the relevant Priority of Payments and the Residual Certificates;
- in respect of the Collateralised Notes only, the Principal Addition Amounts (subject to the limitations set out in the definition of Senior Expenses Deficit); and
- in respect of the interest on the Class A Notes only, all amounts standing to the credit of the General Reserve Fund.

See the sections entitled "*Transaction Overview – Credit Structure and Cashflow*" and "*Credit Structure*" for further details. In relation to the General Reserve Fund, see the section entitled "*Credit Structure – General Reserve Fund and General Reserve Fund Ledger*" for further details.

Redemption Provisions

Information on any mandatory redemption of the Notes is summarised on page 57 ("*Transaction Overview – Summary of the Terms and Conditions of the Notes and the Certificates*") and set out in full in Condition 8 (*Redemption*) of the terms and conditions of the Notes (the "**Conditions**").

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 FCA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) ("**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.

Credit Rating Agencies

Fitch Ratings Ltd ("**Fitch**") and DBRS Ratings Ltd ("**DBRS**") (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 and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the "**UK CRA Regulation**").

Each of Fitch and DBRS is included on the list of registered and certified credit rating agencies that is maintained by the Financial Conduct Authority (the "**FCA**").

Fitch and DBRS are not established in the European Union (the "**EU**") and have not applied for registration under Regulation (EU) No 1060/2009 (as amended).

The rating DBRS has given to the Notes is endorsed by DBRS Ratings GmbH, which is a credit rating agency established in the EU. The rating Fitch has given to the Notes is endorsed by Fitch Ratings Ireland Limited, which is a credit rating agency established in the EU.

Each of Fitch Ratings Ireland Limited and DBRS Ratings GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

Credit Ratings

The ratings assigned to the Class A1 Notes and the Class A2 Notes (together the "**Class A Notes**") by (a) Fitch address, *inter alia*, the likelihood of timely payment to the holders of the Class A Notes of all payments of interest on each Interest Payment Date and the likelihood of full and ultimate payment to the Noteholders of principal in relation to the Notes on or prior to the Final Maturity Date; and (b) DBRS address, *inter alia*, with respect to the Class A Notes, the timely payment of interest and the ultimate payment of principal on or before the Final Maturity Date.

Ratings are expected to be assigned to the Class A Notes on or before the Closing Date. The assignment of a rating to the Class A Notes by any Rating Agency is not a recommendation to invest in the 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.

The Class X Notes, the Class Z Notes and the Certificates will not be rated.

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 the Prospectus.

Risk Retention Undertaking

Save as described in the paragraph below in respect of the EU Retention Requirement, on the Closing Date, OSB (in its capacity as originator for the purposes of (i) the UK Securitisation Regulation and (ii) under the Transaction Documents in connection with the EU Securitisation Regulation) retains on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation (the "**Retained Interest**") (i) as required by Article 6(1) of the UK Securitisation Regulation together with any binding technical standards as amended, varied or substituted from time to time after the Closing Date (the "**UK Retention Requirement**") and (ii) under the Transaction Documents in connection with Article 6(1) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) together with any binding technical standards as in force on the Closing Date, not taking into account any relevant national measures, but solely as such articles are interpreted and applied on the Closing Date (the "**EU Retention Requirement**" and, together with the UK Retention Requirement, the "**Retention Requirements**").

As at the Closing Date, the UK Retention Requirement and the EU Retention Requirement will each be satisfied by the Seller holding the first loss tranche and other tranches having the same or a more severe risk profile than those transferred or sold to investors, in this case, represented by the retention by the Seller of the Class Z Notes, (i) in accordance with Article 6(3)(d) of the UK Securitisation Regulation and (ii) under the Transaction Documents in connection with Article 6(3)(d) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) as though Article 6 of the EU Securitisation Regulation applied to the transaction, not taking into account any relevant national measures, but solely as such articles are interpreted and applied on the Closing Date, **provided that** on and from the applicable SR Equivalency Date (but only for so long as SR Equivalency is maintained), references to, and obligations in respect of, the EU Securitisation Regulation shall not apply. Any change to the manner in which such interest is held will be notified to investors. Certain undertakings in respect of the UK Retention Requirement and EU Retention Requirement are given by the Seller in the Mortgage Sale Agreement.

Notwithstanding the above, each prospective EU Affected Investor should note that in respect of the EU Retention Requirement:

- the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) and any binding technical standards, not taking into account any relevant national measures, as such articles are interpreted and applied on the Closing Date only, until the applicable SR Equivalency Date (but only for so long as SR Equivalency is maintained); and

- the Seller will be under no obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date.

Each potential UK Affected Investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation and any corresponding national measures which may be relevant to investors and none of the Issuer, the Arranger, the Lead Manager, the Seller or any of the other Transaction Parties

makes any representation that any such information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

Each potential EU Affected Investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with Article 5 of the EU Securitisation Regulation and any corresponding national measures which may be relevant to investors and none of the Issuer, the Arranger, the Lead Manager, the Seller or any of the other Transaction Parties makes any representation that any such information described above or elsewhere in this Prospectus is sufficient in all circumstances for such purposes.

See the section entitled "*Regulatory Disclosures*" for more information.

The Seller, 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 the purposes of compliance with the final rules promulgated under section 15G of the Securities Exchange Act of 1934, as amended (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.

The Volcker Rule

The Issuer is of the view that it is not now, and immediately after giving effect to the offering and sale of the Notes and the application of the proceeds thereof on the Closing Date will not be, a "covered fund" (together with such implementing regulations) for the purposes of regulations adopted under section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the "**Volcker Rule**").

The Issuer has relied on the determinations that (i) it may rely on an exemption from the definition of "investment company" under section 3(c)(5)(C) of the Investment Company Act of 1940 (the "**Investment Company Act**") and (ii) it was structured so as not to constitute a "covered fund" for the purposes of the Volcker Rule. Any prospective investor in the Notes or Residual 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. See the section entitled "Risk Factors – Legal Risks and Regulatory Risks – Effects of the Volcker Rule on the Issuer".

ERISA Considerations

The Notes may not be purchased or held by 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 of the Code applies, or by any person any of the assets of which are, or are deemed for the 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 state, local, other federal law of the United States or non-U.S. law that is substantially similar to the provisions of section 406 of ERISA or section 4975 of the Code ("**Similar Law**"), and each purchaser of the Notes will be deemed to have represented, warranted and agreed that it is not, and for so long as it holds the Notes will not be, such an "employee benefit plan", "plan", person or governmental, church or non-U.S. plan subject to Similar Law.

Certificates	In addition to the Notes, the Issuer will issue the Residual Certificates and the ERC Certificates (together, the "**Certificates**") on the Closing Date. The Certificates represent the right to receive deferred consideration for the purchase of the Portfolio (consisting of the RC1 Payments, the RC2 Payments and the ERC Payments). See the sections entitled "*Terms and Conditions of the Residual Certificates*" and "*Terms and Conditions of the ERC Certificates*" for further details.
Significant Investor	OSB shall on the Closing Date purchase 100 per cent. of the Class A1 Notes, the Class A2 Notes, the Class Z Notes and the Class X Notes and the Certificates. OSB has no obligation to retain the Class A1 Notes, the Class A2 Notes or the Class X Notes on an ongoing basis.

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.

IMPORTANT INFORMATION

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

OSB accepts responsibility for the information set out in the sections headed "*The Seller and the Servicer*", "*The Loans*" and "*Characteristics of the Provisional Portfolio*". To the best of the knowledge of OSB, the information contained in the sections referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Cash Manager and the Issuer Account Bank accepts responsibility for the information set out in the sections headed "*The Cash Manager*" and the "*Issuer Account Bank*".

To the best of the knowledge of the Cash Manager and the Issuer Account Bank, the information contained in the sections referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Note Trustee and the Security Trustee accepts responsibility for the information set out in the section headed "*The Note Trustee and Security Trustee*". To the best of the knowledge of the Note Trustee and the Security Trustee, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Swap Provider accepts responsibility for the information set out in the section headed "*The Swap Provider*". To the best of the knowledge of the Swap Provider, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Corporate Services Provider accepts responsibility for the information set out in the section headed "*The Corporate Services Provider and Back-Up Servicer Facilitator*". To the best of the knowledge of the Corporate Services Provider, the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by OSB, the Cash Manager, the Issuer Account Bank, the Note Trustee, the Security Trustee, the Arranger or the Lead Manager, the Swap Provider or the Corporate Services Provider as to the accuracy or completeness of any information contained in this Prospectus (other than in the sections referred to above and not specifically excluded therein) or any other information supplied in connection with the Notes or their distribution.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, OSB, the Note Trustee, the Security Trustee, the Arranger, the Lead Manager or any of their respective affiliates or advisers.

Neither this Prospectus nor any other information supplied in connection with the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, OSB, the Note Trustee, the Security Trustee, the Arranger or the Lead Manager that any

recipient of this Prospectus or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, OSB, the Note Trustee, the Security Trustee, the Arranger or the Lead Manager to any person to subscribe for or to purchase any Notes.

The information on the websites to which this Prospectus or any applicable supplement refers does not form part of this Prospectus or any applicable supplement and has not been scrutinised or approved by the Central Bank of Ireland.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date.

In connection with this new issue of the Notes as described in this Prospectus (the "Transaction") Merrill Lynch International is acting exclusively for the Issuer and no one else. Accordingly, in connection with the Transaction, Merrill Lynch International will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients or for the giving of advice in relation to the Transaction. Merrill Lynch International will be paid a fee by the Issuer in respect of the placement of the securities.

EU MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes in the European Economic Area ("**EEA**") has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**EU MiFID II**"); 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 manufacturers' target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes in the UK 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, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of EUWA ("**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 manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels.

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 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; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**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; or (iii) not a qualified investor as defined in the EU Prospectus Regulation. 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.

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 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 domestic law of the United Kingdom by virtue of the EUWA; or (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 domestic law of the United Kingdom by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (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.

RESTRICTIONS OF SALES TO U.S. PERSONS (AS DEFINED BY REGULATION S) – The Notes have not been and will not be registered under the Securities Act or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

RESTRICTIONS OF SALES TO U.S. PERSONS (AS DEFINED BY THE U.S. RISK RETENTION RULES) – Except with the prior written consent of the Seller (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 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 or a beneficial interest therein acquired in the initial syndication of the Notes, by its acquisition of the Notes or a beneficial interest therein will be deemed to have made certain representations and agreements, including that it (1) either (i) is not a Risk Retention U.S. Person or (ii) it has obtained a U.S. Risk Retention Consent from the Seller, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note, 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).

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, OSB, the Note Trustee, the Security Trustee, the Arranger and the Lead Manager do not represent that this Prospectus may be lawfully distributed, or that any 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, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, OSB, the Note Trustee, the Security Trustee, the Arranger or the Lead

Manager which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the EEA (including, for these purposes, the United Kingdom), see "*Subscription and Sale*".

CERTAIN DEFINED TERMS AND CONVENTIONS

Capitalised terms which are used but not defined in any particular section of this Prospectus will have the meaning attributed to them in "Terms and Conditions of the Notes" or any other section of this Prospectus. In addition, the following terms as used in this Prospectus have the meanings defined below:

In this Prospectus, all references to:

- "**U.S. dollars**", "**U.S.$**" and "**$**" refer to United States dollars;
- "**Sterling**", "**pounds**", "**GBP**" and "**£**" refer to pounds sterling;
- "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended; and
- "**FCA**" are to the United Kingdom Financial Conduct Authority and all references to the "**PRA**" are to the United Kingdom Prudential Regulation Authority, which together replaced the Financial Services Authority (the "**FSA**") pursuant to the provisions of the UK Financial Services Act 2012.

References to a "**billion**" are to a thousand million.

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Prospectus, words denoting the singular number only shall include the plural number and vice versa and words denoting one gender shall include the other genders, as the context may require. A defined term in the plural which refers to a number of different items or matters may be used in the singular or plural to refer to any (or any set) of those items or matters.

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.

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 Arranger or the Lead Manager 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 Arranger or the Lead Manager 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.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(d) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

(e) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its business and ability to make payments due.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Prospective Noteholders should also read the detailed information set out elsewhere in this document and reach their own views prior to making any investment decision.

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

1.1 The Issuer has a limited set of resources to make payments on the Notes

The Notes and the Certificates will not be obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. 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.

The ability of the Issuer to meet its obligations to pay principal and interest on the Notes and amounts due on the Residual Certificates and its operating and administrative expenses will be dependent solely on receipts from the Loans in the Portfolio, interest earned on the Issuer Accounts (other than amounts representing interest earned on any Swap Collateral), income from any Authorised Investments and the General Reserve Fund (applied in accordance with the terms of the Cash Management Agreement) and the net receipts under a swap agreement relating to the Swap Transaction between the Issuer and the Swap Provider (the "**Swap Agreement**"). Other than the foregoing, the Issuer is not expected to have any significant sources of funds available to it to meet its obligations under the Notes and the Certificates and/or any other payment obligation of the Issuer under the applicable Priority of Payments, including in respect of any increased margin applicable to the Collateralised Notes following the Optional Redemption Date.

If such funds are insufficient, following enforcement and realisation of the Security, the Noteholders, Certificateholders and the other Secured Creditors shall bear such insufficiency in accordance with the Post-Enforcement Priority of Payments and shall have no further claim against the Issuer in respect of any amounts owing to them which remain unpaid and such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be deemed to cease.

Prospective investors should also be aware that following the exercise of the Call Option by the Option Holder, an amount equal to the Optional Purchase Price will be sufficient to redeem the Collateralised Notes only, and will not be sufficient to redeem the Class X Notes in full. Redemption of the Class X Notes in such a scenario will be subject to the availability of funds standing to the credit of the General Reserve Fund at such time.

Further, subject to certain limited exceptions, no Noteholder or Certificateholder shall be entitled to (i) take any steps or proceedings (including any action in relation to a composition (judicial or otherwise) or lodge an appeal in any proceedings) to procure the winding up, administration or liquidation of the Issuer or (ii) take any other steps or action against the Issuer or the Charged Assets for the purpose of recovering any of the Secured Obligations (including by exercising any rights of set-off) or enforcing any rights arising out of the Transaction Documents against the Issuer or take any

other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or the Charged Assets.

1.2 The Notes will be limited recourse obligations of the Issuer

The Notes and the Certificates will be limited recourse obligations of the Issuer. Other than the source 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),

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 such unpaid amounts shall be deemed to be discharged in full and any relevant payment rights shall be extinguished.

1.3 The yield to maturity on the Notes may be affected by, among other things, prepayments made by Borrowers on their Loans

Based on assumed rates of prepayment, the approximate average lives and principal payment windows of each Class of Notes are set out in the section entitled "*Weighted Average Lives of the Notes*". However, the rate of prepayment of the Loans cannot be predicted and is influenced by a wide variety of economic and other factors, including prevailing interest rates, the buoyancy of the finance market, the availability of alternative financing and local and regional economic conditions. 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. Further, if the Seller is required to repurchase any Loans, the payment received by the Issuer will have the same effect as a prepayment in full of the relevant Loan.

Payments and prepayments of principal on the Loans and any proceeds of repurchased Loans will be applied as Available Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments (see "*Cashflows*" below). The rate of any prepayments will affect the yield to maturity on the Notes and their weighted average life.

The Issuer has the right to redeem the Notes on or after the Optional Redemption Date, which may limit the market value of the Notes concerned.

If the Call Option is exercised by the Option Holder, the Issuer will redeem the Collateralised Notes in full on or following the Optional Redemption Date, which is likely to limit the market value of the Notes. Following the Optional Redemption Date, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. See "*Early Redemption of the Collateralised Notes*" below for more information relating to the Call Option.

2. RISKS RELATING TO THE UNDERLYING ASSETS

2.1 Delinquencies or defaults by Borrowers in paying amounts due on their Loans

As noted above, the ability of the Issuer to meet its obligations to pay principal and interest on the Notes is dependent on receipts from the Loans in the Portfolio. As such, if Borrowers make payments on their Loans late, the Issuer may have insufficient funds on any Interest Payment Date to make payments of interest on the Floating Rate Notes. Further, if Borrowers fail to repay some or all of the interest and/or principal due on their Loans and the enforcement procedures fail to realise or recover sufficient funds to discharge all amounts due and owing by the relevant Borrower, the Issuer may have insufficient funds to make payments of interest and/or principal on the Notes.

Borrowers may default on their Loans for a variety of reasons, including, without limitation:

- changes in the local, national or international macroeconomic climate, political developments and government policies. The economy of the UK and of each geographic region within the UK is dependent on a different mixture of industries and other factors. Any downturn in the local or national economy or a particular industry may adversely affect the regional or national employment levels and consequently the repayment ability of the Borrowers in that region or nationally or the region that relies most heavily on that industry. It is not possible to accurately predict the ultimate extent or duration of any such downturn or the impact it could have on the repayment ability of the Borrowers. See also the Risk Factor entitled "*The relationship of the United Kingdom with the EEA may 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*". In addition, UK and global economic conditions may be severely adversely affected by acts of war or terrorism, in particular the increased geo-political tensions arising from Russia's invasion of Ukraine. As a consequence of Russia's actions, in February 2022 and in June 2022, the EU, the UK and the U.S. imposed additional sanctions with respect to Russia and Belarus. A further escalation in the conflict could result in new trade restrictions and further sanctions, disruption to supply chains and increased energy prices, leading to increased inflation. Such elevated instability could potentially adversely impact and/or increase volatility in the financial markets and cause a downturn in the global and UK economies;

- a deterioration in economic conditions in a particular area or region, which may adversely affect the regional employment levels and/or house prices and consequently the repayment ability of the Borrowers in that region. To the extent that specific geographic regions within the UK have experienced, or may experience in the future, weaker regional economic conditions (due to local, national and/or global macroeconomic factors) and weaker housing markets than other regions of the UK, a concentration of Loans in one region may be expected to exacerbate such risks. An overview of the geographical distribution of the Loans in the Provisional Portfolio is set out in the table entitled "*Geographical distribution*" in the section "*Characteristics of the Provisional Portfolio*";

- any natural disasters or widespread health crises (such as the COVID-19 pandemic), government policies in response to such crises or such potential crises (including, but not limited to, COVID-19 (or any strain of the foregoing)) and/or the fear of any such crises in a particular region or nationwide may weaken economic conditions and reduce house prices, the ability to sell a property in a timely manner, and/or negatively impact the repayment ability of Borrowers within the United Kingdom;

- an increase in the prevailing market interest rate, which, for those Loans subject to a variable rate of interest, would increase a Borrower's monthly payments. Borrowers may seek to avoid any increased monthly payments by refinancing such Loans, as to which see the Risk Factors entitled "*Macroeconomic and Market Risks*" and "*The relationship of the United Kingdom*

with the EEA may 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 to SONIA, which may, for those Loans subject to a variable interest rate, cause an increase in a Borrower's monthly payments. An increase in such reference rates or in relation to the rate of any prior ranking mortgage loan of the Borrower could result in higher monthly repayments, which, in turn, could reduce Borrowers' capacity to service their Loans. The Issuer could therefore be subject to a higher risk of default in payment by Borrowers over the course of the transaction, which may affect the ability of the Issuer to make payments on the Notes;

- a decline in property values due to, among other things, local, national and/or global macroeconomic factors;

- house price growth continuing to accelerate faster than earnings, which could stretch affordability and leave households more vulnerable to shocks, such as increases in interest rates that could ultimately lead to higher loan losses. There is potential for economic activity and real estate prices to decline should the labour market situation deteriorate, if strains in the financial system re-emerge and impair the flow of credit to the wider economy or other factors (including but not limited to COVID-19 or any strain of the foregoing) cause a deterioration in economic conditions. This risk is particularly relevant to interest-only mortgage loans;

- in respect of interest-only loans, the failure of a Borrower to sell the relevant property or refinance the loan at maturity;

- sustained increase in inflation, resulting in further increases to the cost of living for Borrowers. A sharp increase in energy prices and the overall rate of inflation, particularly since the Ukraine conflict, together with rising interest rates, could adversely impact the Borrowers' ability to repay the Loans and/or their ability to meet the affordability requirements of any replacement loan;

- a Borrower's individual, personal or financial circumstances, for example unemployment, loss of earnings, illness (including any illness arising in connection with an epidemic), divorce and other similar factors. If the timing and repayment of the Loans is adversely affected by any of the risks described herein, then payments on the Notes could be reduced and/or delayed and could ultimately result in losses on the Notes; and

- a lack of availability of buyers for a property and/or a decline in value of a property, which may affect 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.

Given the unpredictable effect that these factors may have on the local, national or global economy, no assurance can be given as to the impact of any such factors and, in particular, no assurance can be given that such factors would not adversely affect the ability of the Issuer to satisfy its obligations under the Notes. These risks are mitigated to an extent by certain credit enhancement features and liquidity support, as described in the section entitled "Credit Structure". However, no assurance can be given as to the effectiveness of such credit enhancement features or liquidity support or that Noteholders would be protected from all risk of loss and/or delayed payment.

2.2 Payment Deferrals may result in a shortfall in interest receipts and/or principal receipts

The terms and conditions of the Loans provide that the Seller will not require monthly repayments of capital in respect of any amount covered by a repayment plan or option acceptable to it. The Seller may also permit suspension of monthly payments other than as a result of a repayment plan or option,

in which case the Borrower will pay such interest and any reduced monthly payment as the Seller may require as a condition of the suspension. At the end of the suspension period, subsequent monthly payments must be sufficient to pay off the arrears.

To the extent that the Seller (or the Servicer on its behalf) permits Borrowers to suspend monthly payments, this may result in a shortfall in interest receipts and/or principal receipts. See further the Risk Factor entitled "*The COVID-19 pandemic may have negative effects on the Portfolio*" below.

2.3 The COVID-19 pandemic may have negative effects on the Portfolio

In March 2020, the World Health Organization declared the current outbreak of coronavirus disease 2019 ("**COVID-19**") to be a global pandemic. The COVID-19 outbreak has already led to severe disruptions in the global supply chain, capital markets and economies, and those disruptions have since intensified and will likely continue for some time. Concern about the potential effects of COVID-19 and the effectiveness of measures being put in place by global governmental bodies as well as by private enterprises to contain or mitigate its spread have adversely affected economic conditions and capital markets globally, and have led to unprecedented volatility in the financial markets.

Widespread health crises, or the fear of such crises developing at such time or in the future (such as COVID-19 or other epidemic infectious diseases) in a particular region or nationwide may weaken economic conditions and 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 payments on the Loans. In addition, governmental action or inaction in respect of, or responses to, any widespread health crises, whether in the United Kingdom or in any other jurisdiction, may lead to a further deterioration in economic conditions both globally and also within the United Kingdom. This may have an adverse impact on the ability of Borrowers to make timely payments of interest and repayments of principal on their Loans.

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 who may potentially face financial difficulties.

Further, 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 Loans.

2.4 Seller to initially retain legal title to the Loans and risks relating to set-off

Initially, legal title to the Loans and their Related Security in the Portfolio will be held by the Seller and the sale by the Seller to the Issuer of the Loans and their Related Security takes effect in equity only.

Legal title to the Loans and their Related Security in the Portfolio will remain with the Seller until a Perfection Event occurs, and this presents the following risks:

- a *bona fide* purchaser from the Seller 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;

- 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 Seller as a party to any legal proceedings. Prior to perfection of legal title, the Issuer will have power of attorney to act in the name of the Seller and the Seller will undertake 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;

- a Borrower may be entitled to exercise certain set-off rights, namely:

– independent set-off, which may arise in connection with transactions that are unconnected with the relevant Borrower's Loans, for example claims by a Borrower for balances standing to the credit of savings and deposit accounts. In the event of the insolvency of the Seller, a Borrower may be able to set off any amounts held in the relevant deposit account against amounts owed by the Borrower pursuant to the Loan, although the majority of any deposits will be covered by the FSCS claims limit (as at the date of this Prospectus being £85,000) and as such the Seller will only be exposed to set-off risk over and above this limit. Any claim for independent set-off will crystallise (and no new rights of independent set-off could be asserted) upon receipt by the relevant Borrower of notice of the sale of the relevant Loan to the Issuer; and

– equitable set-off rights, which may arise in connection with a transaction connected with a Loan. An equitable right of set-off could arise, for example, where the Seller has failed to make a Further Advance to the Borrower after having made a commitment to do so, where the Seller has agreed to Port a Loan or where the Seller is in breach of contract under the relevant Loan. The Seller will represent and warrant in the Mortgage Sale Agreement that the terms and conditions of the Loans do not require the Seller to agree to any Further Advance or any Port.

If any of the risks described above were to occur then the realisable value of the Portfolio and/or the ability of the Issuer to make payments under the Notes may be affected.

2.5 The value of the Related Security in respect of the Loans may be affected by, among other things, a decline in residential property values in the United Kingdom

The value of the Related Security in respect of the Loans may be affected by, among other things, a decline in residential property values in the United Kingdom, downturns in the performance of the United Kingdom economy (due to local, national and/or global macroeconomic factors) generally, which may have a negative effect on the housing market. In addition, any natural disasters or widespread health crises (such as a pandemic or epidemic), government policies, action or inaction in response to such crises or such potential crises (including, but not limited to, COVID-19 (or any strain of the foregoing)) and/or the fear of any such crises, whether in the United Kingdom or in any other jurisdiction, may lead to a deterioration in economic conditions in the United Kingdom and also globally and may reduce the value of the affected Properties. If the residential property market in the United Kingdom experiences an overall decline in property values, such a decline could in certain circumstances result in the value of the Related Security being significantly reduced and, in the event that the Related Security is required to be enforced, may result in an adverse effect on payments on the Notes.

Borrowers of buy-to-let mortgages have benefited in recent years from a combination of low interest rates, rising property prices and increasing rents. First-time buyers have struggled to raise the required deposit to allow them to purchase their own homes. If rental rates were to decrease or remain stagnant, interest rates were to increase, further tax changes were to reduce the post-tax return on buy-to-let investments and/or the economy were to weaken and place pressure on employment, consumer incomes and/or property prices, the credit performance of the buy-to-let mortgage book of the Seller could deteriorate, which in turn could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Seller**.**

Borrowers may have insufficient equity in their properties to refinance their Loans with lenders other than OSB and may (as a result of the circumstances described in "*Delinquencies or defaults by Borrowers in paying amounts due on their Loans*" or "*Payment Deferrals may result in a shortfall in interest receipts and/or principal receipts*" or otherwise) 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 to losses, which in turn may adversely affect payments on the Notes.

2.6 There is no guarantee that the Provisional Portfolio will be the transaction Portfolio as at the Cut-Off Date

The information in the section headed "*Characteristics of the Provisional Portfolio*" has been extracted from the systems of the Seller as at 30 April 2022 (the "**Portfolio Reference Date**"). The Provisional Portfolio has been selected from a pool of the Seller's Buy-to-Let Loans using a system containing defined data on each of the qualifying loans. This system allows the setting of exclusion criteria, among others, corresponding to relevant Loan Warranties that the Seller will make in the Mortgage Sale Agreement in relation to the Loans. Once the criteria have been determined, the system identifies all loans owned by the Seller that are consistent with the criteria. The loans selected for the Provisional Portfolio are representative of the Seller's portfolio of Buy-to-Let Loans meeting the selection criteria which the Seller holds immediately prior to the sale of the Portfolio. As at the Portfolio Reference Date, the Provisional Portfolio comprised 6,062 loans with an aggregate current balance of £1,326,300,363. 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 and the removal of any loans from the Portfolio that do not comply with the Loan Warranties as at the Cut-Off Date. Neither the Seller nor the Servicer has provided any assurance that there will be no material change in the characteristics of the Portfolio between the Portfolio Reference Date and the Closing Date.

2.7 Risk of Losses Associated with Interest-only Loans

Each Loan in the Portfolio may be repayable either on a capital repayment basis or an interest-only basis. 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, 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 capital at the end of the term. The Seller does not have and the Issuer shall not have the benefit of any investment policies taken out by Borrowers.

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 ("**PEPs**"), new individual savings accounts ("**NISAs**") or endowment policies.

However, the only security that exists in relation to a Loan (including any Interest-only Loans) in the Portfolio will be the Mortgage covering the Property. The ability of a Borrower to refinance the Property will be affected by a number of factors, including 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, a rise in the prevailing interest rates and prevailing general economic conditions. In recent times, mortgage lenders have maintained stricter conditions to the advancing of interest-only loans (and other loans) which are mortgages. The inability of the Borrowers to refinance their respective Properties may ultimately result in a reduction in the amounts available to the Issuer and adversely affect its ability to make payments under the Notes.

Borrowers of interest-only loans may not make payment of the premiums due on any relevant investment or life policy taken out in relation to repayment of the relevant interest-only mortgages in full or on time, which policies may therefore lapse, and/or no further benefits may accrue thereunder. In certain cases, the policy may be surrendered but not necessarily in return for a cash payment and any cash received by the Borrower may not be applied in paying amounts due under the Loan. Thus the ability of such a Borrower to repay an Interest-only Loan (as defined in "*The Loans – Repayment Terms*" below) at maturity without resorting to the sale of the underlying property depends on such Borrower's responsibility to ensure that sufficient funds are available from a given source such as

pension policies, PEPs, NISAs 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 Notes if the resulting Principal Deficiency Ledger entry cannot be cured from Available Revenue Receipts being applied for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments.

Should a Borrower elect, subject to the consent of the Seller and the Servicer, to amend the terms of its Loan from an Interest-only Loan to a Repayment Loan, the relevant Loan would remain with the Issuer as part of the Portfolio, resulting in the Issuer and the Noteholders receiving redemption payments on the relevant Loan and the relevant Notes respectively earlier than would otherwise be the case.

2.8 Buy-to-Let Loans

All of the Loans in the Portfolio are residential loans taken out by a Borrower in relation to the purchase or re-mortgage of a Property for letting purposes ("**Buy-to-Let Loans**"). The Borrower's ability to service such Loans is likely to depend on the Borrower's ability to lease the relevant Properties on appropriate terms. There can be no assurance that each such 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 or capital repayments in respect of the Loan. Upon enforcement of a Mortgage in respect of a Property which is the subject of an existing tenancy, the Servicer may not be able to obtain vacant possession of the Property until the end of the tenancy, 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 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, although the existence of any such tenant paying rent in full on a timely basis may not have an adverse effect on the amount of such realisation. However, in the UK it is common for tenancies to be only for six or 12 months, so a tenanted property will often be vacated sooner than an owner-occupied property. However, enforcement procedures in relation to such 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. See further "*Risk Factors – Risks relating to the availability of funds to make payments on the Notes – The yield to maturity on the Notes may be affected by, among other things, prepayments made by Borrowers on their Loans*" section above.

Since April 2017 the UK Government has been implementing a phased restriction on the amount of income tax relief that individual landlords can claim for residential property finance costs (such as mortgage interest). 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.

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, Wales and Northern Ireland (such as buy-to-let properties). The current additional rates are 3 per cent. above the current SDLT rates with respect to properties located in England and Northern Ireland and 4% above the current WLTT rates with respect to properties located in Wales.

From 1 April 2021, a 2 per cent. SDLT surcharge applies to non-UK residents purchasing residential property in England and Northern Ireland. This applies in addition to the 3 per cent. additional rate that applies to the purchase of additional residential properties described above.

In addition, a different (and higher) rate of capital gains tax ("**CGT**") applies in respect of a gain realised by an individual on the disposal of a residential property which is not the taxpayer's principal private residence (e.g. a second home or a buy-to-let property) than the rate of CGT that applies in respect of taxable gains realised on the disposal of other assets.

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 re-finance their loan or sell the underlying Property, which in turn may adversely affect the yield to maturity of the Notes. See further "*Risk Factors – Risks relating to the availability of funds to make payments on the Notes – The yield to maturity on the Notes may be affected by, among other things, prepayments made by Borrowers on their Loans*" section above.

2.9 Lending Criteria

The Loans have been underwritten generally in accordance with the underwriting standards described in the section entitled "*The Loans – Lending Criteria*". Those underwriting standards consider, among other things, a Borrower's credit history, status and repayment ability as well as the value of the relevant Property and the value of the related rental stream.

While each Loan was originated by the Seller pursuant to underwriting standards that are no less stringent than those that the Seller applied at the time of origination to similar exposures that are not securitised, there can also be no assurance that these underwriting standards were applied in all cases or that Loans originated under different criteria have not been included in the Portfolio.

2.10 Geographic Concentration Risks

Loans in the Mortgage Pool (the "**Mortgage Pool**") 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 a particular industry may adversely affect regional employment levels and consequently the repayment ability of the Borrowers in that region or in the region that relies most heavily on that industry. The Issuer can predict neither when or where such regional economic declines may occur nor to what extent or for how long such conditions may continue. Any natural disasters in a particular region may reduce the value of affected Properties. This may result in a loss being incurred upon the sale of such Properties. These circumstances could affect receipts on the Loans and ultimately result in losses on the Notes. For an overview of the geographical distribution of the Loans in the Mortgage Pool, see "*Characteristics of the Provisional Portfolio*".

2.11 External Wall System – Fire Safety

Following the Grenfell Tower tragedy in June 2017, the UK has introduced enhanced requirements for conducting fire-risk assessments on the external wall systems of certain residential buildings. Where these requirements apply to a Property, depending upon the circumstances, (a) they could result in the Borrower being liable for expenses to comply with the requirements (including, without limitation, removal and/or replacement of building cladding) and/or other requirements (including, without limitation, health and safety measures pending such compliance being effected) and, in turn, such expenses could result in that Borrower defaulting under its related Mortgage Loan; and (b) they could adversely affect the value and marketability of the Property and/or the ability to rent out the Property. On 10 January 2022, the UK announced a plan to establish a dedicated fund towards reimbursing leaseholders for any expenditure incurred in complying with the above requirements;

however, plans to this effect have not been finalised. If the plan announced by the UK government does not get enacted in legislation and any of these risks materialise it could adversely affect payment of interest and principal on the Notes.

2.12 Insurance Policies

While the Mortgage Conditions require borrowers to have buildings insurance for the relevant property, it will be difficult in practice for the Servicer and/or the Issuer to determine whether the relevant Borrower has valid insurance in place at any time. The Seller will assign the benefit of its Properties in Possession Cover, Lender Interest Only Cover and Failure to Insure Cover on the Closing Date with legal assignment to be perfected upon occurrence of a Perfection Event in accordance with the terms of the Mortgage Sale Agreement, which will give the Issuer certain protection should the relevant Borrower not have any valid insurance in place (subject to an excess charge) only if a Perfection Event has taken place. 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 contingent 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 make payment of interest and/or principal in respect of the Notes.

2.13 Searches, Investigations and Warranties in Relation to the Loans

The Seller will give certain warranties to each of the Issuer and the Security Trustee regarding the Loans and their Related Security sold to the Issuer on the Closing Date (see "*Summary of the Key Transaction Documents– Mortgage Sale Agreement*" below for a summary of these).

Neither the Note Trustee, the Security Trustee, the Arranger, the Lead Manager, the Issuer nor any other party has undertaken, or will undertake, any investigations, searches or other actions of any nature whatsoever in respect of any Loan or its Related Security in the Portfolio and each relies instead on the warranties given in the Mortgage Sale Agreement by the Seller. As such, the Loans may be subject to matters which would have been revealed by a full investigation of title and which may have been remedied or, if incapable of remedy, may have resulted in the Related Security not being accepted as security for a Loan had such matters been revealed. The primary remedy of the Issuer against the Seller if any of the warranties made by the Seller is materially breached or proves to be materially untrue as at the Closing Date which breach is not remedied in accordance with the Mortgage Sale Agreement, will be to require the Seller to repurchase any relevant Loan and its Related Security in accordance with the repurchase provisions in the Mortgage Sale Agreement. However, there can be no assurance that the Seller will have the financial resources to honour such obligations under the Mortgage Sale Agreement. In each case, none of the Issuer, the Security Trustee or the Note Trustee will have recourse to any other person in the event that the Seller, for whatever reason, fails to meet such obligations. Furthermore, although the Seller and the Servicer have undertaken, pursuant to the Mortgage Sale Agreement and the Servicing Agreement, to notify the Issuer (and, if applicable, the Servicer) upon becoming aware of a material breach of any Loan Warranty, there shall be no obligation on the part of the Seller or the Servicer to monitor compliance of the Loans with the Loan Warranties following the Closing Date. This may affect the quality of the Loans and their Related Security in the Portfolio and accordingly the ability of the Issuer to make payments due on the Notes.

2.14 Extraction of information contained in the Prospectus

The information contained in the section of this Prospectus entitled "*Characteristics of the Provisional Portfolio*" has been extracted from information provided by the Seller (which information has been subject to rounding). Investors should note that none of the information provided in such section has been the subject of an audit. In particular, information relating to bankruptcy orders or IVAs (including in each case, their Scottish equivalents) has not been subject to due diligence by means of an agreed upon procedure or other similar examination.

Each of the Arranger and the Lead Manager are entitled to assume that all information provided to them for the purpose of reporting on the arithmetic or other accuracy is true and correct and is complete and not misleading and are not required to conduct an audit or other similar examination in respect of or otherwise take steps to verify the accuracy or completeness of such information save that the Seller will be required to advise the Lead Manager if it has not been provided with any of those figures which it is required to provide.

3. RISKS RELATING TO THE STRUCTURE

3.1 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 in respect of each Class of Notes (other than the Most Senior Class of Notes then 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 or such earlier date as the relevant Class of Notes becomes due and repayable in full in accordance with the Conditions. Any such deferral in accordance with the Conditions will not constitute an Event of Default. If the Issuer has not resumed interest payments on the Notes (other than the Most Senior Class of Notes then outstanding) by the Final Maturity Date, then all deferred interest and accrued interest thereon shall become due and payable.

Any deferral of interest payments will likely have an adverse effect on the market price of the relevant Class of Notes. In addition, as a result of the interest deferral provision of the Notes (other than the Most Senior Class of Notes then outstanding), the market price of those Notes may be more volatile than the market prices of other debt securities that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

3.2 Subordination of the Class Z Notes, Class X Notes and the Residual Certificates

The Issuer's obligations under:

- the Class Z Notes rank subordinate to the Class A1 Notes and the Class A2 Notes and certain other Secured Creditors; and

- the Class X Notes rank subordinate to the Class A1 Notes, the Class A2 Notes and the Class Z Notes and certain other Secured Creditors.

Prior to the service of an Enforcement Notice, the Class X Notes rank subordinate to all payments due in respect of items ranking senior thereto in the Pre-Enforcement Revenue Priority of Payments, as provided in the Conditions and the Transaction Documents.

The RC1 Residual Certificates and the RC2 Residual Certificates are subordinate to all payments due in respect of the Notes and certain other Secured Creditors.

In addition to the above, payments on the Notes and the Residual Certificates are subordinate to payments of certain fees, costs and expenses payable to the other Secured Creditors and certain third parties. For further information on the likely costs payable to such Secured Creditors, please see "*Transaction Overview – Fees*" below.

Although junior Notes may pay a higher rate of interest than those ranking higher in the Priorities of Payment, there is an enhanced risk that an investor in such Notes will lose all or some of his investment should the Issuer become insolvent. Further, there is no assurance that these subordination provisions

will protect the holders of the more senior classes of Notes (including the Most Senior Class of Notes) from all or any risk of loss.

3.3 Utilisation of Early Repayment Charges

The ERC Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to ERC Payments at all times. The ERC Certificateholders are only entitled to any Early Repayment Charges which are received by the Issuer and such amounts will not be available for application towards repayment of amounts due to the other Noteholders or Residual Certificateholders, as provided in the terms and conditions of the ERC Certificates (the "**ERC Certificates Conditions**") and the Transaction Documents.

4. RISKS RELATING TO CHANGES TO THE STRUCTURE AND DOCUMENTS

4.1 Meetings of Noteholders and Certificateholders, Modification and Waivers

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). Other than in relation to a Basic Terms Modification, which additionally requires an Extraordinary Resolution of the holders of each affected Class or Classes of Notes and/or Certificates then in issue, as applicable, an Extraordinary Resolution of a Class of Notes shall be binding on all other Classes of Notes which are subordinate to such Class of Notes in the Post-Enforcement Priority of Payments and on the Certificates, irrespective of the effect upon them. No Extraordinary Resolution of any other Class of Noteholders or of the Certificateholders shall take effect for any purpose while the Most Senior Class remains outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class and, in the case of the Certificates, all Notes ranking in priority thereto, or the Note Trustee and/or Security Trustee (acting on the direction of the Note Trustee) is of the opinion it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

In respect of the Class A Notes, subject to certain conditions, a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of the Class A1 Notes and the Class A2 Notes but does not give rise to a conflict of interest between the holders of such Class A1 Notes and the Class A2 Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of the Class A1 Notes and the Class A2 Notes and a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of the Class A1 Notes and the Class A2 Notes and gives or may give rise to a conflict of interest between the holders of such Class A1 Notes or the Class A2 Notes shall be deemed to have been duly passed only if it shall be duly passed at a separate meeting of the holders of the Class A1 Notes and the Class A2 Notes.

Notwithstanding the foregoing, any Extraordinary Resolution of the Class A Noteholders to direct the Note Trustee to give an Enforcement Notice pursuant to Condition 11 (*Events of Default*) shall only be capable of being passed at a single meeting of the Class A Noteholders.

Further, the conditions of the Notes also provide that the Note Trustee and/or the Security Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to modifications (other than a Basic Terms Modification) to any Transaction Document and authorise or waive any proposed or actual breach of any Transaction Document in certain circumstances. The Conditions and the Certificates Conditions also specify that certain categories of amendments (including changes to the majorities required to pass resolutions or quorum requirements) would be classified as Basic Terms Modifications. Investors should note that a Basic Terms Modification is required to be sanctioned by an Extraordinary Resolution of the holders of each

affected Class or Classes of Notes and/or Certificates then in issue, as applicable, which are affected by such Basic Terms Modifications.

Further, provided that less than 10 per cent. of the holders of the Most Senior Class of Notes then outstanding have objected to such proposed modifications, the Note Trustee and/or the Security Trustee shall concur with the Issuer, without the consent of Noteholders and without regard to the interests of particular Noteholders, in making any modifications for the purposes specified in Condition 13 *(Meetings of Noteholders, Modification, Waiver and Substitution*). See "*Terms and Conditions of the Notes* – Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*)", "*Terms and Conditions of the Residual Certificates* – Certificates Condition 12 (*Meetings of Certificateholders, Modification, Waiver and Substitution*)" and "*Terms and Conditions of the ERC Certificates* – Certificates Condition 12 (*Meetings of ERC Certificateholders, Modification, Waiver and Substitution*)" below.

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

4.2 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 (or, in the case of a Class of Residual Certificates, 25 per cent. in number of the holders of such Class then in issue) of the Most Senior Class or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class outstanding or (in the case of a Class of Residual Certificates) in issue shall (subject, in each case, to being indemnified and/or prefunded and/or secured to its satisfaction), give an Enforcement Notice to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued interest thereon as provided in a trust deed between the Issuer, the Security Trustee and the Note Trustee (the "**Trust Deed**").

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) 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. In respect of and at any time after the service of an Enforcement 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 an Enforcement Notice in accordance with Condition 11 (*Events of Default*) or Residual Certificates Condition 10 (*Events of Default*)) unless the Note Trustee should have been directed, or should have been directed to direct the Security Trustee, to do so by an Extraordinary Resolution of the holders of the Most Senior Class or directed in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding (or, in the case of a Class of Residual Certificates, 25 per cent. in number of the holders of such Class then in issue) of the Most Senior Class and the Security Trustee and the Note Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction.

Upon the service of an Enforcement Notice in accordance with Condition 11 (*Events of Default*) of the Notes or Residual Condition 10 (*Events of Default*) of the Residual Certificates Notes and the Notes and/or the Residual Certificates becoming due and payable, the ERC Payments in respect of Early Repayment Charges received by the Issuer as at the date of such declaration shall immediately become due and payable. Any Early Repayment Charges received following the Notes and/or Residual

Certificates becoming due and payable in accordance with Condition 11 (*Events of Default*) of the Notes or Residual Condition 10 (*Events of Default*) of the Residual Certificates, but prior to the earliest of (a) the discharge in full of all amounts owing in respect of the Notes and the Residual Certificates or (b) the Loans being sold, will be for the benefit of the ERC Certificateholders.

See further "*Terms and Conditions of the Notes* – Condition 12 (*Enforcement*)" and "*Terms and Conditions of the Residual Certificates* – Condition 11 (*Enforcement*)" below.

In addition, each of the Note Trustee and the Security Trustee benefits from indemnities given to it 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 covenant to be given by OSB to the Issuer and the Security Trustee in the Mortgage Sale Agreement in accordance with (i) the UK Securitisation Regulation and (ii) (as a contractual matter only) the EU Securitisation Regulation regarding the material net economic interest to be retained by OSB in the securitisation and as to certain requirements to provide investor information in connection therewith, neither the Note Trustee nor the Security Trustee will be under any obligation to monitor the compliance by OSB with such covenant and will not be under any obligation to take any action in relation to non-compliance with such covenant (unless otherwise directed by the Secured Creditors (including the Noteholders) in accordance with the Transaction Documents).

5. COUNTERPARTY AND THIRD PARTY RISKS

5.1 Ratings of the Notes

The ratings assigned to the Class A Notes by (a) Fitch address, *inter alia*, the likelihood of timely payment to the holders of the Class A Notes of all payments of interest on each Interest Payment Date and the likelihood of full and ultimate payment to the Noteholders of principal in relation to the Notes on or prior to the Final Maturity Date; and (b) DBRS address, *inter alia*, with respect to the Class A Notes, the timely payment of interest and the ultimate payment of principal on or before the Final Maturity Date.

The expected ratings of the 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 including if, in its judgement, circumstances in the future so warrant (including a reduction in the perceived creditworthiness of third parties and a reduction in the credit rating of the Swap Provider and/or the Issuer Account Bank). See also "*Rating Agency confirmation in relation to the Notes in respect of certain actions*" below.

At any time, any Rating Agency may revise its relevant rating methodology, with the result that any rating assigned to the Class A Notes may be withdrawn, lowered or qualified.

Further, rating agencies other than the Rating Agencies could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Class A Notes by the Rating Agencies, those unsolicited ratings could have an adverse effect on the value of the Class A 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 Rating Agencies only. Neither the Issuer nor any other person or entity will have any duty to notify you if any other rating agencies issue, or deliver notice of their intention to issue, unsolicited ratings on one or more Classes of the Notes after the Closing Date.

As highlighted above, the ratings assigned to the Class A Notes by each Rating Agency are based on, among other things, (in the case of Fitch) the short-term and/or long-term issuer default ratings or (in the case of DBRS) the long-term critical obligations rating and/or a long-term unsecured,

unguaranteed and unsubordinated debt rating of the Issuer Account Bank and the Swap Provider. 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 Class A Notes (if Class A Notes remain outstanding). If a replacement counterparty with the requisite ratings cannot be found, this is likely to have an adverse impact on the rating of the Notes and, as a consequence, the resale price of the Notes in the market and the prima facie eligibility of the Notes for use in certain liquidity schemes established by, *inter alios*, the Bank of England.

5.2 Rating Agency confirmation in relation to the 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 Notes. In such circumstances, the Note Trustee or the Security Trustee may require the Issuer to seek confirmation from the Rating Agencies that this would be the case (such confirmation being a "**Rating Agency Confirmation**"). A Rating Agency Confirmation does not confirm that any proposed action or inaction (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Noteholders. No actual or contingent liability is imposed or extended on the Rating Agencies to the Noteholders or other Secured Creditors by providing a Rating Agency Confirmation, nor does it create any legal relationship (by way of contract or otherwise) between the Rating Agencies, the Issuer and the Noteholders or other Secured Creditors. The Note Trustee and/or the Security Trustee 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.

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 allow the Note Trustee or the Security Trustee to seek 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) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts, then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be 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 sub-paragraphs (i) (A) or (B) and (ii) has occurred, the Issuer having sent a written request to each Rating Agency.

If no such Rating Agency Confirmation is forthcoming within 30 days of such a request and two directors of the Issuer have certified the same in writing to the Security Trustee, the Cash Manager and the Note Trustee (an "**Issuer Certificate**"), upon which Issuer Certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing, the Note Trustee and the Security Trustee shall be entitled (but not obliged) to assume that such proposed action:

(a) (while any of the Class A Notes remain outstanding) has been notified to the Rating Agencies;

(b) would not adversely impact on the Issuer's ability to make payment when due in respect of the Class A Notes;

(c) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security; and

(d) (while any of the Class A Notes remain outstanding) the then current rating of the Class A Notes would not be reduced, qualified, adversely affected or withdrawn.

It is agreed and acknowledged by the Note Trustee and the Security Trustee that this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders or any other person or create any legal relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Noteholders or any other person whether by way of contract or otherwise.

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 (while the Class A Notes remain outstanding) may subsequently downgrade, qualify or withdraw the then current ratings of the Class A Notes as a result of the action or step. Such a downgrade, qualification or withdrawal to the then current ratings of the Class A Notes may have an adverse effect on the value of the Class A Notes.

5.3 Credit ratings assigned to the Notes may not reflect all the risks associated with an investment in the Notes

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks relating to structure, market, additional factors discussed above, and other factors that may affect the value of the Class A Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

The rating DBRS has given to the Class A Notes are endorsed by DBRS Ratings GmbH, which is a credit rating agency established in the EU. The rating Fitch has given to the Class A Notes are endorsed by Fitch Ratings Ireland Limited, which is a credit rating agency established in the EU.

Each of DBRS Ratings GmbH and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by ESMA on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

If the status of the rating agency rating the Class A Notes changes for the purposes of the 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 Class A Notes and their liquidity in the secondary market.

5.4 Issuer reliance on other third parties

The Issuer is party to contracts with a number of other third parties who have agreed to perform services in relation to the Issuer and/or Notes. In the event that any of the counterparties to the Transaction Documents were to fail to perform their obligations under the respective agreements to which they are a party (including any failure arising from circumstances beyond their control, such as epidemics, pandemics and natural disasters) and/or are removed or if such a party resigns without a sufficiently experienced substitute or any substitute being appointed in its place promptly thereafter,

collections on the Portfolio and/or payments to Noteholders may be disrupted and Noteholders may be adversely affected. A third party may be unable to perform its obligations under the agreements to which it is a party as a result of factors outside of its control, including disruptions due to technical difficulties and local, national and/or global macroeconomic factors (such as epidemics and pandemics (including COVID-19)) the ultimate extent, duration and impact of which cannot be accurately predicted.

As a result of the COVID-19 outbreak, many organisations (including courts, other government agencies and service providers) have either closed or implemented policies requiring their employees to work at home. Such remote working policies are dependent upon a number of factors to be successful, including communications, internet connectivity and the proper functioning of information technology systems, all of which can vary from organisation to organisation. As a result, such closures and remote working policies may lead to delays or disruptions in otherwise routine functions. In addition, to the extent that courts and other government agencies are closed or operate on a limited basis, registration, enforcement and similar activities will not be processed in a timely manner, and may be further delayed as such offices and courts address any backlogs of such actions that accumulated during the period of closure, and the duration of such backlogs is impossible to predict at this time.

In particular, the Issuer has appointed the Servicer to service the Loans and their Related Security. It should be noted that the aggregate liability of the Servicer in respect of any claim arising out of or in connection with the Servicing Agreement shall (subject to certain exceptions) be limited to £2,000,000 (two million pounds) for so long as the Servicer is appointed under the Servicing Agreement. If the Servicer is liable to the Issuer for any loss as a result of a claim relating to the Servicer's duties or obligations under the Servicing Agreement, any loss over and above the liability cap may be irrecoverable by the Issuer. This may result in less proceeds being available to meet the obligations of the Issuer in respect of the Notes.

Further, if a Servicer Termination Event occurs, there can be no assurance that a substitute servicer with sufficient experience of servicing the Loans and their Related Security would be found who would be willing and able to service the Loans and their Related Security on the terms, or substantially similar terms, set out in the Servicing Agreement. 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.

For further details on the arrangements with the Servicer, please see "*Summary of the Key Transaction Documents– Servicing Agreement*" below.

5.5 Conflicts of interest

Certain of the Relevant Parties and their respective affiliates are acting in a number of capacities in connection with the transaction described herein. Those Relevant Parties and any of their respective affiliates acting in such capacities will have only the duties and responsibilities expressly agreed by each such entity in the relevant capacity and will not, by reason of it or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity. In no event shall such Transaction Parties or any of their respective affiliates be deemed to have any fiduciary obligations to any person by reason of their respective affiliates acting in any capacity.

In addition to the interests described in this Prospectus, the Arranger and the Lead Manager and its respective related entities, associates, officers or employees (each a "**Lead Manager Related Person**"):

(a) may 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, and a Certificateholder or a Certificate;

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

(c) may purchase all or some of the Notes or Certificates and resell them in individually negotiated transactions with varying terms; and

(d) may 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.

Prospective investors should be aware that:

(i) each Lead Manager Related Person in the course of its business (including in respect of interests described above) may act independently of any other Lead Manager Related Person or Relevant Party;

(ii) to the maximum extent permitted by applicable law, the duties of each Lead Manager Related Person in respect of the Notes and/or Certificates are limited to the relevant contractual obligations set out in the Transaction Documents (if any) and, in particular, no advisory or fiduciary duty is owed to any person. No Lead Manager Related Person shall have any obligation to account to the Issuer, any Relevant Party or any Noteholder for any profit as a result of any other business that it may conduct with either the Issuer or any Relevant Party;

(iii) a Lead Manager Related Person may have or come into possession of information not contained in this Prospectus that may be relevant to any Noteholder or Certificateholder or to any decision by a potential investor to acquire the Notes or Certificates and which may or may not be publicly available to potential investors ("**Relevant Information**");

(iv) to the maximum extent permitted by applicable law no Lead Manager Related Person is under any obligation to disclose any Relevant Information to any other Lead Manager Related Person, to any Relevant Party or to any potential investor and this Prospectus and any subsequent conduct by a Lead Manager Related Person should not be construed as implying that such Lead Manager Related Person is not in possession of such Relevant Information; and

(v) each Lead Manager Related Person may have various potential and actual conflicts of interest arising in the ordinary course of its business, including in respect of the interests described above. For example, a Lead Manager Related Person's dealings with respect to a Note and/or a Certificate, the Issuer or a Relevant Party, may affect the value of a Note or Certificate.

These interests may conflict with the interests of a Noteholder or Certificateholder and the Noteholder or Certificateholder may suffer loss as a result. To the maximum extent permitted by applicable law, a Lead Manager Related 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 the Noteholders, the Certificateholders

and the Lead Manager Related Persons and in so doing act in its own commercial interests and without notice to, and without regard to, the interests of any such person.

5.6 Interest rate risk

The Loans in the Portfolio pay or will pay a fixed rate of interest for an initial period of time but the Floating Rate Notes pay a rate of interest based on Compounded Daily SONIA, and as such the Issuer is subject to the risk of a mismatch between the two.

To mitigate this risk, the Issuer will enter into an interest rate swap transaction with the Swap Provider under the Swap Agreement on the Closing Date (the "**Swap Transaction**") whereby the Issuer will pay to the Swap Provider an amount equal to the notional amount of the Swap Transaction multiplied by a fixed rate and the relevant day count fraction and the Swap Provider will pay to the Issuer an amount equal to the notional amount of the Swap Transaction multiplied by Compounded Daily SONIA (provided that, for the purposes of the Swap Agreement, Compounded Daily SONIA shall be calculated by the Swap Provider as calculation agent under the Swap Agreement) and the relevant day count fraction, although these two payments may be netted against each other.

However, it should be noted that:

- the Swap Provider may default on its obligations to make such payments to the Issuer, which would expose the Issuer to possible variances between the fixed rates payable on the Loans in the Portfolio and Compounded Daily SONIA;

- the notional amount of the Swap Transaction will reduce in line with a pre-agreed amortisation profile, which may be different to the actual rate at which the Loans in the Portfolio prepay. If the notional amount of the Swap Transaction is less than the Principal Amount Outstanding on the Notes, the Issuer would receive less from the Swap Provider than the interest due and payable on the Notes; and

- the fixed rate applicable to the amounts payable by the Issuer is not an exact match of interest rates that the Issuer receives in respect of the Fixed Rate Loans. As such, the amount payable by the Issuer under the relevant Swap Transaction may exceed the amount that the Issuer receives in respect of the Fixed Rate Loans, which may result in insufficient funds being made available for the Issuer to make payments on the Notes.

Further, upon the occurrence of certain events, the Swap Transaction may be terminated and a termination payment by the Issuer or the Swap Provider may be payable. Any termination payment due by the Issuer (other than (where applicable) in respect of any Hedge Subordinated Amounts), to the extent such termination payment is not satisfied by amounts standing to the credit of any Swap Collateral Account which are available to meet such termination payment, will rank prior to payments in respect of the Notes and may lead to a shortfall in amounts available to make payments on the Notes.

5.7 Change of counterparties

Any 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 Issuer Account Bank and the Swap Provider) are required to satisfy certain criteria in order that they can continue to be a counterparty to the Issuer, including the requirement to hold certain ratings assigned by the Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, then the Issuer may be required to replace that party with another entity which does satisfy the applicable 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 and principal on the Notes and/or lead to a downgrade in the ratings of the Notes.

6. MACROECONOMIC AND MARKET RISKS

6.1 Changes or uncertainty in respect of SONIA may affect the value, liquidity and payment of interest under the Floating Rate Notes

Interest rates and indices which are deemed to be benchmarks (including SONIA) are the subject of recent national and international regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any debt referencing such a benchmark.

Under Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**"), which came into force from 1 January 2018 in general, subject to certain transitional provisions, certain requirements apply with respect to the provision of a wide range of benchmarks (including SONIA), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the EU Benchmarks Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (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).

Continuing benchmark reform and other pressures may cause such benchmarks to disappear entirely or to perform differently than 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.

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 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) while an amendment may be made under Condition 13.6 (*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; and

(c) if SONIA is discontinued, and whether or not an amendment is made under Condition 13.6(f) (*Additional Right of Modification*) to change the SONIA rate on the Floating Rate Notes as described in paragraph (b) above, there can be no assurance that the applicable fall-back

provisions under the Swap Agreement would operate so as to ensure that the base floating interest rate used to determine payments under the Swap Transaction is the same as that used to determine interest payments under the Floating Rate Notes, or that any such amendment made under Condition 13.6 (*Additional Right of Modification*) would allow the Swap Transaction to fully or effectively mitigate interest rate and currency risk on the Floating Rate Notes. This, in turn, could cause a risk of mismatch of interest and reduced payments on the Floating Rate Notes.

Investors should note the various circumstances under which a Base Rate Modification may be made, which are specified in Conditions 13.6(f) (*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 Servicer (on behalf of 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 13.6(f) (*Additional Right of Modification*), which include, *inter alia*, a base rate utilised in a publicly-listed new issue of sterling-denominated asset-backed floating rate notes where the originator of the relevant assets is an affiliate of OSB or such other base rate as the Servicer (on behalf of the Issuer) reasonably determines. Investors should also note the negative consent requirements in relation to a Base Rate Modification (as to which, see Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution)* below).

When implementing any Base Rate Modification, the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person, and shall, subject to Condition 13.6, act and rely solely and without further investigation on any certificate (including, but not limited to, a Base Rate Modification Certificate) or evidence (including, but not limited to, a Rating Agency Confirmation) provided to them by the Issuer or the relevant Transaction Party, as the case may be, pursuant to Condition 13.6 (*Additional Right of Modification*) and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

More generally, any of the above matters (including an amendment to change the SONIA rate as described in paragraph (c) above) 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. Changes in the manner of administration of SONIA could result in adjustment to the Conditions, early redemption, delisting or other consequence in relation to 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.

6.2 The relationship of the United Kingdom with the EEA may 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

Concerns relating to credit risk (including that of sovereigns and of those entities which have exposure to sovereigns) have recently intensified, in particular with respect to current economic, monetary and political conditions in the Eurozone. If such conditions persist and/or further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any exit(s) by any member state(s) from the European Union and/or any changes to, including any break up of, the Eurozone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect the UK

housing market, the Issuer, one or more of the other parties to the transaction documents (including the Seller, the Servicer, the Issuer Account Bank and/or the Swap Provider) and/or any Borrower in respect of the underlying loans. Given the current uncertainty and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The UK left the 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 ceased to apply to the UK. The UK is also no longer part of the 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 (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under powers provided in these Acts ensure that there is a functioning statute book in the UK. While temporary transitional measures introduced by the UK, and in certain cases EU, regulators may be available in certain circumstances, there are no broadly applied arrangements between the UK and the EU that accommodate mutual recognition or equivalence for regulatory purposes and no assurances can be made that any such arrangements will be available in the UK and/or the EU in the future.

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, please refer to the risk factor entitled "*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 Issuer and the relevant transaction parties and the performance of the UK housing market. In addition, following the UK's 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.

It is also not possible to determine the precise impact that these matters will have on the business of the Issuer (including the performance of the underlying loans), any other party to the transaction documents and/or any borrower in respect of the underlying loans, or on the regulatory position of any such entity or of the transactions contemplated by the transaction documents under European Union regulations or more generally.

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.

6.3 Absence of secondary market or lack of liquidity in the secondary market may affect the market value of the Notes

There is currently a limited secondary market for the Notes, and no assurance is provided that an active and liquid secondary market for the Notes will develop further. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Any investor in the Notes must be prepared to hold its Notes until the Final Maturity Date.

While central bank schemes such as, among others, the Bank of England's Sterling Monetary Framework, the Funding for Lending Scheme, the Term Funding Scheme or the European Central Bank's liquidity scheme provide an important source of liquidity in respect of eligible securities, further restrictions in respect of the relevant eligibility criteria for eligible collateral which apply and will apply in future are likely to adversely impact secondary market liquidity for mortgage-backed securities in general, regardless of whether the Notes are eligible securities. Neither the Issuer nor the Seller gives any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue or at any time prior to redemption in full, satisfy all or any of the requirements for such central bank schemes. Any potential investor in the Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute eligible collateral for such central bank 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 (see also "*The relationship of the United Kingdom with the EEA may 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*").

6.4 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 SONIA as a reference rate in the capital markets and its adoption as an alternative to London Inter-Bank Offered Rate ("**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 Floating Rate Notes that reference a SONIA rate issued under this Prospectus. Interest on Floating Rate 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 Floating Rate Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Floating Rate Notes.

7. LEGAL RISKS AND REGULATORY RISKS

7.1 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. None of the Issuer, the Lead Manager, the Arranger or the Seller makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory treatment of its investment on the Closing Date or at any time in the future.

Such regulatory initiatives could adversely impact the regulatory position of Noteholders and the market value and/or liquidity of the Notes in the secondary market.

Investors in the Notes are responsible for analysing their own regulatory position and should consult their own advisers in this respect.

7.2 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.

Such reforms could adversely affect the regulatory treatment of the Notes and the market value and/or liquidity of the Notes in the secondary market.

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.

7.3 Non-compliance with the securitisation regulation regimes in the UK and/or the EU, as applicable, may have an adverse impact on the regulatory treatment of the Notes and/or decrease the 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 its wider review on which the European Commission is expected to report in 2022.

The EU Securitisation Regulation establishes certain common rules for all securitisations that fall within its scope (including the recast of pre-1 January 2019 risk retention and investor due diligence regimes).

The EU Securitisation Regulation has direct effect in member states of the EU, and once the EU Securitisation Regulation is incorporated into the EEA Agreement it will apply more broadly in the EEA, including Iceland, Norway and Liechtenstein.

The UK Securitisation Regulation largely mirrors (with some adjustments) the EU Securitisation Regulation as it applied in the EU at the end of 2020 (meaning that the amendments that took effect in the EU from 9 April 2021 are not part of the UK regime). The UK Securitisation Regulation regime is currently subject to a review and HM Treasury issued a report on this review in December 2021 outlining a number of areas where legislative changes may be introduced in due course. Therefore, some divergence between the EU and UK regimes exists already and the risk of more divergence in the future between EU and UK regimes cannot be ruled out.

The implementation of the recast risk retention requirements under the EU Securitisation Regulation and the UK Securitisation Regulation is subject to the development of the corresponding regulatory technical standards in the EU (the **EU Recast Risk Retention RTS**), which have not yet been finalised, and the corresponding binding technical standards in the UK (the **UK Recast Risk Retention BTS**), which are yet to be developed. While the risk retention requirements under the UK

Securitisation Regulation are substantially similar to (with some changes and subject to the application of the transitional relief) the EU Securitisation Regulation as it applied in the EU at 11pm (London time) on 31 December 2020, and it is likely that the UK regulators, when developing the UK Recast Risk Retention BTS, will also consider the draft or final version of the EU Recast Risk Retention RTS, no assurance can be provided that there will be no further divergence between the EU and UK risk retention regimes, including on the issue of the interpretation of the sole purpose test.

It should also be noted that, in the EU, the EBA published in July 2018 its final report on the draft EU Recast Risk Retention RTS setting out some additional draft guidance on the interpretation of the sole purpose test and, on 12 April 2022, the EBA published and submitted to the European Commission for endorsement its final report on the revised draft EU Recast Risk Retention RTS (the EBA Draft Recast Risk Retention RTS of April 2022), which included a revised draft guidance on the sole purpose test. The amended guidance is open to interpretation, which potentially gives rise to interpretation uncertainty. It is expected that the European Commission will shortly endorse the EBA Draft Recast Risk Retention RTS of April 2022, following which, such draft will be subject to scrutiny by the European Parliament and Council before the finalised text of the EU Recast Risk Retention RTS can be published in the Official Journal and enter into force on 20th date thereafter (the latter is expected at some point in Q3 or Q4 2022). No assurance can be given that the EU Retention Requirements, or the interpretation or application thereof, will not change. For a description of the how the retention holder will undertake to comply with EU Securitisation Regulation and the UK Securitisation Regulations and a description of the retention holder's business see further "*Regulatory Disclosures – Risk Retention*" and "*The Seller and the Servicer*" below.

The EU Securitisation Regulation and/or the UK Securitisation Regulation requirements will apply to the Notes. As such, certain European-regulated institutional investors or UK-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 ("**UCITs**") and certain regulated pension funds (institutions for occupational retirement provision) are required to comply with Article 5 of the EU Securitisation Regulation or Article 5 of the UK 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 EU or UK regime certain matters with respect to the compliance of the relevant transaction parties with credit granting standards, risk retention and transparency requirements.

If the relevant European- or UK-regulated institutional investor elects to acquire or hold 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 corrective action, in the case of a certain type of regulated fund investors.

Aspects of the requirements of the EU Securitisation Regulation and the UK Securitisation Regulation and what is or will be required to demonstrate compliance to national regulators remain unclear.

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 EU Securitisation Regulation and any corresponding national measures which may be relevant or the UK Securitisation Regulation, as applicable.

Various parties to the securitisation transaction described in this Prospectus (including the Issuer and the Seller) are also subject to the requirements of the UK Securitisation Regulation. However, some uncertainty remains in relation to some of these requirements and what is or will be required to demonstrate compliance to the relevant UK regulators.

In the event that the Seller does not comply with its obligations under Article 7 of the UK Securitisation Regulation, it could face certain regulatory issues, including fines, which may impact on the Seller's ability to perform its functions under the Transaction Documents. Similarly, in the event that the Issuer does not comply with its obligations under the UK Securitisation Regulation, it could also face regulatory issues (including fines). Any fines imposed on the Issuer will rank ahead of amounts payable to Noteholders and may therefore adversely affect the ability of the Issuer to make payments under the Notes.

In addition, various parties to the securitisation transaction described in this Prospectus (including the Issuer and the Seller) have contractually elected and agreed to comply with certain requirements of the EU Securitisation Regulation relating to risk retention, transparency and reporting as such requirements are interpreted and applied solely on the Closing Date (there is no obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date) and until such time as when a competent EU Authority has confirmed that the satisfaction of the corresponding UK requirements will also satisfy the requirements of the EU Securitisation Regulation due to the application of an equivalence regime or similar analogous concept.

Prospective investors are referred to the section entitled "*Regulatory Disclosures*" for further details and should note that there can be no assurance that undertakings relating to compliance with the UK Securitisation Regulation or the EU Securitisation Regulation, the information in this Prospectus or information to be made available to investors in accordance with such undertakings will be adequate for any prospective institutional investors to comply with their due diligence obligations under the EU Securitisation Regulation or the UK Securitisation Regulation.

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 responsible for analysing their own regulatory position, and should consult their own advisers in this respect.

7.4 Change of Law

The transactions described in this Prospectus and the ratings which are to be assigned to the Notes are based on the relevant law and administrative practice in effect as at the date of this Prospectus and have 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) and practice or tax treatment after the date of this Prospectus nor can any assurance be given as to whether any such change would adversely affect the ability of the Issuer to make payments under the Notes. In addition, it should be noted that regulatory requirements (including any applicable retention, due diligence or disclosure obligations) may be recast or 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.

A change in law or regulatory requirements could affect the compliance position of the transaction as described in this Prospectus or of any party under any applicable law or regulation and/or could affect the ability of the Issuer to make payments under the Notes.

7.5 Risks relating to the 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 Seller, the Swap Provider and the Issuer Account Bank.

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 UK. 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; (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.

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 as 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/or in the modification, cancellation or conversion of any unsecured portion of the liability of the Issuer under the Notes 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 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 would recover compensation promptly and equal to any loss actually incurred.

Lastly, as a result of Directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms and any relevant national implementing measures, it is possible that an institution with its head office in an EU state and/or certain group companies could be subject to certain resolution actions in that state. Once again, any such action may affect the ability of any relevant entity to satisfy its obligations under the Transaction Documents and there can be no assurance that Noteholders will not be adversely affected as a result.

7.6 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*"). If certain insolvency proceedings (including administrations or liquidations) are commenced or certain pre-insolvency events occur 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 ("**CIGA**") 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 (the 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 of 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 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 or the laws affecting the creditors' 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 will not be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Security.

In addition, CIGA may impact the ability of the Servicer (acting on behalf of the Issuer) to bring proceedings against a Borrower which is a corporate entity or to enforce Mortgages and other Related Security in case of a moratorium (unless the relevant Borrower is a corporate entity which is an ineligible company under CIGA). The inability of the Servicer (acting on behalf of the Issuer) to obtain timely and complete payment of debts from Borrowers may in turn have a material adverse effect on the ability of the Issuer to make timely and complete payments under the Notes.

7.7 Insolvency proceedings and subordination provisions

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "**flip clauses**"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Hedge Subordinated Amounts.

The Supreme Court of the United Kingdom has held that a flip clause as described above is valid under English law. Contrary to this, however, in parallel proceedings, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. However, a subsequent 2016 U.S. Bankruptcy Court decision held that, in certain circumstances, flip clauses are protected under the U.S. Bankruptcy Code and are therefore enforceable in bankruptcy. The 2016 decision was affirmed on 14 March 2018 by the U.S. District Court for the Southern District of New York, which 2018 decision was further affirmed on 11 August 2020 by the U.S. Court of Appeals for the Second Circuit. The implications of this conflict remain unresolved.

If a creditor of the Issuer (such as the Swap Provider) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law-governed Transaction Documents (such as a provision of the applicable Priority of Payments which refers to the ranking of the Swap Provider's payment rights in respect of Hedge Subordinated Amounts). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to the Swap Provider given that it has assets and/or operations in the U.S., notwithstanding that it is a non-U.S.-established entity and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity.

In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Hedge Subordinated Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

7.8 Liquidation expenses

Prior to the House of Lords' decision in the case of *Re Leyland Daf* [2004] UKHL 9 ("***Re Leyland Daf***"), the general position was that, in a liquidation of a company, the liquidation expenses ranked ahead of unsecured debts and floating chargees' claims. *Re Leyland Daf* reversed this position so that liquidation expenses could no longer be recouped out of assets subject to a floating charge. However, section 176ZA of the Insolvency Act 1986, which came into force on 6 April 2008, effectively reversed by statute the House of Lords' decision in *Re Leyland Daf.* As a result costs and expenses of liquidation 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 the approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to rules 4.218A to 4.218E of the Insolvency Rules 1986. In general, the reversal of *Re Leyland Daf* applies in respect of all liquidations commenced on or after 6 April 2008.

Therefore, floating charge realisations upon the enforcement of the floating charge security to be granted by the Issuer which would otherwise have been available to the Secured Creditors would be reduced by the amount of all, or a significant proportion of, any liquidation expenses which could have an adverse effect on the ability of the Issuer to make payments in respect of the Notes.

7.9 Fixed charges may take effect under English law as floating charges

The law in England and Wales relating to the characterisation of fixed charges is unsettled. The fixed charges purported to be granted by the Issuer (other than by way of assignment) may take effect under English law as floating charges only, if, for example, it is determined that the Security Trustee does not exert sufficient control over the Charged Assets. If the charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets.

The interest of the Secured Creditors in property and assets over which there is a floating charge will rank behind the expenses of any administration or liquidator and the claims of certain preferential creditors on enforcement of the Security. Section 250 of the Enterprise Act 2002 abolishes Crown Preference in relation to all insolvencies (and thus reduces the categories of preferential debts that are to be paid in priority to debts due to the holder of a floating charge) but section 176A of the Insolvency Act 1986 requires a "prescribed part" (up to a maximum amount of £600,000) of the floating charge realisations available for distribution to be set aside to satisfy the claims of unsecured creditors. This means that the expenses of any administration, the claims of preferential creditors and the beneficiaries of the prescribed part will be paid out of the proceeds of enforcement of the floating charge ahead of amounts due to Noteholders. The prescribed part will not be relevant to property subject to a valid fixed security interest or to a situation in which there are no unsecured creditors.

7.10 European Market Infrastructure Regulation

The European Market Infrastructure Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**UK EMIR**") came into force on 1 January 2021. UK EMIR and EU EMIR (each as amended from time to time) prescribe a number of regulatory requirements for parties to "over the counter" ("**OTC**") derivative

contracts including: (i) a mandatory clearing obligation for certain classes of OTC derivatives contracts (the "**Clearing Obligation**"); (ii) a margin posting obligation for OTC derivatives contracts not subject to clearing (the "**Collateral Obligation**"); (iii) other risk-mitigation techniques for OTC derivatives contracts not cleared by a central counterparty; and (iv) certain reporting and record-keeping requirements.

Under UK EMIR and EU EMIR, counterparties can be classified as: (i) financial counterparties ("**FCs**") (which includes a sub-category of small FCs); and (ii) non-financial counterparties. The latter classification is further split into: (i) non-financial counterparties whose positions, together with the positions of all other non-financial counterparties in its "group" (as defined in EMIR), in OTC derivatives (excluding hedging positions) exceed a specified clearing threshold ("**NFC+**"); and (ii) non-financial counterparties below the clearing threshold ("**NFC-**"). Whereas FCs and NFC+ entities may be subject to the relevant Clearing Obligation or, to the extent that the relevant swaps are not subject to clearing, to the relevant Collateral Obligation, such obligations do not apply in respect of NFC- entities.

On the basis that the Issuer currently has the counterparty status of NFC- for the purposes of UK EMIR and a third country equivalent to an NFC- (a "**TCE NFC-**") for the purposes of EU EMIR, neither the Clearing Obligation nor the Collateral Obligation should apply to it. If the Issuer's counterparty status as an NFC- changes to an NFC+ or FC for the purposes of UK EMIR and/or to a third country equivalent to a FC or NFC+ (a "**TCE FC**" or a "**TCE NFC+**", respectively) for the purposes of EU EMIR then certain OTC derivatives contracts that are entered into by the Issuer may become subject to the relevant Clearing Obligation or the relevant Collateral Obligation. In this regard, it should be noted that it is not clear that the Swap Agreement would be a relevant type of OTC derivative contract that would be subject to the relevant Clearing Obligation under the implementing measures made to date.

Notwithstanding the qualifications on application described above, the position of the Swap Agreement under each of the Clearing Obligation and Collateral Obligation is not entirely clear and may be affected by further measures, regulatory guidance and/or by any inability to rely on an exemption for any reason. If the classification of the Issuer changes and the Swap Agreement is regarded to be in-scope, then the Swap Agreement may become subject to the relevant Clearing Obligation or (more likely) to the relevant Collateral Obligation. Prospective investors should note that there is some uncertainty with respect to the ability of the Issuer to comply with these obligations if applicable, which may: (i) lead to regulatory sanctions; (ii) adversely affect the ability of the Issuer to continue to be party to the Swap Agreement (possibly resulting in a restructuring or termination of the Swap Transaction); and/or (iii) significantly increase the cost of such arrangements, thereby negatively affecting the ability of the Issuer to hedge certain risks. As a result, the amounts available to the Issuer to meet its obligations may be reduced, which may in turn result in investors receiving less interest or principal than expected.

The Issuer will be required to continually comply with UK EMIR and EU EMIR while it is party to any interest rate swaps, including any additional provisions or technical standards which may come into force after the Closing Date, and this may necessitate amendments to the Transaction Documents. Subject to receipt by the Note Trustee and the Security Trustee of a certificate from: (i) the Issuer signed by two directors; or (ii) the Servicer on behalf of the Issuer, in each case, certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under UK EMIR and/or EU EMIR, the Note Trustee with the written consent of the Secured Creditors which are a party to the relevant Transaction Documents shall, without the consent or sanction of the Noteholders, the Certificateholders or any of the other Secured Creditors, agree to (or direct the Security Trustee to agree to) any modification to the Transaction Documents, the Conditions and/or the Residual Certificates Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer to comply with any requirements

which apply to it under UK EMIR and/or EU EMIR. The Conditions of the Notes and the Residual Certificates Conditions require this to be done irrespective of whether such modifications are: (i) materially prejudicial to the interests of the Noteholders of any Class of Notes or Residual Certificates or any other Secured Creditor; or (ii) in respect of a Basic Terms Modification. Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification if it would have the effect of exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or increasing the obligations or duties, or decreasing rights or the protections of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or the Conditions of the Notes.

In respect of any modifications to any of the Transaction Documents which would have the effect of altering the amount, timing or priority of any payments due from the Issuer to the Swap Provider: (i) the prior written consent of the Swap Provider; or (ii) written notification from the Issuer to the Note Trustee and the Security Trustee that Swap Provider consent is not needed, is also required prior to such amendments being made.

7.11 Effects of the Volcker Rule on the Issuer

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was signed into law on 21 July 2010, imposed a new regulatory framework over the U.S. financial services industry and 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. Section 619 of the Dodd-Frank Act 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" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, 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 a "covered fund", subject to certain exceptions and exclusions.

See "*Regulatory Disclosures – The Volcker Rule*" for information on the Issuer's status under the Volcker Rule. Any prospective investor in the Notes or the Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult with its own legal advisers regarding such matters and other effects of the Volcker Rule.

7.12 U.S. Risk Retention Requirements

Section 941 of the Dodd-Frank Act amended the Exchange Act 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.

The Seller, 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 the 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: (i) the transaction is not required to be and is not registered under the Securities Act; (ii) 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) 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**"); (iii) 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 (iv) 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 comprise mortgage loans and their related security, all of which are originated by the Seller, each being a company incorporated in England. See the section entitled "*The Seller and the Servicer*".

Prior 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, the purchaser of such Notes or Certificates must first disclose to the Lead Manager that it is a Risk Retention U.S. Person and obtain the written consent of the Seller 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 paragraphs (b) below and (h)(i) 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[1];

(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);

(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

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

(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[2].

Each holder of a Note or a beneficial interest therein acquired on the Closing Date, by its acquisition of a Note or a beneficial interest in a Note, will be deemed, and, in certain circumstances, will be required to represent to the Issuer, the Seller and the Lead Manager that it: (1) either; (i) is not a Risk Retention U.S. Person; or (ii) it 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 distributing such Note; 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 described herein).

There can be no assurance that the requirement to request the Seller 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 for in section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. No assurance can be given as to whether a failure by the Seller 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 Certificates. Furthermore, the impact of the U.S. Risk Retention Rules on the securitization market generally is uncertain, and a failure by the Seller to comply with the U.S. Risk Retention Rules could therefore negatively affect the market value and secondary market liquidity of the Notes and the Certificates.

None of the Arranger, the Lead Manager or any of its 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.

8. TAX RISKS

8.1 UK Taxation treatment of the Issuer

The Issuer has been advised that it should fall within the permanent regime for the taxation of securitisation companies (as introduced by the Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296) (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 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.

[2] The comparable provision from Regulation S: "(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".

8.2 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) (the "**Act**") for the purposes of section 987 of the Act, as at the date of this Prospectus no withholding or deduction for account of United Kingdom income tax will be required on payments of interest of 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 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*) of the Notes, be required (subject to certain conditions) to 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 or, if such action would not avoid such withholding or deduction, the Option Holder would be entitled to exercise the Call Option, following which the Issuer will redeem the Notes.

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

9. RISKS RELATING TO THE CHARACTERISTICS OF THE NOTES

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

9.2 Book-Entry Interests

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

A nominee for the common safekeeper for Euroclear and Clearstream, Luxembourg (the "**Common Safekeeper**") will be considered the registered holder of the Notes as shown in the records of Euroclear or Clearstream, Luxembourg and will be the sole legal holder of the Global Note under the Trust Deed while the Notes are represented by the Global Note. Accordingly, each person owning a Book-Entry Interest must rely on the relevant procedures of Euroclear and Clearstream, Luxembourg

and, if such person is not a participant in such entities, on the procedures of the participant through which such person owns its interest, to exercise any right of a Noteholder under the Trust Deed.

Except as noted in the previous paragraphs, payments of principal and interest on, and other amounts due in respect of, the Global Note will be made by the Principal Paying Agent to a nominee of the Common Safekeeper. Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payments 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 under a "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, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Notes, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Registered Definitive Notes are issued in accordance with the relevant provisions described herein under "*Terms and Conditions of the Notes*" below. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the 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.

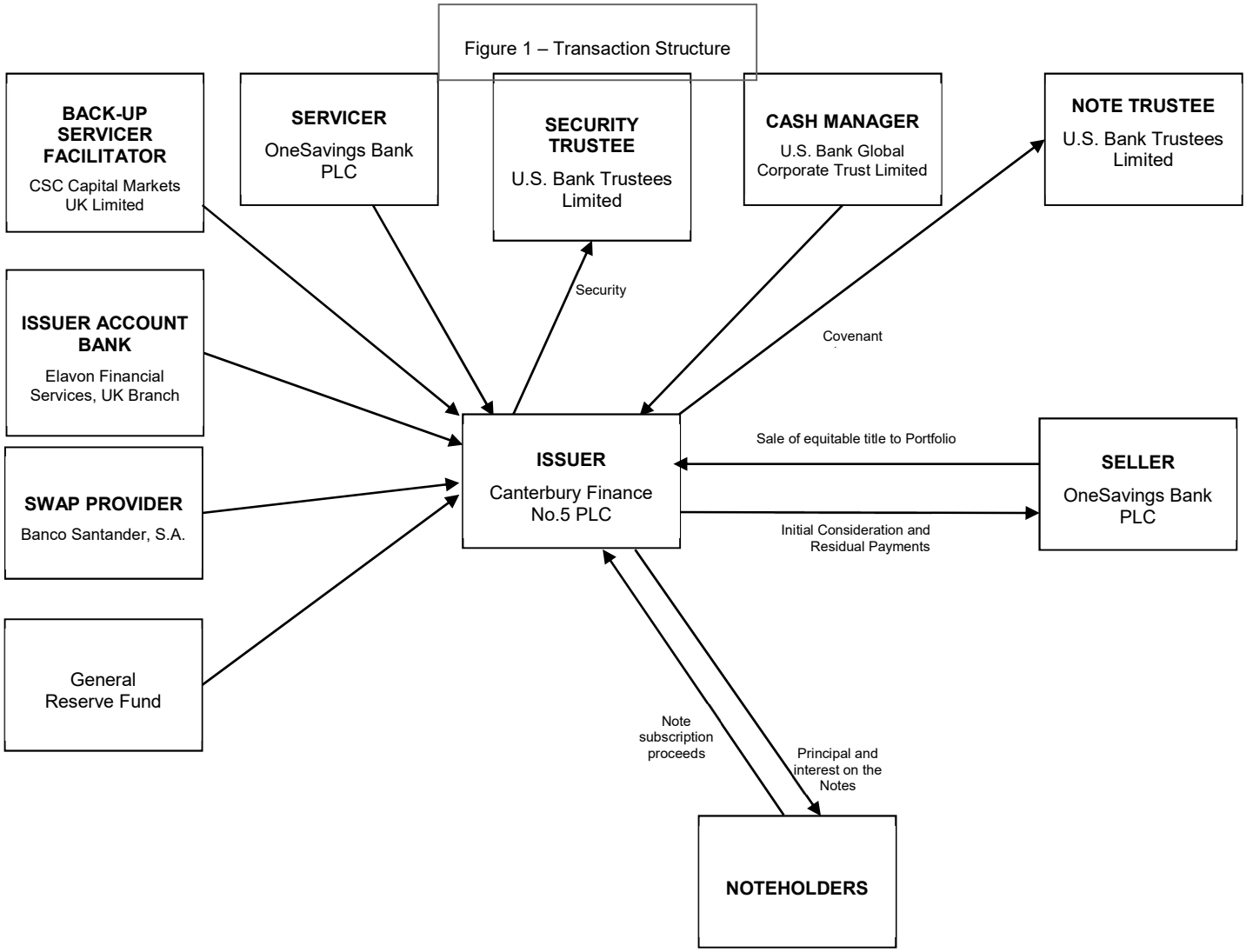
The lack of Notes in physical form could also make it difficult for a Noteholder to pledge such Notes if Notes in physical form are required by the party demanding the pledge and hinder the ability of the Noteholder to recall such Notes because some investors may be unwilling to buy Notes that are not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

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

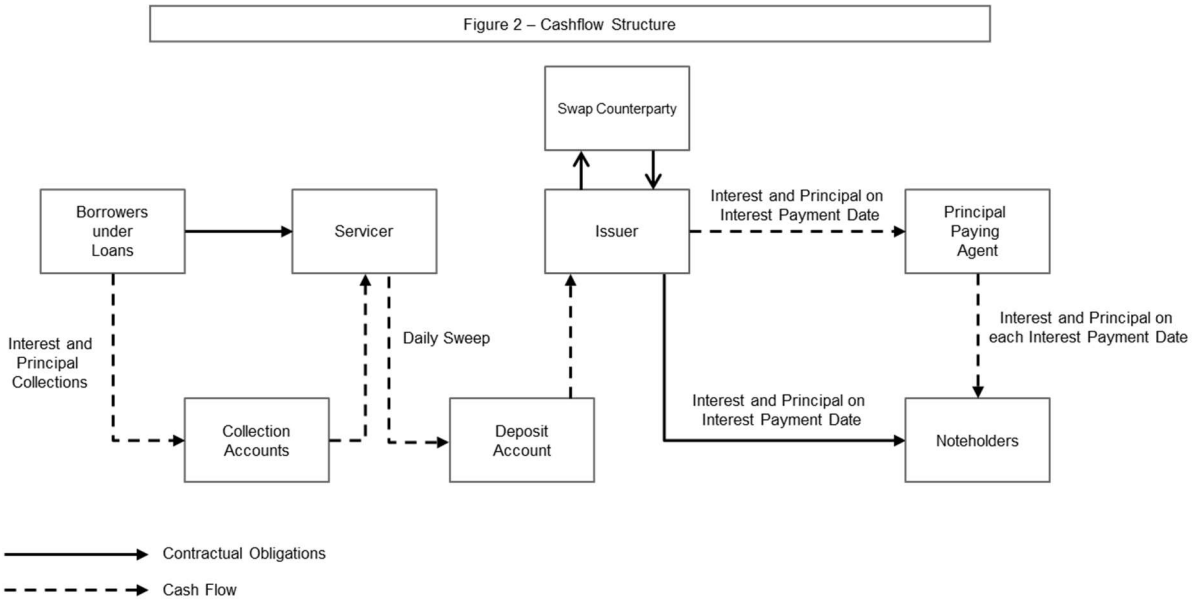
STRUCTURE DIAGRAMS

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION

Figure 1 – Transaction Structure



DIAGRAMMATIC OVERVIEW OF ONGOING CASHFLOWS



The Issuer will purchase the Portfolio on the Closing Date.

OWNERSHIP STRUCTURE DIAGRAM OF THE ISSUER

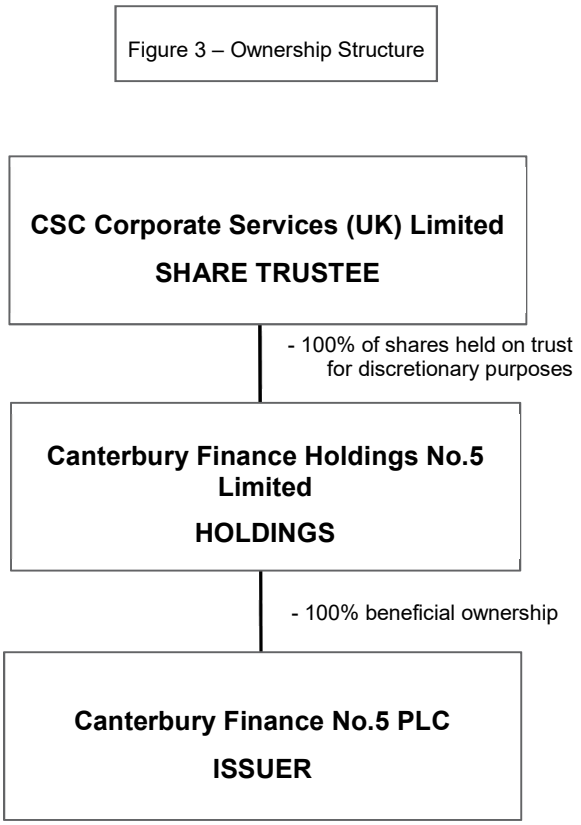


Figure 3 illustrates the ownership structure of the special purpose companies that are parties to the Transaction Documents, as follows:

- 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

The information set out below is an overview of various aspects of the transaction. 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.

TRANSACTION OVERVIEW – TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed/Further Information
"**Issuer**"	Canterbury Finance No.5 PLC	10th Floor, 5 Churchill Place, London E14 5HU	See the section entitled "*The Issuer*" for further information.
"**Holdings**"	Canterbury Finance Holdings No.5 Limited	10th Floor, 5 Churchill Place, London E14 5HU	See the section entitled "*Holdings*" for further information.
"**Servicer**"	OneSavings Bank PLC	Reliance House, Sun Pier, Chatham, Kent ME4 4ET	Servicing Agreement by the Issuer. See the section entitled "*Summary of the Key Transaction Documents – Servicing Agreement*" and "*The Seller and the Servicer*" for further information.
"**Seller**"	OneSavings Bank PLC	Reliance House, Sun Pier, Chatham, Kent ME4 4ET	See the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*" for further information.
"**Cash Manager**"	U.S. Bank Global Corporate Trust Limited	125 Old Broad Street, Fifth Floor, London EC2N 1AR	Cash Management Agreement by the Issuer. See the sections entitled "*Summary of the Key Transaction Documents – Cash Management Agreement*" and "*The Cash Manager*" for further information.
"**Swap Provider**"	Banco Santander, S.A.	Avenida de Cantabria, s/n, Ciudad Grupo Santander Edificio Dehesa, Planta 1 28660 Boadilla del Monte Madrid, Spain	Swap Agreement by the Issuer. See the sections entitled "*Credit Structure – Interest Rate Risk for the Notes – Swap Agreement*" and "*The Swap Provider*" for further information.

Party	Name	Address	Document under which appointed/Further Information
"**Issuer Account Bank**"	Elavon Financial Services DAC, UK Branch	125 Old Broad Street, Fifth Floor, London EC2N 1AR	The Bank Account Agreement by the Issuer. See the sections entitled "*Summary of the Key Transaction Documents – The Bank Account Agreement*" and "*The Issuer Account Bank*" 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 "*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 "*Terms and Conditions of the Notes*" and "*The Note Trustee and Security Trustee*" for further information.
"**Principal Paying Agent**" and "**Agent Bank**"	Elavon Financial Services DAC, UK Branch	125 Old Broad Street, Fifth Floor, London EC2N 1AR	Agency Agreement by the Issuer. See the section entitled "*Terms and Conditions of the Notes*" for further information.
"**Registrar**"	Elavon Financial Services DAC, UK Branch	125 Old Broad Street, Fifth Floor, London EC2N 1AR	In respect of the Notes and Residual Certificates, the Agency Agreement by the Issuer. See the section entitled "*Terms and Conditions of the Notes*" for further information.
"**Corporate Services Provider**"	CSC Capital Markets UK Limited	10th Floor, 5 Churchill Place, London E14 5HU	Corporate Services Agreement by the Issuer and Holdings. See the section entitled "*The Corporate Services Provider and Back-Up Servicer Facilitator*" for further information.
"**Back-Up Servicer Facilitator**"	CSC Capital Markets UK Limited	10th Floor, 5 Churchill Place, London E14 5HU	Servicing Agreement by the Issuer. See the section entitled "*Summary of the Key Transaction Documents – Servicing Agreement*" for further information.

Party	Name	Address	Document under which appointed/Further Information
"**Share Trustee**"	CSC Corporate Services (UK) Limited	10th Floor, 5 Churchill Place, London E14 5HU	Share Trust Deed by the Share Trustee.
"**Arranger**" and "**Lead Manager**"	Merrill Lynch International	2 King Edward Street, London ECA 1HQ	Subscription Agreement. See the section entitled "*Subscription and Sale*" for further information.

TRANSACTION OVERVIEW – PORTFOLIO AND SERVICING

Please refer to the sections entitled "Summary of the Key Transaction Documents – Mortgage Sale Agreement", "Summary of the Key Transaction Documents – Servicing Agreement", "Characteristics of the Provisional 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 their Related Security which will be sold by the Seller to the Issuer on the Closing Date pursuant to the Mortgage Sale Agreement. The Loans and their Related Security are governed by English law.

The sale by the Seller to the Issuer of each Loan and its Related Security in the Portfolio will be given effect by an equitable assignment.

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. The terms "**repurchase**" and "**repurchased**" when used in this Prospectus in connection with a Loan and its Related Security shall be construed to include the purchase by the Seller of such Loan and its Related Security from the Issuer pursuant to the terms of the Mortgage Sale Agreement.

Prior to the occurrence of a Perfection Event as set out below, notice of the sale of the Loans and their Related Security comprising the Portfolio will not be given to the relevant individual or individuals, companies incorporated in England and Wales or English limited liability partnerships specified as borrowers in respect of a Loan or the individual or individuals, companies incorporated in England and Wales or English limited liability partnerships (if any) from time to time assuming an obligation to repay (under a guarantee or otherwise) such Loan or any part of it (collectively, the "**Borrowers**" and each a "**Borrower**") and the Issuer will not apply to the Land Registry to register or record its equitable or beneficial interest in the Mortgages. Prior to the occurrence of a Perfection Event, the legal title to each Loan and its Related Security in the Portfolio will be held by the Seller on bare trust for the Issuer. Following a Perfection Event and notice of the transfer of the Loans and their Related Security to the Issuer being sent to the relevant Borrowers, legal title to the Loans and their Related Security (subject to appropriate registration or recording at the Land Registry) will pass to the Issuer.

Please refer to the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*" for further details.

Features of the Loans:

The following is a summary of certain features of the Loans comprising the Provisional Portfolio determined by reference to the features of each loan in 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 sections entitled "*The Loans*" and "*Characteristics of the Provisional Portfolio*".

Type of Borrower	Prime
Type of mortgage	Repayment and Interest Only
Self-certified Loans	No
Fast-track Loans	No
Buy-to-Let Loans	Yes
Buy-to-Let Loans (as % of Current Balance)	100%
Owner-occupied properties	No
Owner-occupied properties (as % of Current Balance)	0%
Number of loans in the Provisional Portfolio*	6,062

	Average/Weighted Average	Minimum	Maximum
Current Balance*	218,789	10,071	1,486,092
Current LTV*	73.61	6.43	91.11
Seasoning (months)*	14.05	0.00	63.00
Remaining Term (years)*	22.33	2.17	35.00

The "**Current Balance**" of a Loan means, on any date, the aggregate balance of the Loan at such date (but without double counting) including:

(a) the original principal amount advanced to the relevant Borrower secured or intended to be secured by the related Mortgage and which has not been paid, repaid or prepaid by the relevant Borrower; and

(b) any interest, disbursement, legal expense, fee, charge, rent, service charge, premium or payment which has not been paid by the relevant Borrower and 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; and

* As at the Portfolio Reference Date.

* As at the Portfolio Reference Date.

(c) any other amount (including, for the avoidance of doubt, Accrued Interest and Arrears of Interest) which is due or accrued (whether or not due) and which has not been paid by the relevant Borrower and has not been capitalised in accordance with the relevant Mortgage Conditions or with the relevant Borrower's consent but which is secured or intended to be secured by the related Mortgage other than any administrative fee that is paid by the Borrower for the benefit of any third party and/or retained by the Servicer in accordance with the terms of the Servicing Agreement,

on the basis of the start of day position on such date (which for the avoidance of doubt is inclusive of any interest rate accrual amount relating to the previous month or otherwise that has been applied on such day but is exclusive of any other payments or postings on such date) and any reference to the Current Balance of a loan contained in the Provisional Portfolio shall be construed as if it were a Loan contained in the Portfolio.

Consideration:

The consideration from the Issuer to the Seller in respect of the sale of the Portfolio shall be: (a) the Initial Consideration, which is due and payable on the Closing Date; and (b) deferred consideration consisting of the RC1 Payments, RC2 Payments and the ERC Payments, the right to such deferred consideration being represented by the RC1 Residual Certificates, the RC2 Residual Certificates and the ERC Certificates.

"**Initial Consideration**" means £1,296,113,860.

Representations and Warranties:

The Seller will make certain Loan Warranties regarding the Loans and Related Security to the Issuer and the Security Trustee in relation to the Loans and their Related Security comprised in the Portfolio on the Closing Date.

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: (i) individuals and were aged 18 years or older as at the date of execution of the Loan; or (ii) UK incorporated registered limited companies; or (iii) English limited liability partnerships;

(b) no Borrower is an employee or director of the Seller;

(c) subject in certain appropriate cases to the completion of an application for registration or recording at the Land Registry, each Loan is secured by a first ranking mortgage;

(d) the rate of interest under each Loan is charged monthly in accordance with the Standard Documentation, including any offer letter and the terms thereof;

(e) each Loan has a term ending no later than the end of April 2057;

(f) at least one Monthly Instalment due in respect of each Loan has been paid by the relevant Borrower;

(g) each Loan was at the time of origination and continues to be denominated in Sterling;

(h) with the exception of certain allowable fees being added to the aggregate balance of the Loan, the original advance being made under each Loan was more than £49,000 but less than £1,500,000 as at the relevant date of origination;

(i) all of the Properties are residential properties located in England or Wales;

(j) no Loan is a Flexible Loan; and

(k) prior to the granting of each Loan, the Lending Criteria and all other conditions precedent to making the Loan were satisfied in all material respects, subject to such exceptions as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender.

"**Reasonable, Prudent Residential Mortgage Lender**" means a reasonably prudent residential mortgage lender lending to borrowers in England and Wales of the type contemplated in the Lending Criteria from time to time on terms similar to those set out in the relevant Lending Criteria.

"**Lending Criteria**" means, in respect of a Loan, the lending criteria of the Seller as at the date such Loan was granted. See the sections entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement*" and "*The Loans*" for further details.

See the section entitled "*Summary of the Key Transaction Documents – Mortgage Sale Agreement – Representations and Warranties*" for further details.

Repurchase of the Loans and Related Security:

The Seller is liable for the repurchase of the relevant Loans and their Related Security in the following circumstances:

- upon a material breach of Loan Warranties (which the Seller fails to remedy within the agreed grace period); or
- any Loan and its related Security in respect of which a Further Advance and/or Product Switch is made.

If the Servicer is OSB, where the Related Security in relation to a Loan has been enforced, and no further amounts are payable or are expected to be recovered in relation to that Loan and Related Security ("**Written Off Loans**"), the Seller may, at its discretion, purchase for the sum of £0.01 any residual claim that it, as the legal title holder, may have against that Borrower, provided that the shortfall debt in respect of that Written Off Loan is greater than £25. Following such purchase, the Loan and the Related Security will be released from the Security and the Secured Creditors will have no claim or further recourse to any additional amounts recovered in relation to such Written Off Loan by the Seller.

Consideration for repurchase:

The consideration payable by the Seller in respect of the repurchase of an affected Loan and its Related Security (other than in respect of Written Off Loans) shall be equal to the sum of: (a) the Current Balance of the relevant Loan (or the aggregate of the Current Balances of the relevant Loans, as the case may be) as at the last day of the Monthly Period immediately preceding the date of repurchase minus (i) the amount of any reduction in Current Balance as a result of the exercise of any set-off right which the relevant Borrower(s) have against the Seller, and (ii) the amount of any further Advance; and (b) an amount equal to the Repurchase Costs (if any) in connection with such repurchase. See the section entitled "*Summary of the Key Transaction Documents – Repurchase by the Seller*" for further information.

Perfection Events:

Transfer of the legal title of the Loans and their Related Security in the Portfolio (other than any Loan and its Related Security which has been repurchased by the Seller) to the Issuer will be completed on the occurrence of certain Perfection Events which include, *inter alia*, the insolvency of the Seller. 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 and their Related Security to the Issuer, the Issuer will hold only the equitable title and will therefore be subject to certain risks as set out in the risk factor entitled "*Seller to initially retain legal title to the Loans and risks relating to set-off*" in the section entitled "*Risk Factors*".

Servicing of the Portfolio:

The Servicer will be appointed by the Seller and the Issuer (and, in certain circumstances, the Security Trustee) to service the Portfolio on a day-to-day basis. The appointment of the Servicer may be terminated by the Issuer and the Security Trustee upon the occurrence of certain Servicer Termination Events, which include, *inter alia*, the insolvency of the Seller (see "*Servicer Termination Events*" in the "*Transaction Overview – Triggers Tables – Non-Rating Triggers Table*").

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

Option Holder may exercise the Call Option:

On or after: (i) the Optional Redemption Date; (ii) any Collection Period Start Date on which the aggregate Current Balance of the Loans (excluding any Enforced Loans) was equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Collateralised Notes on the Closing Date; or (iii) a change in tax law that results in the Issuer or the Swap Provider being required to make a deduction or withholding for or on account of tax or the occurrence of certain illegality events, the Option Holder may, pursuant to and subject to the terms of the Deed Poll, require (or, if the Option Holder is the Seller, request) the Issuer to:

(a) sell and transfer to a Beneficial Title Transferee the beneficial title to all (but not some) of the Loans and their Related Security comprising the Portfolio in consideration of the Optional Purchase Price, which will result in the Collateralised Notes being redeemed in full; and

(b) (if applicable) transfer the legal title to all (but not some) of the Loans and their Related Security comprising the Portfolio, or if, at the time the Call Option is exercised, the Issuer does not hold legal title, the right to require the Issuer to procure that the Seller transfers legal title to a Legal Title Transferee.

See the section entitled "*Early Redemption of the Collateralised Notes*" below.

Repurchases of securitisation positions:

Any purchase or repurchase of positions in the securitisation (including the Notes and Certificates) by the Seller (or an entity that is an originator within the meaning of Article 4(1)(13) of the Capital Requirements Regulation (Regulation 575/2013 EC) as it formed part of domestic law at 11:00 p.m. on 31 December 2020, or, from 31 March 2022, within the meaning of Article 4(1)(13) of the Capital Requirements Regulation as it forms part of retained EU law as defined in the EUWA) in relation to the securitisation as a related entity of the Seller (a "**Group Originator**") beyond its contractual obligations would be exceptional, and any such purchase or repurchase, and any repurchase, restructuring or substitution of underlying assets by the Seller (or a Group Originator) beyond its contractual obligations would be made in accordance with prevailing market conditions with the parties to them acting in their own interests as free and independent parties (at arm's length). Following the SRT Date, the Seller will not hold, and undertakes that neither it nor any of its connected entities (within the meaning of Article 8 of the EBA SRT Guidelines) will acquire, Notes or Certificates in the securitisation other than the most senior class from time to time of the Collateralised Notes.

"**SRT Date**" means the date, if any, on which the Seller recognises significant risk transfer in respect of the Loans.

"**EBA SRT Guidelines**" means the EBA's Guidelines on Significant Credit Risk Transfer relating to Articles 243 and Article 244 of Regulation 575/2013 (EBA/GL/2014/05) of 7 July 2014.

TRANSACTION OVERVIEW – SUMMARY OF THE TERMS AND CONDITIONS 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, to the section entitled "Terms and Conditions of the Residual Certificates" for further detail in respect of the terms of the Residual Certificates and to the section entitled "Terms and Conditions of the ERC Certificates" for further detail in respect of the terms of the ERC Certificates.

FULL CAPITAL STRUCTURE OF THE NOTES AND THE CERTIFICATES

Class of Notes:	Class A1 Notes	Class A2 Notes	Class Z Notes	Class X Notes	RC1 Residual Certificates	RC2 Residual Certificates	ERC Certificates
Principal Amount:	£589,732,000	£518,446,000	£187,936,000	£12,961,000	N/A	N/A	N/A
Credit enhancement features:	Overcollateralisation funded by the more junior Collateralised Notes, Revenue Receipts and the General Reserve Fund	Overcollateralisation funded by the more junior Collateralised Notes, Revenue Receipts and the General Reserve Fund	Revenue Receipts	Revenue Receipts	N/A	N/A	N/A
Liquidity support features:	Subordination in payment of the other Notes, Available Redemption Receipts applied as Available Revenue Receipts and the General Reserve Fund	Subordination in payment of the other Notes (other than the Class A1 Notes), Available Redemption Receipts applied as Available Revenue Receipts and the General Reserve Fund	Subordination in payment of the Class X Notes, Available Redemption Receipts applied as Available Revenue Receipts	None	N/A	N/A	N/A
Issue Price:	100%	100%	100%	100%	N/A	N/A	N/A
Reference Rate:	Compounded Daily SONIA	Compounded Daily SONIA	N/A	Compounded Daily SONIA	N/A	N/A	N/A
Margin (payable up to and including the	1.30% per annum	1.40% per annum	0.0%	5.0% per annum	N/A	N/A	N/A

Class of Notes:	Class A1 Notes	Class A2 Notes	Class Z Notes	Class X Notes	RC1 Residual Certificates	RC2 Residual Certificates	ERC Certificates
Optional Redemption Date):							
Step-Up Margin (payable after the Optional Redemption Date):	1.95% per annum	2.10% per annum	0.0%	5.0% per annum	N/A	N/A	N/A
Interest Accrual Method:	Actual/365 (Fixed)				N/A	N/A	N/A
Interest Payment Dates:	16th day of each month				N/A	N/A	N/A
Business Day Convention:	Following				N/A	N/A	N/A
First Interest Payment Date:	The Interest Payment Date falling in September 2022				N/A	N/A	N/A
Final Maturity Date:	The Interest Payment Date falling in May 2059				N/A	N/A	N/A
Optional Redemption Date:	The Interest Payment Date falling in July 2027				N/A	N/A	N/A
Pre-Enforcement Redemption Profile:	Pass through amortisation on each Interest Payment Date, subject to and in accordance with the relevant Priority of Payments				N/A	N/A	N/A
Post-Enforcement Redemption Profile:	Pass through amortisation, subject to and in accordance with the relevant Priority of Payments				N/A	N/A	N/A

Class of Notes:	Class A1 Notes	Class A2 Notes	Class Z Notes	Class X Notes	RC1 Residual Certificates	RC2 Residual Certificates	ERC Certificates
Other Early Redemption in Full Events:	Tax call/10% clean-up call, excercisable by the Option Holder				N/A	N/A	N/A
Application for Exchange Listing:	Euronext Dublin				N/A	N/A	N/A

Class of Notes:	Class A1 Notes	Class A2 Notes	Class Z Notes	Class X Notes	RC1 Residual Certificates	RC2 Residual Certificates	ERC Certificates
Form of the Notes:	Registered	Registered	Registered	Registered	Registered	Registered	Registered
ISIN:	XS2497072285	XS2497073176	XS2497073333	XS2497073507	XS2497074653	XS2497074901	XS2497074497
Common Code:	249707228	249707317	249707333	249707350	249707465	249707490	249707449
CFI:	DAVNFR	DAVNFR	DAVNFR	DAVNFR	DAXNFR	DAXNFR	DAXNFR
FISN:	CANTERBURY FINA/VARASST BKD 2200123	CANTERBURY FINA/VARASST BKD 2200123	CANTERBURY FINA/VARASST BKD 2200123	CANTERBURY FINA/VARASST BKD 2200123	CANTERBURY FINA/ASST BKD 22001231	CANTERBURY FINA/ASST BKD 22001231	CANTERBURY FINA/ASST BKD 22001231
Ratings (Fitch/ DBRS):	AAAsf/AAA(sf)	AAAsf/AAA(sf)	Not rated	Not rated	Not rated	Not rated	Not rated
Minimum Denomination:	£100,000				N/A	N/A	N/A

As of the date of this Prospectus, each of the Rating Agencies is a credit rating agency established in the UK and is registered under the UK CRA Regulation.

The rating DBRS has given to the Notes is endorsed by DBRS Ratings GmbH, which is a credit rating agency established in the EU. The rating Fitch has given to the Notes is endorsed by Fitch Ratings Ireland Limited, which is a credit rating agency established in the EU. Each of DBRS Ratings GmbH and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

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

Ranking and Form of the Notes:

On the Closing Date, the Issuer will issue the following classes of Notes under the Trust Deed:

- Class A1 Mortgage Backed Floating Rate Notes due May 2059 (the "**Class A1 Notes**");
- Class A2 Mortgage Backed Floating Rate Notes due May 2059 (the "**Class A2 Notes**");
- Class Z Mortgage Backed Fixed Rate Notes due May 2059 (the "**Class Z Notes**"); and
- Class X Mortgage Backed Floating Rate Notes due May 2059 (the "**Class X Notes**"),

and, together, the Class A1 Notes, the Class A2 Notes and the Class Z Notes are the "**Collateralised Notes**". The Collateralised Notes together with the Class X 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 will be cleared through Euroclear and/or Clearstream, Luxembourg, as set out in "*Description of the Global Notes*" below.

Certificates:

On the Closing Date, the Issuer will also issue to the Seller:

(a) the RC1 Residual Certificates and RC2 Residual Certificates under the Trust Deed (the "**Residual Certificates**" and the holders thereof, the "**RC1 Certificateholders**" and the "**RC2 Certificateholders**"); and

(b) the ERC Certificates under the Trust Deed (the "**ERC Certificates**" and, together with the RC1 Residual Certificates and the RC2 Residual Certificates, the "**Certificates**") and the holders thereof, the "**ERC Certificateholders**" (and, together with the RC1 Certificateholders and the RC2 Certificateholder, the "**Certificateholders**"),

representing the right to receive the RC1 Payments, the RC2 Payments and the ERC Payments, respectively, by way of deferred consideration for the Issuer's purchase of the Portfolio.

Sequential Order:

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

The Class A1 Notes and the Class A2 Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest at all times and rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of principal following the service of an Enforcement Notice.

The Class A2 Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of principal at all times, but prior to the service of an Enforcement Notice, subordinate to the Class A1 Notes.

The Class Z 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 all payments under the Class A 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 all payments under the Collateralised Notes.

The RC1 Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to RC1 Payments at all times and the RC2 Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to RC2 Payments at all times, and are subordinate to all payments due in respect of the Notes.

Certain amounts due by the Issuer to its other Secured Creditors (and, prior to the service of an Enforcement Notice only, certain unsecured creditors) will rank in priority to all Classes of the Notes and Residual Certificates.

Security:

The Notes and Certificates are secured and will share the Security with the other Secured Creditors. Pursuant to the Deed of Charge on the Closing Date, the Notes and Certificates will be secured by, among other things, the following (the "**Security**"):

(a) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in and to the Transaction Documents (other than the Trust Deed and the Deed of Charge) and any sums derived therefrom (provided that the assignment by way of security of the Issuer's rights under the Swap Agreement shall be subject to any rights of set-off or netting provided for thereunder);

(b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's interest in the Loans and their Related Security and other related rights comprised in the Portfolio and any sums derived therefrom;

(c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit to and under Insurance Policies assigned to the Issuer pursuant to the Mortgage Sale Agreement;

(d) a charge by way of first fixed charge over the Issuer's interest in its bank and/or securities accounts (including the Deposit Account and the Swap Collateral Account) maintained with the Issuer Account Bank and any other bank or custodian and any sums or securities standing to the credit thereof;

(e) an assignment by way of first fixed 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 under the Collection Accounts Trust (created pursuant to the Collection Accounts Declaration of Trust);

(f) a charge by way of first fixed charge over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer or the Cash Manager (acting on the instructions of the Servicer) on its behalf; and

(g) a floating charge over all assets of the Issuer not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security (whether or not the subject of the charges referred to above as aforesaid).

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

Interest Provisions: Please refer to the "*Full Capital Structure of the Notes and the Certificates*" table above and Condition 6 (*Interest*).

Deferral: Interest due and payable on the Most Senior Class of Notes may 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 or 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 redemption events, among others set out in Condition 8 (*Redemption*):

- mandatory redemption in whole on the Interest Payment Date falling in May 2059 (the "**Final Maturity Date**"), as fully set out in Condition 8.1 (*Redemption at Maturity*);

- mandatory redemption in part on any Interest Payment Date commencing on the first Interest Payment Date but prior to the service of an Enforcement Notice subject to:

  (a) the availability of Available Redemption Receipts (to the extent not applied to cover any Senior Expenses Deficit) which shall be applied:

    (i) first, on a *pari passu* and *pro rata* basis to repay the Class A1 Notes until they are repaid in full;

    (ii) second, on a *pari passu* and *pro rata* basis to repay the Class A2 Notes until they are repaid in full; and

    (iii) third, on a *pari passu* and *pro rata* basis to repay the Class Z Notes until they are repaid in full;

  (b) the availability (in respect of the Class X Notes) of Available Revenue Receipts applied in accordance with the Pre-Enforcement Revenue Priority of Payments to repay the Class X Notes until they are repaid in full; and

- mandatory redemption of the Collateralised Notes in full and the cancellation of the Certificates following the exercise by the Option Holder of the Call Option, as fully set out in Condition 8.3 (*Mandatory Redemption of the Notes in Full*) or 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*).

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

Event of Default: As fully set out in Condition 11 (*Events of Default*) and Residual Certificates Condition 10 (*Events of Default*), which includes, *inter alia* (where relevant, subject to the applicable grace period):

- subject to the deferral provisions in Condition 17 (*Subordination by Deferral*), non-payment of interest and/or principal in respect of the Notes;
- the failure to pay any amount due in respect of the Residual Certificates and the default continues for more than 14 Business Days;
- a breach of any material contractual obligations by the Issuer under the Transaction Documents;
- any material representation made by the Issuer being incorrect; and
- the occurrence of certain insolvency-related events in relation to the Issuer.

Enforcement: Following the occurrence of an Event of Default, the Note Trustee may (or, if so directed in writing by the holders of at least 25 per cent. in aggregate Principal Amount Outstanding of the Most Senior Class or, in the case of the Residual Certificates, by the holders of at least 25 per cent. of the Most Senior Class in number or if so directed by an Extraordinary Resolution of the Most Senior Class, shall) serve an Enforcement Notice on the Issuer that all Classes of Notes (or Residual Certificates (as the case may be)) are immediately due and payable, provided that the Note Trustee is indemnified and/or prefunded and/or secured to its satisfaction.

Following the service by the Note Trustee of an Enforcement Notice on the Issuer that all Classes of Notes and/or Residual Certificates are immediately due and payable, the ERC Certificates shall become immediately due and payable in accordance with ERC Certificates Condition 10 (*Events of Default*).

Following the service of an Enforcement Notice to the Issuer, the Security Trustee may enforce the Security.

Limited Recourse and Non-Petition:	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 12.3 (*Limited Recourse*). In accordance with Condition 12.2 (*Limitations on Enforcement*), no Noteholder may proceed directly against the Issuer unless the Note Trustee or the Security Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing. The Residual Certificateholders are only entitled to funds which are available to the Issuer in accordance with the applicable Priority of Payments and therefore the Residual Certificates are limited recourse obligations of the Issuer. The ERC Certificateholders are only entitled to Early Repayment Charges which are received by the Issuer. Such amounts will not be available for application towards repayment of amounts due to the other Noteholders or Residual Certificateholders.
Governing Law:	English law.

Transaction Overview – Rights of Noteholders and Certificateholders and Relationship with Other Secured Creditors

Please refer to the sections entitled "Terms and Conditions of the Notes", "Terms and Conditions of the Residual Certificates", "Terms and Conditions of the ERC Certificates" and "Risk Factors" for further detail in respect of the rights of Noteholders and Certificateholders, conditions for exercising such rights and 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 then 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, neither the Noteholders nor the Certificateholders are 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.
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 (or, in the case of a Class of Residual Certificates, 25 per cent. in number of the holders of such Class then in issue) of the Most Senior Class, or if an Extraordinary Resolution of the holders of the Most Senior Class is passed, direct the Note Trustee to give an Enforcement Notice to the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest or that all RC1 Payments or RC2 Payments pursuant to the Residual 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. Following the service by the Note Trustee of an Enforcement Notice on the Issuer that all classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding together with accrued (but unpaid) interest or that all RC1 Payments or RC2 Payments pursuant to the Residual Certificates are immediately due and payable, as applicable, the ERC Certificates shall become immediately due and payable.

Noteholders, and Certificateholders, Meeting provisions:

	Initial meeting	*Adjourned meeting*
Notice period:	At least 21 clear days	At least 10 clear days
Quorum for consideration of any Ordinary Resolution:	25% of the Principal Amount Outstanding of the relevant Class of Notes or 25% of the	10% of the Principal Amount Outstanding of the relevant Class of Notes or 10% of the

	relevant Class of Certificates then in issue	relevant Class of Certificates then in issue
Quorum for consideration of any Extraordinary Resolution (other than a Basic Terms Modification):	50% of the Principal Amount Outstanding of the relevant Class of Notes or 50% of the relevant Class of Certificates then in issue	25% of the Principal Amount Outstanding of the relevant Class of Notes or 25% of the relevant Class of Certificates then in issue
Quorum for consideration of a Basic Terms Modification:	75% of the Principal Amount Outstanding of the relevant Class of Notes or 75% of the relevant Class of Certificates then in issue	50% of the Principal Amount Outstanding of the relevant Class of Notes or 50% of the relevant Class of Certificates then in issue
Required majority for any Ordinary Resolution:	50% of votes cast	
Required majority for any Extraordinary Resolution:	75% of votes cast	

Matters requiring Extraordinary Resolution:

The following matters, among others, require an Extraordinary Resolution of the relevant Noteholders (and, in the case of a Basic Terms Modification, an Extraordinary Resolution of the Certificateholders), as set out in the Trust Deed:

- to sanction or to approve a Basic Terms Modification;
- to sanction any compromise or arrangement proposed to be made between, among others, the Issuer or any other party to any Transaction Document;
- to sanction any abrogation, modification, compromise or arrangement in respect of the rights of, among others, the Note Trustee or any other party to any Transaction Document against any other or others of them or against any of their property, whether such rights arise under the Trust Deed, any other Transaction Document or otherwise;
- to approve the substitution of any person for the Issuer as principal debtor under the Notes or the Certificates other than in accordance with Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), Condition 13.19 (*Issuer Substitution Condition*), Residual Certificates Condition 12.18 (*Issuer Substitution Condition*) or ERC Certificates Condition 12.18 (*Issuer Substitution Condition*);

- to assent to any modification of the Trust Deed or any other Transaction Document which is proposed by the Issuer or any other party to any Transaction Document or any Noteholder or Certificateholder, other than those modifications which are sanctioned by the Note Trustee without the consent or sanction of the Noteholders in accordance with the terms of the Trust Deed;

- to direct the Note Trustee to serve an Enforcement Notice;

- to remove the Note Trustee and/or the Security Trustee;

- to approve the appointment of a new Note Trustee and/or Security Trustee;

- to approve the appointment of a substitute Servicer in circumstances where the Servicer has resigned and the appointment of the substitute Servicer in the opinion of the Security Trustee could have an adverse effect on the rating of the Notes or if it is not clear to the Security Trustee whether the rating for the Notes will be maintained as the rating before the termination of the Servicer;

- to authorise the Note Trustee, the Security Trustee and/or any Appointee (subject to all or any of them being indemnified and/or secured and/or prefunded to their satisfaction) to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;

- to discharge or exonerate the Note Trustee, Security Trustee and/or any Appointee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;

- to appoint any persons as a committee to represent the interests of the Noteholders or the Certificateholders and to confer upon such committee any powers which the Noteholders or the Certificateholders could themselves exercise by Extraordinary Resolution;

- to sanction any scheme or proposal for the exchange, sale, conversion or cancellation of the Notes or the Certificates for or partly or wholly in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company or partly or wholly in consideration of cash; or

- to give any other authorisation or sanction which under the Trust Deed or any other Transaction Document is required to be given by Extraordinary Resolution.

See Condition 12 (*Enforcement*) in the section entitled "*Terms and Conditions of the Notes*" for more detail.

Relationship between Classes of Noteholders and Certificateholders:

Subject to the provisions governing a Basic Terms Modification, an Extraordinary Resolution of the holders of a relevant Class of Notes shall be binding on all other holders of Classes of Notes which are subordinate to such Class of Notes in the Post-Enforcement Priority of Payments and on the Certificates, irrespective of the effect upon them. No Extraordinary Resolution of any other Class of Noteholders or of the Certificateholders shall take effect for any purpose while the Most Senior Class remains outstanding unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class and, in the case of the Certificates, all Notes ranking in priority thereto, or the Note Trustee and/or Security Trustee (acting on the directions of the Note Trustee) is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

The voting rights of the Certificateholders are limited to the extent that any Ordinary Resolution or Extraordinary Resolution of the Certificateholders is only effective if, while any Classes of Notes remain outstanding, such resolution has been sanctioned by an Ordinary Resolution or Extraordinary Resolution, respectively, of the Most Senior Class and all other Classes of Notes then outstanding or (in the case of all other Classes of Certificates) in issue, or the Note Trustee and/or Security Trustee (acting on the directions of the Note Trustee) is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

A Basic Terms Modification requires an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Notes and/or Certificates then in issue, as applicable (unless the Note Trustee and/or Security Trustee (acting on the directions of the Note Trustee) is of the opinion that it would not be materially prejudicial to the respective interests of the holders of those affected Classes of Notes and/or Certificates, as applicable).

Subject to the provisions governing a Basic Terms Modification and the foregoing paragraphs, a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:

(a) Notes and/or Certificates of only one Class shall be deemed to have been duly passed if passed at a separate meeting (or by a separate resolution in writing or by a separate resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of that Class of Notes and/or Certificates so affected;

(b) Notes and/or Certificates of more than one Class but does not give rise to a conflict of interest between the holders of such Notes and/or Certificates of more than one Class shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of the Notes and/or Certificates of each such Class;

(c) one or more Classes of Notes and/or Certificates, and gives or may give rise to an actual or potential conflict of interest between the holders of such Notes and/or Certificates, shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates so affected;

(d) one or more Classes of Notes and/or Certificates, but does not give rise to an actual or potential conflict of interest between the holders of such Notes and/or Certificates, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates so affected; and

(e) two or more Classes of Notes and/or Certificates, and gives or may give rise to an actual or potential conflict of interest between the holders of such Classes of Notes and/or Certificates, shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes or Certificates so affected.

"**Clearing System**" means Euroclear and/or Clearstream, Luxembourg and includes in respect of any Note and/or Residual Certificate any clearing system on behalf of which such Note and/or Residual Certificate is held or which is the holder or (directly or through a nominee) registered owner of a Note and/or a Residual Certificate, in either case, whether alone or jointly with any other Clearing System(s).

Relationship between Noteholders and other Secured Creditors:

So long as any of the Notes are outstanding and there is a conflict between the interest of the Noteholders and the other Secured Creditors, the Security Trustee and the Note Trustee shall have regard to the interests of the Noteholders only.

So long as the Notes are outstanding, if there is a conflict between the interests of any Classes of Notes, the Note Trustee will have regard solely to the interests of the holders of the relevant affected Class of Notes ranking in priority to the other relevant Classes of Notes.

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 Security Trustee will take into account the interests of the Noteholders only in the exercise of its discretion. So long as the Notes have been redeemed in full but any Secured Obligations remain outstanding and there is a conflict of interest between the Certificateholders and the Secured Creditors (other than the Noteholders and the Certificateholders), the Security Trustee will take into account the interests of the Certificateholders (and not the other Secured Creditors) only in the exercise of its discretion.

"**Secured Obligations**" means any and all of the monies and liabilities which the Issuer covenants and undertakes to pay or discharge under the Issuer's covenant to pay as set out in the Deed of Charge.

Seller as Noteholder or Certificateholder:

For certain purposes, including the determination as to whether Notes are deemed outstanding or Certificates are deemed in issue, and for the purposes of convening a meeting (including by way of conference call, including by use of a videoconference platform) of the Noteholders or Certificateholders, those Notes or Certificates (if any) which are for the time being held by or on behalf of or for the benefit of the Seller, any Holding Company of any of them or any other Subsidiary of either such Holding Company (each such entity a "**Relevant Person**"), in each case as a beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding or in issue, except where all of the Notes and/or the Certificates of any Classes are held by or on behalf of or for the benefit of one or more Relevant Persons, in which case such Classes of Notes and/or Certificates (the "**Relevant Class**") shall be deemed to remain outstanding or in issue (as the case may be), except that, if there is any other Class of Notes and/or Certificates ranking (with regard to the definition of Most Senior Class) *pari passu* with, or junior to, the Relevant Class and one or more Relevant Persons are not the beneficial owners of all the Notes and/or Certificates of such Class, then the Relevant Class shall be deemed not to remain outstanding and provided that in relation to a matter relating to a Basic Terms Modification any Notes or the Certificates which are for the time being held by or on behalf of or for the benefit of a Relevant Person, in each case as beneficial owner, shall be deemed to remain outstanding or in issue, as applicable.

Provision of Information to the Noteholders and Certificateholders:

For so long as the Notes are outstanding, the Issuer shall procure that the Cash Manager will prepare a monthly investor report detailing, among other things, certain aggregated loan file data in relation to the Portfolio 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 Investor Report**") and shall deliver such reports to the Servicer in accordance with the terms of the Cash Management Agreement.

In addition, for so long as the Notes are outstanding, the Issuer shall procure that the Cash Manager will prepare a monthly investor report detailing, among other things, certain aggregated loan file data in relation to the Portfolio as required by and in accordance with Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards not taking into account any relevant national measures, but solely as such articles and technical standards are interpreted and applied on the Closing Date, **provided** that on and from the applicable SR Equivalency Date references to, and obligations in respect of, the EU Securitisation Regulation and the EU Article 7 Technical Standards shall not apply (the "**EU Investor Report**" and together with the UK Investor Report, the "**Investor Reports**") and shall deliver such reports to the Servicer in accordance with the terms of the Cash Management Agreement.

Based upon the requirements of the UK Securitisation Regulation and EU Securitisation Regulation that are applicable as at the date of this Prospectus, until the Servicer and the Cash Manager are notified in writing

by the Issuer of any differences and/or deviations from the prescribed templates to be used pursuant to the EU Securitisation Regulation or the UK Securitisation Regulation (as applicable) it is expected that each EU Investor Report will be the same as each UK Investor Report (in which case the Servicer will only be required to produce one report for both requirements) and each EU Investor Report will be the same as each UK Investor Report (in which case the Cash Manager will only be required to produce one report for both requirements).

In addition, the Issuer: (i) (as designated reporting entity for the purposes of Article 7 of the UK Securitisation Regulation) will provide (or will procure the provision of) certain information and reports required pursuant to the UK Securitisation Regulation; and (ii) subject to certain conditions, has contractually agreed to provide (or to procure the provision of) certain information and reports required pursuant to the EU Securitisation Regulation as such requirements exist on the Closing Date, as more fully set out under "*General Information – UK Securitisation Regulation Reporting*" and "*General Information – EU Securitisation Regulation Reporting*".

The Servicer or another third party will publish, without delay, any: (i) inside information relating to the Issuer which the Issuer determines it is obliged to make in accordance with Article 17 of Regulation (EU) No. 596/2014 as it forms part of UK law by virtue of the EUWA and in accordance with Article 7(1)(f) of the UK Securitisation Regulation and will be disclosed to the public by the Issuer; or (ii) any significant event pursuant to Article 7(1)(g) of the UK Securitisation Regulation, in each case in accordance with the UK Article 7 Technical Standards.

The Servicer or another third party will publish, without delay, any: (i) inside information relating to the Issuer which the Issuer determines it is obliged to make in accordance with Article 17 of Regulation (EU) No. 596/2014 and in accordance with Article 7(1)(f) of the EU Securitisation Regulation and will be disclosed to the public by the Issuer; or (ii) any significant event pursuant to Article 7(1)(g) of the EU Securitisation Regulation, in each case in accordance with the EU Article 7 Technical Standards but solely as such articles and technical standards are interpreted and applied on the Closing Date, **provided that** on and from the applicable SR Equivalency Date, references to, and obligations in respect of, the EU Securitisation Regulation shall not apply.

Communication with Noteholders:

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

(a) so long as the Notes are held in a Clearing System, by delivery to the relevant Clearing System for communication by it to the Noteholders;

(b) so long as the Notes are listed on a recognised stock exchange, by delivery in accordance with the notice requirements of that exchange; and

(c) in respect of Notes in definitive form, notices to the Noteholders will be sent to them by first class post (or its equivalent) or (if

posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register.

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 the 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 the Noteholders in such manner as the Note Trustee shall require.

Right of Modification without Noteholder Consent:

Pursuant to and in accordance with the provisions of Condition 13.6 (*Additional Right of Modification*) and Certificates Condition 12.6 (*Additional Right of Modification*), the Note Trustee and/or the Security Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditor, subject to written consent of the Secured Creditors which are party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document for the purposes 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;

- complying with any changes in the requirements of, or enabling the Issuer to comply with an obligation in respect of, the UK Securitisation Regulation or the EU Securitisation Regulation (including in respect of risk retention) after the Closing Date, including as a result of the adoption of regulatory or implementing technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation or any other legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing);

- complying with, or implementing or reflecting, any changes in the manner in which the Notes are held which will allow the Bank of England's sterling monetary framework, that is, in a manner which would allow such Notes to be recognised as eligible collateral for the Bank of England's monetary policy and intra-day credit operations by the Bank of England either upon issue or at any or all times during the life of the Notes, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

- enabling the Notes to be (or to remain) listed on Euronext Dublin;

- enabling the Issuer or any of the other Transaction Parties to comply with FATCA;

- changing the base rate in respect of the Floating Rate Notes from SONIA to an alternative base rate and making such other amendments as are necessary or advisable in the reasonable commercial judgement of the Issuer (or the Servicer on its behalf) to facilitate such change (a "**Base Rate Modification**");

- (subject to the conditions detailed in Condition 13.6 and Certificates Condition 12.6) effecting any changes to the Servicer and/or the Seller and/or migrating any obligations of the Servicer and/or the Seller to any other entity within the OSB Group; or

- changing the base rate in respect of the Swap Agreement to an alternative base rate as necessary or advisable in the reasonable commercial judgement of the Issuer (or the Servicer on its behalf) and the Swap Provider solely to facilitate such change as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the Floating Rate Notes following such Base Rate Modification (a "**Swap Rate Modification**").

So long as the Seller is the holder of any Notes it shall not be entitled to exercise voting rights in respect of those Notes save where it is the holder of all of the Notes of a particular Class, provided that if a Class of Notes ranks *pari passu* with the Class of Notes held by the Seller, the Seller will also not be entitled to exercise voting rights in respect of such Class of Notes.

TRANSACTION OVERVIEW – CREDIT STRUCTURE AND CASHFLOW

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

Available Funds of the Issuer:

Prior to an Enforcement Notice being served on the Issuer, the Cash Manager on behalf of the Issuer will apply Available Revenue Receipts and Available Redemption Receipts on each Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Redemption Priority of Payments, respectively, as set out below.

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

(a) all Revenue Receipts or, if in a Determination Period, any Calculated Revenue Receipts, in each case excluding any Reconciliation Amounts to be applied as Available Redemption Receipts on that Interest Payment Date, received by the Issuer:

(i) during the immediately preceding Collection Period; or

(ii) if representing amounts received in respect of any repurchases of Loans and their Related Security by the Seller pursuant to the Mortgage Sale Agreement, from but excluding the Collection Period Start Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Collection Period Start Date;

(b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Collection Period (other than any amount of interest or income received in respect of any Swap Collateral) and income from any Authorised Investments to be received on or prior to the Interest Payment Date (other than any amount of income received in respect of the Swap Collateral);

(c) amounts received or to be received by the Issuer under or in connection with the Swap Agreement (other than: (i) any early termination amount received by the Issuer under the Swap Agreement; (ii) Swap Collateral; (iii) any Replacement Swap Premium paid to the Issuer; and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date other than, in each case, any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments);

(d) on the Final Redemption Date only, all amounts standing to the credit of the General Reserve Fund Ledger (after first having applied any General Reserve Fund Release Amount in meeting

any Revenue Deficit against the relevant item in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amounts from the General Reserve Fund Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments, in each case on such Final Redemption Date);

(e) on each Interest Payment Date up to and including the Final Redemption Date, the General Reserve Fund Excess Amount;

(f) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*);

(g) amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item (o) of the Pre-Enforcement Revenue Priority of Payments;

(h) amounts representing the Optional Purchase Price received by the Issuer upon the sale of the Loans and their Related Security comprising the Portfolio further to the exercise of the Call Option;

(i) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Redemption Receipts; and

(j) amounts determined to be applied as Available Revenue Receipts on the immediately succeeding Interest Payment Date in accordance with item (e) of the Pre-Enforcement Redemption Priority of Payments;

less:

(k) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) such as (but not limited to):

- certain costs and expenses charged by the Servicer in respect of its servicing of the Loans, other than the Servicer Fee and not otherwise covered by the items below;
- payments of certain insurance premia in respect of the Block Insurance Policies (to the extent referable to the Loans);
- amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited; and

- 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,

(items within paragraph (k) being collectively referred to herein as "**Third Party Amounts**");

(l) any tax payments paid or payable by the Issuer during the immediately preceding Collection Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger;

(m) (taking into account any amount paid by way of Third Party Amounts) amounts to remedy any overdraft in relation to any Collection Account or to pay any amounts due to the Collection Account Bank; and

(n) any Early Repayment Charges which will be applied to make payments in respect of the ERC Certificates.

"**Direct Debit**" means a written instruction of a Borrower authorising its bank to honour a request of the Seller to debit a sum of money on specified dates from the account of the Borrower for deposit into an account of the Seller.

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

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

(i) during the immediately preceding Collection Period; or

(ii) if representing amounts received in respect of any repurchases of Loans and their Related Security that were repurchased by the Seller pursuant to the Mortgage Sale Agreement, from but excluding the Collection Period Start Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Collection Period Start Date;

(b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date;

(c) any amounts deemed to be Available Redemption Receipts in accordance with item (l) of the Pre-Enforcement Revenue Priority of Payments (the "**Enhanced Amortisation Amounts**");

(d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Redemption Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*); and

(e) in respect of the first Interest Payment Date only, the amount paid into the Deposit Account on the Closing Date from the excess of the proceeds over the Current Balance of the Portfolio as at the Cut-off Date.

"**Optional Redemption Date**" means the Interest Payment Date falling in July 2027.

"**Final Redemption Date**" means the Interest Payment Date in respect of which the Cash Manager determines on the immediately preceding Calculation Date that, following the application on such Interest Payment Date of: (i) Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments; (ii) any General Reserve Fund Release Amounts in meeting any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments; and (iii) any Principal Addition Amounts in meeting any Senior Expenses Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments, the sum of the Available Redemption Receipts (other than, where such Interest Payment Date falls prior to the Optional Redemption Date, paragraph (c) of the definition thereof and excluding any amounts applied as Principal Addition Amounts), all amounts standing to the credit of the General Reserve Fund Ledger and all amounts which (but for the occurrence of the Final Redemption Date) would have been available for application pursuant to items (a) to (k) (inclusive) of the Pre-Enforcement Revenue Priority of Payments would be sufficient to redeem in full the Collateralised Notes on such Interest Payment Date, including, as the case may be, as a result of the mandatory redemption of the Collateralised Notes pursuant to Condition 8.3 (*Mandatory Redemption of the Notes in Full*) or 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*).

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-Enforcement Revenue Priority of Payments:

(a) Amounts due to the Note Trustee and the Security Trustee and any Appointee thereof including charges, liabilities, fees, costs and expenses

(b) Amounts due to the Agent Bank, the Registrar, the Paying Agents, the Cash Manager, the Servicer, the Back-Up Servicer Facilitator, the Corporate Services Provider, the Issuer Account Bank and (if applicable) the securitisation repository or any other third party website provider, in each case including all fees, costs, charges, liabilities and expenses

(c) Third party expenses and any Transfer Costs

(d) Amounts due to the Swap Provider (including any termination payments to the extent not satisfied by any applicable Replacement Swap Premium and/or any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments but excluding any Hedge Subordinated Amounts)

(e) Issuer Profit Amount

(f) *Pro rata* and *pari passu* to the interest due on the

Pre-Enforcement Redemption Priority of Payments:

(a) Principal Addition Amounts to be applied to meet any Senior Expenses Deficit

(b) *Pro rata* and *pari passu* to the principal amounts due on the Class A1 Notes

(c) *Pro rata* and *pari passu* to the principal amounts due on the Class A2 Notes

(d) *Pro rata* and *pari passu* to the principal amounts due on the Class Z Notes

(e) All remaining amounts to be applied as Available Revenue Receipts

Post-Enforcement Priority of Payments:

(a) Amounts due to the Receiver, the Note Trustee and the Security Trustee and any Appointee thereof including charges, liabilities, fees, costs and expenses

(b) Amounts due to the Agent Bank, the Registrar, the Paying Agents, the Cash Manager, the Servicer, the Back-Up Servicer Facilitator, the Corporate Services Provider, the Issuer Account Bank and (if applicable) the securitisation repository or any other third party website provider, in each case including all fees, costs, charges, expenses and liabilities

(c) Amounts due to the Swap Provider (including any termination payments to the extent not satisfied by any applicable Replacement Swap Premium and/or any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments but excluding any Hedge Subordinated Amounts)

Pre-Enforcement Revenue Priority of Payments:

Class A1 Notes and the Class A2 Notes

(g) Amounts to be credited to the General Reserve Fund Ledger

(h) Amounts to be credited to the Class A Principal Deficiency Sub-Ledger

(i) Amounts to be credited to the Class Z Principal Deficiency Sub-Ledger

(j) *Pro rata* and *pari passu* to the interest due on the Class Z Notes

(k) Any Hedge Subordinated Amounts (to the extent not satisfied by any amounts available to be applied in accordance with the Swap Collateral Account Priority of Payments) due to the Swap Provider

(l) On or after the Optional Redemption Date or the Final Redemption Date, an amount equal to the lesser of: (i) all remaining amounts (if any); and (ii) the amount required by the Issuer to redeem the Collateralised Notes in full, less any other Available Redemption Receipts otherwise available to the Issuer, to be applied as Available Redemption Receipts

(m) *Pro rata* and *pari passu* to the interest due on the Class X Notes

(n) *Pro rata* and *pari passu* to the principal amounts due on the Class X Notes

Pre-Enforcement Redemption Priority of Payments:

Post-Enforcement Priority of Payments:

(d) *Pro rata* and *pari passu* to the amounts of interest and principal due on the Class A1 Notes and the Class A2 Notes

(e) *Pro rata* and *pari passu* to the amounts of interest and principal due on the Class X Notes

(f) Hedge Subordinated Amounts due to the Swap Provider

(g) *Pro rata* and *pari passu* to the amounts of interest and principal due on the Class Z Notes

(h) Issuer Profit Amount

(i) On any Interest Payment Date prior to (but excluding) the Optional Redemption Date, all remaining amounts to be applied as RC1 Payments to the RC1 Certificateholders and, thereafter, all remaining amounts, to be applied as RC2 Payments to the RC2 Certificateholders

Pre-Enforcement Revenue Priority of Payments:	Pre-Enforcement Redemption Priority of Payments:	Post-Enforcement Priority of Payments:
(o) On any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Deposit Account to be applied on the next Interest Payment Date as Available Revenue Receipts		
(p) On any Interest Payment Date prior to (but excluding) the Optional Redemption Date, all excess amounts to be applied as RC1 Payments to the RC1 Certificateholders and, thereafter, all excess amounts to be applied as RC2 Payments to the RC2 Certificateholders		

General Credit Structure: The credit structure of the transaction includes the following elements:

- the availability of the General Reserve Fund, funded on the Closing Date by part of the proceeds of the Noteholders' subscription of the Class X Notes. An amount equal to the General Reserve Fund Excess Amount will be debited from the General Reserve Fund and will be applied as Available Revenue Receipts on each Interest Payment Date. On each Interest Payment Date, to the extent that there would be a Revenue Deficit on such Interest Payment Date, an amount equal to the General Reserve Fund Release Amounts shall be debited from the General Reserve Fund Ledger immediately after the application of Available Revenue Receipts pursuant to the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date and applied to cure such Revenue Deficit. Any General Reserve Fund Release Amounts will be applied to meet any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in such order of priority as such items appear in the Pre-Enforcement Revenue Priority of Payments. After the Closing Date, the General Reserve Fund will be replenished up to the General Reserve Fund Required Amount on each Interest Payment Date up to and including the Final Redemption Date from Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

See the section "*Credit Structure – General Reserve Fund and General Reserve Fund Ledger*";

- a Principal Deficiency Ledger will be established to record any notional principal Losses corresponding to each Class of Collateralised Notes and/or any Principal Addition Amounts in reverse sequential order. Available Revenue Receipts and any General Reserve Fund Release Amounts will be applied in accordance with the Pre-Enforcement Revenue Priority of Payments to make up the relevant Principal Deficiency Ledger in sequential order. See the section "*Credit Structure – Principal Deficiency Ledger*" below;

- on or after the Optional Redemption Date or the Final Redemption Date, the Issuer will treat an amount equal to the lesser of: (i) all remaining Available Revenue Receipts after payment of items (a) to (k) of the Pre-Enforcement Revenue Priority of Payments; and (ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to (d) (inclusive) of the Pre-Enforcement Redemption Priority of Payments, less any Available Redemption Receipts (other than item (c) of the definition thereof) otherwise available to the Issuer, as Enhanced Amortisation Amounts and such amounts will be applied as Available Redemption Receipts;

- pursuant to item (a) of the Pre-Enforcement Redemption Priority of Payments, to the extent that, after application of the Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments, and the use of any General Reserve Fund Release Amount to meet any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments, there is a Senior Expenses Deficit, the Issuer shall apply an amount of Available Redemption Receipts as Principal Addition Amounts to meet any Senior Expenses Deficit (subject to the limitations set out in the definition of Senior Expenses Deficit), against the relevant items in the Pre-Enforcement Revenue Priority of Payments in such order of priority as such items appear in the Pre-Enforcement Revenue Priority of Payments;

- the availability of interest in respect of monies held in the Issuer Accounts and income from any Authorised Investments (other than any amount of interest and/or income received in respect of the Swap Collateral) (see the section "*Cashflows*" for further details); and

- availability of the fixed rate swap provided by the Swap Provider to hedge against the possible variance between the rates of interest payable on the Fixed Rate Loans in the Portfolio and a rate of interest calculated by reference to Compounded Daily SONIA.

	See the section "*Credit Structure – Interest Rate Risk for the Notes*" for further details.
Bank Accounts and Cash Management:	The Issuer will open a deposit account (the "**Deposit Account**") and a swap collateral account (the "**Swap Collateral Account**") pursuant to the Bank Account Agreement with the Issuer Account Bank on or prior to the Closing Date. The Issuer may from time to time open additional or replacement accounts (including, if applicable, any securities accounts (such accounts, together with the Deposit Account and the Swap Collateral Account, the "**Issuer Accounts**")) pursuant to the Bank Account Agreement and the Transaction Documents. On each Interest Payment Date, the Cash Manager will transfer monies from the Deposit Account to be applied in accordance with the applicable Priority of Payments.
Swap Agreement:	Payments received by the Issuer under certain of the Loans will be subject to fixed rates of interest for an initial period of time. The interest amounts payable by the Issuer in respect of the Floating Rate Notes will be calculated by reference to Compounded Daily SONIA. To hedge against the potential variance between the fixed rates of interest received on certain of the Loans in the Portfolio and the rate of interest payable on the Floating Rate Notes, the Issuer will enter into the Swap Transaction with the Swap Provider under the Swap Agreement.

TRANSACTION OVERVIEW – TRIGGERS TABLES

Rating Triggers Table

Transaction Party:	Required Ratings/Triggers:	Possible effects of Trigger being breached include the following:
Issuer Account Bank	(a) ***DBRS*:** the higher of: (i) if a long-term critical obligations rating ("**COR**") is currently maintained in respect of the Issuer Account Bank, a rating one notch below the Issuer Account Bank's COR, being a rating of "A" from DBRS; and (ii) a long-term senior unsecured debt rating or deposit rating of "A" from DBRS; or (iii) if none of sub-paragraph (i) or (ii) above are currently maintained in respect of the Issuer Account Bank, a DBRS equivalent rating at least equal to "A". (b) ***Fitch*:** a short-term issuer default rating of at least F1 by Fitch or a long-term issuer default rating (or deposit rating, if assigned) of at least A by Fitch, or (in each case) 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 Notes (the "**Account Bank Rating**").	If the Issuer Account Bank fails to maintain any of the Account Bank Ratings, then the Issuer shall, within 60 calendar days of such downgrade: (a) close the Issuer Accounts (with the operational assistance of the Cash Manager) with such Issuer Account Bank and use all reasonable endeavours to open replacement accounts with a financial institution: (i) having the Account Bank Rating; and (ii) which is a bank as defined in section 991 of the Income Tax Act 2007; (b) use all reasonable endeavours to obtain a guarantee of the obligations of such Issuer Account Bank under the Bank Account Agreement from a financial institution which has the Account Bank Rating; or (c) take any other reasonable action as the Rating Agencies may agree will not result in a downgrade of the Notes, in each case as prescribed in the Bank Account Agreement, and shall transfer amounts standing to the credit of the relevant Issuer Accounts and all Ledgers on the relevant Issuer Accounts to the replacement Issuer Accounts.
Swap Provider	**DBRS rating requirements** Irrespective of the current rating of the Notes, the contractual requirements that apply on the occurrence of a breach of the relevant ratings trigger by the Swap Provider are determined by reference to the Swap Provider rating being: (i) the Critical Obligations Rating of the Swap Provider; (ii) if no Critical Obligations Rating has been assigned to such entity by DBRS, the	

Transaction Party:	Required Ratings/Triggers:	Possible effects of Trigger being breached include the following:
	higher of: (A) the solicited public issuer rating assigned by DBRS to such entity; or (B) the solicited public rating assigned by DBRS to such entity's long-term senior unsecured debt obligations; or (iii) if no such solicited public rating has been assigned to such entity by DBRS, the corresponding DBRS equivalent rating set out in the DBRS Equivalent Chart below (the "**Long-Term DBRS Rating**"), where "**Critical Obligations Rating**" means the rating assigned to a relevant entity by DBRS to address the risk of default of particular obligations and/or exposures of certain banks that have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations.	

DBRS Equivalent Chart

DBRS	Moody's	S&P	Fitch
AAA	Aaa (cr)	AAA	AAA
AA (high)	Aa1 (cr)	AA+	AA+
AA	Aa2 (cr)	AA	AA
AA (low)	Aa3 (cr)	AA-	AA-
A (high)	A1 (cr)	A+	A+
A	A2 (cr)	A	A
A (low)	A3 (cr)	A-	A-
BBB (high)	Baa1 (cr)	BBB+	BBB+
BBB	Baa2 (cr)	BBB	BBB
BBB (low)	Baa3 (cr)	BBB-	BBB-
BB (high)	Ba1 (cr)	BB+	BB+
BB	Ba2 (cr)	BB	BB

Transaction Party:	Required Ratings/Triggers:		Possible effects of Trigger being breached include the following:
BB (low)	Ba3 (cr)	BB-	BB-
B (high)	B1 (cr)	B+	B+
B	B2 (cr)	B	B
B (low)	B3 (cr)	B-	B-
CCC (high)	Caa1 (cr)	CCC+	CCC
CCC	Caa2 (cr)	CCC	
CCC (low)	Caa3 (cr)	CCC-	
CC	Ca (cr)	CC	
		C	
D	C (cr)	D	D

Failure by the Swap Provider to maintain a Long-Term DBRS Rating at least as high as "A" (the "**Initial DBRS Rating Event**").	The Swap Provider must, at its own cost, within 30 Business Days of the occurrence of such Initial DBRS Rating Event, either: (a) post collateral; (b) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party (or a replacement third party with an appropriately rated guarantor); (c) procure a co-obligation or guarantee from an appropriately rated third party; or (d) take such other actions (which may, for the avoidance of doubt, include taking no action) as a result of which the highest rated class of Notes will be rated by DBRS at the same level as immediately prior to such Initial DBRS Rating Event. The Issuer may terminate the Swap Transaction under the Swap Agreement if the Swap Provider fails to provide collateral in respect of the Swap Agreement or to take the relevant actions in sub-paragraphs (b) to (d) above in the relevant time period.
Failure by the Swap Provider to maintain a Long-Term DBRS Rating at least as high as "BBB" (the "**Subsequent DBRS Rating Event**").	The Swap Provider must, at its own cost, within 30 Business Days of the occurrence of such Subsequent DBRS Rating Event: (a) post collateral; and (b) use

Transaction Party:	Required Ratings/Triggers:	Possible effects of Trigger being breached include the following:
		commercially reasonable efforts to either: (i) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party (or a replacement third party with an appropriately rated guarantor); (ii) procure a co-obligation or guarantee from an appropriately rated third party; or (iii) take such other actions (which may, for the avoidance of doubt, include taking no action) as a result of which the highest rated class of Notes will be rated by DBRS at the same level as immediately prior to such Subsequent DBRS Rating Event. The Issuer may terminate the Swap Transaction under the Swap Agreement if the Swap Provider fails to provide collateral in respect of the Swap Agreement in the relevant time period. The Issuer may also terminate the Swap Agreement if the Swap Provider fails to take the relevant actions in sub-paragraphs (b)(i) to (iii) above in the relevant time period.
	Initial Fitch Required Ratings: A short-term issuer default rating or a derivative counterparty rating (or if a derivative counterparty rating is not available, a long-term issuer default rating) by Fitch at least as high as the Fitch Minimum Counterparty Rating corresponding to the then current rating by Fitch of the then highest rated class of Notes, as specified in the table below under the column "Initial Fitch Required Rating" (or its equivalent) by Fitch (the "**Initial Fitch Required Rating**").	**Initial Fitch Required Ratings:** If the Swap Provider (or its successor, assignee or any relevant guarantor) does not have the Initial Fitch Required Rating (an "**Initial Fitch Rating Event**"), the Swap Provider: (a) must, on a reasonable efforts basis and at its own cost, if required, post collateral within 14 calendar days of the Initial Fitch Rating Event (or, if an Initial Fitch Rating Event has continued since the date the Swap Agreement (or any replacement swap agreement) was entered into, on such date); and (b) may, on a reasonable efforts basis and at its own cost, within 30 calendar days of such Initial Fitch Rating Event, either: (i) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party (or a replacement third party with an eligible and appropriately rated guarantor); (ii) procure a co-obligation or guarantee from an appropriately rated third party; or (iii) take such other actions (which may, for

Transaction Party:	Required Ratings/Triggers:	Possible effects of Trigger being breached include the following:
		the avoidance of doubt, include taking no action) as a result of which the highest rated class of Notes will be rated by Fitch at the same level as immediately prior to such Initial Fitch Rating Event, **provided that**, if required, pending the taking of any of the actions in sub-paragraphs (b)(i) to (iii) above, the Swap Provider posts collateral as required under (a) above. A failure by the Swap Provider to take such steps will, in certain circumstances, allow the Issuer to terminate the Swap Agreement.
	Subsequent Required Ratings: ***Fitch***: A short-term issuer default rating or a derivative counterparty rating (or, if a derivative counterparty is not available, a long-term issuer default rating) by Fitch at least as high as the Fitch Minimum Counterparty Rating corresponding to the then current rating by Fitch of the then highest rated class of Notes, as specified in the table below under the column "Subsequent Fitch Required Rating" or "Subsequent Fitch Required Rating (adjusted)" (as applicable) (the "**Subsequent Fitch Required Rating**").	**Subsequent Required Ratings:** If the Swap Provider (or its successor, assignee or any relevant guarantor) does not have the Subsequent Fitch Required Rating (a "**Subsequent Fitch Rating Event**"), the Swap Provider must, within 30 calendar days of such Subsequent Fitch Rating Event, on a reasonable efforts basis and at its own cost, either: (i) transfer its rights and obligations under the Swap Agreement to an appropriately rated replacement third party (or a replacement third party with an eligible and appropriately rated guarantor); (ii) procure a co-obligation or guarantee from an appropriately rated third party; or (iii) take such other actions (which may, for the avoidance of doubt, include taking no action) as a result of which the highest rated class of Notes will be rated by Fitch at the same level as immediately prior to such Subsequent Fitch Rating Event, **provided that**, if required in accordance with the Swap Credit Support Annex, pending the taking of any of the actions in (i) to (iii) above, the Swap Provider posts additional collateral within 14 calendar days of the Subsequent Fitch Rating Event. A failure by the Swap Provider to take such steps will, in certain circumstances, allow the Issuer to terminate the Swap Agreement.

Fitch Minimum Counterparty Rating

Current Fitch rating of Fitch relevant notes	Initial Fitch Required Rating	Subsequent Fitch Required Rating	Subsequent Fitch Required Rating (adjusted)*
AAAsf	A or F1	BBB- or F3	BBB+ or F2
AA+sf, AAsf, AA-sf	A- or F1	BBB- or F3	BBB+ or F2
A+sf, Asf, A-sf	BBB or F2	BB+	BBB or F2
BBB+sf, BBBsf, BBB-sf	BBB- or F3	BB-	BBB- or F3
BB+sf, BBsf, BB-sf	At least as high as the Fitch relevant notes' Fitch rating	B+	BB-
B+sf or below or Fitch relevant notes are not rated by Fitch		B-	B-

Non-Rating Triggers Table

Perfection Events:

Prior to the completion of the transfer of legal title of the Loans to the Issuer, the Issuer will be subject to certain risks as set out in the risk factor entitled "*Seller to initially retain legal title to the Loans and risks relating to set-off*". Completion of transfer of the legal title of the Loans by the Seller to the Issuer will be completed on or before the 20th Business Day after the earliest to occur of the following:

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

(b) it becoming necessary by law to take any or all such actions referred to in paragraph (a) above;

(c) 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, in jeopardy;

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

(e) an Insolvency Event occurring in relation to the Seller;

(f) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Loan in the Portfolio; or

* If the Swap Provider (or its successor, assignee or any relevant guarantor) is not incorporated in the same jurisdiction as the Issuer and, following a request from Fitch, has not provided Fitch with a legal opinion, in a form acceptable to Fitch, confirming the enforceability of the subordination provisions against it in its jurisdiction, the "Subsequent Fitch Required Rating (adjusted)" shall be applicable.

(g) default is made by the Seller in the performance or observance of any of its covenants and obligations under the Transaction Documents 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 Seller becoming aware of such default and receipt by the Seller of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied.

If the Loans and their Related Security are sold pursuant to the exercise of the Call Option, the Issuer or (if, at the time the Call Option is exercised, the Issuer does not hold the Whole Legal Title) the Seller, upon receipt of a direction from the Issuer and at the sole cost and expense of the Issuer, shall promptly transfer the Whole Legal Title in the Loans and their Related Security comprising the Portfolio to the Legal Title Transferee.

Servicer Termination Events: The appointment of the Servicer may be terminated by the Issuer (subject to the prior written consent of the Security Trustee) if any of the following events (each a "**Servicer Termination Event**") occurs and is continuing:

(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 35 Business Days after: (i) where the failure to pay has arisen other than as a result of a Disruption Event, the Servicer becoming aware of such default and receipt by the Servicer (with a copy to the Back-Up Servicer Facilitator) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee requiring the same to be remedied; or (ii) where the failure to pay has arisen as a result of a Disruption Event, the cessation of the relevant Disruption Event or, if earlier, 60 Business Days following the Servicer becoming aware of such default and receipt by the Servicer (with a copy to the Back-Up Servicer Facilitator) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee requiring the same to be remedied;

(b) material non-performance of its other covenants and obligations for a period of 35 Business Days after the earlier of the Servicer becoming aware of such default or of receipt by the Servicer (with a copy to the Back-Up Servicer Facilitator) of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee requiring the same to be remedied;

(c) an Insolvency Event occurring in respect of the Servicer; or

(d) it becomes unlawful in any applicable jurisdiction for the Servicer to perform any of its obligations as contemplated by the Servicing Agreement, provided that this does not result or

arise from compliance by the Servicer with any instruction from the Issuer or the Security Trustee.

In determining whether to give or withhold consent to the termination of the Servicer by the Issuer, the Security Trustee will have regard to factors it deems relevant (including, for this purpose, the availability of a substitute servicer and the effect (including any potential regulatory implications) on the Issuer of not having a servicer in place at any time).

The Servicer may also resign upon giving not less than three months' written notice to the Issuer, the Security Trustee and the Back-Up Servicer Facilitator, provided that, *inter alia*, 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) (if the Class A Notes remain outstanding) the resignation having no adverse effect on the then current ratings of the Class A Notes unless the Security Trustee and the Class A Noteholders (the Class A Noteholders acting by way of Extraordinary Resolution) agree otherwise; and

(b) a substitute servicer assuming and performing all the material duties and obligations of the Servicer.

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

TRANSACTION OVERVIEW – FEES

The following table sets out the ongoing fees to be paid by the Issuer to the transaction parties.

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing fees.	An amount calculated on the basis of the number of days elapsed in each calendar month over a 365-day year (or over a 366-day year in a leap year), by applying a rate of 0.20 per cent. per annum (inclusive of VAT) on the aggregate Current Balance of the Loans (excluding any Enforced Loans) on the Collection Period Start Date at the start of the immediately preceding Collection Period (the "**Servicer Fee**").	Ahead of all outstanding Notes and Residual Certificates.	Monthly in arrear on each Interest Payment Date.
Other fees and expenses of the Issuer (including tax and audit costs).	Estimated at £150,000 each year (exclusive of VAT, where so provided in the relevant Transaction Document).	Ahead of all outstanding Notes and Residual Certificates.	Monthly in arrear on each Interest Payment Date.
Expenses related to the admission to trading of the Notes.	Estimated at €18,000 (exclusive of VAT).	Ahead of all outstanding Notes and Residual Certificates.	On or about the Closing Date.

As at the date of this Prospectus, the standard rate of UK value added tax ("**VAT**") is 20 per cent.

REGULATORY DISCLOSURES

Securitisation Regulations

In this Prospectus:

(a) "**UK Securitisation Regulation**" means Regulation (EU) 2017/2402 as it forms part of domestic law in the United Kingdom by virtue of the EUWA, including the Securitisation (Amendment) (EU Exit) Regulations 2019, as amended, varied, superseded or substituted from time to time and 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;

(b) "**Reporting Entity**" means the Issuer in its capacity as the designated reporting entity for the purposes of Article 7(2) of the UK Securitisation Regulation;

(c) "**UK Article 7 ITS**" means Commission Implementing Regulation (EU) 2020/1225 as it forms part of domestic law in the United Kingdom 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;

(d) "**UK Article 7 RTS**" means Commission Delegated Regulation (EU) 2020/1224 as it forms part of domestic law in the United Kingdom 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;

(e) "**UK Article 7 Technical Standards**" means the UK Article 7 RTS and the UK Article 7 ITS;

(f) "**UK CRR**" means Regulation (EU) No 575/2013 as it forms part of domestic law in the United Kingdom 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;

(g) "**FCA**" means the Financial Conduct Authority;

(h) "**PRA**" means the Prudential Regulation Authority;

(i) "**EU Securitisation Regulation**" means Regulation (EU) 2017/2402, as amended, including: (i) relevant regulatory and/or implementing technical standards or delegated regulation (including any applicable transitional provisions); and/or (ii) any relevant guidance and policy statements in relation thereto published by the EBA, the ESMA, the EIOPA (or their successor), the European Central Bank and/or the European Commission;

(j) "**EBA**" means the European Banking Authority;

(k) "**EIOPA**" means the European Insurance and Occupational Pensions Authority;

(l) "**EUWA**" means the European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) as amended, varied, superseded or substituted from time to time;

(m) "**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;

(n) "**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;

(o) "**EU Article 7 Technical Standards**" mean the EU Article 7 RTS and the EU Article 7 ITS;

(p) "**UK Affected Investor**" means each of the UK CRR firms as defined by Article 4(1)(2A) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 as it forms part of domestic law in the United Kingdom by virtue of the EUWA, certain alternative investment fund managers which manage or market alternative investment funds in the UK, UK-regulated insurers or reinsurers, certain management companies as defined in section 237(2) of the Financial Services and Markets Act 2000 ("**FSMA**"), UCITS as defined by section 236A of FSMA which is an authorised open-ended investment company as defined in section 237(3) of FSMA and occupational pension schemes as defined in section 1(1) of the Pension Schemes Act 1993;

(q) "**EU Affected Investor**" means each of EU-regulated credit institutions, EU-regulated investment firms, certain alternative investment fund managers which manage and/or market alternative investment funds in the EU, EU-regulated insurers or reinsurers, certain investment companies authorised in accordance with Directive 2009/65/EC, managing companies as defined in Directive 2009/65/EC, institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 (subject to certain exceptions), and certain investment managers and authorised entities appointed by such institutions subject thereto; and

(r) "**SR Equivalency Date**" means the date on which the Seller certifies to the Issuer and the Note Trustee that a competent EU authority has confirmed that: (i) the satisfaction of the UK Retention Requirement will also satisfy the EU Retention Requirement due to the application of an equivalency regime or similar analogous concept; or (ii) the satisfaction of any other obligation under the UK Securitisation Regulation (including, without limitation, Articles 5 and 7 of the UK Securitisation Regulation) will also satisfy the equivalent provisions of the EU Securitisation Regulation due to the application of an equivalency regime or similar analogous concept, in each case, as applicable to the applicable obligation under the UK Securitisation Regulation.

Risk Retention

On the Closing Date, OSB (in its capacity as originator for the purposes of: (i) the UK Securitisation Regulation and (ii) under the Transaction Documents in connection with the EU Securitisation Regulation and subject to the EU Retained Interest Conditions (defined below)) will retain on an ongoing basis a material net economic interest of not less than 5 per cent. in the securitisation (the "**Retained Interest**"): (i) in accordance with Article 6(1) of the UK Securitisation Regulation (the "**UK Retention Requirement**"); and (ii) under the Transaction Documents in connection with Article 6(1) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) and any binding technical standards, not taking into account any relevant national measures (as contractual obligations only), but solely as such articles are interpreted and applied on the Closing Date (the "**EU Retention Requirement**" and, together with the UK Retention Requirement, the "**Retention Requirements**").

As at the Closing Date, the UK Retention Requirement and EU Retention Requirement will each be satisfied by the Seller holding the first loss tranche and other tranches having the same or a more severe risk profile than those transferred or sold to investors, in this case, represented by the retention by the Seller of the Class Z Notes: (i) in accordance with Article 6(3)(d) of the UK Securitisation Regulation; and (ii) under the Transaction Documents in connection with Article 6(3)(d) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) as though Article 6 of the EU Securitisation Regulation applied to the transaction, not taking into account any relevant national measures (as contractual obligations only), but solely as such articles are interpreted and applied on the Closing Date

provided that on and from the applicable SR Equivalency Date (but only for so long as SR Equivalency is maintained), references to, and obligations in respect of, the EU Securitisation Regulation shall not apply. Any change to the manner in which such interest is held will be notified to investors. Certain undertakings in respect of the UK Retention Requirement and EU Retention Requirement are given by the Seller in the Mortgage Sale Agreement. Notwithstanding the above, each prospective EU Affected Investor should note that in respect of the EU Retention Requirement:

- the obligation of the Seller to comply with the EU Retention Requirement is strictly contractual pursuant to the terms of the Mortgage Sale Agreement and applies with respect to Article 6 of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) and any binding technical standards, not taking into account any relevant national measures, as such articles are interpreted and applied on the Closing Date only, until the applicable SR Equivalency Date; and

- the Seller will be under no obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced in relation thereto after the Closing Date,

the "**EU Retained Interest Conditions**".

Any change to the manner in which such interest is held will be notified to the Noteholders.

The Seller (in its capacity as originator for the purposes of the UK Securitisation Regulation and the EU Securitisation Regulation) has provided undertakings with respect to the interest to be retained by it to: (i) the Lead Manager and the Arranger in the Subscription Agreement; and (ii) the Issuer and the Security Trustee in the Mortgage Sale Agreement that, for so long as any Notes remain outstanding, it will:

(a) retain the Retained Interest in accordance with the applicable Retention Requirements (subject, in the case of the EU Retention Requirement, to the EU Retained Interest Conditions);

(b) at all relevant times comply with the requirements of: (i) Article 7(l)(e)(iii) of the UK Securitisation Regulation by confirming the risk retention of OSB as contemplated by Article 6(1) of the UK Securitisation Regulation; and (ii) Article 7(l)(e)(iii) of the EU Securitisation Regulation by confirming the risk retention of OSB as contemplated by Article 6(1) of the EU Securitisation Regulation but solely as such articles are interpreted and applied on the Closing Date;

(c) not sell, hedge or otherwise mitigate (and shall procure that none of its affiliates shall sell, hedge or otherwise mitigate) the credit risk under or associated with the Retained Interest except to the extent permitted under the UK Securitisation Regulation or as would be permitted as determined in accordance with Article 6 of the EU Securitisation Regulation as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation; and

(d) not change the manner or form in which it holds the Retained Interest.

Transparency and Reporting

The Issuer has been appointed as the designated entity under Article 7(2) of the UK Securitisation Regulation (the "**Reporting Entity**") and has accepted such appointment.

In addition, subject to certain conditions, the Issuer has contractually agreed to provide (or to procure the provision of) certain information and reports under Article 7 of the EU Securitisation Regulation as such requirements exist solely on the Closing Date.

Under the Servicing Agreement, the Issuer has appointed the Servicer to perform certain of the Issuer's obligations under Article 7 of the UK Securitisation Regulation and certain of the Issuer's contractually agreed obligations under Article 7 of the EU Securitisation Regulation as more fully set out in the sections entitled

"*General Information – UK Securitisation Regulation Reporting*" and "*General Information – EU Securitisation Regulation Reporting*" are published with the frequency and in the manner set out in such sections.

Adverse selection

Loans have not been 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 OSB.

Investors to assess compliance

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in the Prospectus generally for the purposes of complying with Article 5 of the UK Securitisation Regulation in the case of prospective UK Affected Investors or Article 5 of the EU Securitisation Regulation in the case of prospective EU Affected Investors, as applicable, and any corresponding national measures which may be relevant and none of the Issuer, the Arranger, the Lead Manager, the Seller nor any of the other Transaction Parties makes any representation that the information described above or in the Prospectus is sufficient in all circumstances for such purposes.

For the purposes of Article 5 of the UK Securitisation Regulation and Article 5 of the EU Securitisation Regulation, OSB has made available the following information (or has procured that such information is made available):

(a) confirmation that OSB was a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 as it forms part of domestic law in the United Kingdom by virtue of the EUWA at the time of origination of the Loans in the Portfolio;

(b) confirmation that OSB (as originator) will retain on an ongoing basis the Retained Interest in accordance with the applicable Retention Requirements (subject, in the case of the EU Retention Requirement, to the EU Retained Interest Conditions); and

(c) confirmation that the Issuer will make available the information required by: (i) Article 7 of the UK Securitisation Regulation; and (ii) Article 7 of the EU Securitisation Regulation as such requirements exist solely on the Closing Date, in accordance with the frequency and modalities provided for in such articles.

Please refer to the risk factors entitled "*Risk Factors – Legal Risks 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*" for further information on the implications of the EU Securitisation Regulation and the UK Securitisation Regulation and certain other related matters.

The Notes are not intended to be designated as a simple, transparent and standardised ("**STS**") securitisation for the purposes of the EU Securitisation Regulation or the UK 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 EU or the UK, 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.

CRA Regulation

The credit ratings included or referred to in this Prospectus are expected to be assigned, on issue, by Fitch and DBRS.

Prospective investors are responsible for ensuring that an investment in the Notes is compliant with all applicable investment guidelines and requirements and in particular any requirements relating to ratings. In this context, prospective investors should note the provisions of Regulation 462/2013 (EU) which amends Regulation (EC) 1060/2009 on Credit Rating Agencies (together, "**CRA Regulation**") which became effective on 20 June 2013.

In general, European-regulated investors are restricted under the 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 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 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 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. The UK CRA Regulation may require, among other things, issuers or related third parties intending to solicit a credit rating of a structured finance instrument to appoint at least two credit rating agencies to provide credit ratings independently of each other. 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: (i) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended; and (ii) 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. Additionally, the UK CRA Regulation requires certain additional disclosure to be made in respect of structured finance transactions. The credit ratings included or referred to in this Prospectus have been issued by DBRS and Fitch, each of which is established in the UK and is registered under the UK CRA Regulation.

The rating DBRS has given to the Class A Notes are endorsed by DBRS Ratings GmbH, which is a credit rating agency established in the EU. The rating Fitch has given to the Class A Notes are endorsed by Fitch Ratings Ireland Limited, which is a credit rating agency established in the EU.

Each of DBRS Ratings GmbH and Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by ESMA on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation.

For further information, please refer to the risk factor entitled "*Regulatory initiatives may have an adverse impact on the regulatory treatment of the Notes*" and the section entitled "*The Loans*".

The Volcker Rule

The Issuer is of the view that it is not, and solely after giving effect to any offering and sale of Notes and the Certificates and the application of the proceeds thereof will not be, a "covered fund" for the purposes of the Volcker Rule.

In reaching this conclusion, although other statutory or regulatory exemptions under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and under the Volcker Rule and its related

regulations, may be available, the issuing entity has relied on the determinations that: (i) it may rely on an exemption from the definition of investment company under section 3(c)(5)(C) of the Investment Company Act; and (ii) it is not structured to be a "covered fund" as defined for the purposes of the Volcker Rule. Any prospective investor in the Notes and the 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.

WEIGHTED AVERAGE LIVES OF THE NOTES

The term "**weighted average life**" refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the relevant investor of amounts sufficient to fully repay principal in respect of such security (assuming no losses on the Loans and weighted by the principal amortisation of the Notes on each Interest Payment Date). The weighted average lives of the Notes will be influenced by, among other things, the actual rate of repayment of the Loans in the Portfolio. In addition, the weighted average lives of the Notes, should they not be called on or after the Optional Redemption Date, will be influenced by, *inter alia*, the amount of Available Revenue Receipts used as Enhanced Amortisation Amounts in accordance with item (l) of the Pre-Enforcement Revenue Priority of Payments.

The actual weighted average lives of the Notes cannot be stated, as the ultimate rate of prepayment 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.

The following tables were prepared based on the characteristics of the loans included in the Provisional Portfolio, the provisions of the Conditions and Residual Certificates Conditions (as applicable), and the following additional assumptions (the "**Modelling Assumptions**").

Modelling Assumptions:

(a) no Loan becomes delinquent or is enforced for so long as the Notes remain outstanding;

(b) no Loan is required to be repurchased by the Seller, whether as a result of a breach of Loan Warranty, or otherwise;

(c) the Notes are issued on 4 August 2022 and all payments on the Notes are received on the 16th day (without regard to whether such day is a Business Day) of each month, with the first Interest Payment Date falling on 16 September 2022;

(d) the Portfolio as at the beginning of the first Collection Period is the same as the Provisional Portfolio as at the Portfolio Reference Date;

(e) no interest accrues on the Deposit Account;

(f) Compounded Daily SONIA is equal to 1.0 per cent.;

(g) the fixed rate under the Swap Agreement is 2.50 per cent.;

(h) the weighted average margin over Compounded Daily SONIA of the Collateralised Notes is 1.15 per cent on the Closing Date and from (and including) the Optional Redemption Date, Class A Note margins over Compounded Daily SONIA are multiplied by 1.5 (capped at 1.0 per cent increase);

(i) no Enforcement Notice is served on the Issuer, no Event of Default has occurred and the Security is not enforced;

(j) amounts required to pay items (a) to (c) and (e) of the Pre−Enforcement Revenue Priority of Payments on each Interest Payment Date are:

  (i) £180,000, per annum; and

  (ii) 0.20 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;

(k) the Swap Agreement is not terminated and the Swap Provider fully complies with its obligations under the Swap Agreement;

(l) with respect to the Loans, each month consists of 30 calendar days, and each year, 360 days, and with respect to the Notes and the Swap Transaction, each month consists of the actual number of days in the relevant month and 365 days in the relevant year;

(m) the Principal Amount Outstanding of the Notes as at the Closing Date is, in the respect of the Class A1 Notes 45.50 per cent. and, in the respect of the Class A2 Notes 40.0 per cent. and, in respect of the Class Z Notes 14.50 per cent and, in respect of the Class X Notes 1.0 per cent. of the aggregate current balance of the Loans assuming current balance of the Loans is £ 1,326,300,363.33; and

(n) the Standard Variable Rate is equal to 6.83 per cent.

The actual characteristics and performance of the Loans are likely to differ from the Modelling Assumptions. The following tables are hypothetical in nature and are provided only to give a general sense of how the principal cashflows might behave under various prepayment scenarios. For example, the Issuer does not expect that the Loans will prepay at a constant rate until maturity, or that there will be no defaults or delinquencies on the Loans. Any difference between the Modelling Assumptions and, *inter alia*, the actual prepayment or loss experience on the Loans will affect the redemption profile of the Notes and cause the weighted average lives of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated CPR.

"**CPR**" means, on any Calculation Date, the annualised principal prepayment rate of all the Loans during the previous Collection Period calculated as follows:

1- ((1-R) ^ (12))

where R equals the result (expressed as a percentage) of the total principal prepayments received by the Issuer during the immediately preceding Collection Period divided by the aggregate outstanding principal balance of the Loans as at the first day of that Collection Period.

Assuming the Call Option is exercised on the Optional Redemption Date

CPR	Class A1	Class A2	Class Z
Pricing*	1.97	4.67	4.95
0%	4.90	4.95	4.95
5%	3.64	4.95	4.95
10%	2.51	4.95	4.95
15%	1.66	4.78	4.95
20%	1.21	4.29	4.95
25%	0.94	3.70	4.95
30%	0.76	3.13	4.95

* Pricing CPR 5% for 12 months, 20% for 24 months, 10% for 12 months, 40% for 24 months then 20%

Assuming the Call Option is not exercised

CPR	Class A1	Class A2	Class Z
Pricing*	1.97	4.97	8.75
0%	9.17	16.27	19.56
5%	4.39	11.22	15.94
10%	2.53	8.19	13.13
15%	1.66	6.22	11.04
20%	1.21	4.83	9.45
25%	0.94	3.85	8.17
30%	0.76	3.14	7.11

* Pricing CPR 5% for 12 months, 20% for 24 months, 10% for 12 months, 40% for 24 months, then 20%

For more information in relation to the risks involved in the use of the average lives estimated above, see "*Risk Factors – Risks relating to the availability of funds to make payments on the Notes – The yield to maturity on the Notes may be affected by, among other things, prepayments made by Borrowers on their Loans*" above.

EARLY REDEMPTION OF THE COLLATERALISED NOTES

The Option Holder may exercise the Call Option granted by the Issuer pursuant to the Deed Poll, requiring the Issuer to sell the Portfolio. The Issuer is not permitted to dispose of the Portfolio in any other circumstances (other than in relation to an enforcement of the Security or the repurchase of a Loan and its Related Security by the Seller pursuant to the Mortgage Sale Agreement).

Pursuant to and subject to the terms of the Deed Poll, the Issuer will grant to the Option Holder the following rights (collectively, the "**Call Option**"), which may be exercised at any time on or after the Optional Purchase Commencement Date:

(a) the right to require the Issuer to sell and transfer to the Option Holder or a Third Party Purchaser (as identified in the Exercise Notice, the "**Beneficial Title Transferee**") the beneficial title to all (but not some) of the Loans and their Related Security comprising the Portfolio (the "**Whole Beneficial Title**") in consideration for the Optional Purchase Price; and

(b) the right to require the Issuer to transfer the legal title to all (but not some) of the Loans and their Related Security comprising the Portfolio (the "**Whole Legal Title**"), or if, at the time the Call Option is exercised, the Issuer does not hold legal title, the right to require the Issuer to procure that the Seller transfers the Whole Legal Title to the Option Holder, a Third Party Purchaser or any nominee of the Option Holder specified as such in the Exercise Notice (as identified in the Exercise Notice, the "**Legal Title Transferee**").

The Call Option may be exercised at any time on or after the Optional Purchase Commencement Date by notice from the Option Holder to the Issuer, with a copy to the Security Trustee, the Seller and each of the Rating Agencies (such notice, an "**Exercise Notice**"), that the Option Holder wishes to exercise the Call Option, for effect on an Interest Payment Date following the service of the Exercise Notice (the Interest Payment Date identified as the date on which the purchase by the Beneficial Title Transferee of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title to the Legal Title Transferee is expected to be completed pursuant to the terms of the Deed Poll being the "**Optional Purchase Completion Date**").

The sale of the Whole Beneficial Title and (if applicable) the transfer of the Whole Legal Title pursuant to the Call Option shall also be subject to the following conditions:

(a) either:

  (i) the Beneficial Title Transferee and (if applicable) the Legal Title Transferee are resident for tax purposes solely in the United Kingdom; or

  (ii) the Issuer, having received tax advice from an appropriately qualified and experienced United Kingdom tax adviser in the form and substance satisfactory to it (acting reasonably), 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) ("**Tax Advice**"), is satisfied that the sale of the Whole Beneficial Title and (if applicable) transfer of the Whole Legal Title should not create or increase any liabilities of the Issuer to withholding tax imposed by the United Kingdom or the jurisdiction of the Beneficial Title Transferee and (if applicable) the Legal Title Transferee on interest. The costs relating to such Tax Advice shall be borne by the Option Holder;

(b) either:

  (i) the Legal Title Transferee has all the appropriate licences, approvals, authorisations, consents, permissions and registrations (including any approvals, authorisations, consents, permissions and registrations required to be maintained under the FSMA and any rules and regulations of

the FCA) required to administer residential mortgage loans such as the Loans and their Related Security comprising the Portfolio (the "**Relevant Authorisations**"); or

(ii) the Beneficial Title Transferee has appointed a servicer who has the Relevant Authorisations and the Seller has confirmed in writing that it will hold legal title to the Loans and their Related Security comprising the Portfolio on trust for the Beneficial Title Transferee; and

(c) the Beneficial Title Transferee shall not be permitted to transfer the beneficial interest in any of the Loans and their Related Security comprising the Portfolio to a further purchaser until the transfer of the Whole Legal Title is perfected unless such transfer of beneficial interest is made to an entity which is within the charge to UK corporation tax as regards any payment relating to the Loans.

Optional Purchase Price

The purchase price for the Loans and their Related Security comprising the Portfolio pursuant to the Call Option shall be an amount equal to the greater of:

(a) the aggregate Current Balance of the Loans (excluding any Enforced Loans) comprising the Portfolio determined as at the Collection Period Start Date immediately preceding the Optional Purchase Completion Date; and

(b) without double counting, the greater of:

(i) zero; and

(ii) an amount equal to:

(A) the amount required by the Issuer to pay in full all amounts payable under items (a) to (k) (inclusive) of the Pre-Enforcement Revenue Priority of Payments and items (a) to (e) (inclusive) of the Pre-Enforcement Redemption Priority of Payments, in each case on the immediately following Interest Payment Date;

less

(B) any Available Revenue Receipts and Available Redemption Receipts otherwise available to the Issuer, excluding any amounts standing to the credit of the General Reserve Fund,

in each case, plus: (i) the Issuer's costs and expenses associated with transferring its interests in any Loan and its Related Security to the Option Holder or its nominee (if any); and (ii) an amount agreed between the Issuer and the Option Holder in respect of costs anticipated to be incurred by the Issuer after the Optional Purchase Completion Date (the "**Optional Purchase Price**").

Prospective investors should note that paragraph (b)(ii)(A) of the definition of the Optional Purchase Price does not include payment of principal and/or interest on the Class X Notes. Redemption of the Class X Notes in such a scenario will be subject to the availability of funds standing to the credit of the General Reserve Fund at such time.

In connection with the exercise of the Call Option, the Beneficial Title Transferee will agree with the Issuer to: (i) deposit an amount equal to the Optional Purchase Price in either an escrow account in the name of the Beneficial Title Transferee or in any other account as may be agreed between the Issuer and the Beneficial Title Transferee; or (ii) provide irrevocable payment instructions for an amount equal to the Optional Purchase Price for value on the Optional Purchase Completion Date to the Deposit Account or such other account as may be agreed between the Issuer and the Beneficial Title Transferee, provided that such deposit shall be made or irrevocable payment instructions shall be given no later than: (x) two Business Days prior to the Optional

Purchase Completion Date; or (y) such other date as the Issuer, at its sole discretion, and the Beneficial Title Transferee may agree, provided further that the Optional Purchase Price or irrevocable payment instructions (as applicable) must be received by the Issuer in sufficient time to enable the Issuer to provide notice of redemption of the Collateralised Notes to the Noteholders pursuant to Condition 8.3 (*Mandatory Redemption of the Notes in Full*) or 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*) (as applicable); and/or (iii) take any other action as may be agreed by the Beneficial Title Transferee, the Issuer and the Security Trustee in relation to the payment of the Optional Purchase Price.

At the cost of the Option Holder, the Issuer shall serve, or if, at the time the Call Option is exercised, the Issuer does not hold the Whole Legal Title, direct the Seller to serve, all relevant notices and take all steps (including carrying out requisite registrations and recordings) in order to effectively vest the Whole Legal Title in the Legal Title Transferee, in each case subject to the terms and conditions set out in the Deed Poll, such notices to be given promptly after the Optional Purchase Completion Date.

Redemption of the Collateralised Notes and the cancellation of the Certificates

On the Optional Purchase Completion Date, the Optional Purchase Price will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments and will result in the Collateralised Notes being redeemed in full. The Certificates will be cancelled following the redemption in full of the Collateralised Notes.

Any Revenue Receipts or Redemption Receipts received by the Issuer from and including the Collection Period Start Date immediately prior to the Optional Purchase Completion Date up to and including the Optional Purchase Completion Date (such amounts being "**Optional Purchase Collections**") will be payable to or for the account of the Beneficial Title Transferee and the Issuer shall transfer all such amounts to or for the account of the Beneficial Title Transferee on the Optional Purchase Completion Date.

The Issuer has covenanted in the Deed Poll in favour of the Option Holder that, prior to the service of an Enforcement Notice, it shall not agree to any sale of the Portfolio that is not already provided for under the Transaction Documents.

In this Prospectus:

> "**Deed Poll**" means the deed poll dated on or about the Closing Date, executed by the Issuer, in favour of the Option Holder from time to time.
>
> "**Option Holder**" means: (a) (where the RC2 Residual Certificates are represented by Registered Residual Certificates) the holder of greater than 50 per cent. in number of the RC2 Residual Certificates or (where the RC2 Residual Certificates are represented by a Global Residual Certificate) the Indirect Participant who holds the beneficial interest in more than 50 per cent. in number of the RC2 Residual Certificates; or (b) where no person holds (where the RC2 Residual Certificates are represented by Registered Residual Certificates) greater than 50 per cent. in number of the RC2 Residual Certificates or (where the RC2 Residual Certificates are represented by a Global Residual Certificate) beneficial interest in more than 50 per cent. in number of the RC2 Residual Certificates, the person who holds the greatest aggregate number of RC2 Residual Certificates or, as applicable, beneficial interest in the greatest aggregate number of RC2 Residual Certificates.
>
> "**Optional Purchase Commencement Date**" means the earlier of:
>
> (a) the Collection Period Start Date immediately preceding the Optional Redemption Date; or
>
> (b) any Collection Period Start Date on which the aggregate Current Balance of the Loans (excluding any Enforced Loans) is equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Collateralised Notes on the Closing Date; or

(c) any Business Day following the occurrence of a Redemption Event.

"**Third Party Purchaser**" means a third party purchaser of the beneficial title to the Loans and their Related Security as nominated by the Option Holder in the Exercise Notice.

USE OF PROCEEDS

On the Closing Date, the Issuer will use the gross proceeds of the Collateralised Notes and part of the proceeds of the Class X Notes (other than the amounts described in paragraphs (a) and (b) below) to pay the Initial Consideration payable by the Issuer for the Portfolio to be acquired from the Seller on the Closing Date.

On the Closing Date, the Issuer will use part of the proceeds of the Class X Notes to:

(a) establish the General Reserve Fund; and

(b) pay any initial costs and expenses of the Issuer incurred in connection with the issuance of the Notes and the Certificates.

RATINGS

The Notes, on issue, are expected to be assigned the following ratings by Fitch and DBRS. 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 agency if, in its judgement, circumstances so warrant.

Class of Notes	Fitch	DBRS
Class A1 Notes	AAAsf	AAA(sf)
Class A2 Notes	AAAsf	AAA(sf)
Class Z Notes	Not rated	Not rated
Class X Notes	Not rated	Not rated

The ratings assigned to the Class A Notes by: (a) Fitch address, *inter alia*, the likelihood of timely payment to the holders of the Class A Notes of all payments of interest on each Interest Payment Date and the likelihood of full and ultimate payment to the Noteholders of principal in relation to the Notes on or prior to the Final Maturity Date; and (b) DBRS address, *inter alia*, with respect to the Class A Notes, the timely payment of interest and the ultimate payment of principal on or before the Final Maturity Date. As of the date of this Prospectus, each of Fitch and DBRS is included on the list of registered and certified credit rating agencies that is maintained by the FCA.

The Class Z Notes, the Class X Notes and the Certificates will not be rated.

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 9 May 2022 (registered number 14095662) as a public limited company under the Companies Act 2006. The registered office of the Issuer is 10th Floor, 5 Churchill Place, London E14 5HU. The telephone number of the Issuer's registered office is +44 (0) 207 513 2388. The issued share capital of the Issuer comprises 50,000 ordinary shares of £1 each of which one share is fully paid-up and 49,999 shares are quarter-paid and all shares are held by Holdings (see "*Holdings*" below).

The Issuer has no Subsidiaries. The Seller does not own directly or indirectly any of the share capital of Holdings or the Issuer.

The Issuer was established as a special purpose vehicle solely for the purpose of issuing asset-backed notes. The Issuer is permitted, pursuant to the terms of its articles of association, *inter alia*, to issue the Notes and the Certificates. The Issuer will covenant to observe certain restrictions on its activities which are set out in Condition 5(b) (*Covenants*), Residual Certificates Condition 5(b) (*Covenants*) and ERC Certificates Condition 5(b) (*Issuer Covenants*).

Under the Companies Act 2006 (as amended), the Issuer's governing documents 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 and procure the service of a company secretary. No 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 issue 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 the information filing and fee payment under the Data Protection (Charges and Information) Regulations 2018. 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 2022.

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

The legal entity identifier number of the Issuer is 635400XSC8RO6PBCWS30.

The Issuer has its "centre of main interests" in the United Kingdom and will be subject to the insolvency laws of England and Wales.

Directors

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

Name	Business Address	Business Occupation
CSC Directors (No. 1) Limited	10th Floor, 5 Churchill Place, London E14 5HU	Corporate Director

Name	Business Address	Business Occupation
CSC Directors (No. 2) Limited	10th Floor, 5 Churchill Place, London E14 5HU	Corporate Director
Aline Sternberg	10th Floor, 5 Churchill Place, London E14 5HU	Director

The directors of CSC Directors (No. 1) Limited and CSC Directors (No. 2) Limited and their principal activities are as follows:

Name	Business Address	Principal Activities
Adrianna Pawelec	10th Floor, 5 Churchill Place, London E14 5HU	Director
Aline Sternberg	10th Floor, 5 Churchill Place, London E14 5HU	Director
Catherine McGrath	10th Floor, 5 Churchill Place, London E14 5HU	Director
Charmaine De Castro	10th Floor, 5 Churchill Place, London E14 5HU	Director
Constantinos Kleanthous	10th Floor, 5 Churchill Place, London E14 5HU	Director
Debra Parsall	10th Floor, 5 Churchill Place, London E14 5HU	Director
J.P Nowacki	10th Floor, 5 Churchill Place, London E14 5HU	Director
Jonathan Hanly	3rd Floor Fleming Court, Fleming's Place, Dublin 4, Ireland	Director
Katherine Lagoe	10th Floor, 5 Churchill Place, London E14 5HU	Director
Lara Nasato	10th Floor, 5 Churchill Place, London E14 5HU	Director
Oreoluwa Salu	10th Floor, 5 Churchill Place, London E14 5HU	Director
Vinoy Nursiah	10th Floor, 5 Churchill Place, London E14 5HU	Director

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 9 May 2022 (registered number 14095426) as a private limited company under the Companies Act 2006 (as amended). The registered office of Holdings is 10th Floor, 5 Churchill Place, London E14 5HU. The issued share capital of Holdings comprises one ordinary share of £1. CSC Corporate Services (UK) 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.

Pursuant to the terms of its articles of association, Holdings is permitted, *inter alia*, to hold shares in the Issuer.

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
CSC Directors (No. 1) Limited	10th Floor, 5 Churchill Place, London E14 5HU	Corporate Director
CSC Directors (No. 2) Limited	10th Floor, 5 Churchill Place, London E14 5HU	Corporate Director
Aline Sternberg	10th Floor, 5 Churchill Place, London E14 5HU	Director

The directors of CSC Directors (No. 1) Limited and CSC Directors (No. 2) Limited and their respective occupations are:

Name	Business Address	Principal Activities
Adrianna Pawelec	10th Floor, 5 Churchill Place, London E14 5HU	Director
Aline Sternberg	10th Floor, 5 Churchill Place, London E14 5HU	Director
Catherine McGrath	10th Floor, 5 Churchill Place, London E14 5HU	Director
Charmaine De Castro	10th Floor, 5 Churchill Place, London E14 5HU	Director

Name	Business Address	Principal Activities
Constantinos Kleanthous	10th Floor, 5 Churchill Place, London E14 5HU	Director
Debra Parsall	10th Floor, 5 Churchill Place, London E14 5HU	Director
J.P Nowacki	10th Floor, 5 Churchill Place, London E14 5HU	Director
Jonathan Hanly	3rd Floor Fleming Court, Fleming's Place, Dublin 4, Ireland	Director
Katherine Lagoe	10th Floor, 5 Churchill Place, London E14 5HU	Director
Lara Nasato	10th Floor, 5 Churchill Place, London E14 5HU	Director
Oreoluwa Salu	10th Floor, 5 Churchill Place, London E14 5HU	Director
Vinoy Nursiah	10th Floor, 5 Churchill Place, London E14 5HU	Director

The accounting reference date of Holdings is 31 December and the first statutory accounts of Holdings will be drawn up to 31 December 2022.

Holdings has no employees.

THE SELLER AND THE SERVICER

OneSavings Bank plc (company number 07312896) ("**OSB**" and, together with its consolidated subsidiary undertakings, the "**OSB Group**") is the Seller and the Servicer.

Introduction and Formation

OSB's registered office is at Reliance House, Sun Pier, Chatham, Kent, ME4 4ET.

OSB is a specialist lending and retail savings bank authorised by the Prudential Regulation Authority ("**PRA**"), part of the Bank of England, and regulated by the Financial Conduct Authority ("**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 2021, OSB GROUP PLC's total statutory assets were £24,531.9 million.

Business and Strategy

OSB primarily targets market sub-sectors that offer high growth potential and attractive risk-adjusted returns in which it can take a leading position 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 an efficient operating model.

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 in the South East of England. Diversification of funding is currently provided by securitisation programmes and the Bank of England's Term Funding Scheme with additional incentives for SMEs.

More information is available on the OSB website at www.osb.co.uk. The information on this website does not form part of this Prospectus.

THE CASH MANAGER

U.S. Bank Global Corporate Trust 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 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 USD 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 information on this website does not form part of this Prospectus.

ISSUER ACCOUNT BANK

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 and through its UK Branch in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

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.

In Europe, the Corporate Trust business is conducted in combination with U.S. Bank Global Corporate Trust Limited (the legal entity through which certain Corporate Trust 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 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 information on this website does not form part of this Prospectus.

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 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 USD 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 information on this website does not form part of this Prospectus.

THE SWAP PROVIDER

Banco Santander, S.A. is the parent bank of Grupo Santander ("**Santander**"). It was established on 21 March 1857 and incorporated in its present form by a public deed executed in the city of Santander, Spain, on 14 January 1875.

Banco Santander, S.A. and its consolidated subsidiaries are a financial group operating through a network of offices and subsidiaries across Spain, the United Kingdom and other European countries, Brazil and other Latin American countries and the U.S., offering a wide range of financial products. In Latin America, Santander has majority shareholdings in banks in Argentina, Brazil, Chile, Colombia, Mexico, Peru and Uruguay.

At 31 December 2021, Santander had a market capitalization of €51.0 billion, stockholders' equity of €86.9 billion and total assets of €1,595.8 billion. Santander had €1,153.7 billion total customer funds at that date.

As of 31 December 2021, we had 60,941 employees and 3,242 branch offices in Europe (of which 23,035 employees and 1,947 branches in Spain and 18,684 employees and 450 branches in the United Kingdom), 43,595 employees and 1,859 branches in North America, 74,970 employees and 4,469 branches in South America (of which 52,871 employees and 3,614 branches in Brazil), 15,840 employees and 309 branches in Digital Consumer Bank and 1,724 employees in Corporate Activities.

Banco Santander, S.A has a long- term credit rating of "A-" by Fitch, "A+" by Standard & Poor´s, "A2" by Moody's and "A (high)" by DBRS.

THE CORPORATE SERVICES PROVIDER AND BACK-UP SERVICER FACILITATOR

CSC Capital Markets UK Limited (registered number 10780001), having its principal address at 10th Floor, 5 Churchill Place, London E14 5HU, will be appointed to provide corporate services to the Issuer and Holdings pursuant to the Corporate Services Agreement.

CSC Capital Markets UK Limited has served and is currently serving as corporate service provider and back-up servicer facilitator for numerous securitisation transactions and programmes involving pools of mortgage loans.

THE LOANS

The Portfolio

Introduction

The following is a description of some of the characteristics of the Loans including details of loan types and selected statistical information.

The Seller procured the selection of the Loans for transfer into the Provisional Portfolio, using a system containing defined data on each of the qualifying loans. This system allows the setting of exclusion criteria, among others, corresponding to relevant Loan Warranties that the Seller will make in the Mortgage Sale Agreement in relation to the Loans. Once the criteria have been determined, the system identifies all loans owned by the Seller that are consistent with the criteria. The Loans selected for transfer into the Provisional Portfolio are representative of the Buy-to-Let Loans meeting the selection criteria which the Seller holds immediately prior to the sale of the Portfolio. After a pool of Loans is selected in this way, the constituent Loans are monitored so that they continue to comply with the Loan Warranties on the Closing Date.

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 or Wales in relation to the purchase or re-mortgage of a Property for letting purposes, such loans acquired pursuant to the Mortgage Sale Agreement, other than Loans which have been repaid or which have been purchased from the Issuer pursuant to the Mortgage Sale Agreement.

There has been no revaluation of any Property for the purposes of the issuance of the Notes and the valuations quoted are as at the date of the origination of the Loans.

Origination of the Portfolio

The Portfolio comprises Loans originated by OSB under its trading name of Kent Reliance.

Security

All of the Loans are secured by first ranking mortgages.

Interest Rate Types

The Portfolio consists of Loans which have (currently or after an initial specific period) a variable interest rate (the "**Standard Variable Rate**") that is set by the Seller, including Loans where the interest rate applicable to that Loan is a fixed rate of interest for a specific period that reverts to a Standard Variable Rate.

Characteristics of the Loans

Repayment Terms

Loans may combine one or more of the features listed in this section. Other customer incentives may be offered with the product including free valuations and payment of legal fees. Overpayments are allowed on all products, within certain limits. See "*Overpayments and Early Repayment Charges*" below.

Loans are typically repayable on one of the following bases:

- **Repayment Loan**: the Borrower makes monthly payments of both interest and principal so that, when the Loan matures, the full amount of the principal of the Loan will have been repaid; or

- **Interest-only Loan**: the Borrower makes monthly payments of interest but not of principal so that, when the Loan matures, the entire principal amount of the Loan is still outstanding and is payable in one lump sum.

The required monthly payment in respect of the Loans may alter from month to month for various reasons, including changes in interest rates.

For Interest-only Loans, because the principal is repaid in a lump sum at the maturity of the loan, the Borrower is required to have a credible repayment strategy (such as an investment plan or the sale of the property) which is intended to provide sufficient funds to repay the principal at the end of the term.

Principal prepayments may be made in whole or in part at any time during the term of a Loan, subject to the payment of any Early Repayment Charges (as described in "*Overpayments and Early Repayment Charges*" below). A prepayment of the entire outstanding balance of a loan discharges the mortgage. Any prepayment in full must be made together with all accrued interest, arrears of interest, any unpaid expenses and any applicable repayment fee(s).

Various methods are available to Borrowers for making payments on the Loans, including:

- a Direct Debit from a bank or building society account; and

- a Standing Order from a bank or building society account.

Capitalising Arrears

In certain circumstances following the accrual of Arrears representing amounts other than principal repayments on a Loan, the relevant Borrowers may be given the option to capitalise such Arrears. "**Capitalisation**" is an arrangement to manage Arrears in respect of a Loan, which involves adding the balance of Arrears (other than Arrears of principal) in respect of such Loan to the Current Balance of such Loan and allowing that amount to be cleared over the remaining term of such Loan.

The Servicer shall assess and service any Capitalisation in accordance with the capitalisation policy relating to the capitalisation of Arrears, as such policy applies to all loans serviced by the Servicer from time to time (including the Loans) (the "**Capitalisation Policy**"). As at the date of this Prospectus, the Capitalisation Policy contains the following features:

(a) Capitalisation will only be considered as a treatment when:

  (i) the Servicer understands the relevant Borrower's financial and personal circumstances;

  (ii) long-term affordability has been explored with the relevant Borrower;

  (iii) all other treatments have been appropriately explored or exhausted with the relevant Borrower;

  (iv) it is deemed by the relevant Borrower to be in its best interest; and

  (v) the relevant Borrower has completed an income and expenditure assessment (for residential properties).

(b) The full impact of the capitalisation will be discussed with the Borrower and confirmed in writing prior to capitalising its Arrears.

(c) Capitalisation will not be applied automatically.

The Servicer may update the Capitalisation Policy from time to time in accordance with the standards of a Reasonable, Prudent Residential Mortgage Servicer. In so doing, the Servicer shall adhere to the then current regulatory requirements imposed by and/or guidance issued by, without limitation, the FCA and the CCA. See the section entitled "*Information relating to the Regulation of Mortgages in the UK*" for further details.

"**Arrears**" means, as at any date in respect of any Loan, all amounts currently due and payable on that Loan which remain unpaid on that date, provided that such overdue amounts equal, in aggregate, one or more full Monthly Instalments.

Overpayments and Early Repayment Charges

Overpayments – Overpayments are allowed on all products, although an Early Repayment Charge may be payable. The Borrowers may either increase their regular monthly payments above the normal contractual monthly payment then applicable or make lump sum payments at any time (but early payment charges may apply).

For the Loans in the Portfolio, if the Borrowers with daily calculations of interest pay more than the scheduled monthly payment by £500 or more, in accordance with the Mortgage Conditions, the overpayment amount will be applied to the Current Balance on their Loan in the month following the receipt of such overpayment amount (backdated to the date of such overpayment) but until such time, the overpayment amounts will remain as a credit arrears position. Only at that point will the contractual monthly mortgage payments be recalculated.

Any overpayments that are £499.99 or less than the scheduled monthly payment will be applied to the capital balance of the Loan and no recalculation of the Loan will take place unless specifically requested to do so by the Borrower.

Early Repayment Charges – The Borrower will be required to pay an Early Repayment Charge if certain events occur during the predetermined product period and the Servicer has not waived or revised its policy with regards to the payment of early repayment charges. These events include a full or partial unscheduled repayment of principal, or an agreement between the Servicer and the Borrower to switch to a different mortgage product. If all or part of the principal owed by the Borrower, other than the scheduled monthly payments, is repaid before the end of the product period, the Borrower will be liable to pay to the Seller (for the benefit of the Issuer) a repayment fee based on the amount repaid or switched to another product.

Amounts of principal may be prepaid in full or in part on any Business Day. The Borrower may make an early repayment of a part of the principal due on the relevant Loan.

In respect of the Loans comprising the Portfolio, an Early Repayment Charge will be incurred if the Borrowers pay more than the scheduled monthly payment by £500 or more. See the second paragraph above for further details.

Title to the Portfolio

Pursuant to and under the terms of the Mortgage Sale Agreement dated on or about the Closing Date, the Seller will transfer to the Issuer the equitable title to the Loans and their Related Security. The Seller has agreed to transfer legal title to the Loans and their Related Security to the Issuer, and the Issuer has undertaken to seek the transfer of legal title, only following the occurrence of a Perfection Event (as set out below).

None of the above-mentioned transfers to the Issuer is to be completed by registration at the Land Registry or notice given to the relevant Borrowers until the occurrence of one of the events mentioned below. The Loans

in the Portfolio and their Related Security are accordingly owned in equity only by the Issuer pending such registration and notification. Legal title in the Loans and their Related Security will continue to be vested in the Seller until the occurrence of a Perfection Event. In the case of the Loans secured over registered land in England or Wales which will be transferred to the Issuer on the Closing Date, the Seller has agreed to remain on the Land Registry as the legal mortgagee. Following the occurrence of a Perfection Event, the Seller has agreed, in the Mortgage Sale Agreement, to transfer legal title to the Issuer, which transfer will be perfected by steps including filing forms at the Land Registry and notifying the Borrowers of such transfer, as applicable, by the Issuer.

The Issuer will grant a first fixed charge in favour of the Security Trustee over its interest in the Loans.

Save as mentioned below, the Security Trustee has undertaken not to effect any registration at the Land Registry to perfect the sale of the Loans to the Issuer or the granting of security over the Loans 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 Loans.

Notices of the equitable assignments or declarations 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 Loans.

As noted above, until the occurrence of a Perfection Event, the Issuer and the Security Trustee will not take actions to effect a transfer of legal title to the Loans and their Related Security to the Issuer. The following events constitute Perfection Events:

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

(b) it becoming necessary by law to do any or all of the acts referred to in paragraph (a) above; or

(c) 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, in jeopardy; or

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

(e) an Insolvency Event occurring in relation to the Seller; or

(f) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Loan in the Portfolio; or

(g) default is made by the Seller in the performance or observance of any of its covenants and obligations under the Transaction Documents 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 Seller becoming aware of such default and receipt by the Seller of written notice from the Issuer or (following delivery of an Enforcement Notice) the Security Trustee, as appropriate, requiring the same to be remedied.

Following the occurrence of a Perfection Event, the Issuer and the Security Trustee will each be entitled to take all necessary steps to perfect legal title to its interests in the Loans and their Related Security, including the carrying out of any necessary registrations, recordings and notifications. In furtherance of these rights, the Seller has granted the Issuer and the Security Trustee an irrevocable power of attorney to take certain action in the name of the Seller (including action required to perfect a legal transfer of the Loans and their Related Security).

Warranties and Breach of Warranties in relation to the Loans

The Mortgage Sale Agreement contains certain representations and warranties given by the Seller in favour of the Issuer in relation to the Loans and their Related Security 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 representations and warranties given to it under the Mortgage Sale Agreement.

If there is an unremedied material breach of any of the Loan Warranties given under the Mortgage Sale Agreement, then the Seller is required to repurchase the relevant Loan pursuant to the Mortgage Sale Agreement for consideration in cash equal to the sum of: (a) the Current Balance of the relevant Loan (or the aggregate of the Current Balances of the relevant Loans, as the case may be) as at the last day of the Monthly Period immediately preceding the date of repurchase minus (i) the amount of any reduction in Current Balance as a result of the exercise of any set-off right which the relevant Borrower(s) have against the Seller, and (ii) the amount of any further Advance; and (b) an amount equal to the Repurchase Costs (if any) in connection with such repurchase. If a Loan has never existed, or has ceased to exist, such that it is not outstanding on the date on which it is due to be repurchased then the Seller shall indemnify the Issuer and the Security Trustee against any loss, costs or expenses suffered by reason of any Loan Warranty relating to or otherwise affecting that Loan being untrue or incorrect.

Lending Criteria

As at the date of this Prospectus, OSB Group offers a number of different products, including first ranking mortgage loans, second ranking mortgage loans and bridging loans. The loans comprised in the Portfolio will all consist of loans secured by a first charge against residential properties located in England or Wales. All relevant Borrowers are required to have good and marketable title or long lease title to the relevant Property free from any encumbrance (except the relevant Mortgage) which would adversely affect such title.

Save for Title Deeds held at the Land Registry, all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Related Security are held by the Seller or the Servicer (on behalf of the Seller) or its solicitors or agents and the Title Deeds are held in dematerialised form or are returned to the Borrower's solicitors; such Title Deeds are held on the basis that they (other than the dematerialised copies of the Title Deeds) shall be returned to the Seller or the Servicer or its solicitors or agents.

Only properties of suitable construction are considered acceptable as security and properties including (but not limited to) the following are not acceptable to OSB:

- studio flats (where the gross internal floor area is less than $30m^2$);
- property where commercial usage exceeds 20 per cent.;
- flats or maisonettes in blocks exceeding 12 storeys (in London boroughs) or six storeys outside London;
- mobile homes and houseboats;
- property where saleability may be adversely affected by local planning or by an unsatisfactory mining search; and
- any property deemed unsuitable security by the valuer.

In relation to its buy-to-let lending, OSB lends to individuals and companies. Individuals must normally have resided in the UK, Jersey or Guernsey for a minimum of 36 months and be resident in the UK at the time of

completion. EEA Nationals are required to have resided in the UK and be able to evidence ongoing rights to reside. Non-EEA nationals must have resided in the UK and be able to provide evidence of permanent rights to remain in the UK. Company lending is permitted to UK-based LLPs or Limited Company with personal guarantees. Subject to qualifying criteria, OSB accepts re-mortgage applications where the security property has been owned or the existing mortgage has been in place for less than six months.

There is no maximum loan advertised by OSB on a single loan amount, however, any single loan amount in excess of £2,000,000 and/or exposure to any single Borrower in excess of £4,000,000 cumulatively by OSB will require approval through OSB's appropriate governance committees on a case-by-case basis. The maximum term of a loan is 35 years. The minimum age of borrowers at the time of application is 18 years old. The maximum age of borrowers at the end of the mortgage term is 85 years old.

The loan to value ("**LTV**") in relation to purchases is calculated by dividing the total amount of the loan (net of fees) by the current market value determined by the valuation or the purchase price of the property (whichever is the lower).

The maximum LTV is 75 per cent. for loan amounts up to £100,000, 85 per cent. for loans over and including £100,000, the maximum LTV for new build flats is 75% and the maximum LTV applicable to first-time landlords is 80% (in each case net of any amounts added to the loan in respect of fees). In relation to re-mortgages, the maximum LTV available is calculated based on the current market value determined by the valuation. Valuations are carried out in accordance with a valuation methodology as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender. Any fees could be added to the balance of a loan resulting in a higher maximum LTV.

The value of the Properties in connection with each Loan has been determined at origination in accordance with the standards and practices of the RICS Valuation Standards (including those relating to competency and required documentation) by an individual valuer who is an employee or a contractor of a valuer firm engaged by the Seller and accredited to the Seller's valuers panel, who is a fellow, member or associate member of the Royal Institution of Chartered Surveyors ("**RICS**") and whose compensation is not affected by the approval or non-approval of the Loan. The valuer was under an obligation to review and supply comparable properties providing evidence for the valuation of each Property.

The valuers panel is maintained (including the appointment of valuer firms to the panel) by the real estate department of the Seller with no involvement of brokers, sales or product staff. Likewise, brokers, sales and product staff are not involved in the selection of the valuer firm from the valuers panel engaged to carry out the valuation of the Properties in connection with each Loan.

The Loans in the Portfolio were not marketed and underwritten on the premise that the loan applicant or, as applicable, any intermediary, was made aware that the information provided might not be verified by the Seller. OSB was a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 at the time of origination of the Loans in the Portfolio.

Assessment of Rental Income

Rental cover is calculated on an interest-only basis at the higher of 5.5% or the actual pay-rate plus a stress rate of 1.55 per cent., where the loan is not fixed for five or more years, the stress rate being determined by OSB's Assets and Liabilities Committee. Where the loan is fixed for five or more years, rental cover is calculated on the pay-rate. For transitional remortgages, an interest rate of the current pay rate plus a stress rate of 1.05% is used to calculate rental cover where the loan is not fixed for five or more years. Where the loan is fixed for five or more years, rental cover is calculated on the pay-rate.

The assessment of likely rental income is to be carried out by the valuer.

The coverage ratio is applied to the gross loan amount inclusive of any product fees added to the loan.

Letting Criteria

In England and Wales, the property may be let under a single assured shorthold tenancy or a contractual/common law tenancy (i.e. letting to a company or where annual rent is greater than £100,000).

For Houses in Multiple Occupancy (HMOs), then multiple tenancies may be in place.

Tenancies are subject to the solicitors satisfying themselves that there is a written tenancy agreement which restricts the tenant from:

(a) sharing, assigning, sub-letting, multi-letting, charging or parting with possession of all or any part of the property;

(b) using the property other than as a private dwelling house; and

(c) making alterations to the property or allowing the property to fall into disrepair.

The fixed term must be no more than 12 months. Terms exceeding 12 months to a maximum of 36 months can be considered subject to meeting certain additional criteria and OSB's solicitors must notify OSB in such a scenario.

Applications where the tenants are family members of the borrower or where the tenants have or may acquire an overriding interest in the property will not be considered.

Where it is established that the property is not already let, appropriate conditions must be imposed on the offer of a loan to ensure that the conditions of the future tenancy comply with the criteria.

Servicing of the Portfolio

The Servicer will be required from the Closing Date to service the Portfolio as an agent of the Issuer and the Security Trustee and, where applicable, the Seller under and in accordance with the terms of the Servicing Agreement. The duties of the Servicer will include, among other things:

- operating the Collection Accounts and ensuring that payments are made into and from the Collection Accounts in accordance with the Servicing Agreement;
- notifying the Borrowers of any change in their Monthly Instalments;
- providing a redemption statement upon the request of a Borrower or the Borrower's solicitor or licensed conveyancer;
- taking all reasonable steps to recover all sums due to the Issuer, including by the institution of proceedings and/or the enforcement of any Mortgage or any Related Security; and
- taking all action and doing all things which it would be reasonable to expect a Reasonable, Prudent Residential Mortgage Servicer to do in administering its mortgages.

"**Collections**" means Revenue Receipts and Redemption Receipts.

"**Collection Accounts**" means each account held in the name of the Seller with the Collection Account Bank into which amounts received in respect of the Loans arising by way of Direct Debit payments from the Borrowers shall be paid and any other replacement or additional collection account of OSB in respect of which amounts are received in respect of the Loans and their Related Security in the Portfolio (and each a "**Collection Account**").

Enforcement Procedures

The Seller has established procedures for managing loans which are in arrears, including early contact with the 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 Seller in many circumstances. These procedures, as from time to time varied in accordance with the practice of a Reasonable, Prudent Residential Mortgage Servicer, are required to be used by the Seller in respect of arrears arising on the Loans.

"**Reasonable, 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 or Wales 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 relates to a specific Loan, as ought to have been applied in relation to such Loan.

In order to realise its security in respect of a Property, the relevant mortgagee (be it the legal owner (the Seller), the equitable or, as the case may be, the beneficial owner (the Issuer), the Security Trustee or its appointee (if the Security Trustee has taken enforcement action against the Issuer)) will need to obtain possession. 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 or decree 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.

In some instances, the Seller may decide to appoint a Law of Property Act ("**LPA**") Receiver to protect its interest in the Property under its powers under the Law of Property Act 1925 or the Mortgage. The LPA Receiver will act as an agent of the Borrower and the Seller will not influence the actions of the LPA Receiver.

Insurance Contracts

Buildings Insurance

Buildings insurance at the date of completion of the relevant Loan is confirmed through the relevant conveyancer confirming the policy number on the relevant certificate of title. After the date of completion of the relevant Loan, to the extent that a Borrower does not maintain buildings insurance, the Seller currently maintains the following forms of contingency insurance cover:

- "**Properties in Possession Cover**", being the block properties in possession insurance policy of the Seller, written by Syndicate 1686 at Lloyd's (managed by AXIS Managing Agency Ltd and subject to

the supervision of the Society of Lloyd's), and any other insurance contracts in replacement, addition or substitution thereof from time to time for any possessed Properties;

- "**Lender Interest Only Cover**", being a policy of the Seller written by Syndicate 1686 at Lloyd's (managed by AXIS Managing Agency Ltd and subject to the supervision of the Society of Lloyd's), whereby the Seller places Borrowers on such Lender Interest Only Cover when the Seller becomes aware that the Borrower's own insurance in respect of the Property referable to its Loan has expired or lapsed; and

- "**Failure to Insure Cover**", being a policy of the Seller, written by Syndicate 1686 at Lloyd's (managed by AXIS Managing Agency Ltd and subject to the supervision of the Society of Lloyd's), and any other insurance contracts in replacement, addition or substitution thereof from time to time covering all loans originated by the Seller and acquired by the Seller, the premium being paid by the Seller. The Failure to Insure Cover would pay out if a Borrower's own policy has been cancelled but the Seller has not been notified of such an event,

the Properties in Possession Cover, the Lender Interest Only Cover and Failure to Insure Cover together being the "**Block Insurance Policies**".

Credit Risk Mitigation

The Seller has internal policies and procedures in relation to the granting of credit, administration of credit risk-bearing portfolios and risk mitigation.

The policies and procedures of the Seller in this regard broadly include the following:

(a) criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (as to which, in relation to the Loans, please see the information set out in this Prospectus headed "*The Loans – Lending Criteria*" and "*Summary of the Key Transaction Documents – Servicing Agreement*");

(b) systems in place to administer and monitor the various credit risk-bearing portfolios and exposures (as to which it should be noted that the Portfolio will be serviced in line with the servicing procedures of the Seller and the Servicer, please see further the section of this Prospectus headed "*Summary of the Key Transaction Documents– Servicing Agreement*");

(c) diversification of credit portfolios taking into account the Seller's target market and overall credit strategy (as to which, in relation to the Portfolio, please see the section of this Prospectus headed "*Characteristics of the Provisional Portfolio*"); and

(d) policies and procedures in relation to risk mitigation techniques (as to which, please see further the sections of this Prospectus headed "*The Loans – Lending Criteria*" and "*Summary of the Key Transaction Documents – Servicing Agreement*").

Governing Law

Each of the Loans and any non-contractual obligations arising out of or in connection with them are governed by English law.

CHARACTERISTICS OF THE PROVISIONAL PORTFOLIO

The statistical and other information contained in this Prospectus (including the tables below) has been compiled by reference to loans originated by the Seller in a provisional portfolio (the "**Provisional Portfolio**") and extracted from the systems of the Seller on the Portfolio Reference Date.

As at the Portfolio Reference Date, the Provisional Portfolio comprised 6,062 loans originated by the Seller and secured over properties located in England and Wales. The aggregate Current Balance of the loans in the Provisional Portfolio as at the Portfolio Reference Date was £1,326,300,363. Having removed any loans which were no longer eligible or had been redeemed in full as at the Cut-Off Date, the Seller randomly selected the transaction Portfolio from the Provisional Portfolio. The Portfolio that will be sold to the Issuer on the Closing Date comprises all loans in the transaction Portfolio. The Properties over which the loans in the Provisional Portfolio are secured have not been revalued for the purposes of the issue of the Notes. The characteristics of the Portfolio will differ from those set out below as a result of, among other things, repayments and redemptions of loans in the Provisional Portfolio from the Portfolio Reference Date to the Closing Date and removal of any loans that do not comply with the Loan Warranties as at the Closing Date. In respect of the first Interest Payment Date only, the excess of the proceeds of the Collateralised Notes over the Current Balance of the Portfolio as at the Cut-Off Date will be paid into the Deposit Account on the Closing Date and will form part of the Available Redemption Receipts to be applied in accordance with the Pre-Enforcement Redemption Priority of Payments. If loans selected for the Portfolio are repaid in full between the Cut-Off Date and the Closing Date, the principal recoveries from that loan will form part of the Available Redemption Receipts. Except as otherwise indicated, these tables have been prepared using the Current Balance of each loan in the Provisional Portfolio as at the Portfolio Reference Date, which includes all principal and accrued interest for the loans in the Provisional Portfolio.

Summary table of the Provisional Portfolio as at the Portfolio Reference Date

Portfolio Reference Date:	30 April 2022
Current Balance (£):	£1,326,300,363
No. of Loans:	6,062
Average Loan Balance (£):	£218,789
First legal mortgage, first ranking standard security %:	100.00%
Weighted average Original Loan to Value Ratio %:	73.58%
Weighted average Current Loan to Value Ratio %:	73.61%
Weighted average interest rate %:	3.61%
Weighted average spread over SVR (post-reversion)*:	0.00%
Weighted average seasoning (months):	14.05
Weighted average remaining term (years):	22.33
Arrears (as % of Current Balance):	0.00%
Full property valuation (as % of Current Balance):	100.00%
Self-certified Loans (as % of Current Balance):	0.00%
Buy-To-Let Loans (as % of Current Balance):	100.00%
Bankruptcy/IVA (as % of Current Balance):	0.00%

**SVR is 6.83% as at the Portfolio Reference Date*

Current Balances

The following table shows the distribution of Loans by their Current Balance as determined in respect of each Loan on the Portfolio Reference Date.

Current Balance	Aggregate Current Balance(£)	% of total	Number of Loans	% of total
>0, <=100,000	104,663,270	7.89%	1,348	22.24%
>100,000 <=200,000	318,287,879	24.00%	2,191	36.14%
>200,000 <=300,000	292,230,125	22.03%	1,199	19.78%
>300,000 <=400,000	240,128,151	18.11%	701	11.56%
>400,000 <=500,000	134,368,130	10.13%	302	4.98%
>500,000 <=600,000	61,651,949	4.65%	112	1.85%
>600,000 <=700,000	48,288,859	3.64%	75	1.24%
>700,000 <=800,000	32,466,154	2.45%	44	0.73%
>800,000 <=900,000	21,295,667	1.61%	25	0.41%
>900,000 <=1,000,000	17,308,402	1.31%	18	0.30%
>1,000,000	55,611,778	4.19%	47	0.78%
Total:	**1,326,300,363**	**100.00%**	**6,062**	**100.00%**

The minimum, maximum and average Current Balance of the Loans as of the Portfolio Reference Date is £10,071, £1,486,092 and £218,789, respectively.

Original Loan to Value Ratios

The following table shows the range of "**Original Loan to Value Ratios**" or "**OLTV Ratios**", which express the original balance of each Loan as at the Portfolio Reference Date divided by the original valuation of the Property securing that Loan.

OLTV Ratios (%)	Aggregate Current Balance (£)	% of total	Number of Loans	% of total
<= 50.00	35,321,018	2.66%	179	2.95%
>50.00 <= 55.00	27,445,662	2.07%	107	1.77%
>55.00 <= 60.00	33,266,296	2.51%	134	2.21%
>60.00 <= 65.00	53,410,924	4.03%	214	3.53%
>65.00 <= 70.00	76,736,265	5.79%	310	5.11%
>70.00 <= 75.00	166,537,069	12.56%	608	10.03%
>75.00 <= 80.00	773,830,847	58.35%	3,852	63.54%
>80.00 <= 85.00	130,316,570	9.83%	535	8.83%
>85.00	29,435,713	2.22%	123	2.03%
Total	**1,326,300,363**	**100.00%**	**6,062**	**100.00%**

The minimum, maximum and weighted average Original Loan to Value Ratio at origination of the Loans as of the Portfolio Reference Date is 8.61%, 87.13% and 73.58%, respectively.

Current Loan to Value Ratios

The following table shows the range of "**Current Loan to Value Ratios**" or "**CLTV Ratios**", which are calculated by dividing the Current Balance of a Loan as at the Portfolio Reference Date by the original valuation of the Property securing that Loan.

CLTV Ratios (%)	Aggregate Current Balance (£)	% of total	Number of Loans	% of total
<= 50.00	36,725,258	2.77%	190	3.13%
>50.00 <= 55.00	27,402,947	2.07%	110	1.81%
>55.00 <= 60.00	31,827,686	2.40%	128	2.11%
>60.00 <= 65.00	54,970,584	4.14%	218	3.60%
>65.00 <= 70.00	79,066,693	5.96%	325	5.36%
>70.00 <= 75.00	168,982,229	12.74%	655	10.81%
>75.00 <= 80.00	769,351,995	58.01%	3,786	62.45%
>80.00 <= 85.00	129,643,264	9.77%	531	8.76%
>85.00	28,329,708	2.14%	119	1.96%
Totals	**1,326,300,363**	**100.00%**	**6,062**	**100.00%**

The minimum, maximum and weighted average Current Loan to Value Ratio of the Loans as of the Portfolio Reference Date is 6.43%, 91.11% and 73.61%, respectively.

Geographical distribution

The following table shows the regional distribution of Properties securing the Loans throughout England and Wales (the region of a Property in respect of a Loan determined as at the Portfolio Reference Date of such Loan).

Region	Aggregate Current Balance (£)	% of total	Number of Loans	% of total
East of England	115,697,135	8.72%	531	8.76%
East Midlands	72,111,605	5.44%	455	7.51%
Greater London	482,702,794	36.39%	1,308	21.58%
North East	24,113,354	1.82%	209	3.45%
North West	127,582,481	9.62%	1,032	17.02%
South East	215,753,929	16.27%	842	13.89%
South West	98,128,957	7.40%	421	6.94%
Wales	39,361,471	2.97%	278	4.59%
West Midlands	99,940,186	7.54%	592	9.77%
Yorkshire & Humberside	50,908,452	3.84%	394	6.50%
Totals	**1,326,300,363**	**100.00%**	**6,062**	**100.00%**

Years to maturity of Loans

The following table shows the distribution of Loans according to the number of years remaining until their maturity as at the Portfolio Reference Date.

Remaining Term (YRS)	Aggregate Current Balance (GBP (£))	% of total	Number of Loans	% of total
>0 to <=5	8,397,097	0.63%	41	0.68%
>5 to <=10	59,386,460	4.48%	256	4.22%
>10 to <=15	96,318,095	7.26%	429	7.08%
>15 to <=20	234,111,009	17.65%	1,025	16.91%
>20 to <=25	739,330,536	55.74%	3,350	55.26%
>25 to <=30	92,836,410	7.00%	430	7.09%
>30 to <=35	95,920,758	7.23%	531	8.76%
Totals	**1,326,300,363**	**100.00%**	**6,062**	**100.00%**

The minimum, maximum and weighted average remaining term of the Loans as of the Portfolio Reference Date is 2.17, 35.00 and 22.33 years, respectively.

Interest rate types

The following table shows the distribution of the interest rate types of the Loans (the interest type of each Loan determined as at the Portfolio Reference Date).

Interest Rate Type	Aggregate Current Balance (£)	% of total	Number of Loans	% of total
Discount	155,340,295	11.71%	666	10.99%
	1,170,960,069	88.29%	5396	89.01%
Fixed Rate reverting to SVR				
Totals	**1,326,300,363**	**100.00%**	**6,062**	**100.00%**

Current interest rate

The following table shows the distribution of Loans by applicable interest rate as at the Portfolio Reference Date.

Interest rate (%)	Aggregate Current Balance (£)	% of total	Number of Loans	% of total
<=3.00	37,497,315	2.83%	254	4.19%
>3.00<=3.50	426,578,346	32.16%	1,968	32.46%
>3.50<=4.00	801,042,737	60.40%	3,600	59.39%
>4.00<=4.50	46,143,622	3.48%	183	3.02%
>4.50<=5.00	14,796,821	1.12%	55	0.91%
>5.00	241,523	0.02%	2	0.03%
Totals	**1,326,300,363**	**100.00%**	**6,062**	**100.00%**

The minimum, maximum and weighted average current interest rate as of the Portfolio Reference Date is 2.49%, 5.29% and 3.61%, respectively.

Repayment Method

The following table shows the repayment method of the Loans as at the Portfolio Reference Date.

Repayment Method	Aggregate Current Balance (£)	% of total	Number of Loans	% of total
Interest Only	1,263,403,909	95.26 %	5,640	93.04%
Repayment	62,896,455	4.74%	422	6.96%
Totals	**1,326,300,363**	**100.00%**	**6,062**	**100.00%**

Loan Purpose

The following table shows the purpose of the Loans as at the Portfolio Reference Date.

Loan Purpose	Aggregate Current Balance (£)	% of total	Number of Loans	% of total
Purchase	578,676,000	43.63%	2,912	48.04%
Remortgage	747,624,364	56.37%	3,150	51.96%
Totals	1,326,300,363	**100.00%**	6,062	**100.00%**

Reversion Date

The following table shows the distribution of reversion dates as at the Portfolio Reference Date for the Fixed Rate Loans in the Provisional Portfolio.

Reversion Date (Fixed Rate Loans)	Aggregate Current Balance (£)	% of total	Number of Loans	% of total
2022	4,125,887	0.31%	21	0.35%
2023	382,697,103	28.85%	2,122	35.00%
2024	128,386,411	9.68%	662	10.92%
2025	7,955,123	0.60%	27	0.45%
2026	531,692,416	40.09%	2,168	35.76%
2027	271,443,423	20.47%	1,062	17.52%
Totals	1,326,300,363	**100.00%**	6,062	**100.00%**

INFORMATION RELATING TO THE REGULATION OF MORTGAGES IN THE UK

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 Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) (as amended) (the "**RAO**") (a "**Regulated Credit Agreement**");
- regulated by the Financial Services and Markets Act 2000 (the "**FSMA**") as a regulated mortgage contract (as defined by Article 61 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 unregulated, Regulated Mortgage Contracts or Consumer Buy-to-Let Loans and 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.

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 some unregulated buy-to-let mortgage loans; the relevant activities are 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 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.

Buy-to-let loans which are Regulated Mortgage Contracts

In the UK, regulation of residential mortgage business under the FSMA came into force on 31 October 2004. Residential mortgage lending under the FSMA is regulated by the FCA. Subject to certain exemptions, entering into as a lender, arranging or advising in respect of, or administering Regulated Mortgage Contracts (or agreeing to do any of those things) are regulated activities under the FSMA and the RAO requiring authorisation and permission from the FCA.

A buy-to-let loan secured on 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 CBTL loan. For example, a buy-to-let loan could be a 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.

The Servicer is required to hold, and holds, authorisation and permission to administer Regulated Mortgage Contracts. Subject to any exemption, brokers are 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 with respect to Regulated Mortgage Contracts and related activities. The Issuer does not require authorisation in order to acquire legal or beneficial title to a Regulated Mortgage Contract or a Regulated Credit Agreement. The Issuer does not carry on the regulated activity of administering Regulated Mortgage Contracts by having them administered pursuant to an administration agreement by an entity having the required FCA authorisation and permission under the FSMA. If such administration agreement terminates, however, the Issuer will have a period of not more than one month in which to arrange for mortgage administration to be carried out by a replacement administrator having the required authorisation and permission under the FSMA. In addition, no variation may be made to the Loans and no further advance or product switch has been or will be made in relation to a loan, where this would result in the Issuer arranging, advising in respect of, administering or entering into a Regulated Mortgage Contract, or agreeing to carry on any of these activities, if the Issuer would be required to be authorised under the FSMA to do so. Pursuant to the Servicing Agreement, the Servicer administers the loans and the Servicer has the requisite FSMA authorisation and permission to enable it to undertake such activities.

The regime under the FSMA regulating financial promotions restricts 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 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, came into force on 31 October 2004. Since 1 April 2013, these rules are located in the FCA's handbook. 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, also came into force on 31 October 2004. Failure to comply with the provisions of MCOB will not necessarily render Regulated Mortgage Contracts unenforceable. However, breaches of the rules in MCOB are actionable by borrowers who suffer loss as a result of the contravention. A breach could therefore give rise to a claim by a borrower to set off sums due under a Regulated Mortgage Contract.

A borrower who is a private person may be entitled to claim damages for loss suffered as a result of any contravention by an authorised person of a rule made under the FSMA, and may set off the amount of the claim against the amount owing by the borrower under a loan or any other loan that the borrower has taken with that authorised person. Any such set-off in relation to Loans in the Portfolio may adversely affect the Issuer's ability to make payments on the Notes.

Consumer buy-to-let loans

The "Consumer buy-to-let" ("**CBTL**") framework was implemented on 21 March 2016 and is only applicable to consumer borrowers, the majority of buy-to-let lending in the UK being to non-consumers (in a HM Treasury consultation published in January 2015, the treasury gave a central estimate that CBTL would affect 11% of the buy-to-let mortgage market).

The legislative framework is set out in the MCD Order. The MCD Order defines a CBTL mortgage contract as "a buy-to-let mortgage contract which is not entered into by the borrower wholly or predominantly for the

purposes of business carried on, or intended to be carried on, by the borrower". It provides that a firm that advises on, arranges, lends or administers CBTL mortgages must be registered to do so. The Servicer is registered as a consumer buy-to-let lender and as a consumer buy-to-let administrator.

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. 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 2006 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. Where add-on products such as insurance are sold and are subject to a significant commission payment, it is possible that the non-disclosure of commission by the lender is a factor that could form part of a finding of unfair relationship.

If a court determined that there was an unfair relationship between the Seller as legal title holder and the Borrowers in respect of the Loans and ordered that financial redress was made in respect of such Loans, such redress may adversely affect the ultimate amount received by the Issuer in respect of the relevant Loans, and the realisable value of the Portfolio and/or the Issuer's ability to make payment in full on the Notes when due.

FCA's proposed Consumer Duty

The FCA is planning to introduce a new consumer duty on regulated firms, which aims to set a higher level of consumer protection in retail financial markets. The FCA published a first consultation on the proposed consumer duty in May 2021, followed by a second consultation and draft guidance to assist firms in preparing for the new consumer duty published in December 2021.

In its December 2021 publication, the FCA proposed three elements to the new consumer duty, comprising a new consumer principle, that "a firm must act to deliver good outcomes for the retail consumers of its products", cross-cutting rules supporting the consumer principle, and four outcomes, relating to the quality of firms' products and services, price and value, consumer understanding and consumer support. The FCA has stated that it intends to publish its final rules in July 2022.

The consumer duty is expected to apply in respect of mortgage loans falling within scope of MCOB, as well as loans falling within the consumer credit regime. It will apply to, among others, loan originators and firms administering or servicing in-scope mortgages and loans, who have direct contact with customers. Although the consumer duty will not apply retrospectively, the FCA has set out proposed rules and guidance on how to assess contracts held by existing customers. While it is not yet possible to predict the precise effect of the new consumer duty on the Loans with any certainty, no assurances can be given that they will not have a material

adverse effect on the Seller, the Servicer and the Issuer and their respective businesses and operations. This may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

Distance Marketing

In the United Kingdom, the Financial Services (Distance Marketing) Regulations 2004 (the "**Distance Marketing Regulations**") apply to, among other things, credit agreements 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 (and MCOB in respect of activities related to Regulated Mortgage Contracts) 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 a distance contract for the supply of financial services in question 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 (including consumer buy-to-let mortgage loans) will be cancellable under the Distance Marketing Regulations if the borrower does not receive prescribed information at the prescribed time. 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 of the 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 being with the day of the Borrower sending the notice of cancellation or, if later, the originator receiving notice 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 (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. If a significant portion of the Loans are characterised as being cancellable under the Distance Marketing Regulations, then there is a risk that there could be an adverse effect on the Issuer's receipts in respect of the Loans, affecting the Issuer's ability to make payments in full on the Notes when due.

Unfair Terms in Consumer Contracts Regulations 1994 and 1999 and the Consumer Rights Act 2015

In the United Kingdom, the Unfair Terms in Consumer Contracts Regulations 1999 as amended (the "**1999 Regulations**"), together with (insofar as applicable) the Unfair Terms in Consumer Contracts Regulations 1994 (together with the 1999 Regulations, the "**UTCCR**"), applies to business to consumer agreements made on or after 1 July 1995 but prior to 1 October 2015 where the terms have not been individually negotiated. The Consumer Rights Act 2015 (the **Consumer Rights Act**) has revoked the UTCCR 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 Consumer Rights Act; the Consumer Rights Act now applies. The Consumer Rights Act is also applicable on or after 1 October 2015, to notices of variation, such as variation of interest rate under contracts (see "*Consumer Rights Act 2015*" below).

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 FCA has 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 will not generally affect terms which define the main subject matter of the contract, such as the borrower's obligation to repay the principal under a loan, 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. Any such non-recovery, claim or set-off may adversely affect the Issuer's ability to make payments in full on the Notes when due.

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.

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. If any term of the Loans entered into between 1 July 1999 and 30 September 2015 is found to be unfair for the purpose of the UTCCR, 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. 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. This may adversely affect the ability of the Issuer to make payments in full on the Notes when due.

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 for contracts entered into or after 1 October 2015. The CRA has revoked the UTCCR and introduced a new regime for dealing with unfair contractual terms as follows:

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

Schedule 2 of the CRA contains an indicative and non-exhaustive "grey list" of terms of consumer contracts that may be regarded as unfair. Notably, paragraph 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 as 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 is practicable, continue to have effect in every other respect. Where a term in a consumer contract is susceptible to 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 has explicitly raised the issue of fairness.

On 19 December 2018, the FCA published finalised guidance: "Fairness of variation terms in financial services consumer contracts under the Consumer Rights Act 2015" (FG18/7), outlining factors the FCA considers 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 EU. The finalised guidance relates to all financial services consumer contracts entered into since 1 July 1995. The FCA stated 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 stated 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 Competition and Markets Authority (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 as being "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 to the UTCCRs". In general, the interpretation of the UTCCR and/or the CRA is open to some doubt, particularly in light of sometimes conflicting reported case law between the 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. No assurance can be given that any changes in legislation, guidance or case law on unfair terms will not have a material adverse effect on the Seller, the Issuer and/or the Servicer and their respective businesses and operations. There can be no assurance that any such changes (including changes in regulators' responsibilities) will not affect the 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.

Consumer Protection from Unfair Trading Regulations 2008

The Consumer Protection from Unfair Trading Regulations 2008 (the "**CPUTR**") 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. Most of the provisions of the Consumer Protection (Amendment) Regulations 2014 came into force on 1 October 2014 and amended the CPUTR. In certain circumstances, 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.

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: FCA Guidance for firms'* above, in connection with the ongoing outbreak of COVID-19 in the UK. This guidance was updated a number of times (the "**FCA Payment Deferral Guidance**").

On 16 September 2020, additional guidance for firms entitled "Mortgages and Coronavirus: additional guidance for firms" (the "**Tailored Support Guidance**") came into force to supplement the FCA Payment Deferral Guidance.

Following a number of interim updates, the Tailored Support Guidance was re-published in finalised form on 25 March 2021, though it may be subject to further updates. 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. Lenders were not to give payment deferrals under the FCA Payment Deferral Guidance for payments extending beyond 31 July 2021. The Tailored Support Guidance is designed to enable firms to continue to deliver short- and long-term support to borrowers affected by the evolving COVID-19 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 bridge the crisis to get back to a more stable financial position. If the borrower indicates that it continues or reasonably expects 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 remains in force until varied or revoked by the FCA.

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.

Mortgage repossession

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.

Investors should note the FCA Payment Deferral Guidance and Tailored Support Guidance described in the section entitled "*Mortgages and coronavirus: FCA Guidance for firms*" above and that from 1 April 2021, subject to any relevant government restrictions on repossessions, mortgage lenders/administrators may enforce repossession as long as they act in accordance with the Tailored Support Guidance, MCOB 13 and relevant regulatory and legislative requirements. 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 protocol in this Act and the Mortgages and Home Finance: Conduct of Business sourcebook 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.

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. This 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 Rent 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.

The Renting Homes Act may result in lower recoveries in relation to buy-to-let mortgage loans over Properties in Wales and may affect the ability of the Issuer to make payments under the Notes.

Energy Efficiency Regulations 2015

From 1 April 2018, landlords of relevant domestic private rented properties (as defined in the Energy Efficiency Regulations 2015) 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 (Private Rented Property) (England and Wales) Regulations 2015 (the "**Energy Efficiency Regulations 2015**") as the prohibition on letting substandard property. Where a landlord wishes to continue letting property which is currently substandard, they 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 authority that a property has been let in breach of the Energy Efficiency Regulations 2015 (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 2015 it may serve a notice on the landlord imposing financial penalties.

Assured Shorthold Tenancy (AST)

Depending on the level of ground rent payable at any one time it is possible that a long leasehold 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 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; and

(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 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.

Currently, however, there is a risk that where:

(a) a long lease is also an AT/AST due to the level of the ground rent;

(b) the tenant is in arrears of ground rent for more than three months;

(c) the landlord chooses to use the HA 1988 route to seek possession under Ground 8; and

(d) the tenant does not manage to reduce the arrears to below three months' ground rent by the date of the court hearing,

the long lease will come to an end and the landlord will be able to re-enter the relevant property. This may adversely affect the realisable value of the Portfolio, and/or the ability of the Issuer to make payments full on the Notes when due.

Breathing Space Regulations

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020 (SI 2020/1311) ("**Breathing Space Regulations**") (which came into force on 4 May 2021) establish a scheme which gives eligible individuals in England and Wales with problem debt 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 to receive debt advice; 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 following the end of such treatment.

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.

Potential effects of any additional regulatory changes

No assurance can be given that additional regulatory changes by or guidance from the CMA, the FCA, the Ombudsman 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 or compliance costs may have a material adverse effect on the Loans, 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.

SUMMARY OF THE KEY TRANSACTION DOCUMENTS

Mortgage Sale Agreement

Portfolio

Under a mortgage sale agreement entered into on or around the Closing Date between, among others, the Seller, the Issuer, the Security Trustee and the Servicer (the "**Mortgage Sale Agreement**"), on the Closing Date the Seller shall, subject to certain conditions being satisfied, sell, assign or otherwise transfer to the Issuer pursuant to the Mortgage Sale Agreement a portfolio of English and Welsh residential mortgage loans each secured by a Mortgage and, where applicable, other Related Security (the "**Loans**").

The Loans and their Related Security comprising the Portfolio will be assigned by way of equitable assignment to the Issuer and this is 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 shall be:

(a) the Initial Consideration, which is due and payable on the Closing Date; and

(b) the deferred consideration consisting of the RC1 Payments and the RC2 Payments, payable pursuant to the applicable Priority of Payments and the ERC Payments, the right to such RC1 Payments, RC2 Payments and ERC Payments being represented by the Certificates to be issued by the Issuer and delivered to, or at the direction of, the Seller on the Closing Date.

Any RC1 Payments or RC2 Payments payable pursuant to the Residual Certificates will be paid in accordance with the priority of payments set out in the sections headed "*Cashflows – Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer*", "*Cashflows – Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer*" and "*Cashflows – Distributions following the service of an Enforcement Notice on the Issuer*" below. Any ERC Payments will be paid to the ERC Certificateholders on any Interest Payment Date following a Collection Period in which any Early Repayment Charges are received by the Issuer.

The Seller shall transfer to the Issuer within two Business Days of the Closing Date an amount equal to all Collections received on the Loans from (but excluding) the Cut-Off Date to (but excluding) the Closing Date.

Title to the Mortgages, Registration and Notifications

The completion of the transfer of the Loans and their Related Security (and, where appropriate, their registration or recording) to the Issuer is, save in the limited circumstances referred to below, deferred. Legal title to the Loans and their Related Security therefore remains with the Seller until the occurrence of a Perfection Event. Notice of the sale of the Loans and their Related Security to the Issuer will not be given to any Borrower until the occurrence of a Perfection Event.

The transfers to the Issuer will be completed by or on behalf of the Seller on or before the 20th Business Day after any of the following Perfection Events occur:

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

(b) it becoming necessary by law to do any or all of the acts referred to in paragraph (a) above; or

(c) 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, in jeopardy; or

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

(e) an Insolvency Event occurring in relation to the Seller; or

(f) it becoming unlawful in any applicable jurisdiction for the Seller to hold legal title in respect of any Loan or its Related Security in the Portfolio; or

(g) default is made by the Seller in the performance or observance of any of its covenants and obligations under the Transaction Documents 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 Seller becoming aware of such default and receipt by the Seller 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 (g) inclusive being a "**Perfection Event**"). Until such Perfection Event occurs, the Seller will hold legal title to the Loans and their Related Security.

An "**Insolvency Event**" will occur in respect of an entity in the following circumstances:

(a) an order is made or an effective resolution is passed for the winding up of the relevant entity (or it proposes or makes any compromise or arrangement with its creditors); or

(b) the relevant entity 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 is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity 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 relevant entity is unable to pay its debts as they fall due or it is deemed under section 123 of the Insolvency Act 1986 to be unable to pay its debts or announces an intention to suspend making payments with respect to any class of undisputed debts; or

(e) if proceedings are initiated against the relevant entity under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the relevant entity or, as the case may be, in relation to the whole or any part of the undertaking or assets of any relevant entity, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the relevant entity, is not discharged within 30 days or if the relevant entity takes steps with a view to obtaining a moratorium in respect of any indebtedness.

Following a Perfection Event, notice of the legal assignments will be given to the Borrowers and the Issuer will take steps to register and record such legal assignments at the Land Registry.

Save for Title Deeds held at the Land Registry, all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Related Security are held by the Seller or the Servicer (on behalf of the Seller) or its solicitors or agents and the Title Deeds are held in dematerialised form or are returned to the Borrower's solicitors.

"**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 relevant Borrower of the related Mortgage.

"**Loan Files**" means the file or files relating to each Loan (including files kept in microfiche format or in a 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 each Loan, each letter of offer for that Loan, the Valuation Report (if applicable) and, to the extent available, the solicitor's or licensed conveyancer's certificate of title.

"**Valuation Report**" means the valuation report or reports for mortgage purposes, in the form of one of the pro forma contained in the Standard Documentation, obtained by the Seller from a valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable, Prudent Residential Mortgage Lender and which has been approved by the relevant officers of the Seller.

Representations and Warranties

On the Closing Date, the Loan Warranties will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the Issuer on that day. Neither the Security Trustee nor the Issuer has made or has caused to be made on its behalf any enquiries, searches or investigations, but each is relying entirely on the representations and warranties made by the Seller contained in the Mortgage Sale Agreement.

The warranties that will be given to the Issuer and separately to the Security Trustee by the Seller pursuant to the Mortgage Sale Agreement (the "**Loan Warranties**") are as follows:

(a) each Loan was originated by the Seller and was at the time of origination, and continues to be, denominated in Sterling;

(b) the particulars of the Loans set out in Exhibit 2 (Details of the Portfolio) of the Mortgage Sale Agreement were complete, true and accurate in respect of the data fields described in the Mortgage Sale Agreement;

(c) each Loan and its Related Security was made on the terms of the Standard Documentation without any material variation thereto (other than any such variation as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender) and nothing has been done subsequently to add to, lessen, modify or otherwise vary the express provisions of any of the same in any material respect (other than in cases where the Seller's prior consent was obtained);

(d) all of the Borrowers are (i) individuals and were aged 18 years or older as at the date of execution of the Loan or (ii) UK incorporated registered limited companies or (iii) English limited liability partnerships;

(e) the rate of interest under each Loan is charged monthly in accordance with the Standard Documentation, including any offer letter and the terms thereof;

(f) all fees are either charged to the relevant Borrower in accordance with the Standard Documentation or waived in accordance with the practice of a Reasonable, Prudent Residential Mortgage Servicer;

(g) at least one Monthly Instalment due in respect of each Loan has been paid by the relevant Borrower;

(h) no Borrower is an employee or director of the Seller;

(i) each Loan is either a Fixed Rate Loan or an SVR Loan;

(j) each Loan has a term ending no later than April 2057;

(k) no Loan is a Flexible Loan;

(l) the Mortgage Conditions for each Loan do not require the Seller to agree to any Further Advance or any Port;

(m) as at the Cut-Off Date, the total amount of interest or principal in arrears, together with any fees, commissions and premiums payable at the same time as that interest payment or principal repayment on any Loan did not exceed more than the amount of the Monthly Instalment then due;

(n) the amount outstanding under each Loan is a valid debt to the Seller (as holder of the legal title to the Loan) from the Borrower arising from advances of money to the Borrower and, except for any Loan and its Related Security which is not binding by virtue of UTCCR or CRA, the terms of each Loan and its Related Security constitute valid, binding and legally enforceable obligations of the relevant parties except that (i) enforceability may be limited by bankruptcy, insolvency or other similar laws of general applicability affecting the enforcement of creditors' rights generally and the courts' discretion in relation to equitable remedies and (ii) the warranty only applies in relation to interest and principal payable by the Borrower;

(o) subject in certain appropriate cases to the completion of an application for registration or recording at the Land Registry, the whole of the Current Balance on each Loan and all future interest, fees, costs and expenses payable under or in respect of such Loan is secured by a Mortgage or Mortgages over a residential property and each Mortgage constitutes a valid and subsisting first charge by way of legal mortgage;

(p) no Loan is wholly or partly regulated by the CCA or by the FSMA as a regulated credit agreement under Article 60B of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) or treated as such, or, to the extent that it is so regulated or partly regulated or treated as such, the Seller has complied with all of the relevant legal requirements of, and the procedures set out in, the CCA or the FSMA and all secondary legislation made pursuant thereto and the FCA handbook, as applicable;

(q) all formal approvals, consents and other steps necessary to permit a legal and equitable or beneficial transfer of the Loans and their Related Security to be sold under the Mortgage Sale Agreement have been obtained or taken;

(r) no Loan (whether alone or with any related agreement) constitutes an unfair relationship for the purposes of sections 140A to 140C of the CCA;

(s) in relation to any leasehold Property, in any case where the Seller has received written notice from the relevant landlord that it is or may be taking reasonable steps to forfeit the lease of that Property, the Seller has taken such reasonable steps (if any) and in such time as would be taken by a Reasonable, Prudent Residential Mortgage Lender to protect its security and the Loan;

(t) with the exception of certain allowable fees being added to the aggregate balance of the Loan, the original advance being made under each Loan was more than £49,000 but less than £1,500,000 as at the relevant date of origination;

(u) not more than 10 months prior to the grant of each Loan (or such longer period as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender), the Seller received a valuation report from a valuer on the relevant property (or such other form of report concerning the valuation of the relevant property as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender which includes for these purposes a desk-top valuation report), the contents of which were such as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender;

(v) prior to the taking of each Mortgage (other than a remortgage), the Seller: (i) instructed its solicitor or licensed conveyancer to carry out an investigation of title to the relevant property and to undertake such other searches, investigations, enquiries and other actions on behalf of the Seller as are set out in the instructions which the Seller issued to the relevant solicitor or licensed conveyancer as are set out in the UK Finance Mortgage Lenders' Handbook for England and Wales in relation to Loans (or such comparable, predecessor or successor instructions and/or guidelines as may for the time being be in place), subject only to such variations made on a case-by-case basis as would have been acceptable to a Reasonable, Prudent Residential Mortgage Lender at the relevant time; and (ii) received a certificate of title from the solicitor or licensed conveyancer or referred to in sub-paragraph (i) relating to such property, the contents of which were such as would have been acceptable to a Reasonable, Prudent Residential Mortgage Lender at that time;

(w) to the best of the Seller's knowledge and belief, no Property has been let or sub-let otherwise than by way of: (i) an assured shorthold tenancy which meets the requirements of section 19A or section 20 of the Housing Act 1988; or (ii) an assured tenancy;

(x) all of the Properties are residential properties located in England or Wales;

(y) in relation to each Mortgage, so far as the Seller is aware, the Borrower has good and marketable title to the relevant Property (subject to registration of the title at the Land Registry) free from any encumbrance (except the Mortgage and any subsequent ranking mortgage) which would materially adversely affect such title and, without limiting the foregoing, in the case of a leasehold Property:

(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 has been obtained or given;

(z) the Seller has instructed its solicitors to take all steps necessary to perfect the Seller's title to each Mortgage with all due diligence and there are no cautions, notices, inhibitions or restrictions which would prevent the registration or recording of the Mortgage in due course;

(aa) the Seller has not waived any of its rights under or in relation to a Loan or its Related Security which would materially reduce the value of the Loan, other than its rights against a valuer where the valuer has relied on an EWS1 Form;

(bb) the terms of the loan agreement or Related Security relating to each Loan are not "unfair terms" within the meaning of the UTCCR or CRA but this warranty shall only be construed as to apply in respect of principal and interest due or charged on the Loan and not in respect of any Early Repayment Charges;

(cc) so far as the Seller is aware, in relation to each Mortgage every person who, at the date upon which the relevant Loan was made, had attained the age of 18 and who had been notified to the Seller as residing or being about to reside in a Property subject to a Mortgage, is a tenant (or person related to a tenant);

(dd) the Mortgage Conditions for each Loan require the Property over which the Loan is secured to be insured to an amount not less than the full reinstatement cost as determined by the relevant valuer or automated valuation model (as applicable);

(ee) save for Title Deeds held at the Land Registry, all the Title Deeds and the mortgage files and computer tapes relating to each of the Loans and their Related Security are held by the Seller or the Servicer (on behalf of the Seller) or its solicitors or agents or the Title Deeds are held in dematerialised form or are returned to the Borrower's solicitors;

(ff) the Seller has good and marketable title to, and immediately prior to the sale of such Loan is the absolute unencumbered beneficial owner of, each Loan and its Related Security, subject in each case only to the Mortgage Sale Agreement, the Borrowers' equity of redemption and subject to registration or recording at the Land Registry of the Seller as proprietor of the relevant Mortgage;

(gg) the Seller or the Servicer has kept such accounts, books and records as are necessary to show all material transactions, payments, receipts and proceedings relating to that Loan and its Related Security and all such accounts, books and records are in the possession of the Seller or the Servicer;

(hh) the Seller has at all relevant times held, and continues to hold, authorisation and appropriate permissions from the FCA for conducting all regulated activities specified in the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (as amended) carried on by it in respect of each Loan;

(ii) so far as the Seller is aware, neither they nor the Seller or any of their agents have received written notice of any litigation, claim, dispute or complaint (in each case, subsisting, threatened or pending) in respect of any Borrower, Loan or Related Security which (if adversely determined) would have a material adverse effect on amounts recoverable in relation to the Loans;

(jj) prior to the granting of each Loan, the Lending Criteria and all other conditions precedent to making the Loan were satisfied in all material respects, subject to such exceptions as would be acceptable to a Reasonable, Prudent Residential Mortgage Lender;

(kk) other than with respect to Monthly Instalments (subject to Loan Warranty (m) and to the qualification set out in Loan Warranty (w)), no Borrower is or has, since the date of the execution of the relevant Loan, been in material breach of any obligation owed with respect to the relevant Loan or its Related Security; and no steps have been taken by the Seller to enforce any Related Security, provided that a Borrower will not be deemed to be in material breach of the relevant Loan as a result of a failure to obtain buildings insurance where such failure in relation to a Loan is covered under the Block Insurance Policies;

(ll) to the best of the Seller's knowledge, no act or circumstance has occurred which will adversely affect the Properties in Possession Cover or entitle the insurers to refuse payment or reduce the amount payable;

(mm) to the best of the Seller's knowledge, no Loan or its Related Security is subject to any right of rescission, set-off, lien, counterclaim or defence;

(nn) no Loan advanced to a Borrower that is an individual (or any Related Security in relation to that Loan) which is assigned under the Mortgage Sale Agreement consists of or includes any "stock" or "marketable securities" within the meaning of section 125 of the Finance Act 2003, "chargeable securities" for the purposes of section 99 of the Finance Act 1986 or 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;

(oo) no Loan advanced to a Borrower that is not an individual (or any Related Security in relation to that Loan) which is assigned under the Mortgage Sale Agreement consists of or includes "chargeable securities" for the purposes of section 99 of the Finance Act 1986 or 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 and each such Loan is "exempt loan capital" (that is, loan capital that is exempt from stamp duty on transfer under section 79(4) of the Finance Act 1986);

(pp) none of the Property (other than the Loans) which is assigned under the Mortgage Sale Agreement consists of or includes any "stock" or "marketable securities" within the meaning of section 125 of the Finance Act 2003, "chargeable securities" for the purposes of section 99 of the Finance Act 1986 or 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;

(qq) no Loan had an original LTV greater than 90% as at the Cut-Off Date in relation to such Loan, disregarding for such purposes any fees which have been capitalised and added to the balance of the Loan on or after origination;

(rr) the Loans do not include Self-Certified Loans;

(ss) in the case of each Mortgage provided to a UK-incorporated registered limited company, such Mortgage has been duly registered at Companies House;

(tt) in the case of each Mortgage provided to a UK-incorporated registered limited company, the Seller has not received written notice of any steps having been taken for the liquidation or winding up of, or the making of an administration order in relation to, any Borrower or of any steps having been taken to enforce any security over the assets of any Borrower;

(uu) each Loan and its Related Security is governed by and subject to the laws of England and Wales; and

(vv) the value of the Properties in connection with each Loan has been determined at origination in accordance with the standards and practices of the RICS Valuation Standards (including those relating to competency and required documentation) by an individual valuer who is an employee or a contractor of a valuer firm engaged by the Seller and accredited to the Seller's valuers panel who is a fellow, member or associate member of the Royal Institution of Chartered Surveyors ("**RICS**") and whose compensation is not affected by the approval or non-approval of the Loan.

Neither the Security Trustee, the Arranger nor the Lead Manager have undertaken any additional due diligence in respect of the application of the Lending Criteria and have relied entirely upon the representations and warranties referred to above which will be made by the Seller to the Issuer and the Security Trustee pursuant to the Mortgage Sale Agreement.

"**Cut-Off Date**" means 30 June 2022.

"**EWS1 Form**" means the form published by the Royal Institute for Chartered Surveyors ("**RICS**") from time to time in relation to an external wall system (EWS) or attachments and provided to valuers or lenders by a building owner to confirm assessment by a suitable expert;

"**Further Advance**" means, in relation to a Loan, any advance of further money to the relevant Borrower following the advance of the initial principal amount by the Seller to the relevant Borrower under a Loan ("**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.

"**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 actual or anticipated arrears on the Loan;

(b) agreed with a Borrower to extend 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, in which case such variation will constitute a Product Switch);

(c) imposed by statute;

(d) in the rate of interest payable in respect of a Loan; or

(e) agreed with a Borrower to change the Loan from an Interest-only Loan to a Repayment Loan,

provided that with respect to paragraph (d) above:

(i) any variation in the rate of interest payable in respect of a Loan where the terms of the Loan change the rate of interest payable by a Borrower on termination of an interest discount for a fixed period of time or the terms of the Loan otherwise change the interest rate payable shall not be considered a Product Switch; and

(ii) any variation in the rate of interest payable in respect of a Loan not permitted or otherwise contemplated by the relevant Mortgage Conditions (including any re-fixing of an interest rate) shall be considered a Product Switch.

"**RICS Valuation Standards**" means the Professional Standards UK January 2014 (revised April 2015) (or, if a subsequent edition of the RICS Valuation Standards has been published at the relevant time, the relevant valuation standard of the then most recently published edition of the RICS Valuation Standards).

"**Self-Certified Loan**" means a Loan in respect of which the Borrower's income has not been verified.

"**Significant Deposit Loan**" means a Loan where (i) the Seller holds the legal title; and (ii) the relevant Borrower has a deposit holding with the Seller and the balance of such deposit holding exceeds the maximum amount covered under the Financial Services Compensation Scheme.

Further Advances and Product Switches

Further Advances: The Seller shall be solely responsible to fund any Further Advance which is advanced to a Borrower. The Issuer shall purchase Further Advances from the Seller on the date that the relevant Further Advance is advanced to the relevant Borrowers by the Seller. The Seller will have an obligation to repurchase each Loan and its Related Security in respect of which a Further Advance has been made in accordance with the provisions of the Mortgage Sale Agreement (see "*Repurchase by the Seller*" below for more details).

Neither the Servicer nor the Seller shall make an offer to a Borrower for a Further Advance if it would result in the Issuer arranging or advising in respect of, administering (servicing) or entering into a regulated mortgage contract or agreeing to carry on any of these activities or if the Issuer would be required to be authorised under the FSMA to do so.

Product Switches: The Seller (or the Servicer on behalf of the Seller) may offer a Borrower (and the Borrower may accept), or a Borrower may request, a Product Switch. The Seller has an obligation to repurchase each Loan and its Related Security which has been subject to a Product Switch (see "*Repurchase by the Seller*" below for more details).

The Seller (or the Servicer on its behalf) will be solely responsible for offering and documenting any Product Switch. Neither the Servicer nor the Seller shall make an offer to a Borrower for a Product Switch if it would result in the Issuer arranging or advising in respect of, administering (servicing) or entering into a regulated mortgage contract or agreeing to carry on any of these activities or if the Issuer would be required to be authorised under the FSMA to do so.

Repurchase by the Seller

The Seller will agree to be liable for the repurchase of any Loan and its Related Security sold pursuant to the Mortgage Sale Agreement in the following circumstances:

(a) *Breach of Loan Warranties on the Closing Date.* If any Loan Warranty made by the Seller in relation to that Loan and/or its Related Security proves to be materially untrue as at the Closing Date and that default has not been remedied in accordance with the Mortgage Sale Agreement;

(b) *Further Advance*. The Seller shall repurchase any Loan and its Related Security in respect of which a Further Advance was made by no later than the last calendar day of the month immediately following the end of the Monthly Period in which such Further Advance is made in accordance with the terms of the Mortgage Sale Agreement; and

(c) *Product Switches.* Any Loan which has been subject to a Product Switch will be repurchased by the Seller, together with its Related Security, by no later than the last calendar day of the month immediately following the end of the Monthly Period in which such Product Switch is made in accordance with the Mortgage Sale Agreement.

If there is a material breach of any of the Loan Warranties, the Issuer will notify the Seller (with a copy to the Security Trustee) as soon as reasonably practicable and in any event within 30 days of discovery of such breach or breaches, specifying the Loans and/or the Related Security to which such breach or breaches relate and (in reasonable detail having regard to its level of knowledge) the facts giving rise to such breach or breaches and where practicable what, in its reasonable opinion, is its best estimate (on a without prejudice basis) of the amount of any warranty claim, and, if such matter is capable of remedy, the Seller shall use all reasonable endeavours to remedy such matter within 35 days from and including the date upon which the Issuer or Security Trustee notifies it of the relevant breach.

If the matter giving rise to the breach of a Loan Warranty is capable of being remedied but the Seller fails to remedy such matter within the above 35-day period or the relevant breach is not capable of being remedied, then the Issuer shall serve upon the Seller (with a copy to the Security Trustee) a loan repurchase notice in duplicate substantially in the form set out at Schedule 4 (*Loan Repurchase Notice*) of the Mortgage Sale Agreement (the "**Loan Repurchase Notice**"), requiring the Seller to repurchase the relevant Loan and its Related Security.

Upon receipt of a Loan Repurchase Notice duly signed on behalf of the Issuer, the Seller shall promptly sign and return the Loan Repurchase Notice, and the Seller shall be required to repurchase from the Issuer, and the Issuer shall accordingly assign or transfer to the Seller free from the Security created by or pursuant to the Deed of Charge, the relevant Loan or Loans and its (or their) Related Security. The repurchase of the relevant Loan and the payment of the purchase price shall take place on the date specified by the Issuer in the Loan Repurchase Notice, provided that the date so specified by the Issuer shall be: (i) in respect of each Loan subject to a Further Advance and/or a Product Switch, a date no later than the last calendar day of the month immediately following the end of the Monthly Period in which such Further Advance and/or Product Switch was made; or (ii) in respect of all other repurchases, a date no earlier than 15 days and no later than 35 days after receipt by the Seller of the Loan Repurchase Notice.

The consideration payable by the Seller in respect of the repurchase of an affected Loan and its Related Security shall be equal to the sum of: (a) the Current Balance of the relevant Loan (or the aggregate of the Current Balances of the relevant Loans, as the case may be) as at the last day of the Monthly Period immediately preceding the date of repurchase minus (i) the amount of any reduction in Current Balance as a result of the exercise of any set-off right which the relevant Borrower(s) have against the Seller, and (ii) the amount of any further Advance; and (b) an amount equal to the Repurchase Costs (if any) in connection with such repurchase.

As used in this Prospectus:

"**Business Day**" means a day (other than a Saturday or Sunday or a public holiday) on which banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

"**Calculation Date**" means, in relation to a Collection Period, the day falling four Business Days prior to the Interest Payment Date immediately following the end of such Collection Period.

"**Certificate of Title**" means, in respect of a Property, a solicitor's or licensed conveyancer's report or certificate of title obtained by or on behalf of the Seller in respect of such Property substantially in the form of the pro forma set out in the Standard Documentation.

"**Collection Period**" means the monthly period commencing on (and including) a Collection Period Start Date and ending on (but excluding) the immediately following Collection Period Start Date, except that the first Collection Period will commence on (and include) 1 July 2022 and end on (and exclude) the Collection Period Start Date falling in September 2022.

"**Collection Period Start Date**" means the first calendar day of each calendar month in each year, the first Collection Period Start Date being 1 July 2022.

"**Enforced Loan**" means a Loan in respect of which the Related Security has been enforced and the related Property has been sold.

"**Fixed Rate Loan**" means a Loan to the extent that and for such time as the interest rate payable by the relevant Borrower on all or part of the principal balance does not vary and is fixed for a certain period of time by the Seller.

"**Flexible Loan**" means a loan in respect of which the Borrower has exercisable redraw rights under the relevant loan.

"**Insurance Policies**" means, with respect to the Mortgages, the Block Insurance Policies and any other insurance contracts in replacement, addition or substitution thereof from time to time which relate to the Loans.

"**Monthly Instalment**" means the amount which the relevant Mortgage Conditions require a Borrower to pay on each monthly payment date in respect of that Borrower's Loan.

"**Mortgage**" means, in respect of any Loan, each first fixed charge by way of legal mortgage secured over a Property located in England or Wales, which is, or is to be, sold, assigned or transferred by the Seller to the Issuer pursuant to the Mortgage Sale Agreement which secures the repayment of the relevant Loan pursuant to the Mortgage Conditions applicable to it.

"**Mortgage Conditions**" means, in respect of a Loan, all the terms and conditions applicable to such Loan (including, without limitation, the Seller's relevant general conditions) as varied from time to time by the relevant loan agreement, the relevant Mortgage Deed and the Offer Conditions.

"**Mortgage Deed**" means, in respect of any Mortgage, the deed in written form creating that Mortgage.

"**Offer Conditions**" means, in respect of a Loan, the terms and conditions applicable to such Loan as set out in the offer letter to the relevant Borrower.

"**Property**" means a freehold, leasehold or commonhold property which is subject to a Mortgage.

"**Receiver**" means any person or persons appointed (and any additional person or persons appointed or substituted) as an administrative receiver, receiver, manager, or receiver and manager of the Charged Assets by the Security Trustee pursuant to the Deed of Charge.

"**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 rights, remedies or benefits related thereto, including:

(a) the benefit of all affidavits, consents, renunciations, guarantees, indemnities, waivers and postponements (including any deed of consent) from occupiers and other persons having an interest in or rights in connection with the relevant Property;

(b) each right of action of the Seller against any person (including any solicitor, licensed conveyancer, valuer, registrar or registry or other person) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including each Certificate of Title and Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan; and

(c) the benefit of (including the rights as the insured person under and as notations of interest on, and returns of premium and proceeds of claims under) insurance and assurance policies (taken out by or on behalf of the relevant Borrower) deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and relevant Loan Files.

"**Standard Documentation**" means the standard documentation of the Seller, a list or CD of which is set out in or appended to Exhibit 1 to the Mortgage Sale Agreement, or any update or replacement therefor as permitted by the terms of the Mortgage Sale Agreement.

"**SVR Loan**" means a Loan where the applicable rate of interest is linked to the Standard Variable Rate.

Designated entity

The Issuer has been appointed as the designated entity under Article 7(2) of the UK Securitisation Regulation and has accepted such appointment.

Governing Law

The Mortgage Sale Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Servicing Agreement

The Issuer, the Security Trustee, the Seller, the Servicer and the Back-Up Servicer Facilitator will enter into, on or around the Closing Date, an agreement pursuant to which the Servicer agrees to service the Loans and their Related Security (the "**Servicing Agreement**"). The services to be provided by the Servicer are set out in the Servicing Agreement, and may include any services incidental thereto as may be agreed to in writing by the Issuer, the Seller, the Security Trustee and the Servicer (the "**Services**").

On or about the Closing Date, the Servicer will be appointed by the Issuer and, as applicable, the Seller to be its agent to service the Loans and their Related Security. The Servicer must comply with any proper directions and instructions that the Issuer or, following the Security Trustee notifying the Servicer that an Enforcement Notice has been served, 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 the terms of the Servicing Agreement (including the procedures of the Servicer set out therein) are binding on the Issuer.

Powers

The Servicer has the power, among other things:

(a) to exercise the rights, powers and discretions of the Issuer and the Seller in relation to the Loans and their Related Security and to perform the obligations of the Issuer and the Seller in relation to the Loans and their Related Security; and

(b) to do or cause to be done any and all things which it reasonably considers necessary, convenient or incidental to the servicing of the Loans and their Related Security or the exercise of such rights, powers and discretions.

Any overpayment amounts of £499.99 or less in respect of a Loan will be applied as principal repayments under the relevant Loan. If the Borrower requests that the Loan is re-calculated following such overpayment, following the re-allocation of such overpayment amounts, the Servicer shall be entitled to make all necessary adjustments to reflect the allocation of the overpayment amounts and will include such adjustments in the Servicer Report for that Collection Period.

Undertakings by the Servicer

The Servicer has undertaken, among other things, to:

(a) service the Loans and their Related Security sold by the Seller to the Issuer as if the same had not been sold to the Issuer but had remained with the Seller in accordance with the Servicer's servicing, arrears and enforcement policies and procedures applicable to the Seller's loans from time to time as they apply to those Loans;

(b) use reasonable endeavours to assist the Issuer in complying with the UK Securitisation Regulation and its contractual obligation in relation to the EU Securitisation Regulation;

(c) give such time and attention and exercise such skill, care and diligence in the performance of the Services and any other obligation contained in the Servicing Agreement and will provide those Services and perform such other obligations to the same standard as a Reasonable, Prudent Residential Mortgage Servicer;

(d) comply with any proper orders and instructions which the Issuer may from time to time give to it in accordance with the provisions of the Servicing Agreement;

(e) 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 or payment of fees under the Data Protection Laws and any authorisation and permissions under the FSMA;

(f) not knowingly fail to comply with any applicable legal and regulatory requirements in the performance of the Services; and

(g) make all payments required to be made by it pursuant to the Servicing Agreement (as to which see further below) on the due date for payment in Sterling (or as otherwise required under the Transaction Documents) in immediately available funds for value on such day without any set-off (including in respect of any fees owed to it) except any deductions required by law (or as expressly permitted under the Servicing Agreement).

Article 7 of the UK Securitisation Regulation and Article 7 of the EU Securitisation Regulation

The Issuer has appointed the Servicer to perform certain of the Issuer's obligations under Article 7 of the UK Securitisation Regulation and certain of the Issuer's contractually agreed obligations under Article 7 of the EU Securitisation Regulation as more fully set out in the sections entitled "*General Information – UK Securitisation Regulation Reporting*" and "*General Information – EU Securitisation Regulation Reporting*".

Back-Up Servicer Facilitator

The Issuer will appoint the Back-Up Servicer Facilitator in accordance with the Servicing Agreement. If the Servicer's appointment is terminated, the Back-Up Servicer Facilitator shall use best efforts to identify, on behalf of the Issuer, and assist the Issuer in the appointment of a suitable substitute servicer in accordance with the Servicing Agreement.

Setting of Interest Rates on the Loans

Subject to the terms of the Mortgage Sale Agreement, each of the Issuer, the Seller and the Servicer has undertaken to take all steps which are necessary to set the Standard Variable Rate (including publishing any notice which is required in accordance with the Mortgage Conditions to effect such change in the Standard Variable Rate) to a rate not less than Compounded Daily SONIA as at the previous Interest Determination Date plus 3 per cent., and for these purposes if Compounded Daily SONIA is less than zero, Compounded Daily SONIA, shall be deemed to be zero.

Further Advances and Product Switches

The Servicer will undertake with the Issuer and the Security Trustee that, where the Servicer is not the same entity as the Seller, it will not agree to pay or make a Further Advance or a Product Switch without first having received confirmation in writing from the Seller that the Seller will repurchase the relevant Loan and its Related Security from the Issuer in accordance with the Mortgage Sale Agreement.

Porting

The Servicer will undertake with the Issuer and the Security Trustee that it will not offer to any Borrower nor will it agree to any request from any Borrower for a Port in relation to a Loan and its Related Security.

Operation of the Collection Accounts

The Servicer will operate the Collection Accounts, opened in the name of the Seller with the National Westminster Bank plc or such other bank with which the Collection Accounts are held from time to time (the "**Collection Account Bank**") in accordance with the terms of the Servicing Agreement and the Collection Accounts Declaration of Trust (as to which, see "*The Collection Accounts Declaration of Trust*" below). Revenue Receipts and Redemption Receipts arising in relation to the Loans will be paid directly into the relevant Collection Account. On each Business Day, the Servicer shall transfer all Collections in respect of the Loans and/or their Related Security standing to the credit of each of the Collection Accounts that are available to be withdrawn at that time to the Deposit Account.

Replacement of Collection Account Bank

The Servicer shall monitor the Collection Account Bank for any Insolvency Event and confirms that in the event of the occurrence of an Insolvency Event of the Collection Account Bank, the Servicer shall, as directed by the Issuer and as agreed in writing by the Seller, assist the Seller in opening one or more replacement Collection Accounts in the name of the Seller with a financial institution which: (i) is approved in writing by the Issuer and the Security Trustee; (ii) is a bank as defined in section 991 of the Income Tax Act 2007; and (iii) is of a reputable standing, as soon as reasonably practicable and in any event within 30 calendar days.

In the event a replacement collection account is opened, the Servicer shall procure that (i) all Direct Debit mandates are transferred to such replacement collection account; (ii) all Monthly Instalments 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; and (iii) all amounts standing to the credit of the relevant Collection Account be transferred to the replacement collection account(s) promptly after the replacement collection account is opened. "**Direct Debiting Scheme**" means the system for the manual or automated debiting of bank accounts by Direct Debit operated in accordance with the principal rules of certain members of the Association for Payment Clearing Services.

Compensation of the Servicer

The Servicer receives fees under the terms of the Servicing Agreement. In consideration for providing Services other than carrying out certain duties and obligations set out in the Servicing Agreement, the Issuer shall pay to the Servicer a fee (inclusive of VAT, if any) of up to an aggregate amount calculated on the basis of the number of days elapsed in each calendar month over a 365-day year (or over a 366-day year in a leap year) by applying a rate of 0.20 per cent. per annum on the aggregate Current Balance of the Loans (excluding any Enforced Loans) on the Collection Period Start Date at the start of the immediately preceding Collection Period (the "**Servicer Fee**").

The Servicer Fee is payable monthly in arrear on each Interest Payment Date in the manner contemplated by and in accordance with the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

Removal of the Servicer

Subject to the prior written consent of the Security Trustee, the Issuer may at once or at any time thereafter while such default continues, by notice in writing to the Servicer (with a copy to the Security Trustee and the Back-Up Servicer Facilitator), terminate the Servicer's appointment under the Servicing Agreement if any of the following events (each, a "**Servicer Termination Event**") occurs and is continuing:

(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 35 Business Days after: (i) where the failure to pay has arisen other than as a result of a Disruption Event, upon the earlier of the Servicer becoming aware of such default and the receipt by the Servicer of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or (ii) where the failure to pay has arisen as a result of a Disruption Event, the cessation of the Disruption Event or, if earlier, 60 Business Days following the Servicer becoming aware of such default and receipt by the Servicer of written notice from the Issuer or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Back-Up Servicer Facilitator) 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 an Enforcement Notice) or the opinion of the Security Trustee (after the delivery of an Enforcement Notice) is materially prejudicial to the interests of the Noteholders, and the Servicer does not remedy that failure within 35 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, or (after the delivery of an Enforcement Notice) the Security Trustee (with a copy to the Back-Up Servicer Facilitator) requiring the Servicer's non-compliance to be remedied;

(c) an Insolvency Event occurs in relation to the Servicer; or

(d) it becomes unlawful in any applicable jurisdiction for the Servicer to perform any of its obligations as contemplated by the Servicing Agreement, provided that this does not result or arise from compliance by the Servicer with any instruction from the Issuer or the Security Trustee.

"**Disruption Event**" means either or both of:

(a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for the payments to be made in connection with a Transaction Document (or otherwise in order for the transactions contemplated by the Transaction Documents to be carried out) which disruption is not caused by, and is beyond the control of, the relevant party seeking to rely on such disruption; and/or

(b) the occurrence of any other event which results in the disruption (of a technical or systems related nature) to the treasury or payments operations of the party seeking to rely on such disruption which prevents that party, or any other party to the Transaction Documents, from:

(i) performing its payment obligations under the Transaction Documents; or

(ii) communicating with any other party to a Transaction Document in accordance with the terms of the relevant Transaction Documents.

Voluntary Resignation

The Servicer may voluntarily resign by giving not less than three months' written notice to the Security Trustee, the Issuer and the Back-Up Servicer Facilitator (or such shorter time as may be agreed between the Servicer, the Issuer, the Security Trustee and the Back-Up Servicer Facilitator), provided that: (i) a substitute servicer shall be appointed, such appointment to be effective not later than the date of such termination; (ii) such substitute servicer is qualified to act as such under the FSMA and has the requisite experience of servicing residential mortgage loans in the United Kingdom and is approved by the Issuer and the Security Trustee; (iii) such substitute servicer enters into a servicing agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute servicer agrees to assume and perform all the material duties and obligations of the Servicer under the Servicing Agreement; and (iv) (if Class A Notes remain outstanding) the then current ratings of the Class A Notes are not adversely affected as a result thereof, unless the Security Trustee and the Class A Noteholders (the Class A Noteholders acting by way of an Extraordinary Resolution) otherwise agree.

Delivery of documents and records

If the appointment of the Servicer is terminated or the Servicer resigns, the Servicer must deliver to the Issuer or the Security Trustee (or as the Issuer or the Security Trustee shall direct in writing and, in the event of a conflict between directions from the Issuer and directions from the Security Trustee, the directions from the Security Trustee shall prevail), *inter alia,* the Title Deeds and Loan Files relating to the Loans and their Related Security in its possession.

Neither the Note Trustee nor the Security Trustee is obliged to act as servicer in any circumstances.

Enforcement Procedures

To the extent that any amount cannot be collected from any Borrower and the Servicer is unable to undertake its primary obligation to collect such amounts, the Loan will be passed to the special servicing team of the Servicer, who will undertake debt collection activities in addition to the cash management activities outlined above. The Servicer will, in relation to any default by a Borrower under or in connection with a Loan, comply with the enforcement procedures or, to the extent that the enforcement procedures are not applicable having regard to the nature of the default in question, take such action as complies with the standard of a Reasonable, Prudent Residential Mortgage Servicer providing debt collection services in respect of such default, provided that:

(a) the Servicer shall only become obliged to comply with the enforcement procedures (to the extent applicable) or to take action as aforesaid after it has become aware of the default; and

(b) it is acknowledged by the Issuer that mortgage servicers generally exercise discretion in pursuing their respective enforcement procedures and that the Servicer may exercise such discretion as would be exercised by a Reasonable, Prudent Residential Mortgage Servicer in applying the enforcement procedures to any particular defaulting Borrower or taking action as referred to above or in enforcing any relevant guarantee but without prejudice to the other provisions of the Servicing Agreement in connection with the payment of money into the relevant Collection Account; and

(c) the Servicer may exercise forbearance or take such other action in accordance with the practice of a Reasonable, Prudent Residential Mortgage Servicer in relation to the recovery of amounts from Borrower(s) and/or the relevant Property.

Issuer's Liability

The Issuer shall fully and continually indemnify the Servicer against any loss, damage, cost, charge, award, claim, demand, expense, judgment, action, proceeding or other liability, including legal costs and expenses properly incurred (including, in each case, Irrecoverable VAT in respect thereof but excluding any other Tax) (each a "**Liability**", and together the "**Liabilities**"), which the Servicer sustains or incurs in connection with the performance of the Services under the Servicing Agreement other than any losses, liabilities, claims, expenses (including, without limitation, any amounts in respect of Irrecoverable VAT in relation thereto) or damages incurred or sustained by the Servicer as a result of its fraud, wilful default or Gross Negligence.

"**Irrecoverable VAT**" means any amount in respect of VAT incurred by a party to the Transaction Documents (for the purposes of this definition, a "**Relevant Party**") as part of a payment in respect of which it is entitled to be reimbursed or indemnified under the relevant Transaction Documents to the extent that the Relevant Party does not or will not receive and retain a credit, deduction or repayment of such VAT as input tax (as that expression is defined in section 24(1) VATA or under Article 168 of the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112) or any provision of a similar nature, under the law of a member state of the European Union or elsewhere).

Limit to Servicer's Liability

The Servicer's liability in contract, tort (including negligence or breach of statutory or regulatory duty) or otherwise in respect of the Servicing Agreement shall: (a) be limited to £2,000,000 (two million pounds) in aggregate for so long as the Servicer is appointed under the Servicing Agreement; and (b) 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.

However, the Servicer's limitation of liability pursuant to the Servicing Agreement shall not apply in respect of any liability arising as a result of the fraud, wilful default or Gross Negligence of the Servicer. In the Servicing Agreement, "**Gross Negligence**" means any act or omission of the Servicer which falls below the level of care and skill that could reasonably be expected of a prudent party, in circumstances where that act, conduct or omission (as applicable) also shows a deliberate and/or manifestly careless or reckless disregard of potential consequences of such act or omission on the interests of another party and could reasonably be expected to cause significant prejudice to the interests of that other party.

Governing Law

The Servicing Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Cross-collateral Mortgages and Cross-collateral Rights

The conditions of each of the Mortgages (each a "**Cross-collateral Mortgage**") provide, among other things, some rights (the "**Cross-collateral Rights**") which allow the relevant mortgagee of any such Cross-collateral Mortgage:

(a) to declare immediately due and repayable each liability secured by that Cross-collateral Mortgage and to exercise the statutory power of sale under that Cross-collateral Mortgage if and when the mortgagee of any other Cross-collateral Mortgage in the name of the same mortgagor is entitled to declare immediately due and repayable any liability secured by that other Cross-collateral Mortgage; and

(b) to apply the proceeds of enforcement under the Cross-collateral Mortgages of the relevant mortgagor against all liabilities secured by the Cross-collateral Mortgages.

On or about the Closing Date, the Issuer will accede to a cross-collateral mortgage rights deed (the "**Cross-collateral Mortgage Rights Deed**") to regulate the respective rights between each person who as of the date of this Prospectus has or may have a beneficial interest in any Mortgage that is a Cross-collateral Mortgage that includes Cross-collateral Rights which may apply to one or more of the Mortgages.

The Cross-collateral Mortgage Rights Deed seeks to provide that each party thereto who is a beneficial owner of a Cross-collateral Mortgage: (i) shall only have Cross-collateral Rights in respect of Cross-collateral Mortgages that it beneficially owns; (ii) waives all rights to exercise Cross-collateral Rights in respect of other Cross-collateral Mortgages which are not beneficially owned by it; (iii) waives all rights to take any action or proceedings against any other beneficial owner of Cross-collateral Mortgages to exercise the Cross-collateral Rights of that other beneficial owner; (iv) waives any rights to the proceeds of enforcement of Cross-collateral Mortgages not beneficially owned by it; and (v) agrees that if it enforces a Cross-collateral Mortgage in respect of which Cross-collateral Rights attach, the proceeds of such enforcement after deduction of all related costs and expenses shall be applied by or on behalf of it in respect of the Cross-collateral Mortgages beneficially owned by it firstly to repay all amounts owing by the mortgagee under the enforced Cross-collateral Mortgage beneficially owned by it in accordance with the applicable Mortgage Conditions and, secondly, to the extent there are additional proceeds of enforcement, apply such proceeds in accordance with the approach of a Reasonable, Prudent Residential Mortgage Lender.

OSB covenants that it will use its reasonable endeavours to prevent, and will not facilitate or otherwise permit, the enforcement of any Cross-collateral Rights by any other party to the Cross-collateral Mortgage Rights Deed in respect of any Mortgage (as defined in the Cross-collateral Mortgage Rights Deed) except in the circumstances and to the extent that such party to the Cross-collateral Mortgage Rights Deed is not prohibited by the provisions of a Cross-collateral Mortgage Rights Accession Deed (as defined in the Cross-collateral Mortgage Rights Deed) from exercising Cross-collateral Rights in respect of that Mortgage.

Deed of Charge

On the Closing Date, the Issuer will enter into the Deed of Charge with, *inter alios*, 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 over) the Issuer's rights, title, interest and benefit in, to and under the Transaction Documents (other than the Trust Deed and the Deed of Charge) and any sums derived therefrom (provided that the assignment by way of security of the Issuer's rights under the Swap Agreement shall be subject to any rights of set-off or netting provided for thereunder);

(b) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's interest in the Loans and their Related Security and other related rights comprised in the Portfolio and any sums derived therefrom;

(c) an assignment by way of security of (and, to the extent not assigned, a charge by way of first fixed charge over) the Issuer's rights, title, interest and benefit in, to and under Insurance Policies assigned to the Issuer pursuant to the Mortgage Sale Agreement;

(d) a charge by way of first fixed charge over the Issuer's interest in its bank and/or securities accounts (including the Deposit Account and the Swap Collateral Account) maintained with the Issuer Account Bank and any other bank or custodian and any sums or securities standing to the credit thereof;

(e) a charge by way of first fixed charge over the Issuer's interest in all Authorised Investments permitted to be made by the Issuer or the Cash Manager (acting on the instructions of the Servicer) on its behalf;

(f) an assignment by way of first fixed security (and, to the extent not assigned, a charge by way of first fixed charge over) (but subject to the right of reassignment) over the benefit of the Issuer's rights, title, interest and benefit under the Collection Accounts Trust (created pursuant to the Collection Accounts Declaration of Trust); and

(g) a floating charge over all assets of the Issuer not otherwise subject to the charges referred to above or otherwise effectively assigned by way of security (whether or not such assets are the subject of the charges referred to above).

"**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) (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 R-1 (middle) (short term) by DBRS (and AA (low) by DBRS if the investments have a long-term rating) (or, as applicable, AAAmmf by Fitch and AAAm by DBRS, in respect of money market funds); 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 R-1(low) (short term) and A (long term) by DBRS, (or, as applicable, AAAmmf by Fitch and AAm by DBRS, in respect of money market funds); and (ii) 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 sub-paragraph (i) above, save that where such investments would result in the recharacterisation of the programme, the Notes or any transaction under the Transaction Documents as a "re-securitisation" or a "synthetic securitisation" as defined in Articles 4(63) and 242(11), respectively, of Regulation (EU) No. 575/2013 as it forms part of domestic law in the United Kingdom by virtue of the EUWA, such investments shall not qualify as authorised investments.

"**Secured Creditors**" means the Security Trustee, any Receiver appointed by the Security Trustee pursuant to the Deed of Charge, the Note Trustee, the Noteholders, the Certificateholders, the Seller, the Servicer, the Back-Up Servicer Facilitator, the Cash Manager, the Swap Provider, the Issuer Account Bank, the Corporate Services Provider, the Paying Agents, the Registrar, the Agent Bank 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 Agency Agreement, the Bank Account Agreement, the Collection Accounts Declaration of Trust, the Cash Management Agreement, the Corporate Services Agreement, the Deed Poll, the Deed of Charge, the Swap Agreement, a share trust deed dated 18 May 2022 (the "**Share Trust Deed**"), the power of attorney granted by the Issuer in favour of the Security Trustee under the Deed of Charge (the "**Issuer Power of Attorney**"), a master definitions and construction schedule made between, among others, the Issuer, the Seller and the Security Trustee (the "**Master Definitions and Construction Schedule**"), the Mortgage Sale Agreement, the power of attorney granted by the Seller in favour of the Issuer and the Security Trustee on the Closing Date (the "**Seller Power of Attorney**"), the Cross-collateral Mortgage Rights Deed, the Cross-collateral Mortgage Rights Accession Deed, the Trust Deed and such other related documents as are referred to in the terms of the above documents or which relate to the issue of the Notes and/or the Certificates.

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, service of an Enforcement Notice. 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.

Pre-Enforcement Revenue Priority of Payments and Pre-Enforcement Redemption Priority of Payments

Prior to the Note Trustee serving an Enforcement Notice on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes or Residual Certificates Condition 10 (*Events of Default*), declaring the Notes to be immediately due and payable or any RC1 Payments or RC2 Payments pursuant to the Residual Certificates to be immediately due and payable, as the case may be, the Cash Manager (on behalf of the Issuer) shall apply monies standing to the credit of the Deposit Account as described in "*Cashflows – Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer*" and "*Cashflows – Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer*" below and apply monies standing to the credit of the Swap Collateral Account as described in "*Cashflows – Swap Collateral*".

Post-Enforcement Priority of Payments

After the Note Trustee has served an Enforcement Notice on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes, declaring the Notes to be immediately due and payable or if no Notes remain outstanding, pursuant to Residual Certificates Condition 10 (*Events of Default*) declaring that any RC1 Payments or RC2 Payments pursuant to the Residual Certificates are immediately due and payable, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by it shall apply the monies standing to the credit of the Deposit Account in accordance with the Post-Enforcement Priority of Payments defined in "*Cashflows – Distributions following the service of an Enforcement Notice on the Issuer*" below and apply the monies standing to the credit of the Swap Collateral Account in accordance with the Swap Collateral Account Priority of Payments defined in "*Cashflows – Swap Collateral*" below.

The Security will become enforceable after an Enforcement Notice has been served on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes or, if no Notes remain outstanding, pursuant to Residual Certificates Condition 10 (*Events of Default*) declaring that any RC1 Payments or RC2 Payments pursuant to the Residual Certificates are immediately due and payable 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 Residual Certificates, the Security Trustee will not be entitled to dispose of the assets comprised in the Security or any part thereof unless either: (a) the Cash Manager certifies to the Security Trustee (upon which certification the Security Trustee can rely without liability) that 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 Noteholders (and all persons ranking in priority to the Noteholders as set out in the Post-Enforcement Priority of Payments) or (b) the

Security Trustee is of the opinion (which shall be binding on the Secured Creditors) that the cashflow expected to be received 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: (i) to the Noteholders (and all persons ranking in priority to the Noteholders in the order of priority set out in the Post-Enforcement Priority of Payments); and (ii) once all the Noteholders (and all such prior ranking persons) have been repaid, to the remaining Secured Creditors (other than the Certificateholders) in the order of priority set out in the Post-Enforcement Priority of Payments; and (iii) once all the Noteholders and the Secured Creditors (other than the Certificateholders) have been repaid, to the Residual Certificateholders, which opinion shall be binding on the Secured Creditors and reached after considering at any time and from time to time the advice of any financial adviser (or such other professional adviser selected by the Security Trustee for the purpose of giving such advice). Upon the service of an Enforcement Notice in accordance with Condition 11 (*Events of Default*) of the Notes or Condition 10 (*Events of Default*) of the Residual Certificates and the Notes and/or Residual Certificates becoming payable, the ERC Payments in respect of Early Repayment Charges received by the Issuer as at the date of such declaration shall immediately become due and payable. Any Early Repayment Charges received following the Notes and/or Residual Certificates becoming due and payable in accordance with Condition 11 (*Events of Default*) of the Notes or Condition 10 (*Events of Default*) of the Residual Certificates, but prior to the earliest of (A) the discharge in full of all amounts owing in respect of the Notes and the Residual Certificates or (B) the Loans being sold, will be for the benefit of the ERC Certificateholders.

The fees and expenses of the aforementioned financial adviser or other professional adviser selected by the Security Trustee shall be paid by the Issuer in accordance with the applicable Priority of Payments. The Security Trustee shall be entitled to rely upon any financial or other professional advice referred to above without further enquiry and shall incur no liability to any person for so doing.

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.

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 and the Certificates are subject to the provisions in the Trust Deed. The Conditions and the Certificates Conditions and the forms of each class of 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 (exclusive of VAT) together with 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 therefor and without being responsible for any liabilities occasioned by such retirement. The holders of the Most Senior Class outstanding or (in the case of the Certificates) in issue 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 trust corporation entitled by rules made under the Public Trustee Act 1906 to carry out the functions of a custodian trustee (a "**Trust Corporation**") in office after such retirement or removal 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 or the applicable Extraordinary Resolution of the holders of the Most Senior Class, the Issuer is not able to find such replacement, the Note Trustee will be entitled to procure that a new trustee be appointed but no such appointment shall take effect unless previously approved by Extraordinary Resolution of the holders of the Most Senior Class.

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

Pursuant to an agency agreement (the "**Agency Agreement**") dated on or prior to the Closing Date and made between the Issuer, the Note Trustee and the Security Trustee, the Principal Paying Agent, the Registrar and the Agent Bank, provision is made for, *inter alia*, the 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, the Servicer, the Swap Provider and the Security Trustee will enter into a cash management agreement (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 and other services to the Issuer or, upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer, 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, make the necessary determinations on each Calculation Date to enable it to apply Available Revenue Receipts and Available Redemption Receipts in accordance with the Priorities of Payments and maintain the following ledgers (the "**Ledgers**"):

(a) the "**Redemption Ledger**", which will record all Redemption Receipts received by the Issuer and the distribution of the Redemption Receipts in accordance with the Pre-Enforcement Redemption Priority of Payments or the Post-Enforcement Priority of Payments (as applicable);

(b) the "**Revenue Ledger**", which will record all Revenue Receipts, any Swap Collateral Account Surplus, amounts credited to the Deposit Account in accordance with item (o) of the Pre-Enforcement Revenue Priority of Payments and the distribution of the Revenue Receipts and the distribution of any other relevant amounts recorded on the Revenue Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or by way of Third Party Amounts;

(c) the "**General Reserve Fund Ledger**", which will record amounts credited to, and debited from, the General Reserve Fund;

(d) the "**Principal Deficiency Ledger**", which will record on the appropriate sub-ledger as a debit deficiencies arising from Losses on the Portfolio (on the date the Cash Manager is informed of such

Losses by the Servicer) and Principal Addition Amounts (on the Calculation Date on which such Principal Addition Amounts are determined by the Cash Manager) and record as a credit Available Revenue Receipts applied as Available Redemption Receipts (including any amounts in respect of Enhanced Amortisation Amounts) pursuant to the Pre-Enforcement Revenue Priority of Payments (if any) on each Interest Payment Date;

(e) the "**Issuer Profit Ledger**", which shall record as a credit any amounts retained by the Issuer as profit in accordance with the Pre-Enforcement Revenue Priority of Payments and the Post-Enforcement Priority of Payments and as a debit any amount used to discharge any tax liability of the Issuer; and

(f) the "**Swap Collateral Ledger**", which shall record as a credit (i) any Swap Collateral received from the Swap Provider, (ii) any Replacement Swap Premium received by the Issuer from a replacement swap provider, (iii) any termination payment received by the Issuer from an outgoing Swap Provider, and (iv) Swap Tax Credits. Amounts and securities standing to the credit of each Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded on the Swap Collateral Ledger will be applied by the Cash Manager in accordance with the Swap Collateral Account Priority of Payments.

The Cash Manager shall (assuming delivery by the Servicer of the Servicer Report by no later than the fifth Business Day of that month) provide the Servicer with the Investor Reports by no later than one Business Day following each relevant Calculation Date. In providing the reporting services on behalf of the Issuer, the Cash Manager will not assume any liability for the Issuer's obligations as the entity responsible to fulfil the reporting obligations under the UK Securitisation Regulation and/or the Issuer's contractual obligations in respect of the EU Securitisation Regulation.

Cash Manager and Directions from the Security Trustee

The Cash Manager will act upon the direction of the Security Trustee (given in accordance with the terms and provisions of the Deed of Charge) upon the Security Trustee notifying the Cash Manager that an Enforcement Notice has been served on the Issuer.

Remuneration of Cash Manager

The Cash Manager will be paid a cash management fee for its cash management services under the Cash Management Agreement. Such fees will be determined under a separate fee letter between the Issuer and the Cash Manager. Any sum (or other consideration) payable (or provided) by the Issuer to the Cash Manager in respect of that fee shall be deemed to be exclusive of VAT, if any, chargeable on any supply for which the cash management fee is the consideration (in whole or in part) for VAT purposes. The cash management fee is payable monthly in arrear on each Interest Payment Date in the manner contemplated by and in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments or, as the case may be, the Post-Enforcement Priority of Payments.

Termination of Appointment and Replacement of Cash Manager

If any of the following events (the "**Cash Manager Termination Events**") shall occur:

(a) default is made by the Cash Manager in the payment, on the due date, of any payment due and payable by it under the Cash Management Agreement and such default continues unremedied for a period of three Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or

(b) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which in the opinion of the Note Trustee as notified to the Security Trustee is materially prejudicial to the interests of the Noteholders, and such

default continues unremedied for a period of 30 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the Issuer or (following the service of an Enforcement Notice) the Security Trustee, as the case may be, requiring the same to be remedied; or

(c) an Insolvency Event occurs in respect of the Cash Manager; or

(d) it becomes unlawful for the Cash Manager to perform its obligations under the Cash Management Agreement or under any other Transaction Document,

then prior to the delivery of an Enforcement Notice, the Issuer (with the written consent of the Security Trustee), or following the delivery of an Enforcement Notice, the Security Trustee, may, at once or at any time thereafter while such default continues, by notice in writing to the Cash Manager (with a copy to the Security Trustee if such notice is delivered by the Issuer), terminate its appointment as Cash Manager under the Cash Management Agreement with effect from a date (not earlier than the date of the notice) specified in such notice. In determining whether to give or withhold consent to the termination of the Cash Manager by the Issuer, the Security Trustee will have regard to factors including, *inter alia*, the availability of a substitute cash manager. Upon termination of the appointment of the Cash Manager, the Issuer shall use reasonable endeavours to appoint a substitute cash manager that satisfies the conditions set out below.

Any substitute cash manager:

(a) must agree to enter into an agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement;

(b) must be a party that the Rating Agencies have previously confirmed by whatever means such Rating Agencies consider appropriate (provided that the Issuer is permitted to and does confirm in writing (including by email) to the Security Trustee that such confirmation has been obtained) the appointment of which will not (if Class A Notes remain outstanding) cause the then current ratings of the Class A Notes to be adversely affected; and

(c) will be subject to the prior written approval of the Security Trustee.

For the avoidance of doubt, upon termination of the appointment of the Cash Manager, if 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.

Resignation of the Cash Manager

The Cash Manager may resign on giving not less than 45 days' written notice (or such shorter time as may be agreed between the Cash Manager, the Issuer, the Servicer and the Security Trustee) of its resignation to the Issuer, the Servicer, the Seller and the Security Trustee, provided that:

(a) a substitute cash manager shall be appointed, such appointment to be effective not later than the date of such termination;

(b) such substitute cash manager has the requisite cash management experience to perform the functions to be given to it under the Cash Management Agreement and is approved by the Issuer and the Security Trustee;

(c) such substitute cash manager enters into a cash management agreement with the Issuer on terms commercially acceptable in the market, pursuant to which the substitute cash manager agrees to assume and perform all material duties and obligations of the Cash Manager under the Cash Management Agreement; and

(d) (if Class A Notes remain outstanding) the then current ratings of the Class A Notes are not adversely affected as a result thereof, unless the Security Trustee or the relevant Class or Classes of Noteholders (acting by way of an Extraordinary Resolution) otherwise agree.

If, by the end of the notice period, a successor Cash Manager has not been appointed, the Cash Manager may itself select a successor to be appointed in accordance with the Cash Management Agreement.

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.

The Bank Account Agreement

Pursuant to the terms of a bank account agreement entered into on or about the Closing Date between the Issuer, the Issuer Account Bank, the Cash Manager and the Security Trustee (the "**Bank Account Agreement**"), the Issuer will maintain with the Issuer Account Bank the Deposit Account and the Swap Collateral Account which will be operated in accordance with the Bank Account Agreement, the Cash Management Agreement, the Deed of Charge and, in relation to the Swap Collateral Account, the Swap Agreement. The Issuer Account Bank is required to have the Account Bank Rating.

Interest

If any amount is standing to the credit of an Issuer Account (other than the Deposit Account), such amount will bear interest (including negative interest) at a rate and as agreed from time to time in writing between the Issuer and the Issuer Account Bank.

A negative interest rate would result in a charge payable by the Issuer to the Issuer Account Bank and will be paid using Available Revenue Receipts subject to and in accordance with the applicable Priority of Payments.

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.

The Corporate Services Agreement

On or prior to the Closing Date, the Issuer, the Corporate Services Provider, the Share Trustee, Holdings and the Security Trustee will enter into a corporate services agreement (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 book-keeping, secretarial, registrar and company administration services for the Issuer and Holdings (including the provision of directors), providing the directors with information in connection with the Issuer and Holdings, and the arrangement for the convening of shareholders' and directors' meetings.

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.

The Collection Accounts Declaration of Trust

On or prior to the Closing Date, the Issuer, the Seller and the Security Trustee will enter into a collection accounts declaration of trust (the "**Collection Accounts Declaration of Trust**") pursuant to which the Seller (as Collection Accounts Trustee (as defined therein)) will declare a trust (the "**Collection Accounts Trust**")

in favour of, among others, the Issuer and itself. The Issuer's share of the Collection Accounts Trust at any relevant time (the "**Issuer Trust Share**") shall equal all amounts credited to each of the Collection Accounts at such time in respect of the Loans and their Related Security taking into account any amounts previously paid to the Issuer in respect of the Loans and their Related Security.

Additional beneficiaries may from time to time on and from the Closing Date accede to the Collection Accounts Declaration of Trust without the consent of the Issuer or the Security Trustee; however, any such accession will not affect the manner in which the Issuer Trust Share is calculated.

Governing Law

The Collection Accounts Declaration of Trust and any non-contractual obligations arising out of or in connection with it will be governed by English law.

Other Agreements

For a description of the Swap Agreement, see "*Credit Structure*" below.

CREDIT STRUCTURE

The Notes are obligations of the Issuer only. The Notes are not obligations of, or the responsibility of, or guaranteed by, any person other than the Issuer. There are a number of features in the transaction which enhance the likelihood of timely receipt of payments by the Noteholders, which are described in more detail below.

1. General Reserve Fund and General Reserve Fund Ledger

On the Closing Date, the Issuer will establish a fund which will be credited with the General Reserve Fund Required Amount from part of the proceeds of the Noteholders' subscription for the Class X Notes on the Closing Date (the "**General Reserve Fund**") to provide credit enhancement and liquidity support for the Class A Notes. The General Reserve Fund will be deposited in the Deposit Account (with a corresponding credit being made to the General Reserve Fund Ledger). The Issuer may invest the amounts standing to the credit of the General Reserve Fund from time to time in Authorised Investments.

The Cash Manager will maintain the General Reserve Fund Ledger pursuant to the Cash Management Agreement to record the balance from time to time of the General Reserve Fund.

On each Interest Payment Date up to and including the Final Redemption Date:

- the General Reserve Fund will be replenished up to the General Reserve Fund Required Amount from Available Revenue Receipts (to the extent available) in accordance with the provisions of the Pre-Enforcement Revenue Priority of Payments;

- the Cash Manager will apply as Available Revenue Receipts the General Reserve Fund Excess Amount (if any); and

- if there is a Revenue Deficit, the Cash Manager will apply an amount from the General Reserve Fund equal to the lesser of (i) the amount standing to the credit of the General Reserve Fund Ledger on such Interest Payment Date and (ii) the amount of such Revenue Deficit (such amount being the "**General Reserve Fund Release Amount**"), in meeting such Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments.

The "**Revenue Deficit**" shall be, on any Interest Payment Date, an amount equal to the aggregate of any shortfall in Available Revenue Receipts to pay items (a) to (f) of the Pre-Enforcement Revenue Priority of Payments as determined by the Cash Manager on the immediately preceding Calculation Date.

In the event of a General Reserve Fund Amortising Trigger Event, the General Reserve Fund Required Amount will be 1.0 per cent. of the aggregate current Principal Amount Outstanding of the Collateralised Notes on the Interest Payment Date immediately preceding the General Reserve Fund Amortising Trigger Event occurring.

On the Final Redemption Date only, all amounts standing to the credit of the General Reserve Fund Ledger (after first having applied any General Reserve Fund Release Amount to meet any Revenue Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments, and debiting such amounts from the General Reserve Fund Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments on such Final Redemption Date) will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments.

The "**General Reserve Fund Excess Amount**" on any Interest Payment Date will be an amount equal to the greater of:

(a) zero; and

(b) the amount standing to the credit of the General Reserve Fund Ledger on such Interest Payment Date, less the General Reserve Fund Required Amount on such Interest Payment Date.

"**General Reserve Fund Required Amount**" means:

(a) on any Interest Payment Date up to (but excluding) the Final Redemption Date:

(i) if a General Reserve Fund Amortising Trigger Event has not occurred prior to the Calculation Date immediately preceding such Interest Payment Date, an amount equal to 1.0 per cent. of the then aggregate current Principal Amount Outstanding of the Collateralised Notes on that Interest Payment Date before the application of the Pre-Enforcement Redemption Priority of Payments; and

(ii) if a General Reserve Fund Amortising Trigger Event has occurred prior to the Calculation Date immediately preceding the Interest Payment Date, an amount equal to 1.0 per cent. of the then aggregate current Principal Amount Outstanding of the Collateralised Notes on the Interest Payment immediately preceding the occurrence of a General Reserve Fund Amortising Trigger Event; and

(b) on each Interest Payment Date on and following the Final Redemption Date, zero.

"**General Reserve Fund Amortising Trigger Event**" shall occur if:

(a) the Collateralised Notes are not redeemed in full on the Optional Redemption Date; or

(b) Cumulative Defaults in respect of the Loans comprising the Portfolio are greater than 5 per cent. of the aggregate Current Balance of the Loans comprised in the Portfolio as at the Cut-Off Date.

"**Cumulative Defaults**" means, at any time, the Current Balance of all Loans that have been repossessed calculated at the point when the relevant Loan was repossessed.

2. Use of Available Redemption Receipts to pay Senior Expenses Deficit

On each Calculation Date prior to the service of an Enforcement Notice, if there is a Senior Expenses Deficit, the Cash Manager will, pursuant to item (a) of the Pre-Enforcement Redemption Priority of Payments, apply an amount of Available Redemption Receipts (to the extent available) equal to the lesser of:

(a) the amount of Available Redemption Receipts available for application pursuant to the Pre-Enforcement Redemption Priority of Payments on such Interest Payment Date; and

(b) the amount of such Senior Expenses Deficit

(such amount being the "**Principal Addition Amounts**"), in meeting such Senior Expenses Deficit against the relevant items in the Pre-Enforcement Revenue Priority of Payments in the order that they appear in the Pre-Enforcement Revenue Priority of Payments.

The "**Senior Expenses Deficit**" shall be, on any Interest Payment Date, an amount equal to any shortfall in Available Revenue Receipts and any General Reserve Fund Release Amounts (and prior to the application of Available Redemption Receipts) to pay items (a) to (f) of the Pre-Enforcement Revenue Priority of Payments on such Interest Payment Date, as determined by the Cash Manager on the immediately preceding Calculation Date.

Any Available Redemption Receipts applied as Principal Addition Amounts will be recorded as a debit on the Principal Deficiency Ledger (as further described below).

For more information about the application of Available Redemption Receipts to pay Senior Expenses Deficits, see the section "*Transaction Overview – Credit Structure and Cashflow*" and "*Credit Structure*".

3. Principal Deficiency Ledger

A Principal Deficiency Ledger will be established to record any Losses affecting the Loans in the Portfolio and/or any Principal Addition Amounts.

"**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 any losses realised by the Issuer on the Loans as a result of the failure of the Collection Account Bank to remit funds to the Issuer and (b) any loss to the Issuer as a result of an exercise of any set off by any Borrower in respect of its Loan.

The "**Principal Deficiency Ledger**" will comprise sub-ledgers corresponding to each Class of Notes (each, a "**Principal Deficiency Sub-Ledger**"). Any Losses on the Portfolio and/or any Principal Addition Amounts will be recorded as a debit (on the date that the Cash Manager is informed of such Losses by the Servicer or such Principal Addition Amounts are determined by the Cash Manager (as applicable)):

(a) first, to the Class Z Principal Deficiency Sub-Ledger up to a maximum amount equal to the Principal Amount Outstanding of the Class Z Notes; then

(b) to the Class A Principal Deficiency Sub-Ledger up to a maximum amount equal to the aggregate Principal Amount Outstanding of the Class A1 Notes and the Class A2 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.

The Cash Manager will record as a credit to the Principal Deficiency Ledger (i) Available Revenue Receipts and General Reserve Fund Release Amounts applied pursuant to items (h) and (i) of the Pre-Enforcement Revenue Priority of Payments (if any) (which amounts shall, for the avoidance of doubt, thereupon become Available Redemption Receipts) and (ii) Enhanced Amortisation Amounts applied in accordance with item (l) of the Pre-Enforcement Revenue Priority of Payments (which amounts shall, for the avoidance of doubt, thereupon become Available Redemption Receipts). Any amount credited to the Principal Deficiency Ledger in respect of Enhanced Amortisation Amounts will be reduced to the extent of any future Losses arising in respect of the Portfolio.

4. Interest Rate Risk for the Notes

Swap Agreement

On or about the Closing Date, the Issuer and the Swap Provider will enter into the ISDA Master Agreement, schedule, credit support annex and confirmation (as amended or supplemented from time to time) relating to the Swap Transaction (the "**Swap Agreement**").

"**ISDA Master Agreement**" means the ISDA 2002 Master Agreement, as published by ISDA.

Swap Transaction

Some of the Loans in the Portfolio pay or will pay a fixed rate of interest for an initial period of time. However, the Issuer's liabilities under the Floating Rate Notes are based on the Compounded Daily SONIA for the relevant period.

To provide a hedge against the possible variance between:

(a) the fixed rates of interest payable on the Fixed Rate Loans in the Portfolio; and

(b) the rate of interest under the Floating Rate Notes being calculated by reference to Compounded Daily SONIA,

the Issuer will enter into the Swap Transaction with the Swap Provider under the Swap Agreement on the Closing Date.

Under the Swap Transaction, for each Swap Calculation Period falling prior to the termination date of the Swap Transaction, the following amounts will be calculated:

(a) the amount produced by applying the Compounded Daily SONIA (provided that, for the purposes of the Swap Agreement, Compounded Daily SONIA shall be calculated by the Swap Provider, as calculation agent under the Swap Agreement) to the Notional Amount (as defined below) of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Day Count Fraction (as defined below) (the "**Swap Provider Swap Amount**"); and

(b) the amount produced by applying a Fixed Rate (as defined in the Swap Agreement) to the Notional Amount of the Swap Transaction for the relevant Swap Calculation Period and multiplying the resulting amount by the Day Count Fraction (the "**Issuer Swap Amount**").

After these two amounts are calculated in relation to a Swap Payment Date, the following payments will be made on that Swap Payment Date:

(a) if the Swap Provider Swap Amount for that Swap Payment Date is greater than the Issuer Swap Amount for that Swap Payment Date, then the Swap Provider will pay an amount equal to the excess to the Issuer;

(b) if the Issuer Swap Amount for that Swap Payment Date is greater than the Swap Provider Swap Amount for that Swap Payment Date, then the Issuer will pay an amount equal to the excess to the Swap Provider; and

(c) if the two amounts are equal, neither party will make a payment to the other.

For the purposes of calculating both the Issuer Swap Amount and the Swap Provider Swap Amount in respect of a Swap Calculation Period, the notional amount of the Swap Transaction (the "**Notional**

Amount") will be set out in a pre-agreed table to the Swap Transaction and based on the expected repayment profile of the Fixed Rate Loans assuming a 3 per cent. constant prepayment rate on the Current Balance of the Fixed Rate Loans in the Portfolio as at the Cut-Off Date.

For the purposes of determining the amounts payable under the Swap Transaction, the following definitions apply:

"**Day Count Fraction**" means, in respect of any Swap Calculation Period, the number of calendar days in that Swap Calculation Period divided by 365;

"**Swap Calculation Period**" means (other than the first Swap Calculation Period), each period that commences on (and includes) a Swap Payment Date and ends on (but excludes) the immediately following Swap Payment Date and in respect of the first Swap Calculation Period, means the period commencing on (and including) the Closing Date and ending on (but excluding) the Swap Payment Date falling in September 2022; and

"**Swap Payment Date**" means the 16th day of each calendar month in each year commencing on 16 September 2022 and ending on the termination date of the Swap Transaction, in each case subject to adjustment in accordance with the modified following business day convention as set out in the Swap Agreement.

The Swap Transaction may not fully hedge the Issuer's interest rate risk as discussed under the section entitled "*Risk Factors – Counterparty and Third Party Risks – Interest rate risk*" above.

General

If a payment is made by the Swap Provider (other than (i) any early termination amount received by the Issuer under the Swap Agreement, (ii) Swap Collateral, (iii) any Replacement Swap Premium paid to the Issuer, and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date other than, in each case, any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments), that payment will be included in the Available Revenue Receipts and will be applied on the relevant Swap Payment Date according to the applicable Priority of Payments. If a payment is to be made by the Issuer, it will be made according to the applicable Priority of Payments of the Issuer.

Under the terms of the Swap Agreement, in the event that the relevant rating(s) of the Swap Provider assigned by a Rating Agency falls below the required swap rating (the "**Required Swap Rating**") (as to which see further the section entitled "*Transaction Overview – Triggers Tables*"), the Swap Provider will, in accordance with the Swap Agreement, be required to take certain remedial measures within the timeframe stipulated in the Swap Agreement and at its own cost which may include providing collateral for its obligations under the Swap Transaction, arranging for its obligations under the Swap Transaction to be transferred to an entity with the Required Swap Ratings or procuring another eligible entity with the Required Swap Ratings to become co-obligor or guarantor, as applicable, in respect of its obligations under the Swap Transaction. If there is an early termination of the Swap Agreement, the Cash Manager (on behalf of the Issuer) or, following the service of an Enforcement Notice, the Security Trustee shall instruct the custodian to liquidate any securities constituting Swap Collateral in the Swap Collateral Account on a delivery versus payment basis promptly following such early termination of the Swap Agreement. However, no assurance can be given that, at the time that such actions are required, sufficient collateral will be available to the Swap Provider for posting or that another entity with the Required Swap Rating will be available to become a replacement swap provider, co-obligor or guarantor or that the applicable Swap Provider will be able to take the requisite other action. If the remedial measures following a downgrade below the Required Swap Rating are not taken within the applicable time frames, this will in certain circumstances permit the Issuer to terminate the Swap Agreement early.

The Swap Transaction may be terminated in certain circumstances, including the following, each as more specifically defined in the Swap Agreement (an "**Early Termination Event**"):

(a) if there is a failure by a party to pay amounts due under the Swap Agreement and any applicable grace period has expired;

(b) if certain insolvency events occur with respect to the Swap Provider;

(c) if a material misrepresentation is made by the Swap Provider under the Swap Agreement;

(d) if a breach of a provision of the Swap Agreement by the Swap Provider is not remedied within the applicable grace period;

(e) if a change of law results in the obligations of one of the parties becoming illegal;

(f) if certain force majeure events occur and result in one of the parties being prevented from performing its obligations, receiving payments or complying with any material provision of the Swap Agreement;

(g) in certain circumstances, if a deduction or withholding for or on account of taxes is imposed on payments under the Swap Transaction due to a change in law;

(h) if the Swap Provider is downgraded and fails to comply with the requirements of the downgrade provisions contained in the Swap Agreement and described above;

(i) service by the Note Trustee of an Enforcement Notice on the Issuer pursuant to Condition 11 (*Events of Default*) of the Notes;

(j) if there is a redemption in full of the Collateralised Notes pursuant to Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date*), Condition 8.3 (*Mandatory Redemption of the Notes in Full*) or Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*);

(k) any of the Transaction Documents are amended, modified, or supplement or any waiver is given in respect of a Transaction Document without the Swap Provider's prior written consent (such consent not to be unreasonably withheld or delayed) where such amendment, modification, supplement or waiver would, in the reasonable opinion of the Swap Provider, materially adversely affect (i) the Pre Enforcement Priority of Payments, the Post Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments; (ii) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider; (iii) the Swap Provider's status as a Secured Creditor; (iv) the rights of the Swap Provider in relation to the Security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such Security granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors); (v) any other terms which would modify a payment date under any Swap Agreement or cause the Notes to be redeemed in full or the Portfolio to be sold or otherwise disposed of in full (other than as permitted or contemplated by the Transaction Documents as at the date of the Swap Agreement); or (vi) the definitions of any terms used in any Transaction Documents relating to the matters in (i) to (v) above; and

(l) if, pursuant to the terms of the ISDA Benchmarks Supplement (as published by ISDA on 19 September 2018) (the "**Benchmarks Supplement**") incorporated by reference into the Swap Agreement, following the occurrence of a Benchmark Trigger Event (as defined in the Benchmarks Supplement), a no fault termination right arises under Section 1.5 of the 2006 ISDA Definitions Benchmark Annex to the ISDA Benchmarks Supplement.

Under the terms of the Swap Agreement, upon an early termination of the Swap Transaction, depending on the type of Early Termination Event and the circumstances prevailing at the time of termination, the Issuer or the Swap Provider may be liable to make a termination payment to the other. This termination payment will be calculated and made in Sterling. The amount of any termination payment may reflect, among other things, the cost of entering into a replacement transaction at the time, third party market data such as rates, prices, yields and yield curves, or similar information derived from internal sources of the party making the determination and will include any unpaid amounts that became due and payable on or prior to the date of termination.

Depending on the terms of the Swap Transaction and the circumstances prevailing at the time of termination, any such termination payment could be substantial and may affect the funds available for paying amounts due to the Noteholders.

The Issuer will use its reasonable endeavours, upon termination of the Swap Agreement, to find a replacement Swap Provider although no guarantees of such replacement can be given.

The Issuer is not obliged under the Swap Agreement to gross up payments made by it if a withholding or deduction for or on account of taxes is imposed on payments made under the Swap Transaction.

The Swap Provider will generally be obliged to gross up payments made by it to the Issuer if a withholding or deduction for or on account of tax (other than withholding tax imposed under FATCA) is imposed on payments made by it under the Swap Agreement.

The Swap Agreement and any non-contractual obligations arising out of or in connection with it will be governed by English law.

CASHFLOWS

DEFINITION OF REVENUE RECEIPTS

"**Revenue Receipts**" means (a) payments of interest and other fees (including early repayment charges) due from time to time under the Loans and other amounts received by the Issuer in respect of the Loans and their Related Security other than payments of interest, fees and other amounts comprising Optional Purchase Collections, the Optional Purchase Price received by the Issuer pursuant to the exercise of the Call Option and Redemption Receipts, (b) recoveries of interest from defaulting Borrowers under Loans being enforced, (c) recoveries of all amounts from defaulting Borrowers under Loans following enforcement and sale of the relevant property and (d) the proceeds of repurchase attributable to Accrued Interest and Arrears of Interest only of any Loan repurchased by the Seller from the Issuer pursuant to the Mortgage Sale Agreement.

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) all Revenue Receipts or, if in a Determination Period, any Calculated Revenue Receipts, in each case excluding any Reconciliation Amounts to be applied as Available Redemption Receipts on that Interest Payment Date, received by the Issuer:

  (i) during the immediately preceding Collection Period; or

  (ii) if representing amounts received in respect of any repurchases of Loans and their Related Security by the Seller pursuant to the Mortgage Sale Agreement, from but excluding the Collection Period Start Date immediately preceding the immediately preceding Interest Payment Date (or, in the case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Collection Period Start Date;

(b) interest payable to the Issuer on the Issuer Accounts and received in the immediately preceding Collection Period (other than any amount of interest or income received in respect of any Swap Collateral) and income from any Authorised Investments to be received on or prior to the Interest Payment Date (other than any amount of income received in respect of the Swap Collateral);

(c) amounts received or to be received by the Issuer under or in connection with the Swap Agreement (other than (i) any early termination amount received by the Issuer under the Swap Agreement, (ii) Swap Collateral, (iii) any Replacement Swap Premium paid to the Issuer, and (iv) amounts in respect of Swap Tax Credits on such Interest Payment Date (other than, in each case, any Swap Collateral Account Surplus which is to be applied as Available Revenue Receipts in accordance with the Swap Collateral Account Priority of Payments);

(d) on the Final Redemption Date only, all amounts standing to the credit of the General Reserve Fund Ledger (after first having applied any General Reserve Fund Release Amount in meeting any Revenue Deficit against the relevant item in the Pre-Enforcement Revenue Priority of Payments in the order they appear in the Pre-Enforcement Revenue Priority of Payments and debiting such amounts from the General Reserve Fund Ledger in accordance with the Pre-Enforcement Revenue Priority of Payments, in each case on such Final Redemption Date);

(e) on each Interest Payment Date up to and including the Final Redemption Date, the General Reserve Fund Excess Amount;

(f) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Revenue Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*);

(g) amounts credited to the Deposit Account on the previous Interest Payment Date in accordance with item (o)of the Pre-Enforcement Revenue Priority of Payments;

(h) amounts representing the Optional Purchase Price received by the Issuer upon sale of the Loans and their Related Security comprising the Portfolio further to the exercise of the Call Option;

(i) other net income of the Issuer received during the immediately preceding Collection Period, excluding any Redemption Receipts; and

(j) amounts determined to be applied as Available Revenue Receipts on the immediately succeeding Interest Payment Date in accordance with item (e) of the Pre-Enforcement Redemption Priority of Payments;

less:

(k) amounts applied from time to time during the immediately preceding Collection Period in making payment of certain monies which properly belong to third parties (including the Seller) 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 the Servicer Fee and not otherwise covered by the items below;

(ii) payments of certain insurance premia in respect of the Block Insurance Policies (to the extent referable to the Loans);

(iii) amounts under a Direct Debit which are repaid to the bank making the payment if such bank is unable to recoup or recall such amount itself from its customer's account or is required to refund an amount previously debited; and

(iv) 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

(items within paragraph (k) being collectively referred to herein as "**Third Party Amounts**");

(l) any tax payments paid or payable by the Issuer during the immediately preceding Collection Period to the extent not funded from amounts standing to the credit of the Issuer Profit Ledger;

(m) (taking into account any amount paid by way of Third Party Amounts) amounts to remedy any overdraft in relation to any Collection Account or to pay any amounts due to the Collection Account Bank; and

(n) any Early Repayment Charges which will be applied to make payments in respect of the ERC Certificates.

Application of Available Revenue Receipts prior to the service of an Enforcement Notice on the Issuer

On each Interest Payment Date prior to the service of an Enforcement 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 only if and to the extent that payments or provisions of a higher priority have been made in full) (the "**Pre-Enforcement Revenue 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 to the Note Trustee and any Appointee under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and

(ii) any fees, costs, charges, Liabilities, expenses and all other amounts then due 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 (in each case without double counting) of:

(i) any remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agents and any fees, costs, charges, Liabilities and expenses then due to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;

(ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;

(iii) any amounts then due and payable to the Servicer and any fees (including the Servicer Fee), costs, charges, Liabilities and expenses then due under the provisions of the Servicing Agreement, together with VAT (if payable) thereon as provided therein;

(iv) any amounts then due and payable to the Back-Up Servicer Facilitator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;

(v) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;

(vi) any amounts then due and payable to the Issuer Account Bank and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Bank Account Agreement, together with (if applicable) VAT thereon as provided therein; and

(vii) if applicable, the fees, costs, liabilities and expenses of the securitisation repository or any other third party website provider;

(c) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof of:

(i) 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 required to pay or discharge any liability of the Issuer for corporation tax of the Issuer (but only to the extent not capable of being satisfied out of amounts retained by the Issuer under item (e) below); and

(ii) any Transfer Costs which the Servicer has failed to pay pursuant to Clause 21.6 of the Servicing Agreement;

(d) *fourth*, to provide for amounts due on the relevant Swap Payment Date, to pay, in or towards satisfaction of any amounts due to the Swap Provider in respect of the Swap Agreement (including any termination payment due and payable by the Issuer to the extent it is not satisfied by the payment by the Issuer to the Swap Provider of any Replacement Swap Premium or from the Swap Collateral Account Priority of Payments but excluding, if applicable, any related Hedge Subordinated Amounts);

(e) *fifth*, to pay the Issuer an amount equal to £100 to be retained by the Issuer as profit in respect of the business of the Issuer (the "**Issuer Profit Amount**");

(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 A1 Notes and the Class A2 Notes;

(g) *seventh*, to credit the General Reserve Fund Ledger up to the General Reserve Fund Required Amount;

(h) *eighth*, (so long as the Class A1 Notes or the Class A2 Notes remain outstanding following 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 Redemption Receipts);

(i) *ninth*, (so long as the Class Z Notes remain outstanding following such Interest Payment Date), to credit the Class Z Principal Deficiency Sub-Ledger in an amount sufficient to eliminate any debit thereon (such amounts to be applied in repayment of principal as Available Redemption Receipts);

(j) *tenth*, 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 Z Notes;

(k) *eleventh*, to provide for amounts due on the relevant Interest Payment Date, to pay in accordance with the terms of the Swap Agreement to the Swap Provider in respect of any Hedge Subordinated Amounts (to the extent not satisfied by payment to the Swap Provider by the Issuer of any applicable Replacement Swap Premium or from the Swap Collateral Account Priority of Payments);

(l) *twelfth*, on any Interest Payment Date occurring on or after the Optional Redemption Date or the Final Redemption Date an amount equal to the lesser of:

(i) all remaining amounts (if any); and

(ii) the amount required by the Issuer to pay in full all amounts payable under items (a) to (d) (inclusive) of the Pre-Enforcement Redemption Priority of Payments, less any Available Redemption Receipts (other than item (c) of the definition thereof) otherwise available to the Issuer,

to be applied as Available Redemption Receipts;

(m) *thirteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, interest due and payable on the Class X Notes;

(n) *fourteenth*, to provide for amounts due on the relevant Interest Payment Date, to pay, *pro rata* and *pari passu*, principal due and payable on the Class X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;

(o) *fifteenth*, on any Interest Payment Date falling within a Determination Period, all remaining amounts to be credited to the Deposit Account to be applied on the next Interest Payment Date as Available Revenue Receipts; and

(p) *sixteenth*, on any Interest Payment Date prior to (but excluding) the Optional Redemption Date any excess amounts, *pro rata* and *pari passu*, as RC1 Payments to the holders of the RC1 Residual Certificates and thereafter, any excess amounts, *pro rata* and *pari passu*, as RC2 Payments to the holders of the RC2 Residual 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, custodian, financial adviser or other professional adviser or other person properly appointed 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 Amounts) on that Loan which is currently due and payable and unpaid on that date.

"**Call Option Redemption Date**" means any Final Redemption Date falling on the Optional Purchase Completion Date.

"**Early Repayment Charge**" means any charge (other than a Redemption Fee) which a Borrower is required to pay in the event that he or she repays all or any part of the relevant Loan before a specified date in the Mortgage Conditions.

"**Hedge Subordinated Amounts**" means, in relation to the Swap Agreement, the amount of any termination payment due and payable to the Swap Provider as a result of a Swap Provider Default or a Swap Provider Downgrade Event except to the extent such amount has already been paid pursuant to the Swap Collateral Account Priority of Payments.

"**Interest Period**" means the period 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.

"**Redemption Fee**" means the standard redemption fee charged to the Borrower by the Servicer where the Borrower makes a repayment of the full outstanding principal of a Loan on the maturity date of such Loan.

"**Replacement Swap Agreement**" means an agreement between the Issuer and a replacement swap provider to replace the Swap Transaction.

"**Replacement Swap Premium**" means an amount received by the Issuer from a replacement swap provider, or an amount paid by the Issuer to a replacement swap provider, upon entry by the Issuer into a Replacement Swap Agreement.

"**Servicer Fee**" means a fee (inclusive of VAT, if any) that the Issuer shall pay to the Servicer, of up to an aggregate amount calculated on the basis of the number of days elapsed in each calendar month over a 365-day year (or over a 366-day year in a leap year), by applying a rate of 0.20 per cent. per annum on the aggregate Current Balance of the Loans (excluding any Enforced Loans) on the Collection Period Start Date at the start of the immediately preceding Collection Period, in consideration for the Servicer providing Services, being the cash management and incidental administration element of the Services, and carrying out the other duties and obligations on its part set out in the Servicing Agreement.

"**Swap Collateral**" means the collateral provided by the Swap Provider to the Issuer under the Swap Agreement and includes any interest and distributions in respect thereof.

"**Swap Provider Default**" means the occurrence of an Event of Default (as defined in the Swap Agreement) where the Swap Provider is the defaulting party (as defined in the Swap Agreement).

"**Swap Provider Downgrade Event**" means the occurrence of an Additional Termination Event (as defined in the Swap Agreement) following the failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the Swap Agreement.

"**Swap Tax Credits**" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by the Swap Provider to the Issuer under the terms of the Swap Agreement.

"**Transfer Costs**" means the Issuer's costs and expenses associated with the transfer of servicing to a substitute servicer.

Definition of Redemption Receipts

"**Capitalised Amounts**" means, in relation to a Loan, at any date, amounts which are due or overdue in respect of that Loan (other than any principal amounts) and which as at that date have been capitalised in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower and any other amounts (including fees and expenses), capitalised in accordance with the Capitalisation Policy.

"**Redemption Receipts**" means (a) principal repayments under the Loans (including payments of arrears of principal and Capitalised Amounts) other than any principal repayments comprising Optional Purchase Collections and the Optional Purchase Price received by the Issuer pursuant to the exercise of the Call Option, (b) recoveries of principal from defaulting Borrowers under Loans being enforced, (c) recoveries of principal from defaulting Borrowers under Loans in respect of which enforcement procedures relating to the sale of the property have been completed (including the proceeds of sale of the relevant Property, to the extent such proceeds of sale are deemed to be principal but excluding all amounts received following a sale of the relevant Property), (d) any payment pursuant to any insurance policy in respect of a Property in connection with a Loan in the Portfolio, to the extent such payment is deemed to be principal, (e) the proceeds of the repurchase of any Loan by the Seller from the Issuer pursuant to the Mortgage Sale Agreement (but for the avoidance of doubt, excluding amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant repurchase date), and (f) any other payment received by the Issuer in the nature of principal.

Definition of Available Redemption Receipts

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

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

(i) during the immediately preceding Collection Period:

(ii) if representing amounts received in respect of any repurchases of Loans and their Related Security that were repurchased by the Seller pursuant to the Mortgage Sale Agreement, received by the Issuer from but excluding the Collection Period Start Date immediately preceding the immediately preceding Interest Payment Date (or, in the

case of the first Interest Payment Date, from and including the Closing Date) to and including the immediately preceding Collection Period Start Date; or

(b) the amounts (if any) calculated on the Calculation Date preceding that Interest Payment Date pursuant to the Pre-Enforcement Revenue Priority of Payments, to be the amount by which the debit balance of each of the Class A Principal Deficiency Sub-Ledger and/or the Class Z Principal Deficiency Sub-Ledger is to be reduced on that Interest Payment Date;

(c) any amounts deemed to be Available Redemption Receipts in accordance with item (l) of the Pre-Enforcement Revenue Priority of Payments (the "**Enhanced Amortisation Amounts**");

(d) on each Interest Payment Date following a Determination Period, any Reconciliation Amounts deemed to be Available Redemption Receipts in accordance with Condition 6.8(c) (*Determinations and Reconciliation*); and

(e) (in respect of the first Interest Payment Date only) the amount paid into the Deposit Account on the Closing Date from the excess of the proceeds over the Current Balance of the Portfolio as at the Cut-off Date.

Application of Available Redemption Receipts prior to the service of an Enforcement Notice on the Issuer

Prior to the service of an Enforcement Notice on the Issuer, the Cash Manager on behalf of the Issuer is required pursuant to the terms of the Cash Management Agreement to apply Available Redemption Receipts on each Interest Payment Date in the following order of priority (the "**Pre-Enforcement Redemption Priority of Payments**") (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

(a) *first*, any Principal Addition Amounts to be applied to meet any Senior Expenses Deficit;

(b) *second*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class A1 Notes until the Principal Amount Outstanding on the Class A1 Notes has been reduced to zero;

(c) *third*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class A2 Notes until the Principal Amount Outstanding on the Class A2 Notes has been reduced to zero;

(d) *fourth*, in or towards repayment, *pro rata* and *pari passu*, of principal amounts outstanding on the Class Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero; and

(e) *fifth*, any excess amounts as Available Revenue Receipts.

Distributions following the service of an Enforcement Notice on the Issuer

After an Enforcement Notice has been served on the Issuer, the Security Trustee (or the Cash Manager on its behalf) or any Receiver appointed by the Security Trustee in connection with the enforcement of the Security will apply all amounts received or recovered other than:

(a) any amount standing to the credit of the Swap Collateral Account which will be applied in accordance with the Swap Collateral Account Priority of Payments (other than any amount to be applied as Swap Collateral Account Surplus in accordance with the Swap Collateral Account Priority of Payments); and

(b) any amount standing to the credit of the Issuer Profit Ledger, which shall be applied by the Issuer in or towards satisfaction of any liability of the Issuer for corporation tax of the Issuer,

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-Enforcement Priority of Payments**" and, together with the Pre-Enforcement Revenue Priority of Payments and the Pre-Enforcement Redemption 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 and payable to the Note Trustee, the Receiver and any Appointee under the provisions of the Trust Deed and the other Transaction Documents, together with (if payable) VAT thereon as provided therein; and

(ii) any fees, costs, charges, Liabilities, expenses and all other amounts then due and payable to the Security Trustee, the Receiver 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 remuneration then due and payable to the Agent Bank, the Registrar and the Paying Agents and any costs, charges, Liabilities and expenses then due and payable to them under the provisions of the Agency Agreement, together with (if payable) VAT thereon as provided therein;

(ii) any amounts then due and payable to the Cash Manager and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Cash Management Agreement, together with VAT (if payable) thereon as provided therein;

(iii) any amounts then due and payable to the Servicer and any fees (including the Servicer Fee), costs, charges, Liabilities and expenses then due under the provisions of the Servicing Agreement, together with VAT (if payable) as provided therein;

(iv) any amounts then due and payable to the Back-Up Servicer Facilitator and any fees, costs, charges, Liabilities and expenses then due under the provisions of the Servicing Agreement, together with (if payable) VAT thereon as provided therein;

(v) any amounts then due and payable to the Corporate Services Provider and any fees, costs, charges, Liabilities and expenses then due and payable to the Corporate Services Provider under the provisions of the Corporate Services Agreement, together with (if payable) VAT thereon as provided therein;

(vi) any amounts then due and payable to the Issuer Account Bank and any fees, costs, charges, Liabilities and expenses then due and payable to the Issuer Account Bank under the provisions of the Bank Account Agreement, together with (if payable) VAT thereon as provided therein; and

(vii) if applicable, the fees, costs, liabilities and expenses of the securitisation repository or any other third party website provider;

(c) *third*, to pay in or towards satisfaction of any amounts due to the Swap Provider in respect of the Swap Agreement (including any termination payment due and payable by the Issuer to the extent it is not satisfied by any payments by the Issuer to the Swap Provider under the Swap Collateral Account Priority of Payments but excluding, if applicable, any related Hedge Subordinated Amounts);

(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 A1 Notes and the Class A2 Notes until the Principal Amount Outstanding on the Class A1 Notes and the Class A2 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 Z Notes until the Principal Amount Outstanding on the Class Z Notes has been reduced to zero;

(f) *sixth*, to pay in accordance with the terms of the Swap Agreement to the Swap Provider in respect of any Hedge Subordinated Amounts (to the extent not satisfied by payment to the Swap Provider by the Issuer of any applicable amount under the Swap Collateral Account Priority of Payments);

(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 X Notes until the Principal Amount Outstanding on the Class X Notes has been reduced to zero;

(h) *eighth*, to pay the Issuer Profit Amount; and

(i) *ninth*, on any Interest Payment Date prior to (but excluding) the Optional Redemption Date to pay any excess amounts, *pro rata* and *pari passu*, as RC1 Payments to the holders of the RC1 Residual Certificates and thereafter to pay any excess amounts, *pro rata* and *pari passu*, on such Interest Payment Date, as RC2 Payments to the holders of the RC2 Residual Certificates.

Swap Collateral

In the event that the Swap Provider is required to transfer collateral to the Issuer in respect of its obligations under the Swap Agreement (the "**Swap Collateral**") in accordance with the terms of the Credit Support Annex of the Swap Agreement (the "**Swap Credit Support Annex**"), that Swap Collateral (and any interest and/or distributions earned thereon) will be credited to a separate swap collateral account (the "**Swap Collateral Account**") and credited to the Swap Collateral Ledger. In addition, upon any early termination of the Swap Agreement (a) any Replacement Swap Premium received by the Issuer from a replacement swap provider, (b) any termination payment received by the Issuer from the outgoing Swap Provider and (c) any Swap Tax Credits will be credited to the Swap Collateral Account and recorded on the Swap Collateral Ledger.

Amounts and securities standing to the credit of each Swap Collateral Account (including interest, distributions and redemption or sale proceeds thereon or thereof) and recorded on the Swap Collateral Ledger will not be available for the Issuer or the Security Trustee to make payments to the Secured Creditors generally, but may be applied by the Cash Manager only in accordance with the following provisions in accordance with the instructions of the Swap Provider or the Servicer (the "**Swap Collateral Account Priority of Payments**"):

(a) to pay an amount equal to any Swap Tax Credits received by the Issuer to the relevant Swap Provider;

(b) prior to the designation of an Early Termination Date (as defined in the Swap Agreement, the "**Early Termination Date**") in respect of the Swap Agreement, solely in or towards payment or discharge of any Return Amounts (as defined in the Swap Credit Support Annex), Interest Amounts and Distributions (as defined in the Swap Credit Support Annex), on any day, directly to the Swap Provider;

(c) following the designation of an Early Termination Date in respect of the Swap Agreement where (A) such Early Termination Date has been designated following a Swap Provider Default or Swap

Provider Downgrade Event and (B) the Issuer enters into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (if any) payable to the Issuer has been received and the day on which a Replacement Swap Premium (if any) payable to the Issuer has been received, in the following order of priority:

(i) *first*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated;

(ii) *second*, in or towards payment of any termination payment due to the outgoing Swap Provider; and

(iii) *third*, the surplus (if any) on such day to be transferred to the Deposit Account to be applied as Available Revenue Receipts;

(d) following the designation of an Early Termination Date in respect of the Swap Agreement where: (A) such Early Termination Date has been designated otherwise than as a result of one of the events specified at sub-paragraph (A) of paragraph (c) above, and (B) the Issuer enters into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement, on the later of the day on which such Replacement Swap Agreement is entered into, the day on which a termination payment (if any) payable to the Issuer has been received and the day on which a Replacement Swap Premium (if any) payable to the Issuer has been received, in the following order of priority:

(i) *first*, in or towards payment of any termination payment due to the outgoing Swap Provider;

(ii) *second*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement being terminated; and

(iii) *third*, any surplus on such day to be transferred to the Deposit Account to be applied as Available Revenue Receipts;

(e) following the designation of an Early Termination Date in respect of the Swap Agreement for any reason where the Issuer does not enter into a Replacement Swap Agreement in respect of the Swap Agreement on or around the Early Termination Date of the Swap Agreement and, on the date on which the relevant payment is due, in or towards payment of any termination payment due to the outgoing Swap Provider; and

(f) following payments of amounts due pursuant to paragraph (e) above, if amounts remain standing to the credit of a Swap Collateral Account, such amounts may be applied only in accordance with the following provisions:

(i) *first*, in or towards payment of a Replacement Swap Premium (if any) payable by the Issuer to a replacement swap provider in order to enter into a Replacement Swap Agreement with the Issuer with respect to the Swap Agreement; and

(ii) *second*, any surplus remaining after payment of such Replacement Swap Premium to be transferred to the Deposit Account to be applied as Available Revenue Receipts,

provided, with respect to paragraph (f) above, that for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the Swap Agreement, on each Swap Payment Date following the designation of an Early Termination Date, the Issuer (or the Cash Manager on its behalf) will be permitted to withdraw an amount from the Swap Collateral Account (which shall be debited

to the Swap Collateral Ledger), equal to the excess of the Swap Provider Swap Amount over the Issuer Swap Amount which would have been paid by the Swap Provider to the Issuer on such Swap Payment Date but for the designation of an Early Termination Date under the Swap Agreement, such surplus to be transferred to the Deposit Account to be applied as Available Revenue Receipts; and

provided further that for so long as the Issuer does not enter into a Replacement Swap Agreement with respect to the Swap Agreement on or prior to the earlier of:

(A) the Calculation Date immediately before the Interest Payment Date on which the Principal Amount Outstanding of all Collateralised Notes would be reduced to zero (taking into account any Swap Collateral Account Surplus to be applied as Available Revenue Receipts on such Interest Payment Date); or

(B) the day on which an Enforcement Notice is given pursuant to Condition 11 (*Events of Default*); or

(C) the date on which the Current Balance of the Fixed Rate Loans (excluding any Enforced Loans) is reduced to zero,

then the amount standing to the credit of such Swap Collateral Account on such day shall be transferred to the Deposit Account to be applied as Available Revenue Receipts as soon as reasonably practicable thereafter.

"**Swap Collateral Account Surplus**" means the amounts applied as Available Revenue Receipts pursuant to the Swap Collateral Account Priority of Payments.

The Swap Collateral Account will be opened in the name of the Issuer and will be held at a financial institution which satisfies the Account Bank Rating. A Swap Collateral Account and Swap Collateral Ledger will be established and maintained in respect of the Swap Agreement. As security for the payment of all monies payable in respect of the Notes and the other Secured Obligations, the Issuer will grant a first fixed charge over the Issuer's interest in the Swap Collateral Account and the debts represented thereby (which may, however, take effect as a floating charge and therefore rank behind the claims of any preferential creditors of the Issuer).

DESCRIPTION OF THE GLOBAL NOTES

General

Each Class of Notes as at the Closing Date will each be represented by a Global Note. All capitalised terms not defined in this paragraph shall be as defined in the Conditions of the Notes.

The Global Notes 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.

Upon confirmation by the Common Safekeeper that it has custody of the Global Notes, Euroclear or Clearstream, Luxembourg, as the case may be, will record in book-entry form interests representing beneficial interests in the Global Note attributable thereto ("**Book-Entry Interests**").

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the 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.

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 or the Residual Certificate Book-Entry Interests through Participants or through other Indirect 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. 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 Lead Manager. 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 Global Note underlying the Book-Entry Interests, the nominee for the Common Safekeeper will be considered the sole Noteholder of the Global Note for all purposes under the Trust Deed. Except as set out under "*Issuance of Registered Definitive Notes*" 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 the Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Book-Entry Interest must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Participants or Indirect Participants through which such person owns its interest in the relevant Book-Entry Interests, to exercise any rights and obligations of a holder of the Notes under the Trust Deed. See "*Action in respect of the Global Notes and the Book-Entry Interests*" below.

Unlike legal owners or holders of the Notes, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg, as the case may be,

and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default under the Global Note, holders of Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Registered Definitive Notes 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, unless and until Book-Entry Interests are exchanged for Registered Definitive Notes, the Global Note 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 will hold Book-Entry Interests in the Global Note relating thereto. Investors may hold their Book-Entry Interests in respect of a Global Note directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out 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 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 to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, the Lead Manager, 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

Payment of principal and interest on, and any other amount due in respect of, the Global Notes will be made in Sterling by or to the order of Elavon Financial Services DAC, UK Branch (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. 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 Paying Agents nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the 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 for the purposes of making payments to the Noteholders. The Record Date in respect of the Notes (a) where the Notes 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 (b) where the Notes 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 Arranger, the Lead Manager, 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 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

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

Cancellation of any Note represented by a Global Note and required by the 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 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

Holders of Book-Entry Interests in the Global Note will be entitled to receive Notes in definitive registered form (such exchanged Global Notes in definitive registered form, "**Registered Definitive Notes**") 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 or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things 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 which would not be required were the Notes in definitive registered form. Any Registered Definitive Notes issued in exchange for Book-Entry Interests in the Global Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of Euroclear or Clearstream, Luxembourg, 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 issued in exchange for Book-Entry Interests in the Global Note will not be entitled to exchange such Registered Definitive Notes for Book-Entry Interests in such Global Note. Any Notes issued in definitive form will be issued in registered form only and will be subject to the provisions set out 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, as the case may be, the due date for redemption. Registered Definitive Notes will be issued in a denomination that is an integral multiple of the minimum Authorised Denomination. See "*Risk Factors – Risks relating to the characteristics of the notes – Registered Definitive Notes and denominations in integral multiples*" above.

Action in respect of the Global Notes and the Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notices in respect of a Global Note or any notice of solicitation of consents or requests for a waiver or other action by the holder of such Global Note, 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 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 in accordance with any instructions set out 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.

Notices

While the Notes are represented by Global Notes, the Issuer may, at its option, send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to Noteholders for communication by Euroclear and Clearstream, Luxembourg to the Noteholders. Alternatively, such notices regarding the Notes may instead be published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom; 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 and notified to Noteholders, publication in such newspaper shall not be required with respect to such information so long as the rules of Euronext Dublin allow. The Issuer may elect not to publish any notice in a newspaper for so long as the Notes are held in global form and notice is given to Euroclear and Clearstream, Luxembourg. The Note Trustee may, in accordance with Condition 16.2 (*Note Trustee's Discretion to Select Alternative Method*), sanction other methods of giving notice to all or some of the Noteholders if such method is reasonable having regard to, among other things, the market practice then prevailing and the requirements of the relevant stock exchange. See also Condition 16 (*Notice to Noteholders*) of the Notes.

New Safekeeping Structure and Eurosystem Eligibility

The Notes are intended to be held in a new safekeeping structure ("**NSS**") and 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 with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that the Notes 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-ICSDs Agreement

Prior to the issuance of the Notes, the Issuer will enter into an Issuer-ICSDs Agreement with the ICSDs in respect of the Notes. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any of the Notes (while being held in the NSS), maintain their respective portion of the issue outstanding amount through their records. The Issuer-ICSDs Agreement will be governed by English law.

DESCRIPTION OF THE GLOBAL CERTIFICATES

General

Each Class of Certificates, as at the Closing Date, will be represented by a Global Certificate. The Global Certificates will be registered on issue on or around the Closing Date in the name of the nominee for the Common Safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). The Registrar will maintain a register in which it will register the nominee for the Common Safekeeper as the holder of the Global Certificate.

Upon confirmation by the Common Safekeeper that it has been issued with the Global Certificates, Euroclear or Clearstream, Luxembourg, as the case may be, will record the beneficial interests in the Global Certificate ("**Certificate Book-Entry Interests**") representing beneficial interests in the Global Certificate attributable thereto.

The Certificates are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Certificates are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Certificates 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.

Ownership of Certificate Book-Entry Interests will be limited to Participants or 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 will also include persons that hold beneficial interests through such Indirect Participants. Certificate 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 Certificate 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 Seller (or as the Seller may direct). Ownership of Certificate Book-Entry Interests will be shown on, and transfers of Certificate 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 Certificate Book-Entry Interests.

So long as the nominee of the Common Safekeeper is the registered holder of the Global Certificate underlying the Certificate Book-Entry Interests, it will be considered the sole Certificateholder of the Certificate represented by that Global Certificate for all purposes under the Trust Deed. Except as set out under the section below entitled "*Issuance of Definitive Certificates*", Participants or Indirect Participants will not receive or be entitled to receive physical delivery of Certificates in definitive form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a Certificate 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 Certificate Book-Entry Interests, to exercise any rights and obligations of a holder of Certificates under the Trust Deed. See the section below entitled "*Action in respect of the Global Certificate and the Certificate Book-Entry Interests*".

Unlike legal owners or holders of the Certificates, holders of the Certificate 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 Certificateholders. Instead, a holder of Certificate 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 Certificate

Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default, holders of Certificate Book-Entry Interests will be restricted to acting through Euroclear or Clearstream, Luxembourg unless and until Definitive Certificates are issued in accordance with the Certificates 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.

Unless and until Certificate Book-Entry Interests are exchanged for Definitive Certificates, the Global Certificate held by the nominee for the Common Safekeeper may not be transferred except as a whole by that nominee for the Common Safekeeper to a successor nominee for that Common Safekeeper or a nominee of a successor of the Common Safekeeper.

Purchasers of Certificate Book-Entry Interests in a Global Certificate will hold Certificate Book-Entry Interests in the Global Certificates relating thereto. Investors may hold their Certificate Book-Entry Interests in respect of a Global Certificate directly through Euroclear or Clearstream, Luxembourg (in accordance with the provisions set out in the section below entitled "*Transfers and Transfer Restrictions*"), 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 Certificate Book-Entry Interests in the 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 Certificate Book-Entry Interests among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Arranger, the Lead Manager, 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.

Issuance of Definitive Certificates

Global Certificates will become exchangeable in whole, but not in part, for Definitive Certificates at the request of the holder of the relevant Global Certificate if Euroclear or Clearstream, Luxembourg closes for business on a permanent basis without a successor to act as a clearing system with respect to the Global Certificate (the "**Exchange Event**").

Any Definitive Certificate issued in exchange for Certificate Book-Entry Interests in 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 Certificate Book-Entry Interests. Whenever a Global Certificate is to be exchanged for Definitive Certificates, the Issuer shall procure the prompt delivery (free of charge to the holders of the Certificate Book-Entry Interests) of such Definitive Certificates, duly authenticated and effectuated, in an aggregate principal amount equal to the principal amount of the relevant Global Certificate within 30 days of the occurrence of the Exchange Event.

Payments on the Global Certificates

Payment of amounts due in respect of the Global Certificates will be made in Sterling by or to the order of 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 Certificates.

Each holder of Certificate 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 its nominee in respect of those Certificate Book-Entry Interests. All such payments will be

distributed without deduction or withholding for 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 none of the Issuer, the Principal Paying Agent or 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 Common Safekeeper, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of Certificate 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 Participants for the purposes of making payments under the Certificates. The Record Date in respect of the Certificates shall be as at the close of business on the Business Day prior to the relevant Interest Payment Date. The Issuer expects that payments by Participants to owners of interests in Certificate 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 Arranger, the Lead Manager, 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 Certificate Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's ownership of Certificate 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 lack of simultaneous transfers of securities.

- Euroclear and Clearstream, Luxembourg 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 Certificate Book-Entry Interests or if an owner of a

Certificate Book-Entry Interest desires to give instructions or to 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 Certificate 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.

Transfers and Transfer Restrictions

All transfers of Certificate 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 the section above entitled "*General*").

Beneficial interests in a Global Certificate may be held only through Euroclear or Clearstream, Luxembourg. Each Global Certificate will bear a legend similar to that appearing under the section of this Prospectus entitled "*Transfer Restrictions and Investor Representations*" below, and neither a Global Certificate nor any beneficial interest therein may be transferred except in compliance with the transfer restrictions set out in the legend appearing in the relevant Global Certificate.

Action in respect of the Global Certificate and the Certificate Book-Entry Interests

Not later than 10 days after receipt by the Issuer of any notice in respect of the Certificates or any notice of solicitation of consents or requests for a waiver or other action by the Certificateholder of the Certificates, 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 Certificate Book-Entry Interests or the Certificates 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 Certificate Book-Entry Interests or the Certificates in accordance with any instructions set out in such request. Euroclear and Clearstream, Luxembourg are expected to follow the procedures described under the section above entitled "*General*", with respect to soliciting instructions from their respective Participants.

Notices

The Issuer will send to Euroclear and Clearstream, Luxembourg a copy of any notices addressed to Certificateholders for communication by Euroclear and Clearstream, Luxembourg to the Certificateholders and shall procure that the information contained in such notice shall appear on a Relevant Screen (see also Residual Certificates Condition 15 (*Notice to Residual Certificateholders*) and ERC Certificates Condition 15 (*Notice to Certificateholders*)). The Note Trustee may in accordance with the Residual Certificates Condition 15.2 (*Note Trustee's Discretion to Select Alternative Method*) and ERC Certificates Condition 15.2 (*Note Trustee's Discretion to Select Alternative Method*) sanction other methods of giving notice to all or some of the Certificateholders, if such method is reasonable having regard to the then prevailing market practice.

New Safekeeping Structure and Eurosystem Eligibility

The Certificates are intended to be held in an NSS and 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 Certificates with one of the ICSDs as common safekeeper upon issuance or otherwise does not necessarily mean that 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-ICSDs Agreement

Prior to the issuance of the Certificates, the Issuer will enter into an Issuer-ICSDs Agreement with the ICSDs in respect of the Certificates. The Issuer-ICSDs Agreement provides that the ICSDs will, in respect of any of the Certificates (while being held in the NSS), maintain their respective portion of the issue outstanding amount through their records. The Issuer-ICSDs Agreement will be governed by English law.

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below).

1. GENERAL

The £589,732,000 Class A1 mortgage backed floating rate notes due May 2059 (the "**Class A1 Notes**"), the £518,446,000 Class A2 mortgage backed floating rate notes due May 2059 (the "**Class A2 Notes**" and, together with the Class A1 Notes, the "**Class A Notes**"), the £187,936,000 Class Z mortgage backed fixed rate notes due May 2059 (the "**Class Z Notes**" and, together with the Class A Notes, the "**Collateralised Notes**" and the holders thereof the "**Collateralised Noteholders**"), the £12,961,000 Class X mortgage backed floating rate notes due May 2059 (the "**Class X Notes**", and together with the Collateralised Notes, the "**Notes**"), in each case of Canterbury Finance No.5 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about 4 August 2022 (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 or (as applicable) of Certificates or of Certificateholders shall be a reference to the Class A1 Notes, the Class A2 Notes, the Class Z Notes, the Class X Notes, the RC1 Residual Certificates, the RC2 Residual Certificates or the ERC Certificates, as the case may be, or to the respective holders thereof. Any reference in these Conditions to the Certificates Conditions (the "**Certificates Conditions**") will be to the terms and conditions of the ERC Certificates (the "**ERC Certificates Conditions**") and the certificates terms and conditions of the Residual Certificates (the "**Residual Certificates Conditions**"). Any reference in these Conditions to the Noteholders means 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 and pursuant to 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 or prior to the Closing Date and made between the Issuer, the Security Trustee, the Note Trustee, Elavon Financial Services DAC, UK Branch 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 Agents**"), Elavon Financial Services DAC, UK Branch as registrar (in such capacity, the "**Registrar**") and Elavon Financial Services DAC, UK Branch 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 a 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).

Physical 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. 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.

2. INTERPRETATION

2.1 Definitions

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.

2.2 Interpretation

These Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

3. FORM, DENOMINATION AND TITLE

3.1 Form and Denomination

Each Class of Notes 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, S.A. ("**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, notwithstanding that no Registered Definitive Notes (as defined below) will be issued with a denomination above £199,000. A Global Note will be exchanged for the relevant Note in definitive registered form (such exchanged Global Notes in definitive registered form, 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 or to cease to make book-entry systems available for settlement of beneficial interests in such Global Notes and do in fact do either of those things,

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 Registered 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 of the Notes 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.

3.2 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).

Title to a Registered Definitive Note shall only pass by and upon registration of the transfer in the Register.

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 3.1 (*Form and Denomination*) above. All transfers of Registered Definitive Notes are subject to any restrictions on transfer set out 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.

4. STATUS AND RELATIONSHIP BETWEEN THE NOTES AND SECURITY

4.1 Status and relationship between the Notes

(a) The Class A1 Notes and the Class A2 Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*)) unconditional obligations of the Issuer. The Class A1 Notes and the Class A2 Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of interest at all times, as provided in these Conditions and the Transaction Documents. The Class A1 Notes rank *pro rata* and *pari passu* without preference or priority among themselves in relation to payment of principal at all times, as provided in these Conditions and the Transaction Documents. The Class A2 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 A1 Notes prior to the service of an Enforcement Notice, as provided in these Conditions and the Transaction Documents.

(b) The Class Z Notes constitute direct, secured and (subject to the limited recourse provision in Condition 12 (*Enforcement*) and Condition 17 (*Subordination by Deferral*)) unconditional obligations of the Issuer. The Class Z 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 A1 Notes and the Class A2 Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of Class Z Notes (the "**Class Z Noteholders**") will be subordinated to the interests of the persons who for the time being are registered in the Register as holders of Class A1 Notes (the "**Class A1 Noteholders**"), holders of the Class A2 Notes (the "**Class A2 Noteholders**") and together with the Class A1 Noteholders, the "**Class A Noteholders**") (so long as any Class A Notes remain outstanding).

(c) The Class X Notes constitute direct, secured and (subject as provided in Condition 17 (*Subordination by Deferral*) and the limited recourse provisions in Condition 12 (*Enforcement*)) unconditional obligations of the Issuer. The Class X Notes rank *pari passu* without preference or priority among themselves in relation to the payment of interest and principal at all times, but subordinate to all payments due in respect of the Collateralised Notes, as provided in these Conditions and the Transaction Documents. Accordingly, the interests of the persons who for the time being are registered in the Register as holders of the Class X Notes (the "**Class X Noteholders**") will be subordinated to the interests of the holders of the Collateralised Notes (so long as any Collateralised Notes remain outstanding).

(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 holders of each Class of Notes (except where expressly provided otherwise) but where there is a conflict of interests between one or more Classes of Notes and/or Certificates, the Note Trustee and the Security Trustee shall have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes or Residual Certificates ranking in priority to the other relevant Classes of Notes and/or Residual Certificates in the Post-Enforcement Priority of Payments.

(e) The Trust Deed also contains provisions limiting the powers of any Class of Noteholders 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. Except in certain circumstances described in Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*), the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class, the exercise of which will be binding (save in respect of a Basic Terms Modification) on the holders of all other Classes of Notes and Certificateholders, in each case irrespective of the effect thereof on their respective interests.

As long as any Notes are outstanding but subject to Condition 13.5 (*Modification to the Transaction Documents*), the Security Trustee shall not have regard to the interests of the other Secured Creditors.

4.2 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.

5. COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under these Conditions or 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 undertakings;

(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 applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;

(c) **Disposal of assets**: assign, transfer, sell, lend, lease, part with or otherwise dispose of, 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;

(d) **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;

(e) **Dividends or distributions**: 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 applicable Priority 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;

(f) **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;

(g) **Merger**: consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(h) **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, 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;

(i) **Bank accounts**: have an interest in any bank account other than the Issuer Accounts and the Issuer's interest in the Collection Accounts Trust, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

(j) **Purchase Notes**: purchase or otherwise acquire any Notes; or

(k) **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.

6. INTEREST

6.1 Accrual of interest

Interest Accrual on the Notes

Each Note 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 7 (*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.

6.2 Interest Payment Dates

Interest will be payable in arrear, on each Interest Payment Date, for all classes of the Floating Rate Notes in respect of the Interest Period ending on or, in the case of the Fixed Rate Notes, on or immediately prior to, such Interest Payment Date. The first Interest Payment Date will be the Interest Payment Date falling in September 2022.

"**Fixed Rate Accrual Date**" means the 16th day of each calendar month determined on the basis that no adjustment is made to the date thereof for non-Business Days.

"**Fixed Rate Notes**" means the Class Z Notes.

"**Floating Rate Notes**" means the Class A1 Notes, the Class A2 Notes and the Class X Notes.

"**Interest Payment Date**" means the 16th day of each calendar month, if such day is not a Business Day, the immediately following Business Day with the first Interest Payment Date falling in September 2022.

Interest shall accrue:

(a) in the case of the Floating Rate Notes, 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; and

(b) in the case of the Fixed Rate Notes, from (and including) a Fixed Rate Accrual Date (except in the first Interest Period, which shall commence on (and include) the Closing Date) to (but excluding) the next following Fixed Rate Accrual Date,

(each such period, an "**Interest Period**").

6.3 Rate of Interest

Rate of Interest on Floating Rate Notes

(a) The rate of interest payable from time to time in respect of each class of the Floating Rate Notes and together with the rate of interest payable in respect of each class of the Fixed Rate Notes, the "**Rates of Interest**") will be in respect of the Floating Rate Notes and any Interest Period, the Compounded Daily SONIA determined by the Agent Bank as at the related Interest Determination Date plus (A) from and including the Closing Date to (and including) the Optional Redemption Date, the Relevant

Margin or (B) from (and excluding) the Optional Redemption Date, the Relevant Step-Up Margin, in each case, in respect of such class and in the event that the Rate of Interest is less than zero per cent., the Rate of Interest shall be deemed to be zero per cent. There will be no maximum Rate of Interest.

In the event that the Rate of Interest cannot be determined in accordance with the following provisions by the Agent Bank, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Relevant Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin relating to the relevant Interest Period in place of the Relevant Margin relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the relevant Class of Floating Rate 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 Relevant Margin applicable to the first Interest Period); and

(b) 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 open generally for business (including dealing in foreign exchange and foreign currency deposits) in London;

(ii) "**Compounded Daily SONIA**" means the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the reference rate as reference rate for the calculation of interest) and will be calculated by the Agent Bank as at the Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards:

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

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 London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

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

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

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

(iii) "**Interest Determination Date**" means the fifth London Banking Day before the Interest Payment Date for which the relevant Rate of Interest will apply;

(iv) "**Interest Determination Ratio**" means, on any Interest Payment Date, (A) the aggregate Revenue Receipts calculated in the three preceding Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) divided by (B) the aggregate of all Revenue Receipts and all Redemption Receipts calculated in such Servicer Reports;

(v) "**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 other date on which a payment of interest is to be made in respect of the Floating Rate Notes);

(vi) "**Reconciliation Amount**" means in respect of any Collection Period (A) the actual Redemption Receipts as determined in accordance with the available Servicer Reports, less (B) the Calculated Redemption Receipts in respect of such Collection Period, plus (C) any Reconciliation Amount not applied in previous Collection Periods;

(vii) "**Relevant Margin**" means:

(A) in respect of the Class A1 Notes, 1.30 per cent. per annum;

(B) in respect of the Class A2 Notes, 1.40 per cent. per annum; and

(C) in respect of the Class X Notes, 5.0 per cent. per annum.

(viii) "**Relevant Step-Up Margin**" means:

(A) in respect of the Class A1 Notes, 1.95 per cent. per annum;

(B) in respect of the Class A2 Notes, 2.10 per cent. per annum; and

(C) in respect of the Class X Notes, 5.0 per cent. per annum.

(ix) "**Screen**" means the Reuters Screen SONIA Page or such other page as may replace Reuters Screen SONIA 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;

(x) "**Servicer Report**" means a report to be provided by the Servicer no later than the fifth Business Day of each month in accordance with the terms of the Servicing Agreement and detailing, *inter alia*, the information relating to the Portfolio necessary to produce the Investor Reports; and

(xi) "**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Screen or, if the Screen is unavailable, as otherwise provided by the administrator (on the London Banking Day immediately following such London Banking Day). 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 Screen or has not otherwise been published by one or more 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.

Rate of Interest on the Fixed Rate Notes

(c) The rate of interest payable in respect of the Fixed Rate Notes will be in respect of the Class Z Notes for any Interest Period, 0.0 per cent. per annum.

6.4 Determination of Rates of Interest and Interest Amounts

The Agent Bank shall, as soon as practicable on the Interest Determination Date falling in such Interest Period, but in no event later than the third Business Day thereafter, determine the Sterling amount (the "**Interest Amounts**") payable in respect of interest on the Principal Amount Outstanding of each Class of Notes for the relevant Interest Period.

The Interest Amounts shall, in respect of a Class of Notes, be determined by applying the relevant Rate of Interest to the Principal Amount Outstanding of such Class of Notes and multiplying the sum by the actual number of days in the Interest Period concerned divided by 365 and rounding the figure downwards to the nearest penny.

6.5 Publication of Rates of Interest and Interest Amounts

The Agent Bank shall cause the Rate of Interest and the Interest Amounts for each Class of Notes in respect of 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 16 (*Notice to Noteholders*) as soon as reasonably practicable after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date. 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 or a requirement to pay interest on any day other than the 16th day of each calendar month in each year or, if such day is not a Business Day, the immediately following Business Day.

6.6 Notifications 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 6, whether by the Agent Bank or the Cash Manager, will (in the absence of manifest error) 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 or the Agent Bank in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Condition 6.

6.7 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. The Issuer may, subject to the prior written approval of the Note Trustee, terminate the appointment of the Agent Bank and shall, 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 Rate of Interest or the Interest Amounts in respect of any Class of Notes for any Interest Period, 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 Issuer will be required to continually comply

with EMIR while it is party to any interest rate swaps. The Agent Bank may not resign its duties or be removed without a successor having been appointed on terms commercially acceptable in the market.

6.8 Determinations and Reconciliation

(a) In the event that the Cash Manager does not receive a Servicer Report with respect to a Collection Period (each such period, a "**Determination Period**"), the Cash Manager may use the three most recently received Servicer Reports in respect of the preceding Collection Periods (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) for the purposes of calculating the amounts available to the Issuer to make payments, as set out in Condition 6.8(b). When the Cash Manager receives the Servicer Report relating to the Determination Period, it will make the reconciliation calculations and reconciliation payments as set out in Condition 6.8(c). Any: (i) calculations properly made on the basis of such estimates in accordance with Conditions 6.8(b) and/or 6.8(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 6.8(b) and/or 6.8(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, on the Calculation Date immediately following the Determination Period:

(i) determine the Interest Determination Ratio (as defined above) by reference to the three most recently received Servicer Reports (or, where there are not at least three previous Servicer Reports, any previous Servicer Reports) received in the preceding 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 Redemption 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 Redemption Receipts**").

(c) Following the end of any Determination Period, upon receipt by the Cash Manager of the Servicer Report in respect of such Determination Period, the Cash Manager shall reconcile the calculations made in accordance with Condition 6.8(b) above to the actual collections set out in the Servicer Reports by allocating the Reconciliation Amount (as defined above) 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 Redemption 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 Redemption Ledger, as Available Revenue Receipts (with a corresponding debit of the Redemption Ledger),

provided that the Cash Manager shall apply such Reconciliation Amount in determining Available Revenue Receipts and Available Redemption 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.

7. PAYMENTS

7.1 Payments of Interest and Principal

Subject to the second paragraph of Condition 3.1 (*Form and Denomination*), payments of any amount in respect of a Note, including principal and interest, shall be made by:

(a) (other than in the case of final redemption) 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

(b) (in the case of final redemption) by transfer to a Sterling account maintained by the payee with a bank in London 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.

7.2 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 (a) any fiscal or other laws and regulations applicable thereto in the place of payment and (b) 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 (the "**FATCA**"). Noteholders will not be charged commissions or expenses on payments.

7.3 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 6.1 (*Accrual of interest*) and Condition 6.3 (*Rate of Interest*) will be paid in accordance with this Condition 7.

7.4 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 the Registrar with a specified office in Ireland 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 16 (*Notice to Noteholders*) and will notify the Rating Agencies of such change or addition.

7.5 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 and shall not be entitled to further interest or other payment in respect of such delay. In this Condition 7.5, 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.

7.6 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.

7.7 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 7.5 (*No Payment on non-Business Day*)) or by reason of non-compliance by the Noteholder with Condition 7.1 (*Payments 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 16 (*Notice to Noteholders*).

8. REDEMPTION

8.1 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 Amount Outstanding on the Interest Payment Date falling in May 2059 (the "**Final Maturity Date**").

8.2 Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date

(a) On each Interest Payment Date prior to the service of an Enforcement Notice or on the Call Option Redemption Date:

(i) each Class of Notes (other than the Class X Notes) shall be redeemed in an amount equal to the Available Redemption Receipts available for such purpose in accordance with the Pre-Enforcement Redemption Priority of Payments which shall be applied in the following order of priority:

(A) to repay the Class A1 Notes until they are each repaid in full; and thereafter be applied;

(B) to repay the Class A2 Notes until they are each repaid in full; and thereafter be applied; and

(C) to repay the Class Z Notes until they are each repaid in full; and

(ii) in the case of the Class X Notes, in an amount equal to the Available Revenue Receipts available for such purpose in accordance with the Pre-Enforcement Revenue Priority of Payments which shall be applied to repay the Class X Notes until they are each repaid in full.

(b) The Principal Amount Outstanding of each Class of Notes shall be redeemed on each Interest Payment Date in accordance with the relevant Priority of Payments. The principal amount to be redeemed in respect of a Note of a particular Class (the "**Note Principal Payment**") on any Interest Payment Date prior to the service of an Enforcement Notice shall be (i) in respect of Notes of a particular Class other than the Class X Notes, the Available Redemption Receipts available for such purpose on such Interest Payment Date in accordance with the Pre-Enforcement Redemption Priority of Payments and (ii) in respect of the Class X Notes, the Available Revenue Receipts available for such purpose on such Interest Payment Date in accordance with the Pre-Enforcement Revenue Priority of Payments, each as calculated on the Calculation Date immediately preceding such Interest Payment Date multiplied by the relevant Pool Factor. With respect to each Note of a particular Class on (or as soon as practicable

after) each Calculation Date, the Issuer shall determine (or cause the Cash Manager to determine) (A) the amount of any Note Principal Payment due on the Interest Payment Date next following such Calculation Date, (B) the Principal Amount Outstanding of each such Note and (C) 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 sub-paragraph (B) above) and the denominator is the Principal Amount Outstanding of the relevant Class of Notes. 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 manifest error) be final and binding on all persons.

(c) 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 are admitted to trading on its Regulated Market), and will immediately cause notice of each such determination to be given in accordance with Condition 16 (*Notice to Noteholders*) 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.

8.3 Mandatory Redemption of the Notes in Full

(a) On or after the Optional Redemption Date

On giving not more than 60 days' nor fewer than two Business Days' notice to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee, on any Interest Payment Date on or after the Optional Redemption Date upon the occurrence of a sale of the Loans and their Related Security comprising the Portfolio in accordance with the provisions of the Deed Poll, the Optional Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Collateralised Notes will be redeemed in full and the Class X Notes may (subject to availability of funds for such purposes) be redeemed in full or in part, in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date*).

(b) Ten per cent. clean-up call

On giving not more than 60 days' nor fewer than 14 Business Days' notice to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee, on any Interest Payment Date upon the occurrence of a sale of the Loans and their Related Security comprising the Portfolio in accordance with the provisions of the Deed Poll where the aggregate Current Balance of the Loans (excluding any Enforced Loans) was equal to or less than 10 per cent. of the aggregate Principal Amount Outstanding of the Collateralised Notes on the Closing Date, the Optional Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Collateralised Notes will be redeemed in full and the Class X Notes may (subject to availability of funds for such purposes) be redeemed in full or in part, on such Interest Payment Date in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date*).

8.4 Mandatory Redemption of the Notes for Taxation or Other Reasons

If:

(a) 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 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 subdivision thereof or any authority thereof or therein having power to tax; or

(b) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, it has become or will become unlawful for the Issuer to make, fund or allow to remain outstanding all or any of the Notes,

then the Issuer shall, if the same would avoid the effect of such relevant event described in paragraph (a) or (b), 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 holders of the Notes (and in making such determination, the Note Trustee may rely, without further investigation or inquiry, on (A) any confirmation made orally to the Issuer (in which case the Servicer on behalf of the Issuer shall confirm the same in writing to the Note Trustee) or in writing from each of the Rating Agencies that the then current ratings of the Class A Notes (while the Class A Notes remain outstanding) would not be adversely affected by such substitution or (B) if no such confirmation from the Rating Agencies is forthcoming, the Servicer on behalf of the Issuer has certified in writing to the Cash Manager, the Note Trustee and the Security Trustee that such proposed action (I) (while any Class A 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 and (IV) (while any of the Class A Notes remain outstanding) would not have an adverse effect on the rating of the Class A Notes) (upon which confirmation or certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing); and

(ii) 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.

A "**Redemption Event**" shall occur if the Issuer satisfies the Note Trustee immediately before giving the notice referred to below that one or more of the events described in paragraph (a) or (b) 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.

On any Interest Payment Date on which the Loans and their Related Security comprising the Portfolio are sold pursuant to the Deed Poll following the occurrence of a Redemption Event, the Optional Purchase Price received by the Issuer will be applied as Available Revenue Receipts in accordance with the Pre-Enforcement Revenue Priority of Payments with the result that the Collateralised Notes will be redeemed in full and the Class X Notes may (subject to availability of funds for such purposes) be redeemed in full or in part, in accordance with Condition 8.2 (*Mandatory Redemption prior to the service of an Enforcement Notice or on the Call Option Redemption Date*). The Issuer shall give not more than 60 days' nor fewer than 30 Business Days' notice of any such redemption of the Collateralised Notes to the Noteholders in accordance with Condition 16 (*Notice to Noteholders*) and the Note Trustee.

8.5 Principal Amount Outstanding

The "**Principal Amount Outstanding**" of each Class of Notes on any date shall be, in each case, their original principal amount less the aggregate amount of all principal payments in respect of such Class of Notes which have been made since the Closing Date.

8.6 Notice of Redemption

Any such notice as is referred to in Condition 8.3 (*Mandatory Redemption of the Notes in Full*) or Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other 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 Clause 3.14(d) (*Exercise of Call Option*) of the Deed Poll may be relied on by the Note Trustee without further investigation and, if so relied on, shall be conclusive and binding on the Noteholders.

8.7 No Purchase by the Issuer

The Issuer will not be permitted to purchase any of the Notes.

8.8 Cancellation on redemption in full and/or the exercise of the Call Option

All Notes redeemed in full will be cancelled upon redemption. Notes cancelled upon redemption in full may not be resold or re-issued.

9. 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, all present and future taxes, levies, imposts, duties, fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, subject to Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), the Issuer or, as the case may be, the Paying Agent 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.

10. 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 10, 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 16 (*Notice to Noteholders*).

11. EVENTS OF DEFAULT

11.1 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 or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class 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 (an "**Enforcement Notice**") to the Issuer that all Classes of the Notes are immediately due and repayable at their respective Principal Amount Outstanding, together with accrued (but unpaid) interest as provided in the Trust Deed (with a copy of such Enforcement Notice being sent simultaneously to the Seller, the Security Trustee, the Swap Provider, the Servicer, the Issuer Account Bank and the Cash Manager), if any of the following events (each, an "**Event of Default**") occurs:

(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 Notes and the default continues for: (i) a period of five Business Days in the case of principal, or (ii) three Business 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 and the failure continues for a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the failure to be incapable of remedy, then no continuation or notice as is aforementioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(c) if any representation or warranty made by the Issuer under any Transaction Document is incorrect when made and the matters giving rise to such misrepresentation are not remedied within a period of 15 days (or such longer period as the Note Trustee may permit) (except that in any case where the Note Trustee considers the matters giving rise to such misrepresentation to be incapable of remedy, then no continuation or notice as is hereinafter mentioned will be required) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or

(d) 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 Noteholders; or

(e) if (i) 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 Noteholders, or (ii) 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 (iii) the Issuer 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

(f) if proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any

such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order), unless initiated by the Issuer, is not discharged within 30 days; or

(g) 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).

11.2 General

Upon the service of an Enforcement Notice by the Note Trustee in accordance with Condition 11.1 (*Notes*), all the Notes then outstanding shall thereby immediately become due and repayable at their respective Principal Amount Outstanding, together with accrued interest as provided in the Trust Deed.

12. ENFORCEMENT

12.1 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 an Enforcement 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, actions or steps unless:

(a) the Note Trustee shall have been so directed, or directed to direct the Security Trustee, by an Extraordinary Resolution of the holders of the Most Senior Class 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; 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 or Security Trustee, having become bound to do so, fails to do so within a reasonable period of time and such failure is continuing.

12.2 Limitations on Enforcement

No Noteholder 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 Conditions or 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 shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

12.3 Limited Recourse

Notwithstanding any other Condition or any provision of any Transaction Document, all obligations of the Issuer to the Noteholders 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,

then the Noteholders shall have no further claim against the Issuer in respect of any amounts owing to them which remain due or to be paid in respect of the Notes (including, for the avoidance of doubt, payments of principal, premium (if any) or interest in respect of the Notes) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Notes and any further payment rights shall be extinguished.

13. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

13.1 The Trust Deed contains provisions for convening meetings (including by way of conference call, including by use of a videoconference platform) 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 or the provisions of any of the Transaction Documents.

13.2 For the purposes of these Conditions, "**Most Senior Class**" means Class A Notes or, if there are no Class A Notes then outstanding, the Class Z Notes or, if there are no Class A Notes or Class Z Notes then outstanding, the Class X Notes, or if there are no Notes then outstanding, prior to (but excluding) the Optional Redemption Date, the RC1 Residual Certificates and, thereafter, the RC2 Residual Certificates.

13.3 Most Senior Class and Limitations on other Noteholders and Certificateholders

(a) Other than in relation to a Basic Terms Modification, which additionally requires an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Notes and/or Certificates then in issue, as applicable:

(i) subject to Conditions 13.3(a)(ii) and (iii), an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class shall be binding on such Noteholders and all other Classes of Noteholders and Certificateholders irrespective of the effect upon them;

(ii) subject to Condition 13.3(a)(iii), an Extraordinary Resolution passed at any meeting of a relevant Class of Noteholders shall be binding on (A) such Noteholders and all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Enforcement Priority of Payments in each case and (B) the Certificateholders, irrespective of the effect it has upon them; and

(iii) no Extraordinary Resolution of any Class of Noteholders or Certificateholders shall take effect for any purpose while any of the Most Senior Class remain outstanding or (in the case of the

Residual Certificates) remain in issue unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class and in the case of the Certificates all Notes ranking in priority thereto or the Note Trustee and/or Security Trustee (acting on the direction of the Note Trustee) is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class,

provided that, in respect of any Extraordinary Resolution of a Class or Classes of Notes and/or Certificates relating to any modification, supplement, waiver or consent in respect of any of the Transaction Documents which would, in the reasonable opinion of the Swap Provider, materially adversely affect: (A) the Pre-Enforcement Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments; (B) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider; (C) the Swap Provider's status as a Secured Creditor; (D) the rights of the Swap Provider in relation to the Security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such Security granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors); (E) any other terms which would modify a payment date under any Swap Agreement or cause the Notes to be redeemed in full or the Portfolio to be sold or otherwise disposed of in full (other than as permitted or contemplated by the Transaction Documents as at the date of the Swap Agreement); or (F) the definitions of any terms used in any Transaction Documents relating to the matters in (A) to (E) above (I) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (II) written notification from the Issuer or the Servicer on behalf of the Issuer to the Note Trustee and the Security Trustee that the aforementioned Swap Provider consent is not needed as the modifications do not have any of the effects described in sub-paragraphs (A) to (F) above, is also required prior to such amendments being made.

(b) Other than in relation to Basic Terms Modifications and subject as provided in Conditions 13.3(a) (*Most Senior Class and Limitations on other Noteholders and Certificateholders*) and 13.4 (*Quorum*), a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:

(i) Notes and/or Certificates of only one Class shall be deemed to have been duly passed if passed at a separate meeting (or by a separate resolution in writing or by a separate resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of that Class of Notes and/or Certificates so affected;

(ii) Notes and/or Certificates of more than one Class but does not give rise to a conflict of interest between the holders of such Classes of Notes and/or Certificates shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates;

(iii) one or more Classes of Notes and/or Certificates and gives or may give rise to, an actual or potential conflict of interest between the holders of such Notes and/or Certificates, shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates so affected;

(iv) one or more Classes of Notes and/or Certificates but does not give rise to an actual or potential conflict of interest between the holders of such Notes and/or Certificates, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates so affected; and

(v) two or more Classes of Notes and/or Certificates and gives, or may give, rise to an actual or potential conflict of interest between the holders of such Classes of Notes and/or Certificates, shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes or Certificates so affected.

(c) In respect of the Class A Notes, subject as provided in Conditions 13.3(a) (*Most Senior Class and Limitations on other Noteholders and Certificateholders*) and 13.4 (Quorum), a resolution which, in the opinion of the Note Trustee, affects the interests of the holders of:

(i) the Class A1 Notes and the Class A2 Notes only shall be deemed to have been duly passed if passed at a meeting of those Class A1 Notes or Class A2 Notes as applicable;

(ii) the Class A1 Notes and the Class A2 Notes, but does not give rise to a conflict of interest between the holders of such Class A1 Notes and Class A2 Notes, shall be deemed to have been duly passed if passed at a single meeting of the holders of the Class A1 Notes and Class A2 Notes; and

(iii) the Class A1 Notes and the Class A2 Notes and gives or may give rise to a conflict of interest between the holders of such Class A1 Notes and Class A2 Notes, shall be deemed to have been duly passed only if it shall be duly passed at a separate meeting of the holders of the Class A1 Notes and the Class A2 Notes.

Notwithstanding the foregoing, any Extraordinary Resolution of the Class A Noteholders to direct the Note Trustee to give an Enforcement Notice pursuant to Condition 11 (*Events of Default*) shall only be capable of being passed at a single meeting of the Class A Noteholders.

(d) No Extraordinary Resolution of the holders of a Class or Classes of Notes and/or Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of each affected Class of Certificates then in issue which are affected by such Basic Terms Modification.

(e) No Ordinary Resolution that is passed by the holders of any Class of Notes or Certificates shall take effect for any purpose while any of the Most Senior Class remain outstanding or (in the case of the Residual Certificates) remain in issue unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class and, in the case of the Certificates, all Notes ranking in priority thereto or the Note Trustee and/or Security Trustee (acting on the direction of the Note Trustee) is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

13.4 Quorum

(a) Subject as provided below, the quorum at any meeting of Noteholders of any Class or Classes for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.

(b) 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 then outstanding.

(c) 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 Certificates passing an Extraordinary Resolution to:

(i) sanction a modification of the date of maturity of the Notes;

(ii) sanction 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 of the method of calculating the date of payment in respect of any Class of Certificates, except in accordance with Condition 13.6(g) or (h) (*Additional Right of Modification*), Residual Certificates Condition 12.6(g) or (h) (*Additional Right of Modification*) or ERC Certificates Condition 12.6(g) or (h) (*Additional Right of Modification*) in relation to any Base Rate Modification or Swap Rate Modification;

(iii) sanction 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 of the method of calculating the amounts payable in respect of any Class of Certificates (including, if any such modification is proposed for any Class of Notes), except in accordance with Condition 13.6(g) or (h) (*Additional Right of Modification*), Residual Certificates Condition 12.6(g) or (h) (*Additional Right of Modification*) or ERC Certificates Condition 12.6(g) or (h) (*Additional Right of Modification*) in relation to any Base Rate Modification or Swap Rate Modification;

(iv) alter the currency in which payments under any Class of Notes or any Class of Certificates are to be made;

(v) alter the quorum or majority required in relation to this exception;

(vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of Notes or any Class of Certificates; or

(vii) sanction any change to the definition of Basic Terms Modification,

(each a "**Basic Terms Modification**") shall be one or more persons holding or representing in aggregate not less than (A) three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (B) three-quarters of such Class of Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and (if affected) Certificates in accordance with the relevant Certificates Conditions.

(d) Subject as provided below, the quorum at any adjourned meeting of Noteholders of any Class or Classes for passing an Ordinary Resolution will be one or more persons holding or representing not less than 10 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.

(e) Subject as provided below, the quorum at any adjourned 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 25 per cent. of the aggregate Principal Amount Outstanding of such Class or Classes of Notes then outstanding.

(f) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any adjourned meeting of any holders of any Class or Classes of Notes or holders of any Class of Certificates passing an Extraordinary Resolution to sanction a Basic Terms Modification, shall be one or more persons holding or representing in aggregate not less than (i) 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (ii) 50 per cent. of such Class of Certificates

then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and each relevant affected Class of Certificates in accordance with the relevant Certificates Conditions.

The terms of the Trust Deed and the Deed of Charge provide for the Noteholders to give directions in writing to the Note Trustee and the Security Trustee upon which the Note Trustee or, as the case may be, the Security Trustee is bound to act.

13.5 Modification to the Transaction Documents

(a) The Note Trustee or, as the case may be, the Security Trustee may (or in the case of sub-paragraph (iii) below, shall) at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification:

(i) other than in respect of a Basic Terms Modification, to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee), will not be materially prejudicial to the interests of the Noteholders (or, if there are no Notes outstanding, the interests of the Certificateholders), or the interests of the Note Trustee or the Security Trustee and, for the avoidance of doubt, any modification of the Collection Accounts Declaration of Trust which does not affect the manner in which the Issuer's Issuer Beneficiary Trust Share (as defined in the Collection Accounts Declaration of Trust) is calculated will not be materially prejudicial to the interests of the Noteholders (or if there are no Notes outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee;

(ii) 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 direction of the Note Trustee), such modification is of a formal, minor or technical nature or to correct a manifest error; or

(iii) to the Transaction Documents, the Conditions and/or the Certificates Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer to comply with any applicable requirements under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation ("**EU EMIR**"), and "**UK EMIR**" with which EU EMIR forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, irrespective of whether such modifications are (I) materially prejudicial to the interests of the holders of any Class of Notes or Certificates or any other Secured Creditor or (II) in respect of a Basic Terms Modification (any such modification, an "**EMIR Amendment**") and subject to receipt by the Note Trustee and the Security Trustee of a certificate of (x) the Issuer signed by two directors or (y) the Servicer on behalf of the Issuer certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EU EMIR or UK EMIR, as applicable. Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this paragraph (iii) which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

(A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or

(B) increasing the obligations or duties, or decreasing the rights or protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents, the Certificates Conditions and/or the Conditions of the Notes, or

(iv) to any amendment to the Servicing Agreement and/or the Cash Management Agreement and/or any other Transaction Document to which the Servicer or the Cash Manager are a party for the purposes of Clause 8.3 (Information Covenants) of the Cash Management Agreement and/or Clause 14.4(f) (*Reporting and information under the UK Securitisation Regulation*) of the Servicing Agreement,

provided that in respect of any modification, supplement, waiver or consent in respect of any of the Transaction Documents which would, in the reasonable opinion of the Swap Provider, materially adversely affect: (A) the Pre-Enforcement Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments; (B) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider; (C) the Swap Provider's status as a Secured Creditor; (D) the rights of the Swap Provider in relation to the Security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such Security granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors); (E) any other terms which would modify a payment date under any Swap Agreement or cause the Notes to be redeemed in full or the Portfolio to be sold or otherwise disposed of in full (other than as permitted or contemplated by the Transaction Documents as at the date of the Swap Agreement); or (F) the definitions of any terms used in any Transaction Documents relating to the matters in (A) to (E) above (I) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (II) written notification from the Issuer or the Servicer on behalf of the Issuer to the Note Trustee and the Security Trustee that the aforementioned Swap Provider consent is not needed as the modifications do not have any of the effects described in sub-paragraphs (A) to (F) above, is required prior to such amendments being made.

(b) Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any EMIR Amendment pursuant to this Condition 13.5, the Note Trustee and/or Security Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person, but shall act and rely solely and without further investigation on any certificate provided to it by the Issuer or the Servicer (as the case may be) pursuant to this Condition 13.5 and shall not be liable to any Noteholder or other Secured Creditor for so acting or relying.

13.6 Additional Right of Modification

Notwithstanding the provisions of Condition 13.5 (*Modification to the Transaction Documents*), the Note Trustee or, as the case may be, the Security Trustee shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditor, subject to written consent of the Secured Creditors which are party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to 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, provided that:

(i) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is 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 Seller, the Servicer, the Swap Provider, the Cash Manager, the Agent Bank, the Principal Paying Agent and the Issuer Account Bank (for the purpose of this Condition 13.6 only, each a "**Relevant Party**"), in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

(A) the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in paragraphs (x) and/or (y) above of this paragraph (ii); and

(B) either:

I. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Security Trustee and the Note Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain outstanding) result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing any Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

II. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result (if the Class A Notes reaming outstanding) in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing any Class A Notes on rating watch negative (or equivalent).

(b) for the purpose of complying with any changes in the requirements of, or enabling the Issuer to comply with an obligation in respect of, the UK Securitisation Regulation or the EU Securitisation Regulation (including in respect of risk retention) after the Closing Date, including as a result of the adoption of regulatory or implementing technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation or any other legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person doing so);

(c) to effect any changes to the Servicer and/or the Seller and/or migrate any obligations of the Servicer and/or the Seller to any other entity within the OSB Group, provided that:

(i) the Issuer and the Servicer certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is required solely for such purpose and has been drafted solely to such effect;

(ii) either

(A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Security Trustee and the Note Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain outstanding) result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing any Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

(B) the Issuer or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification (if the Class A Notes remain outstanding) would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing any Class A Notes on rating watch negative (or equivalent);

(iii) the replacement seller and/or servicer will accede to the Deed of Charge and be bound by the provisions therein;

(iv) the replacement servicer is qualified to act as such under the FSMA and has the requisite experience of servicing residential mortgage loans in the United Kingdom; and

(v) the replacement servicer enters into a servicing agreement with the Issuer on terms substantially similar to the terms of the existing Servicing Agreement or on terms commercially acceptable in the market, pursuant to which the replacement servicer agrees to assume and perform all the material duties and obligations of the Servicer under the Servicing Agreement (including, for the avoidance of doubt, the performance of certain of Issuer's obligations as the responsible entity pursuant to Article 7(2) of the UK Securitisation Regulation and its contractual obligations pursuant to Article 7(2) of the EU Securitisation Regulation);

(d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(e) for the purpose of enabling the Issuer or any of the other Transaction Parties to comply with FATCA, provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(f) for the purpose of complying with, or implementing or reflecting, any changes in the manner in which the Notes are held which will allow Bank of England's sterling monetary framework, that is, in a manner which would allow such Notes to be recognised as eligible collateral for the Bank of England's monetary policy and intra-day credit operations by the Bank of England either upon issue or at any or all times during the life of the Notes, provided that the Issuer certifies in writing to the Note Trustee and the Security Trustee 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, the Servicer (on behalf of the Issuer), and/or the Relevant Party and/or any other relevant Transaction Party, as the case may be, pursuant to Conditions 12.6(g) to (f)(f) above being a "**Modification Certificate**"); or

(g) for the purpose of changing the reference rate or the base rate that then applies in respect of the Floating Rate 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 judgment of the Issuer (or the Servicer on its behalf) to facilitate such change (a "**Base Rate Modification**"), **provided that** the Issuer (or the Servicer on its behalf) certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(i) such Base Rate Modification is being undertaken due to:

(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) 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 (or the Servicer on its behalf) 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 Federal Reserve or the Bank of England, any regulator in the United States, the United

Kingdom or the European Union 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;

(C) a base rate utilised in a publicly listed new issue of Sterling-denominated asset-backed floating rate notes where the originator of the relevant assets is OSB or an affiliate thereof; or

(D) such other base rate as the Servicer (on behalf of the Issuer) reasonably determines,

and in each case, the change to the Alternative Base Rate will not, in its opinion, be materially prejudicial to the interest of the Noteholders; and, for the avoidance of doubt, the Issuer (or the Servicer on its behalf) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this Condition 13.6(g) are satisfied;

(h) for the purpose of changing the base rate that then applies in respect of the Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the Notes following such Base Rate Modification (a "**Swap Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**"),

provided that, in the case of any modification made pursuant to paragraphs (a) to (h) above:

(i) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;

(ii) the Modification Certificate, Base Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee are notified of the proposed modification and on the date that such modification takes effect; and

(iii) the consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained; and

(iv) other than in the case of a modification pursuant to Condition 13.6(a)(ii), either:

(A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies a Rating Agency Confirmation (or certifies in the Modification Certificate, Base Rate Modification Certificate or Swap Rate Modification Certificate that no such Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain outstanding) result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y)

such Rating Agency placing any Class A Notes on rating watch negative (or equivalent); or

(B) the Issuer or the Servicer (on behalf of the Issuer) certifies in the Modification Certificate, Base Rate Modification Certificate or Swap 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 (if the Class A Notes remain outstanding) would result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing any Class A Notes on rating watch negative (or equivalent); and

(v) the Issuer certifies in writing to the Note Trustee and the Security Trustee (which certification may be in the Modification Certificate, Base Rate Modification Certificate or Swap Rate Modification Certificate, as applicable) that (I) the Issuer has provided at least 30 calendar days' notice to the Noteholders of each Class of the proposed modification in accordance with Condition 16 (*Notice to Noteholders*) and by publication on Bloomberg on the "Company News" screen relating to the Notes, and (II) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Other than where specifically provided in this Condition 13.6 or any Transaction Document:

(i) when implementing any modification pursuant to this Condition 13.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), neither the Note Trustee nor the Security Trustee shall consider the interests of the Noteholders, any other Secured Creditor or any other person but shall act and rely solely and without further investigation on the Modification Certificate, the Base Rate Modification Certificate or the Swap Rate Modification Certificate provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Condition 13.6 and shall not be liable to the Noteholders, any other Secured Creditor for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(ii) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Note Trustee and/or the Security Trustee, would have the

effect of (A) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protection, of the Note Trustee and/or the Security Trustee in the Transaction Documents, the Certificates Conditions and/or these Conditions.

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

(A) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;

(B) the Secured Creditors; and

(C) the Noteholders in accordance with Condition 16 (*Notice to Noteholders*).

(i) Nothing in this Condition 13.6 shall nullify or restrict the right of the Issuer and the Swap Provider to make certain amendments to the Swap Agreement in accordance with the Benchmarks Supplement as it forms part of the Swap Agreement. The Issuer shall notify the Noteholders of such amendments in accordance with Condition 16 (*Notice to Noteholders*) as soon as reasonably practicable following the effective date of such amendments.

13.7 Authorisation or Waiver of Breach

The Note Trustee and/or the Security Trustee (in the case of the Security Trustee, acting in accordance with the Deed of Charge), as applicable, may, 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 further or other breach, from time to time and at any time, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificates Conditions or any of the Transaction Documents by any party thereto, but only if in the opinion of the Note Trustee or, as the case may be, the Security Trustee, the interests of the Most Senior Class or if there are no Notes then outstanding and no Residual Certificates then in issue, all the Secured Creditors will not be materially prejudiced thereby. The Note Trustee shall not exercise any powers conferred on it by this Condition 13.7 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or, by a direction under Condition 11 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

13.8 Notification of modifications, waivers, authorisations or determinations

Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with these Conditions, the Certificates Conditions or the Transaction Documents shall be binding on the Noteholders and, unless the Note Trustee or, as the case may be, the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 16 (*Notice to Noteholders)*, the Rating Agencies (while any Notes remain outstanding) and the Secured Creditors as soon as practicable thereafter.

13.9 In connection with any such substitution of principal debtor referred to in Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), the Note Trustee and the Security Trustee may also agree, without the consent of the Noteholders or the other Secured Creditors, to a change of the laws governing the Notes, these Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee or, as the case may be, the Security Trustee (in the case of the Security Trustee, acting in accordance with the Deed of Charge), be materially prejudicial to the interests of the Noteholders or the other Secured Creditors.

13.10 In determining whether a proposed action will not be materially prejudicial to the Noteholders or any Class thereof, the Note Trustee and the Security 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 ratings of the Class A Notes (while the Class A Notes remain outstanding). It is agreed and acknowledged by the Note Trustee and the Security 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 has confirmed that the then current ratings of the Class A Notes (while the Class A Notes remain outstanding) would not be adversely affected, it is agreed and acknowledged by the Note Trustee and the Security Trustee this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders or any other person, or create any legal relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Noteholders or any other person, whether by way of contract or otherwise.

13.11 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 in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Noteholders of any Class or Classes, it shall (a) have regard to the general interests of the Noteholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Noteholders (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 (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 subdivision thereof, and the Note Trustee or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Noteholder 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 and (b) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Notes (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interest between one or more Classes of Notes and/or Residual Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the holders of the Class or Classes of Notes ranking in priority to the other relevant Classes of Notes.

13.12 Other than in respect of any matter requiring an Extraordinary Resolution, Noteholders are required to vote by way of an Ordinary Resolution.

13.13 "**Ordinary Resolution**" means, in respect of the holders of any of the Classes of Notes:

(a) a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Trust Deed and these Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll;

(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 of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) 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.

13.14 "**Extraordinary Resolution**" means, in respect of the holders of any of the Classes of Notes:

(a) a resolution passed at a meeting of Noteholders duly convened and held in accordance with the Trust Deed and these Conditions by a majority consisting of not less than three-quarters of Eligible Persons 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;

(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 of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Noteholders of not less than three-quarters in aggregate Principal Amount Outstanding of the relevant Class of Notes.

13.15 "**Eligible Person**" means any one of the following persons who shall be entitled to attend and vote at a meeting:

(a) a bearer of any Voting Certificate; and

(b) a proxy specified in any Block Voting Instruction.

13.16 "**Voting Certificate**" means an English language certificate issued by a Paying Agent in which it is stated:

(a) that on the date thereof the Notes and/or Certificates (not being the Notes and/or Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes and/or Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Voting Certificate; and

(ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and

(b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Certificates represented by such Voting Certificate.

13.17 "**Block Voting Instruction**" means an English language document issued by a Paying Agent in which:

(a) it is certified that on the date thereof Notes and/or Certificates (not being Notes and/or Certificates (as applicable) in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes and/or such Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Block Voting Instruction; and

(ii) the Notes and/or the Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;

(b) it is certified that each holder of such Notes and/or such Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes and/or the Certificates so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;

(c) the aggregate principal amount or aggregate total amount of the Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(d) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates so listed in accordance with the instructions referred to in paragraph (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting.

13.18 Details of any Extraordinary Resolution and any Ordinary 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.

13.19 Issuer Substitution Condition

The Note Trustee and Security Trustee may agree, subject to such amendment of these Conditions, the Certificates Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and Security 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, the Notes 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 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 5 (*Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to this Condition 13.19, the Note Trustee and Security Trustee may in their absolute discretion agree, without the consent of the Noteholders, to a change in law governing the Notes and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee and Security Trustee (acting on the direction of the Note Trustee), be materially prejudicial to the interests of the Noteholders.

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. REPLACEMENT OF 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.

If the Issuer Substitution Condition is satisfied in accordance with these Terms and Conditions and the Trust Deed, the Issuer may, without the consent of the Noteholders, issue one or more classes of replacement notes to replace one or more Classes of Notes, each class of which shall have terms and conditions which may differ from the terms and conditions of the Class of Notes which it replaces.

16. NOTICE TO NOTEHOLDERS

16.1 Publication of Notice

(a) Subject to Condition 16.1(c) and 16.1(d), any notice to Noteholders shall be validly given if published in the *Financial Times* or, if such newspaper shall cease to be published or if timely publication therein is not practicable, in such other English newspaper or newspapers as the Note Trustee shall approve in advance having a general circulation in the United Kingdom, provided that if, at any time, (i) the Issuer procures that the information concerned 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 and notified to Noteholders (in each case a "**Relevant Screen**"), or (ii) paragraph (c) below applies and the Issuer has so elected, publication in the newspaper set out above or such other newspaper or newspapers shall not be required with respect to such notice. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which (or on the Relevant Screen) publication is required.

(b) In respect of Notes in definitive form, notices to Noteholders will be sent to them by first class post (or its equivalent) or (if posted to an address outside the United Kingdom) by airmail at the respective addresses on the Register. Any such notice will be deemed to have been given on the fourth day after the date of posting.

(c) While the Notes are represented by Global Note, 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.

(d) So long as the relevant Notes are admitted to trading on, and listed on the official list of, Euronext Dublin 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.

16.2 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or category of them if, in its sole opinion, such other method is 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 the Noteholders in such manner as the Note Trustee shall require.

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 in respect of the Notes other than the Most Senior Class of Notes after having paid or provided for items of higher priority in the Pre-Enforcement 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 Notes other than the Most Senior Class of Notes to the extent only of any insufficiency of funds.

17.2 General

Any amounts of Deferred Interest in respect of a Class of Notes 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 becomes 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 relevant Class of Noteholders, as appropriate, in accordance with Condition 16 (*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, are 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 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 Class A Notes (while the Class A Notes remain outstanding) 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) one Rating Agency gives such Rating Agency Confirmation or response based on the same facts,

then such condition to receive a Rating Agency Confirmation or response from each Rating Agency shall be 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. If no such Rating Agency Confirmation is forthcoming and two directors of the Issuer have certified the same in writing to the Security Trustee and the Note Trustee (an "**Issuer Certificate**"), upon which Issuer Certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person for so doing, the Note Trustee and the Security Trustee shall be entitled (but not obliged) to assume that such proposed action:

(A) (while any of the Notes remain outstanding) has been notified to the Rating Agencies;

(B) would not adversely impact on the Issuer's ability to make payment when due in respect of the Notes;

(C) would not affect the legality, validity and enforceability of any of the Transaction Documents or any Security; and

(D) (while any of the Class A Notes remain outstanding) the then current rating of the Class A Notes would not be reduced, qualified, adversely affected or withdrawn,

It is agreed and acknowledged by the Note Trustee and the Security Trustee that this does not impose or extend any actual or contingent liability for each of the Rating Agencies to the Security Trustee, the Note Trustee, the Noteholders or any other person or create any legal relations between each of the Rating Agencies and the Security Trustee, the Note Trustee, the Noteholders or any other person whether by way of contract or otherwise.

19. JURISDICTION AND GOVERNING LAW

(a) The Courts of England (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Certificates and/or the Transaction Documents may be brought in such Courts.

(b) The Transaction Documents, the Notes, the Certificates 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.

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 RESIDUAL CERTIFICATES

The following are the terms and conditions of the Residual Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below)

1. GENERAL

The 100 RC1 Residual Certificates (the "**RC1 Residual Certificates**") and the 100 RC2 Residual Certificates (the "**RC2 Residual Certificates**" and together with the RC1 Residual Certificates, the "**Residual Certificates**") of Canterbury Finance No.5 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about 4 August 2022 (the "**Closing Date**") and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the registered holders for the time being of the Residual Certificates (the "**Residual Certificateholders**") (in such capacity, the "**Note Trustee**"). Any reference in these residual certificates terms and conditions (the "**Residual Certificates Conditions**") to a "**Class**" of Notes or of Noteholders or (as applicable) of Certificates or of Certificateholders shall be a reference to the Class A1 Notes, the Class A2 Notes, the Class Z Notes, the Class X Notes, the RC1 Residual Certificates, the RC2 Residual Certificates or the ERC Certificates, as the case may be, or to the respective holders thereof. Any reference in these Residual Certificates Conditions to the Certificates Conditions (the "**Certificates Conditions**") will be to these Residual Certificates Conditions and the certificates terms and conditions of the ERC Certificates (the "**ERC Certificates Conditions**"). The security for the Residual Certificates is constituted by and pursuant to 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 or prior to the Closing Date and made between the Issuer, the Security Trustee, the Note Trustee, Elavon Financial Services DAC, UK Branch 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, UK Branch as registrar (in such capacity, the "**Registrar**") and Elavon Financial Services DAC, UK Branch as agent bank (in such capacity, the "**Agent Bank**"), provision is made for, *inter alia*, the payment of amounts in respect of the Residual Certificates.

The statements in these Residual Certificates Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a 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).

Physical 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. 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.

2. INTERPRETATION

2.1 Definitions

Capitalised terms not otherwise defined in these Residual Certificates Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

2.2 Interpretation

These Residual Certificates Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

3. FORM AND TITLE

3.1 Form and Denomination

The RC1 Residual Certificates and the RC2 Residual Certificates will initially be represented by a global residual certificate in registered form (a "**Global Residual Certificate**").

For so long as any of the Residual Certificates are represented by a Global Residual Certificate, transfers and exchanges of beneficial interests in such Global Residual 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, S.A. ("**Clearstream, Luxembourg**"), as appropriate. The Global Residual 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 Residual Certificate will be exchanged for the relevant Residual Certificate in definitive registered form (such exchanged Global Residual Certificate in definitive registered form, the "**Definitive Residual 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 or to cease to make their book-entry systems available for settlement of beneficial interests in such Global Residual Certificate and do in fact do either of those things,

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 Residual Certificates which would not be required were the relevant Residual Certificates in definitive registered form.

If Definitive Residual Certificates are issued in respect of Residual Certificates originally represented by a Global Residual Certificate, the beneficial interests represented by such Global Residual Certificate shall be exchanged by the Issuer for the relevant Residual Certificates in registered definitive form.

Definitive Residual Certificates will be serially numbered and will be issued in registered form only.

References to "**Residual Certificates**" in these Residual Certificates Conditions shall include the Global Residual Certificate and the Definitive Residual Certificates.

3.2 Title

Title to the Global Residual Certificate 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 Residual 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 Residual 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 Definitive Residual Certificates shall only pass by and upon registration of the transfer in the Register.

Definitive Residual Certificates may be transferred upon the surrender of the relevant Definitive Residual Certificate, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. All transfers of Definitive Residual Certificates are subject to any restrictions on transfer set out on the Definitive Residual Certificates and the detailed regulations concerning transfers in the Agency Agreement.

Each new Definitive Residual Certificate to be issued upon transfer of such Definitive Residual Certificate will, within five Business Days of receipt and surrender of such Definitive Residual 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 Definitive Residual Certificate to such address as may be specified in the relevant form of transfer.

Registration of a Definitive Residual 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.

4. STATUS AND SECURITY

4.1 Status of the Residual Certificates

The Residual Certificates constitute direct, secured and (subject to the limited recourse provision in Residual Certificates Condition 11.3 (*Limited Recourse*)) unconditional obligations of the Issuer, and represent part of the Issuer's obligation to pay deferred consideration for its purchase of the Portfolio, consisting of the RC1 Payments and the RC2 Payments. The RC1 Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to RC1 Payments and the RC2 Residual Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to RC2 Payments. RC1 Payments and RC2 Payments will be made subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments, Pre-Enforcement Redemption Priority of Payments and Post-Enforcement Priority of Payments.

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 the holders of each Class of Certificates 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 where there is a conflict of interest between one or more classes of Notes and/or Certificates in any such case to have regard (except as expressly provided otherwise) to the interests of the Noteholders for so long as there are any Notes outstanding and, if there are no Notes outstanding, to have regard (except as expressly provided otherwise), prior to (but excluding) the Optional Redemption Date, to the holders of the RC1 Residual Certificates and, thereafter, to the holders of the RC2 Residual Certificates.

4.2 Security

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 Residual Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.

The Residual 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.

5. COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of these Residual Certificates Conditions or any of the Transaction Documents, the Issuer shall not, so long as any Residual 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 undertakings;

(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 applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;

(c) **Disposal of assets**: assign, transfer, sell, lend, lease, part with or otherwise dispose of, 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;

(d) **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;

(e) **Dividends or distributions**: 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 applicable Priority 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;

(f) **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;

(g) **Merger**: consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(h) **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, 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;

(i) **Bank accounts**: have an interest in any bank account other than the Issuer Accounts and the Issuer's interest in the Collection Accounts Trust, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

(j) **Purchase Residual Certificates**: purchase or otherwise acquire any Residual Certificates; or

(k) **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.

6. RESIDUAL PAYMENTS

6.1 Right to RC1 Payments and RC2 Payments

Each RC1 Residual Certificate represents a *pro rata* entitlement to receive RC1 Payments and each RC2 Residual Certificate represents a *pro rata* entitlement to receive RC2 Payments, by way of deferred consideration for the purchase by the Issuer of the Portfolio.

6.2 Payment

An RC1 Payment and a RC2 Payment may be payable in respect of the Residual Certificates on each Interest Payment Date, other than an Interest Payment Date falling within a Determination Period and each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments.

(a) "**Determination Period**" has the meaning set out in Condition 6.8 (*Determinations and Reconciliation*).

(b) "**Interest Payment Date**" means each date determined as an Interest Payment Date in accordance with the Conditions of the Notes.

(c) "**RC1 Payment**" means:

(i) prior to (but excluding) the Optional Redemption Date, an amount equal to the Residual Payment; and

(ii) thereafter, zero.

(d) "**RC1 Payment Amount**" means for an RC1 Residual Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the RC1 Payment for that date, divided by the number of RC1 Residual Certificates then in issue.

(e) "**RC2 Payment**" means:

(i) on and following the Optional Redemption Date, an amount equal to the Residual Payment; and

(ii) at all other times, zero.

(f) "**RC2 Payment Amount**" means for a RC2 Residual Certificate on any date on which amounts are to be applied in accordance with the applicable Priority of Payments, the RC2 Payment for that date, divided by the number of RC2 Residual Certificates then in issue.

(g) "**Residual Payment**" means payment, by way of deferred consideration for the Issuer's purchase of the Portfolio, of an amount equal to:

(i) prior to the delivery of an Enforcement Notice, in respect of each Interest Payment Date, the sum of the amount (if any) by which Available Revenue Receipts exceeds the amounts required to satisfy items (a) to (o) of the Pre-Enforcement Revenue Priority of Payments on that Interest Payment Date; and

(ii) following the delivery of an Enforcement Notice, in respect of each date on which amounts are to be applied in accordance with the Post-Enforcement Priority of Payments, the amount by which amounts available for payment in accordance with the Post-Enforcement Priority of Payments exceeds the amounts required to satisfy items (a) to (g) of the Post-Enforcement Priority of Payments on that date.

(h) "**Residual Payment Amount**" means, in respect of the RC1 Residual Certificates, the RC1 Payment Amount and/or in respect of the RC2 Residual Certificates, the RC2 Payment Amount.

6.3 Determination of RC1 Payment and RC2 Payment

The Cash Manager shall on each Calculation Date determine the RC1 Payment and the RC2 Payment payable on the immediately following Interest Payment Date and the Residual Payment Amount payable in respect of each Residual Certificate on such Interest Payment Date.

6.4 Publication of RC1 Payment, RC2 Payment and Residual Payment Amount

The Cash Manager shall cause the RC1 Payment, RC2 Payment and Residual Payment Amount (if any) for 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 be published in accordance with Residual Certificates Condition 15 (*Notice to Residual Certificateholders*) as soon as reasonably practicable after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.

6.5 Notifications 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 Residual Certificates Condition 6.5, by the Cash Manager, will (in the absence of manifest error) 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 in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this Residual Certificates Condition 6.5.

6.6 Termination of Payments

Following the redemption in full of the Notes, the realisation of the Charged Assets and payment of the proceeds of realisation in accordance with the applicable Priority of Payments, no more RC1 Payments or RC2 Payments will be made by the Issuer and the Residual Certificates shall be redeemed and cancelled.

7. PAYMENTS

7.1 Payment of Residual Payment Amounts

Subject to the second paragraph of Residual Certificates Condition 3.1 (*Form and Denomination*), payments of Residual Payment Amounts shall be made:

(a) (other than in the case of final cancellation) upon application by the relevant Residual 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; and

(b) (in the case of final cancellation) by transfer to a Sterling account maintained by the payee with a bank in London upon surrender (or, in the case of part-payment only, endorsement) of the relevant Global Residual Certificate or Definitive Residual Certificate (as the case may be) at the specified office of any Paying Agent.

7.2 Laws and Regulations

Payments of any Residual Payment Amounts are subject, in all cases, to (a) any fiscal or other laws and regulations applicable thereto and (b) 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 ("**FATCA**"). Certificateholders will not be charged commissions or expenses on payments.

7.3 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 the Registrar with a specified office in Ireland 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 Residual Certificateholders in accordance with Residual Certificates Condition 15 (*Notice to Residual Certificateholders*) and will notify the Rating Agencies of such change or addition.

7.4 No Payment on non-Business Day

If the date for payment of any amount in respect of a Residual Certificate is not a Presentation Date, the Residual Certificateholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to interest or other payment in respect of such delay. In this Residual Certificates Condition 7.4, 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.

8. TAXATION

All payments of Residual Payment Amounts by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imports, duties, fees, deductions, withholding or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any

franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon ("**Taxes**"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the Paying Agent 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.

9. PRESCRIPTION

Claims in respect of Residual Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

In this Residual Certificates 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 Certificateholders in accordance with Residual Certificates Condition 15 (*Notice to Residual Certificateholders*).

10. EVENTS OF DEFAULT

10.1 Residual Certificates

The Note Trustee at its absolute discretion may, and, provided all of the Notes have been redeemed in full, if so directed in writing by the holders of at least 25 per cent. of the Most Senior Class in number or if so directed by an Extraordinary Resolution of the holders of the Most Senior Class 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 (an "**Enforcement Notice**") to the Issuer that any RC1 Payments or RC2 Payments pursuant to the Residual Certificates are immediately due and payable in any of the following events (each, an "**Event of Default**") with a copy of such Enforcement Notice being sent simultaneously to the Seller, the Security Trustee, the Swap Provider, the Servicer, the Issuer Account Bank and the Cash Manager:

(a) if default is made in the payment of any amount due in respect of the Residual Certificates and the default continues for a period of 14 Business Days; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Residual Certificates Conditions or any Transaction Document to which it is a party and the failure continues for a period of 30 days (following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied (or such longer period as the Note Trustee may permit)), except in any case where the Note Trustee considers the failure to be incapable of remedy, in which case no continuation or notice as is aforementioned will be required; 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 Residual Certificateholders; or

(d) if (i) 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 Residual Certificateholders, or (ii) 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 (iii) the Issuer 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 proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the Issuer, is not discharged 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 an Enforcement Notice by the Note Trustee in accordance with Residual Certificates Condition 10.1 (*Residual Certificates*), any RC1 Payments or RC2 Payments pursuant to the Residual Certificates shall thereby immediately become due and payable.

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 Residual Certificates or the Trust Deed (including these Residual 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 an Enforcement 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, actions or steps unless, following redemption of the Notes in full:

(a) the Security Trustee or Note Trustee shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class or directed in writing by the holders of at least 25 per cent. of the Most Senior Class of Residual Certificates in number; and

(b) 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 Security Trustee or 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 Limitations on Enforcement

No Residual 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 Residual Certificates

Conditions or 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 Residual Certificateholder shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

11.3 Limited Recourse

Notwithstanding any other Residual Certificates Condition or any provision of any Transaction Document, all obligations of the Issuer to the Residual 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 accordance with the provisions of the Deed of Charge, any further amounts under the Residual Certificates (including payments of Residual Payment Amounts),

then the Certificateholders shall have no further claim against the Issuer in respect of any further amounts due or to be paid in respect of the Residual Certificates (including, for the avoidance of doubt, payments of Residual Payment Amounts in respect of the Residual Certificates) and the Issuer shall be deemed to be discharged from making any further payments in respect of the Residual Certificates and any further payment rights shall be extinguished.

12. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

12.1 The Trust Deed contains provisions for convening meetings (including by way of conference call, including by use of a videoconference platform) 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 Residual Certificates Conditions, the ERC Certificates Conditions and the Conditions or the provisions of any of the Transaction Documents.

12.2 For the purposes of these Residual Certificates Conditions, "**Most Senior Class**" means Class A Notes or, if there are no Class A Notes then outstanding, the Class Z Notes or, if there are no Class A Notes or Class Z Notes then outstanding, the Class X Notes or, if there are no Notes then outstanding, prior to (but excluding) the Optional Redemption Date, the RC1 Residual Certificates and, thereafter, the RC2 Residual Certificates.

12.3 Most Senior Class and Limitations on other Noteholders and Certificateholders

(a) Other than in relation to a Basic Terms Modification, which additionally require an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Notes and/or Certificates then in issue, as applicable:

(i) subject to Residual Certificates Conditions 12.3(a)(ii) and (iii), an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class shall be binding on all other Classes of Noteholders and Certificateholders irrespective of the effect it has upon them;

(ii) subject to Residual Certificates Condition 12.3(a)(iii), an Extraordinary Resolution passed at any meeting of a relevant Class of Noteholders shall be binding on (A) all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Enforcement Priority of Payments in each case and (B) the Certificateholders, irrespective of the effect it has upon them; and

(iii) no Extraordinary Resolution of any Class of Noteholders or Certificateholders shall take effect for any purpose while any of the Most Senior Class remain outstanding or (in the case of the Residual Certificates) remain in issue unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class and in the case of the Certificates all Notes ranking in priority thereto or the Note Trustee and/or Security Trustee (acting on the direction of the Note Trustee) is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class,

provided that, in respect of any Extraordinary Resolution of a Class or Classes of Notes and/or Certificates relating to any modification, supplement, waiver or consent in respect of any of the Transaction Documents which would, in the reasonable opinion of the Swap Provider, materially adversely affect: (A) the Pre-Enforcement Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments; (B) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider; (C) the Swap Provider's status as a Secured Creditor; (D) the rights of the Swap Provider in relation to the Security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such Security granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors); (E) any other terms which would modify a payment date under any Swap Agreement or cause the Notes to be redeemed in full or the Portfolio to be sold or otherwise disposed of in full (other than as permitted or contemplated by the Transaction Documents as at the date of the Swap Agreement); or (F) the definitions of any terms used in any Transaction Documents relating to the matters in (A) to (E) above (I) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (II) written notification from the Issuer or the Servicer on behalf of the Issuer to the Note Trustee and the Security Trustee that the aforementioned Swap Provider consent is not needed as the modifications do not have any of the effects described in sub-paragraphs (A) to (F) above, is also required prior to such amendments being made.

(b) Other than in relation to Basic Terms Modifications and subject as provided in Residual Certificates Conditions 12.3(a) (*Most Senior Class and 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:

(i) Notes and/or Certificates of only one Class, shall be deemed to have been duly passed if passed at a separate meeting (or by a separate resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of that Class of Notes and/or Certificates so affected;

(ii) Notes and/or Certificates of more than one Class but does not give rise to a conflict of interest between the holders of such Notes and/or Certificates of more than one Class, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of the Notes and/or Certificates of such Class;

(iii) one or more Classes of Notes and/or Certificates and gives, or may give rise to an actual or potential conflict of interest between the holders of such Notes and/or Certificates, shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates so affected;

(iv) one or more Classes of Notes and/or Certificates but does not give rise to, an actual or potential conflict of interest between the holders of such Notes and/or Certificates, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates so affected; and

(v) two or more Classes of Notes and/or Certificates and gives, or may give, rise to an actual or potential conflict of interest between the holders of such Classes of Notes and/or Certificates, shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes or Certificates so affected.

(c) No Extraordinary Resolution of the holders of a Class or Classes of Notes and/or Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of each affected Class of Certificates then in issue which are affected by such Basic Terms Modification.

(d) No Ordinary Resolution that is passed by the holders of any Class of Notes or Certificates shall take effect for any purpose while any of the Most Senior Class remain outstanding or (in the case of the Residual Certificates) remain in issue unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class and in the case of the Certificates, all Notes ranking in priority thereto, or the Note Trustee and/or Security Trustee (acting on the direction of the Note Trustee) is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

12.4 Quorum

(a) Subject as provided below, the quorum at any meeting of any Class of Residual Certificates for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of each Class or Classes of Residual Certificates then in issue.

(b) Subject as provided below, the quorum at any meeting of any Class of any Residual Certificates for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of such Class of Residual Certificates then in issue.

(c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any Residual Certificates passing an Extraordinary Resolution to:

(i) sanction a modification of the date of maturity of the Notes;

(ii) sanction 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 of the method of calculating the date of payment in respect of any Class of Certificates, except in accordance with Conditions 13.6(g) or (h) (*Additional Right of Modification*) and Residual Certificates Conditions 12.6(g) or (h) (*Additional Right of Modification*) and ERC Certificates Conditions 12.6(g) or (h) (*Additional Right of Modification*) in relation to any Base Rate Modification or Swap Rate Modification;

(iii) sanction 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 of the method of calculating the amounts payable in respect of any Class of Certificates (including, if any such modification is proposed for any Class of Notes), except in accordance with Conditions 13.6(g) or (h) (*Additional Right of Modification*) and Residual Certificates Conditions 12.6(g) or (h) (*Additional Right of Modification*) and ERC Certificates Conditions 12.6(g) or (h) (*Additional Right of Modification*) in relation to any Base Rate Modification or Swap Rate Modification;

(iv) alter the currency in which payments under any Class of Notes or any Class of Certificates are to be made;

(v) alter the quorum or majority required in relation to this exception;

(vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of Notes or any Class of Certificates; or

(vii) sanction any change to the definition of Basic Terms Modification,

(each a "**Basic Terms Modification**"), shall be one or more persons holding or representing in aggregate not less than (i) three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (ii) three-quarters of such Class of Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and by a meeting of each relevant affected Class of Certificates.

(d) Subject as provided below, the quorum at any adjourned meeting of Residual Certificateholders for passing an Ordinary Resolution will be one or more persons holding or representing not less than 10 per cent. of the Residual Certificates of such Class then in issue.

(e) Subject as provided below, the quorum at any adjourned meeting of Residual Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the Residual Certificates of such Class then in issue.

(f) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any adjourned meeting of any holders of any Class or Classes of Notes or holders of any Class of Certificates passing an Extraordinary Resolution to sanction a Basic Terms Modification shall be one or more persons holding or representing in aggregate not less than (i) 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (ii) 50 per cent. of such Class of Residual Certificates then in issue or (iii) 50 per cent. of such ERC Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and by a meeting of each relevant affected Class of Certificates.

12.5 Modification to the Transaction Documents

(a) The Note Trustee or, as the case may be, the Security Trustee may (or in the case of (iii) below, shall) at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification:

(i) other than in respect of a Basic Terms Modification, to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) will not be materially prejudicial to the interests of the Noteholders (or if there are no Notes outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee and, for the avoidance of doubt, any modification of the Collection Accounts Declaration of Trust which does not affect the manner in which the Issuer's Issuer Beneficiary Trust Share (as defined in the Collection Accounts Declaration of Trust) is calculated will not be materially prejudicial to the interests of the Noteholders (or if there are no Notes outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee;

(ii) 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 direction of the Note Trustee) such modification is of a formal, minor or technical nature or to correct a manifest error; or

(iii) to the Transaction Documents, the Conditions and/or the Certificates Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer to comply with any applicable requirements under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation ("**EU EMIR**"), and "**UK EMIR**" with which EU EMIR forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, irrespective of whether such modifications are (i) materially prejudicial to the interests of the holders of any Class of Notes or Certificates or any other Secured Creditor or (ii) in respect of a Basic Terms Modification (any such modification, an "**EMIR Amendment**") and subject to receipt by the Note Trustee and the Security Trustee of a certificate of (i) the Issuer signed by two directors or (ii) the Servicer on behalf of the Issuer, certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EU EMIR or UK EMIR, as applicable. Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this paragraph (iii) which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

(A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or

(B) increasing the obligations or duties, or decreasing the rights or protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents and/or the Certificates Conditions, or

(iv) to any amendment to the Servicing Agreement and/or the Cash Management Agreement and/or any other Transaction Document to which the Servicer or the Cash Manager are a party for the purposes of Clause 8.3 (Information Covenants) of the Cash Management Agreement and/or Clause 14.4(f) (*Reporting and information under the UK Securitisation Regulation*) of the Servicing Agreement,

provided that in respect of any modification, supplement, waiver or consent in respect of any of the Transaction Documents which would, in the reasonable opinion of the Swap Provider, materially adversely affect: (A) the Pre-Enforcement Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments; (B) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider; (C) the Swap Provider's status as a Secured Creditor; (D) the rights of the Swap Provider in relation to the Security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such Security

granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors); (E) any other terms which would modify a payment date under any Swap Agreement or cause the Notes to be redeemed in full or the Portfolio to be sold or otherwise disposed of in full (other than as permitted or contemplated by the Transaction Documents as at the date of the Swap Agreement); or (F) the definitions of any terms used in any Transaction Documents relating to the matters in (A) to (E) above (I) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (II) written notification from the Issuer or the Servicer on behalf of the Issuer to the Note Trustee and the Security Trustee that the aforementioned Swap Provider consent is not needed as the modifications do not have any of the effects described in sub-paragraphs (A) to (F) above, is also required prior to such amendments being made.

(b) Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any EMIR Amendment pursuant to this Residual Certificates Condition 12.5, the Note Trustee and/or Security Trustee shall not consider the interests of the Residual Certificateholders, any other Secured Creditor or any other person, but shall act and rely solely and without further investigation on any certificate provided to it by the Issuer or the Servicer (as the case may be) pursuant to this Residual Certificates Condition 12.5 and shall not be liable to any Residual Certificateholder or other Secured Creditor for so acting or relying.

12.6 Additional Right of Modification

Notwithstanding the provisions of Residual Certificates Condition 12.5 (*Modification to the Transaction Documents*), the Note Trustee or, as the case may be, the Security Trustee, shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders, or any other Secured Creditor, subject to written consent of the Secured Creditors which are a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these Residual Certificates Conditions, the ERC Certificates Conditions, the Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to 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, provided that:

(i) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is 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 Seller, the Servicer, the Swap Provider, the Cash Manager the Agent Bank, the Principal Paying Agent and the Issuer Account Bank (for the purpose of this Residual Certificates Condition 12.6 only, each a "**Relevant Party**"), in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

(A) the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in sub-paragraph (ii)(x) and/or (y) above; and

(B) either:

I. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Security Trustee and the Note Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain outstanding) result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing any Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

II. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result (if the Class A Notes remain outstanding) in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent);

(b) for the purpose of complying with any changes in the requirements of, or enabling the Issuer to comply with an obligation in respect of, the UK Securitisation Regulation or the EU Securitisation Regulation (including in respect of risk retention) after the Closing Date, including as a result of the adoption of regulatory or implementing technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation or any other legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person doing so);

(c) to effect any changes to the Servicer and/or the Seller and/or migrate any obligations of the Servicer and/or the Seller to any other entity within the OSB Group, provided that:

(i) the Issuer and the Servicer certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is required solely for such purpose and has been drafted solely to such effect;

(ii) either

(A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Security Trustee and the Note Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain outstanding) result in a downgrade, withdrawal or suspension of the then current ratings

assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing the Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

(B) the Issuer or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result (if the Class A Notes remain outstanding) in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent);

(iii) the replacement seller and/or servicer will accede to the Deed of Charge and be bound by the provisions therein;

(iv) the replacement servicer is qualified to act as such under the FSMA and has the requisite experience of servicing residential mortgage loans in the United Kingdom; and

(v) the replacement servicer enters into a servicing agreement with the Issuer on terms substantially similar to the terms of the existing Servicing Agreement or on terms commercially acceptable in the market, pursuant to which the replacement servicer agrees to assume and perform all the material duties and obligations of the Servicer under the Servicing Agreement (including, for the avoidance of doubt, the performance of certain of Issuer's obligations as the responsible entity pursuant to Article 7(2) of the UK Securitisation Regulation and its contractual obligations pursuant to Article 7 of the EU Securitisation Regulation);

(d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(e) for the purpose of enabling the Issuer or any of the other Transaction Parties to comply with FATCA, provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(f) for the purpose of complying with, or implementing or reflecting, any changes in the manner in which the Notes are held which will allow Bank of England's sterling monetary framework, that is, in a manner which would allow such Notes to be recognised as eligible collateral for the Bank of England's monetary policy and intra-day credit operations by the Bank of England either upon issue or at any or all times during the life of the Notes, provided that the Issuer certifies in writing to the Note Trustee and the Security Trustee 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, the Servicer (on behalf of the Issuer), and/or the Relevant Party and/or any other relevant Transaction Party, as the case may be, pursuant to Residual Certificates Conditions 12.6(a) to (e) above being a "**Modification Certificate**"); or

(g) for the purpose of changing the reference rate or the base rate that then applies in respect of the Floating Rate 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 judgment of the Issuer (or the Servicer on its behalf) to facilitate such change (a "**Base Rate Modification**"), provided that the Issuer (or the Servicer on its behalf), certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(i) such Base Rate Modification is being undertaken due to:

(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) 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;

(G) the reasonable expectation of the Issuer (or the Servicer on its behalf) 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 Federal Reserve or the Bank of England, any regulator in the United States, the United Kingdom or the European Union or any stock exchange on which the Floating Rate 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;

(C) a base rate utilised in a publicly listed new issue of Sterling-denominated asset-backed floating rate notes where the originator of the relevant assets is OSB or an affiliate thereof; or

(D) such other base rate as the Servicer (on behalf of the Issuer) reasonably determines,

and in each case, the change to the Alternative Base Rate will not, in its opinion, be materially prejudicial to the interest of the Noteholders; and for the avoidance of doubt, the Issuer (or the Servicer on its behalf) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this Residual Certificates Condition 12.6(g) are satisfied;

(h) for the purpose of changing the base rate that then applies in respect of the Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the Floating Rate Notes following such Base Rate Modification (a "**Swap Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**"),

provided that, in the case of any modification made pursuant to paragraphs (a) to (h) above:

(i) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;

(ii) the Modification Certificate, Base Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee is notified of the proposed modification and on the date that such modification takes effect; and

(iii) the consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained;

(iv) other than in the case of a modification pursuant to Residual Certificates Condition 12.6(a)(ii), either:

(A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies a Rating Agency Confirmation (or certifies in the Modification Certificate, Base Rate Modification Certificate or Swap Rate Modification Certificate that no such Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain outstanding) result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); or

(B) the Issuer or the Servicer (on behalf of the Issuer) certifies in the Modification Certificate, Base Rate Modification Certificate or Swap 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 (if Class A Notes remain outstanding) in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); and

(v) the Issuer certifies in writing to the Note Trustee and the Security Trustee (which certification may be in the Modification Certificate, Base Rate Modification

Certificate or Swap Rate Modification Certificate, as applicable) that (A) the Issuer has provided at least 30 calendar days' notice to the Residual Certificateholders of the proposed modification in accordance with Residual Certificates Condition 15 (*Notice to Residual Certificateholders*) and by publication on Bloomberg on the "Company News" screen relating to the Residual Certificates, and (B) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Floating Rate Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification;

(vi) when implementing any modification pursuant to this Residual Certificates Condition 12.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), neither the Note Trustee nor the Security Trustee shall consider the interests of the Noteholders, any other Secured Creditor or any other person but shall act and rely solely and without further investigation on the Modification Certificate, the Base Rate Modification Certificate or the Swap Rate Modification Certificate provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Residual Certificates Condition 12.6 and shall not be liable to the Noteholders, any other Secured Creditor for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(vii) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Note Trustee and/or the Security Trustee would have the effect of (i) exposing the Note Trustee and/or the Security Trustee to any liability against which is has not be indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or these Residual Certificates Conditions.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Other than where specifically provided in this Residual Certificates Condition 12.6 or any Transaction Document:

(i) when implementing any modification pursuant to this Residual Certificates Condition 12.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), neither the Note Trustee nor the Security Trustee shall consider the interests of the Noteholders, any other Secured Creditor or any other person but shall act and rely solely and without further investigation on the Modification Certificate, the Base Rate Modification Certificate or the Swap Rate Modification Certificate provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this Residual Certificates

Condition 12.6 and shall not be liable to the Noteholders, any other Secured Creditor for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(j) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Note Trustee and/or the Security Trustee would have the effect of (A) exposing the Note Trustee and/or the Security Trustee to any liability against which is has not be indemnified and/or secured and/or prefunded to its satisfaction or (B) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or these Residual Certificates Conditions.

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

(A) so long as any of the Notes rated by the Rating Agencies remains outstanding, each Rating Agency;

(B) the Secured Creditors; and

(C) the Noteholders in accordance with Residual Certificates Condition 15 (*Notice to Residual Certificateholders*).

"**Affiliate**" means Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

"**Holding Company**" means a holding company as defined in section 1159 of the Companies Act 2006;

"**OSB Group**" means OSB and an Affiliate of OSB.

"**Subsidiary**" means a subsidiary as defined in section 1159 of the Companies Act 2006.

12.7 Authorisation or Waiver of Breach

The Note Trustee and/or the Security Trustee (in the case of the Security Trustee, acting in accordance with the Deed of Charge), as applicable, may, without the consent or sanction of the Noteholders, the Residual Certificateholders or the other Secured Creditors and without prejudice to its rights in respect of any further or other breach, from time to time and at any time, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificates Conditions or any of the Transaction Documents by any party thereto, but only if in the opinion of the Note Trustee or, as the case may be, the Security Trustee, the interests of the Most Senior Class or if there are no Notes then outstanding and no Residual Certificates then in issue, all the Secured Creditors will not be materially prejudiced thereby. The Note Trustee shall not exercise any powers conferred on it by this Residual Certificates Condition 12.7 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class or by a direction under Residual Certificates Condition 10 (*Events of Default*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

12.8 Notification of modifications, waivers, authorisations or determinations

Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with the Conditions, these Residual Certificates Conditions or the Transaction Documents shall be binding on the Residual Certificateholders and, unless the Note Trustee or, as the case may be, the Security Trustee agrees otherwise, any such modification shall be

notified by the Issuer to the Residual Certificateholders in accordance with Residual Certificates Condition 15 (*Notice to Residual Certificateholders*), the Rating Agencies (while any Notes remain outstanding) and the Secured Creditors as soon as practicable thereafter.

12.9 In connection with any such substitution of principal debtor referred to in Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), the Note Trustee and the Security Trustee may also agree, without the consent of the Residual Certificateholders or the other Secured Creditors, to a change of the laws governing the Residual Certificates, these Residual Certificates Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee or, as the case may be, the Security Trustee (in the case of the Security Trustee, acting in accordance with the Deed of Charge) be materially prejudicial to the interests of the Residual Certificateholders or the other Secured Creditors.

12.10 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 Residual Certificates Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Residual Certificateholders of any Class or Classes, it shall (A) have regard to the general interests of the Residual Certificateholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual Residual 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 Residual 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 or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any Residual 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 Residual Certificateholders and (B) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Residual Certificates (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interests between one or more Classes of Residual Certificates in any such case to have regard (except as expressly provided otherwise) prior to (but excluding) the Optional Redemption Date, to the holders of the RC1 Residual Certificates and thereafter, to the holders of the RC2 Residual Certificates.

12.11 Other than in respect of any matter requiring an Extraordinary Resolution, Residual Certificateholders are required to vote by way of an Ordinary Resolution.

12.12 "**Ordinary Resolution**" means, in respect of the holders of any of the Classes of Residual Certificates:

(a) a resolution passed at a meeting of Residual Certificateholders duly convened and held in accordance with the Trust Deed and the Residual Certificates Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll;

(b) a resolution in writing signed by or on behalf of the Residual Certificateholders of not less than a clear majority in number of the holders of the relevant Class of Residual Certificates then in issue, 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 Residual Certificateholders of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Residual Certificateholders of not less than a clear majority in number of the relevant Class of Residual Certificates then in issue.

12.13 "**Extraordinary Resolution**" means, in respect of the holders of any of the Classes of Residual Certificates:

(a) a resolution passed at a meeting of Residual Certificateholders duly convened and held in accordance with the Trust Deed and the Residual Certificates Conditions by a majority consisting of not less than three-quarters of the Eligible Persons 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;

(b) a resolution in writing signed by or on behalf of the Residual Certificateholders of not less than three-quarters in number of the holders of the relevant Class of Residual Certificates, 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 Residual Certificateholders of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Residual Certificateholders of not less than three-quarters in number of the holders of the relevant Class of Residual Certificates then in issue.

12.14 "**Eligible Person**" means any one of the following persons who shall be entitled to attend and vote at a meeting:

(a) a bearer of any Voting Certificate; and

(b) a proxy specified in any Block Voting Instruction.

12.15 "**Voting Certificate**" means an English language certificate issued by a Paying Agent in which it is stated:

(a) that on the date thereof the Notes and/or Certificates (not being the Notes and/or Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes and/or Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Voting Certificate; and

(ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and

(b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Certificates represented by such Voting Certificate.

12.16 "**Block Voting Instruction**" means an English language document issued by a Paying Agent in which:

(a) it is certified that on the date thereof Notes and/or Certificates (not being Notes and/or Certificates (as applicable) in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes and/or such Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Block Voting Instruction; and

(ii) the Notes and/or the Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;

(b) it is certified that each holder of such Notes and/or such Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes and/or the Certificates so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;

(c) the aggregate principal amount or aggregate total amount of the Notes and/or the number of Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(d) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the Certificates so listed in accordance with the instructions referred to in paragraph (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting.

12.17 Details of any Extraordinary Resolution and any Ordinary 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.

12.18 Issuer Substitution Condition

The Note Trustee and Security Trustee may agree, subject to such amendment of these Residual Certificates Conditions, the Conditions, the ERC Certificates Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the Residual Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes, the Residual Certificates and the ERC 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 Residual 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 Residual Certificates Condition 5 (*Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to this Residual Certificates Condition 12.18, the Note Trustee and Security Trustee may in their absolute discretion agree, without the consent of the Residual Certificateholders, to a change in law governing the Residual Certificates and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee and Security Trustee (acting on the direction of the Note Trustee), be materially prejudicial to the interests of the Residual Certificateholders.

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 Residual 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. REPLACEMENT OF RESIDUAL CERTIFICATES

If any Residual Certificate is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws. Replacement of any mutilated, defaced, lost, stolen or destroyed Residual 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 Residual Certificate must be surrendered before a new one will be issued.

If the Issuer Substitution Condition is satisfied, the Issuer may, without the consent of the Certificateholders, issue replacement residual certificates to replace the Residual Certificates, which shall have terms and conditions which may differ from the terms and conditions of the Residual Certificates which it replaces.

15. NOTICE TO RESIDUAL CERTIFICATEHOLDERS

15.1 Publication of Notice

While the Residual Certificates are represented by a Global Residual Certificate, notices to Residual Certificateholders will be valid if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to Residual 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.

While the Residual Certificates are represented by Definitive Residual Certificates, the Note Trustee shall be at liberty to sanction any method of giving notice to the Residual Certificateholders if, in its opinion, such method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Residual Certificateholders in such manner as the Note Trustee shall deem appropriate.

15.2 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the Residual Certificateholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the quotation systems on or by which the Residual Certificates are then quoted and/or traded and provided that notice of such other method is given to the Residual Certificateholders in such manner as the Note Trustee shall require.

16. JURISDICTION AND GOVERNING LAW

(a) The Courts of England (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Residual Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Residual Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Residual Certificates and/or the Transaction Documents may be brought in such Courts.

(b) The Transaction Documents, the Notes, the Residual Certificates and these Residual 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.

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 Residual Certificates or these Residual Certificates 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 ERC CERTIFICATES

The following are the terms and conditions of the ERC Certificates in the form (subject to amendment) in which they will be set out in the Trust Deed (as defined below)

1. GENERAL

The 100 ERC Certificates (the "**ERC Certificates**") of Canterbury Finance No.5 PLC (the "**Issuer**") are constituted by a trust deed (the "**Trust Deed**") dated on or about 4 August 2022 (the "**Closing Date**") and made between, among others, the Issuer and U.S. Bank Trustees Limited as trustee for the registered holders for the time being of the ERC Certificates (the "**ERC Certificateholders**") (in such capacity, the "**Note Trustee**"). Any reference in these certificates terms and conditions (the "**ERC Certificates Conditions**") to a "**Class**" of Notes or of Noteholders or (as applicable) of Certificates or of Certificateholders shall be a reference to the Class A1 Notes, the Class A2 Notes, the Class Z Notes, the Class X Notes, the RC1 Residual Certificates, the RC2 Residual Certificates or the ERC Certificates, as the case may be, or to the respective holders thereof. Any references in these ERC Certificates Conditions to the Certificates Conditions (the "**Certificates Conditions**") will be to these ERC Certificates Conditions and the certificates terms and conditions of the Residual Certificates (the "**Residual Certificates Conditions**"). The security for the ERC Certificates is constituted by and pursuant to 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 or prior to the Closing Date and made between the Issuer, the Security Trustee, the Note Trustee, Elavon Financial Services DAC, UK Branch 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, UK Branch as registrar (in such capacity, the "**Registrar**") and Elavon Financial Services DAC, UK Branch as agent bank (in such capacity, the "**Agent Bank**"), provision is made for, *inter alia*, the payment of amounts in respect of the ERC Payments.

The statements in these ERC Certificates Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Deed of Charge, the Agency Agreement and a 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).

Physical 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. 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.

2. INTERPRETATION

2.1 Definitions

Capitalised terms not otherwise defined in these ERC Certificates Conditions shall bear the meanings given to them in the Master Definitions and Construction Schedule available as described above.

2.2 Interpretation

These ERC Certificates Conditions shall be construed in accordance with the principles of construction set out in the Master Definitions and Construction Schedule.

3. FORM AND TITLE

3.1 Form and Denomination

The ERC Certificates will initially be represented by a global certificate in registered form (a "**Global ERC Certificate**").

For so long as any of the ERC Certificates are represented by a Global ERC Certificate, transfers and exchanges of beneficial interests in such Global ERC 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, S.A. ("**Clearstream, Luxembourg**"), as appropriate. The Global ERC 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 ERC Certificate will be exchanged for the relevant ERC Certificate in definitive registered form (such exchanged Global ERC Certificate in definitive registered form, the "**Definitive ERC 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 or to cease to make their book-entry systems available for settlement of beneficial interests in such Global ERC Certificate and do in fact do either of those things,

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 ERC Certificates which would not be required were the relevant ERC Certificates in definitive registered form.

If Definitive ERC Certificates are issued in respect of ERC Certificates originally represented by a Global ERC Certificate, the beneficial interests represented by such Global ERC Certificate shall be exchanged by the Issuer for the relevant ERC Certificates in registered definitive form.

Definitive ERC Certificates will be serially numbered and will be issued in registered form only.

References to "**ERC Certificates**" in these ERC Certificates Conditions shall include the Global ERC Certificate and the Definitive ERC Certificates.

3.2 Title

Title to the Global ERC Certificate 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 ERC 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 ERC 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 Definitive ERC Certificates shall only pass by and upon registration of the transfer in the Register.

Definitive ERC Certificates may be transferred upon the surrender of the relevant Definitive ERC Certificate, with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar. All transfers of Definitive ERC Certificates are subject to any restrictions on transfer set out on the Definitive ERC Certificates and the detailed regulations concerning transfers in the Agency Agreement.

Each new Definitive ERC Certificate to be issued upon transfer of such Definitive ERC Certificate will, within five Business Days of receipt and surrender of such Definitive ERC 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 Definitive ERC Certificate to such address as may be specified in the relevant form of transfer.

Registration of a Definitive ERC 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.

4. STATUS AND SECURITY

4.1 Status of the ERC Certificates

The ERC Certificates constitute direct, secured and (subject to the limited recourse provision in ERC Certificates Condition 11.3 (*Limited Recourse*)) unconditional obligations of the Issuer, and represent part of the Issuer's obligation to pay deferred consideration for its purchase of the Portfolio, consisting of the ERC Payments. The ERC Certificates rank *pro rata* and *pari passu* without preference or priority among themselves in relation to ERC Payments. ERC Payments will be made on any Interest Payment Date following a Collection Period in which any Early Repayment Charges are received by the Issuer.

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 the holders of each Class of Certificates 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 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) to the interests of the Noteholders for so long as there are any Notes outstanding, to have regard (except as expressly provided otherwise), prior to (but excluding) the Optional Redemption Date, to the holders of the RC1 Residual Certificates and thereafter, to the holders of the RC2 Residual Certificates.

4.2 Security

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 ERC Certificateholders and the other Secured Creditors, upon and subject to the terms and conditions of the Deed of Charge.

The ERC 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.

5. ISSUER COVENANTS

Save with the prior written consent of the Note Trustee or unless otherwise permitted under any of these ERC Certificates Conditions or any of the Transaction Documents, the Issuer shall not, so long as any ERC 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 applicable)) or any employees (but shall procure that, at all times, it shall retain at least one independent director) or premises;

(c) **Disposal of assets**: assign, transfer, sell, lend, lease, part with or otherwise dispose of, 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;

(d) **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;

(e) **Dividends or distributions**: 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 applicable Priority 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;

(f) **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;

(g) **Merger**: consolidate or merge with any other person or convey or transfer substantially all of its properties or assets to any other person;

(h) **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, 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;

(i) **Bank accounts**: have an interest in any bank account other than the Issuer Accounts and the Issuer's interest in the Collection Accounts Trust, unless such account or interest therein is charged to the Security Trustee on terms acceptable to the Security Trustee;

(j) **Purchase ERC Certificates**: purchase or otherwise acquire any ERC Certificates; or

(k) **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.

6. ERC PAYMENTS

6.1 Right to ERC Payments

Each ERC Certificate represents a *pro rata* entitlement to receive ERC Payments, by way of deferred consideration for the purchase by the Issuer of the Portfolio.

6.2 Payment

An ERC Payment shall be payable in respect of the ERC Certificates on each Interest Payment Date, other than an Interest Payment Date falling within a Determination Period, following a Collection Period in which any Early Repayment Charges are received by the Issuer.

(a) "**Determination Period**" has the meaning set out in Condition 6.8 (*Determinations and Reconciliation*).

(b) "**Interest Payment Date**" means each date determined as an Interest Payment Date in accordance with the Conditions of the Notes.

(c) "**ERC Payment**" means, in respect of each Interest Payment Date, payment, by way of deferred consideration for the Issuer's purchase of the Portfolio, of an amount equal to the aggregate of any Early Repayment Charges received by the Issuer in the Collection Period immediately preceding that Interest Payment Date.

6.3 Determination of ERC Payment

The Cash Manager shall on each Calculation Date determine the ERC Payment payable on the immediately following Interest Payment Date and the ERC Payment payable in respect of each ERC Certificate on such Interest Payment Date.

6.4 Publication of ERC Payment and ERC Payment Amount

The Cash Manager shall cause the ERC Payment and ERC Payment Amount (if any) for 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 be published in accordance with ERC Certificates Condition 15 (*Notice to Residual Certificateholders*) as soon as reasonably practicable after their determination and in no event later than two Business Days prior to the immediately succeeding Interest Payment Date.

6.5 Notifications 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 ERC Certificates Condition 6.5, by the Cash Manager, will (in the absence of manifest error) 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, in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this ERC Certificates Condition 6.5.

6.6 Termination of Payments

Following the redemption in full of the Notes, the realisation of the Charged Assets and payment of the proceeds of realisation in accordance with the applicable Priority of Payments, no more ERC Payments will be made by the Issuer and the ERC Certificates shall be redeemed and cancelled.

7. PAYMENTS

7.1 Payment of ERC Payment Amounts

Subject to the second paragraph of ERC Certificates Condition 3.1 (*Form and Denomination*), payments of ERC Payment Amounts shall be made by:

(a) (other than in the case of final cancellation) Sterling cheque; or

(b) (other than in the case of final cancellation) upon application by the relevant ERC 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; and

(c) (in the case of final cancellation) Sterling cheque upon surrender (or, in the case of part-payment only, endorsement) of the relevant Global ERC Certificate or Definitive ERC Certificate (as the case may be) at the specified office of any Paying Agent.

7.2 Laws and Regulations

Payments of any ERC 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 ("**FATCA**"). ERC Certificateholders will not be charged commissions or expenses on payments.

7.3 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 Ireland 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 ERC Certificateholders in accordance with ERC Certificates Condition 15 (*Notice to Certificateholders*) and will notify the Rating Agencies of such change or addition.

7.4 No Payment on non-Business Day

If the date for payment of any amount in respect of an ERC Certificate is not a Presentation Date, Certificateholders shall not be entitled to payment until the next following Presentation Date and shall not be entitled to interest or other payment in respect of such delay. In this ERC Certificates Condition 7.4, 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.

8. TAXATION

All payments of ERC Payment Amounts by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, all present and future taxes, levies, imports, duties, fees, deductions, withholding or charges of any nature whatsoever and wheresoever imposed, including income tax, corporation tax, value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency together with any penalties, fines or interest thereon ("Taxes"), unless the withholding or deduction of the Taxes is required by applicable law. In that event, the Issuer or, as the case may be, the Paying Agent 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 ERC Certificateholders in respect of such withholding or deduction.

9. PRESCRIPTION

Claims in respect of ERC Payment Amounts will be prescribed after ten years from the Relevant Date in respect of the relevant payment.

In this ERC Certificates 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 Certificateholders in accordance with ERC Certificates Condition 15 (*Notice to Certificateholders*).

10. EVENTS OF DEFAULT

ERC Certificates

Upon the service of an Enforcement Notice in accordance with Condition 11 (*Events of Default*) of the Notes or Residual Condition 10 (*Events of Default*) of the Residual Certificates Notes and the Notes and/or the Residual Certificates becoming due and payable, the ERC Payments in respect of Early Repayment Charges received by the Issuer as at the date of such declaration shall immediately become due and payable. Any Early Repayment Charges received following the Notes and/or Residual Certificates becoming due and payable in accordance with Condition 11 (*Events of Default*) of the Notes or Residual Condition 10 (*Events of Default*) of the Residual Certificates, but prior to the earliest of (a) the discharge in full of all amounts owing in respect of the Notes and the Residual Certificates or (b) the Loans being sold, will be for the benefit of the ERC Certificateholders.

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 ERC Certificates or the Trust Deed (including these ERC 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 an Enforcement 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, following redemption of the Notes in full:

(a) the Security Trustee or Note Trustee shall have been so directed by an Extraordinary Resolution of the holders of the Most Senior Class or directed in writing by the holders of at least 25 per cent. of the Most Senior Class of Residual Certificates in number; and

(b) 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 Security Trustee or 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 Limitations on Enforcement

No ERC 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 ERC Certificates Conditions or 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 ERC Certificateholder shall be entitled to take any steps or proceedings to procure the winding up, administration or liquidation of the Issuer.

11.3 Limited Recourse

Notwithstanding any other ERC Certificates Condition or any provision of any Transaction Document, all obligations of the Issuer to the ERC 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 no amounts available from the Charged Assets to pay, in accordance with the provisions of the Deed of Charge, any further amounts under the ERC Certificates (including payments of ERC Payment Amounts),

then the Certificateholders shall have no further claim against the Issuer in respect of any further amounts due or to be paid in respect of the ERC Certificates (including, for the avoidance of doubt, payments of ERC Payment Amounts in respect of the ERC Certificates) and the Issuer shall be deemed to be discharged from making any further payments in respect of the ERC Certificates and any further payment rights shall be extinguished.

12. MEETINGS OF ERC CERTIFICATEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

12.1 The Trust Deed contains provisions for convening meetings (including by way of conference call, including by use of a videoconference platform) 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 ERC Certificates

Conditions, the Residual Certificates Conditions, the Conditions or the provisions of any of the Transaction Documents.

12.2 For the purposes of these ERC Certificates Conditions, "**Most Senior Class**" means Class A Notes or, if there are no Class A Notes then outstanding, the Class Z Notes or, if there are no Class A Notes or Class Z Notes then outstanding, the Class X Notes or, if there are no Notes then outstanding, prior to (but excluding) the Optional Redemption Date, the RC1 Residual Certificates and, thereafter, the RC2 Residual Certificates

12.3 Most Senior Class and Limitations on other Noteholders and Certificateholders

(a) Other than in relation to a Basic Terms Modification, which additionally require an Extraordinary Resolution of the holders of the relevant affected Class or Classes of Notes and/or Residual Certificates and/or ERC Certificates then in issue, as applicable:

(i) subject to ERC Certificates Conditions 12.3(a)(ii) and (iii), an Extraordinary Resolution passed at any meeting of the holders of the Most Senior Class shall be binding on all other Classes of Noteholders and Certificateholders irrespective of the effect it has upon them;

(ii) subject to ERC Certificates Condition 12.3(a)(iii), an Extraordinary Resolution passed at any meeting of a relevant Class of Noteholders shall be binding on (A) all other Classes of Noteholders ranking junior to such Class of Noteholders in the Post-Enforcement Priority of Payments in each case and (B) the Certificateholders, irrespective of the effect it has upon them; and

(iii) no Extraordinary Resolution of any Class of Noteholders or Certificateholders shall take effect for any purpose while any of the Most Senior Class remain outstanding or (in the case of the Residual Certificates) remain in issue unless it shall have been sanctioned by an Extraordinary Resolution of the holders of the Most Senior Class and in the case of the Certificates all Notes ranking in priority thereto or the Note Trustee and/or Security Trustee (acting on the instructions of the Note Trustee) is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class,

provided that, in respect of any Extraordinary Resolution of a Class or Classes of Notes and/or Certificates relating to any modification, supplement, waiver or consent in respect of any of the Transaction Documents which would, in the reasonable opinion of the Swap Provider, materially adversely affect: (A) the Pre-Enforcement Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments; (B) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider; (C) the Swap Provider's status as a Secured Creditor; (D) the rights of the Swap Provider in relation to the Security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such Security granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors); (E) any other terms which would modify a payment date under any Swap Agreement or cause the Notes to be redeemed in full or the Portfolio to be sold or otherwise disposed of in full (other than as permitted or contemplated by the Transaction Documents as at the date of the Swap Agreement); or (F) the definitions of any terms used in any Transaction Documents relating to the matters in (A) to (E) above (I) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (II) written notification from the Issuer or the Servicer on behalf of the Issuer to the Note Trustee and the Security Trustee that the aforementioned Swap Provider consent is not needed as the modifications do not have any of the effects described in sub-paragraphs (A) to (F) above, is also required prior to such amendments being made.

(b) Other than in relation to Basic Terms Modifications and subject as provided in ERC Certificates Conditions 12.3(a) (*Most Senior Class and 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:

(i) Notes and/or Certificates of only one Class, shall be deemed to have been duly passed if passed at a separate meeting (or by a separate resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of that Class of Notes and/or Certificates so affected;

(ii) Notes and/or Certificates of more than one Class but does not give rise to a conflict of interest between the holders of such Notes and/or Certificates of more than one Class, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of the Notes and/or Certificates of such Class;

(iii) one or more Classes of Notes and/or Certificates and gives, or may give rise to an actual or potential conflict of interest between the holders of such Notes and/or Certificates, shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates so affected;

(iv) one or more Classes of Notes and/or Certificates but does not give rise to, an actual or potential conflict of interest between the holders of such Notes and/or Certificates, shall be deemed to have been duly passed if passed at a single meeting (or by a single resolution in writing or by a single resolution passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes and/or Certificates so affected; and

(v) two or more Classes of Notes and/or Certificates and gives, or may give, rise to an actual or potential conflict of interest between the holders of such Classes of Notes and/or Certificates, shall be deemed to have been duly passed only if passed at separate meetings (or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of the holders of each such Class of Notes or Certificates so affected.

(c) No Extraordinary Resolution of the holders of a Class or Classes of Notes and/or Certificates which would have the effect of sanctioning a Basic Terms Modification in respect of any Class of Notes or Certificates shall take effect unless it has been sanctioned by an Extraordinary Resolution of the holders of each affected Class of Notes then outstanding and/or the holders of each affected Class of Certificates then in issue which are affected by such Basic Terms Modification.

(d) No Ordinary Resolution that is passed by the holders of any Class of Notes or Certificates shall take effect for any purpose while any of the Most Senior Class remain outstanding or (in the case of the Certificates) remain in issue unless it shall have been sanctioned by an Ordinary Resolution of the holders of the Most Senior Class and, in the case of the Certificates, all Notes ranking in priority thereto, or the Note Trustee and/or Security Trustee (acting on the direction of the Note Trustee) is of the opinion that it would not be materially prejudicial to the interests of the holders of the Most Senior Class.

12.4 Quorum

(a) Subject as provided below, the quorum at any meeting of any Class of ERC Certificates for passing an Ordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of each Class or Classes of ERC Certificates then in issue.

(b) Subject as provided below, the quorum at any meeting of any Class of any ERC Certificates for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 50 per cent. of such Class of ERC Certificates then in issue.

(c) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any meeting of any holders of any ERC Certificates passing an Extraordinary Resolution to:

(i) sanction a modification of the date of maturity of the Notes;

(ii) sanction 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 of the method of calculating the date of payment in respect of any Class of Certificates, except in accordance with Conditions 13.6(g) or (h) (*Additional Right of Modification*), Residual Certificates Conditions 12.6(g) or (h) (*Additional Right of Modification*) and ERC Certificates Conditions 12.6(g) or (h) (*Additional Right of Modification*) in relation to any Base Rate Modification or Swap Rate Modification;

(iii) sanction 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 of the method of calculating the amounts payable in respect of any Class of ERC Certificates (including, if any such modification is proposed for any Class of Notes), except in accordance with Conditions 13.6(g) or (h) (*Additional Right of Modification*), Residual Certificates Conditions 12.6(g) or (h) (*Additional Right of Modification*) and ERC Certificates Conditions 12.6(g) or (h) (*Additional Right of Modification*) in relation to any Base Rate Modification or Swap Rate Modification;

(iv) alter the currency in which payments under any Class of Notes or any Class of ERC Certificates are to be made;

(v) alter the quorum or majority required in relation to this exception;

(vi) sanction any scheme or proposal for the sale, conversion or cancellation of any Class of Notes or any Class of Certificates; or

(vii) sanction any change to the definition of Basic Terms Modification,

(each a "**Basic Terms Modification**"), shall be one or more persons holding or representing in aggregate not less than (A) three-quarters of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (B) three-quarters of such Class of Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and by a meeting of each relevant affected Class of Certificates.

(d) Subject as provided below, the quorum at any adjourned meeting of ERC Certificateholders for passing an Ordinary Resolution will be one or more persons holding or representing not less than 10 per cent. of the Certificates of such Class then in issue.

(e) Subject as provided below, the quorum at any adjourned meeting of ERC Certificateholders for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 25 per cent. of the ERC Certificates of such Class then in issue.

(f) Subject to the more detailed provisions set out in the Trust Deed, the quorum at any adjourned meeting of any holders of any Class of Notes or Certificates passing an Extraordinary Resolution to sanction a Basic Terms Modification, shall be one or more persons holding or representing in aggregate not less than (i) 50 per cent. of the aggregate Principal Amount Outstanding of such Class of Notes then outstanding or (ii) 50 per cent. of such Class of Residual Certificates then in issue or (iii) 50 per cent. of the ERC Certificates then in issue. Any Extraordinary Resolution in respect of a Basic Terms Modification shall only be effective if duly passed at separate meetings (or by separate resolutions in

writing or by separate resolutions passed by way of consents received through the relevant Clearing System(s)) of each relevant affected Class of Noteholders and by a meeting of each relevant affected Class of Certificates.

12.5 Modification to the Transaction Documents

(a) The Note Trustee or, as the case may be, the Security Trustee may (or in the case of paragraph (iii) below, shall) at any time and from time to time, with the written consent of the Secured Creditors which are a party to the relevant Transaction Document (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document) but without the consent or sanction of the Noteholders, the Certificateholders or any other Secured Creditors agree with the Issuer and any other parties in making or sanctioning any modification:

(i) other than in respect of a Basic Terms Modification, to the Conditions, the Certificates Conditions, the Trust Deed or any other Transaction Document, which in the opinion of the Note Trustee (acting in accordance with the Trust Deed) or, as the case may be, the Security Trustee (acting on the directions of the Note Trustee) will not be materially prejudicial to the interests of the Noteholders (or if there are no Notes outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee and, for the avoidance of doubt, any modification of the Collection Accounts Declaration of Trust which does not affect the manner in which the Issuer's Issuer Beneficiary Trust Share (as defined in the Collection Accounts Declaration of Trust) is calculated will not be materially prejudicial to the interests of the Noteholders (or if there are no Notes outstanding, the interests of the Certificateholders) or the interests of the Note Trustee or the Security Trustee;

(ii) 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 direction of the Note Trustee) such modification is of a formal, minor or technical nature or to correct a manifest error; or

(iii) to the Transaction Documents, the Conditions and/or the Certificates Conditions that are requested in writing by the Issuer (acting in its own discretion or at the direction of any transaction party) in order to enable the Issuer to comply with any applicable requirements under European Regulation 648/2012 of 4 July 2012, known as the European Market Infrastructure Regulation ("**EU EMIR**"), and "**UK EMIR**" with which EU EMIR forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, irrespective of whether such modifications are (I) materially prejudicial to the interests of the holders of any Class of Notes or ERC Certificates or any other Secured Creditor or (II) in respect of a Basic Terms Modification (any such modification, an "**EMIR Amendment**") and subject to receipt by the Note Trustee and the Security Trustee of a certificate of (x) the Issuer signed by two directors or (y) the Servicer on behalf of the Issuer, certifying to the Note Trustee and the Security Trustee that the amendments requested by the Issuer are to be made solely for the purpose of enabling the Issuer to satisfy its requirements under EU EMIR or UK EMIR, as applicable. Neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification pursuant to this paragraph (iii) which (in the sole opinion of the Note Trustee and/or the Security Trustee) would have the effect of:

(A) exposing the Note Trustee (and/or the Security Trustee) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction; or

(B) increasing the obligations or duties, or decreasing the rights or protections of the Note Trustee (and/or the Security Trustee) in the Transaction Documents and/or the Certificates Conditions, or

(iv) to any amendment to the Servicing Agreement and/or the Cash Management Agreement and/or any other Transaction Document to which the Servicer or the Cash Manager are a party for the purposes of Clause 8.3 (Information Covenants) of the Cash Management Agreement and/or Clause 14.4(f) (*Reporting and information under the UK Securitisation Regulation*) of the Servicing Agreement,

provided that in respect of any modification, supplement, waiver or consent in respect of any of the Transaction Documents which would, in the reasonable opinion of the Swap Provider, materially adversely affect: (A) the Pre-Enforcement Priority of Payments, the Post-Enforcement Priority of Payments or the Swap Collateral Account Priority of Payments; (B) the amount, timing or priority of any payments or deliveries due to be made by or to the Swap Provider; (C) the Swap Provider's status as a Secured Creditor; (D) the rights of the Swap Provider in relation to the Security (howsoever described, and including as a result of changing the nature or the scope of, or releasing such Security granted by the Issuer in favour of the Security Trustee on behalf of the Secured Creditors); (E) any other terms which would modify a payment date under any Swap Agreement or cause the Notes to be redeemed in full or the Portfolio to be sold or otherwise disposed of in full (other than as permitted or contemplated by the Transaction Documents as at the date of the Swap Agreement); or (F) the definitions of any terms used in any Transaction Documents relating to the matters in (A) to (E) above (I) the prior written consent of the Swap Provider (such consent not to be unreasonably withheld or delayed) or (II) written notification from the Issuer or the Servicer on behalf of the Issuer to the Note Trustee and the Security Trustee that the aforementioned Swap Provider consent is not needed as the modifications do not have any of the effects described in sub-paragraphs (A) to (F) above, is also required prior to such amendments being made.

(b) Notwithstanding anything to the contrary in the Trust Deed or the other Transaction Documents, when implementing any EMIR Amendment pursuant to this ERC Certificates Condition 12.5, the Note Trustee and/or Security Trustee shall not consider the interests of the Certificateholders, any other Secured Creditor or any other person, but shall act and rely solely and without further investigation on any certificate provided to it by the Issuer or the Servicer (as the case may be) pursuant to this ERC Certificates Condition 12.5 and shall not be liable to any Certificateholder or other Secured Creditor for so acting or relying.

12.6 Additional Right of Modification

Notwithstanding the provisions of ERC Certificates Condition 12.5 (*Modification to the Transaction Documents*), the Note Trustee or, as the case may be, the Security Trustee, shall be obliged, without any consent or sanction of the Noteholders, the Certificateholders, or any other Secured Creditor, subject to written consent of the Secured Creditors which a party to the relevant Transaction Documents (such consent to be conclusively demonstrated by such Secured Creditor entering into any deed or document purporting to modify such Transaction Document), to concur with the Issuer in making any modification (other than in respect of a Basic Terms Modification) to these ERC Certificates Conditions, the Residual Certificates Conditions the Conditions, the Trust Deed or any other Transaction Document to which it is a party or in relation to which it holds security or to 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, provided that:

(i) the Issuer certifies in writing to the Note Trustee and the Security Trustee that such modification is 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 Seller, the Servicer, the Swap Provider, the Cash Manager, the Agent Bank, the Principal Paying Agent and the Issuer Account Bank (for the purpose of this ERC Certificates Condition 12.6 only, each a "**Relevant Party**"), in order (x) to remain eligible to perform its role in such capacity in conformity with such criteria and/or (y) to avoid taking action which it would otherwise be required to take to enable it to continue performing such role (including, without limitation, posting collateral or advancing funds):

(A) the Relevant Party certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is necessary for the purposes described in sub-paragraph (ii)(x) and/or (y) above; and

(B) either:

I. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Security Trustee and the Note Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain outstanding) result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing the Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

II. the Issuer, the Relevant Party or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result (if the Class A Notes remain outstanding) in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent);

(b) for the purpose of complying with any changes in the requirements of, or enabling the Issuer to comply with an obligation in respect of, the UK Securitisation Regulation or the EU Securitisation Regulation (including in respect of risk retention) after the Closing Date, including as a result of the adoption of regulatory or implementing technical standards in relation to the UK Securitisation Regulation or the EU Securitisation Regulation or any other legislation or regulations or official guidance in relation thereto, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect (upon which certificate the Note Trustee and the Security Trustee shall be entitled to rely absolutely without liability to any person doing so);

(c) to effect any changes to the Servicer and/or the Seller and/or migrate any obligations of the Servicer and/or the Seller to any other entity within the OSB Group, provided that:

(i) the Issuer and the Servicer certifies in writing to the Issuer, the Note Trustee and the Security Trustee that such modification is required solely for such purpose and has been drafted solely to such effect;

(ii) either:

(A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies, a Rating Agency Confirmation (or certifies in writing to the Issuer (in the case of the Relevant Party or the Servicer), the Security Trustee and the Note Trustee that no Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain outstanding) result in a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency and would not result in any Rating Agency placing the Class A Notes on rating watch negative (or equivalent) and, if relevant, delivers a copy of each such confirmation to the Issuer (in the case of the Relevant Party or the Servicer), the Note Trustee and the Security Trustee; or

(B) the Issuer or the Servicer (on behalf of the Issuer) certifies in writing to the Note Trustee and the Security Trustee that the Rating Agencies have been informed of the proposed modification and none of the Rating Agencies has indicated that such modification would result (if the Class A Notes remain outstanding) in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent);

(iii) the replacement seller and/or servicer will accede to the Deed of Charge and be bound by the provisions therein;

(iv) the replacement servicer is qualified to act as such under the FSMA and has the requisite experience of servicing residential mortgage loans in the United Kingdom; and

(v) the replacement servicer enters into a servicing agreement with the Issuer on terms substantially similar to the terms of the existing Servicing Agreement or on terms commercially acceptable in the market, pursuant to which the replacement servicer agrees to assume and perform all the material duties and obligations of the Servicer under the Servicing Agreement (including, for the avoidance of doubt, the performance of certain of Issuer's obligations as the responsible entity pursuant to Article 7(2) of the UK Securitisation Regulation and its contractual obligations pursuant to Article 7(2) of the EU Securitisation Regulation);

(d) for the purpose of enabling the Notes to be (or to remain) listed on Euronext Dublin, provided that the Issuer certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(e) for the purpose of enabling the Issuer or any of the other Transaction Parties to comply with FATCA, provided that the Issuer or the relevant Transaction Party, as applicable, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and has been drafted solely to such effect;

(f) for the purpose of complying with, or implementing or reflecting, any changes in the manner in which the Notes are held which will allow Bank of England's sterling monetary framework, that is, in a manner which would allow such Notes to be recognised as eligible collateral for the Bank of England's monetary policy and intra-day credit operations by the Bank of England either upon issue or at any or all times during the life of the Notes, provided that the Issuer certifies in writing to the Note Trustee and the Security Trustee 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, the Servicer (on behalf of the Issuer), and/or the Relevant Party, as the case may be, pursuant to Conditions 12.6(a) to (f) above being a "**Modification Certificate**"); or

(g) for the purpose of changing the reference rate or the base rate that then applies in respect of the Floating Rate 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 judgment of the Issuer (or the Servicer on its behalf) to facilitate such change (a "**Base Rate Modification**"), provided that the Issuer (or the Servicer on its behalf), certifies to the Note Trustee and the Security Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(i) such Base Rate Modification is being undertaken due to:

(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) 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 (or the Servicer on its behalf) 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 Federal Reserve or the Bank of England, any regulator in the United States, the United

Kingdom or the European Union 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;

(C) a base rate utilised in a publicly listed new issue of Sterling-denominated asset-backed floating rate notes where the originator of the relevant assets is OSB or an Affiliate thereof; or

(D) such other base rate as the Servicer (on behalf of the Issuer) reasonably determines,

and in each case, the change to the Alternative Base Rate will not, in its opinion, be materially prejudicial to the interest of the Noteholders; and

for the avoidance of doubt, the Issuer (or the Servicer on its behalf) may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this ERC Certificates Condition 12.6(g) are satisfied;

(h) for the purpose of changing the base rate that then applies in respect of the Swap Agreement to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Swap Provider solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Swap Agreement to the base rate of the Floating Rate Notes following such Base Rate Modification (a "**Swap Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Note Trustee and the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Swap Rate Modification Certificate**");

provided that, in the case of any modification made pursuant to paragraphs (a) to (h) above:

(i) at least 30 calendar days' prior written notice of any such proposed modification has been given to the Note Trustee and the Security Trustee;

(ii) the Modification Certificate, Base Rate Modification Certificate or Swap Rate Modification Certificate, as applicable, in relation to such modification shall be provided to the Note Trustee and the Security Trustee both at the time the Note Trustee and the Security Trustee is notified of the proposed modification and on the date that such modification takes effect;

(iii) the consent of each Secured Creditor which is party to the relevant Transaction Document has been obtained;

(iv) other than in the case of a modification pursuant to ERC Certificates Condition 12.6(a)(ii), either:

(A) the Issuer or the Servicer (on behalf of the Issuer) obtains from each of the Rating Agencies a Rating Agency Confirmation (or certifies in the Modification Certificate, Base Rate Modification Certificate or Swap Rate Modification Certificate that no such Rating Agency Confirmation has been received within 30 days of a written request for such Rating Agency Confirmation) that such modification would not (if the Class A Notes remain

outstanding) result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); or

(B) the Issuer or the Servicer (on behalf of the Issuer) certifies in the Modification Certificate, Base Rate Modification Certificate or Swap 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 (if the Class A Notes remain outstanding) in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); and

(v) the Issuer certifies in writing to the Note Trustee and the Security Trustee (which certification may be in the Modification Certificate, Base Rate Modification Certificate or Swap Rate Modification Certificate, as applicable) that (I) the Issuer has provided at least 30 calendar days' notice to the Certificateholders of the proposed modification in accordance with ERC Certificates Condition 15 (*Notice to Certificateholders*) and by publication on Bloomberg on the "Company News" screen relating to the ERC Certificates, and (II) Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Noteholders do not consent to the modification.

If Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Most Senior Class of Notes then outstanding have notified the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within the notification period referred to above that they do not consent to the modification, then such modification will not be made unless an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding is passed in favour of such modification in accordance with Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

Objections made in writing other than through the applicable clearing system must be accompanied by evidence to the Issuer's satisfaction (having regard to prevailing market practices) of the relevant Noteholder's holding of the Notes.

Other than where specifically provided in this ERC Certificates Condition 12.6 or any Transaction Document:

(i) when implementing any modification pursuant to this ERC Certificates Condition 12.6 (save to the extent the Note Trustee considers that the proposed modification would constitute a Basic Terms Modification), neither the Note Trustee nor the Security Trustee shall consider the interests of the Noteholders, any other Secured Creditor or any other person but shall act and rely solely and without further investigation on the Modification Certificate, the Base Rate Modification Certificate or the Swap Rate Modification Certificate provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this ERC Certificates Condition 12.6 and shall not be liable to the Noteholders, any other Secured Creditor for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and

(j) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any modification which, in the sole opinion of the Note Trustee and/or the Security Trustee would have the effect of (i) exposing the Note Trustee and/or the Security Trustee to any liability against which is has not be indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or these ERC Certificates Conditions.

Any such modification shall be binding on all Noteholders and shall be notified by the Issuer as soon as reasonably practicable to:

(a) so long as any of the Notes rated by the Rating Agencies remains Outstanding, each Rating Agency;

(b) the Secured Creditors; and

(c) the Noteholders in accordance with ERC Certificates Condition 15 (*Notice to Certificateholders*).

12.7 Authorisation or Waiver of Breach

The Note Trustee and/or the Security Trustee (in the case of the Security Trustee, acting in accordance with the Deed of Charge), as applicable, may, 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 further or other breach, from time to time and at any time, authorise or waive any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to the Conditions, the Certificates Conditions or any of the Transaction Documents by any party thereto, but only if in the opinion of the Note Trustee or, as the case may be, the Security Trustee, the interests of the Most Senior Class or, if there are no Notes then outstanding and no Residual Certificates then in issue, all the Secured Creditors will not be materially prejudiced thereby. The Note Trustee shall not exercise any powers conferred on it by this ERC Certificates Condition 12.6 in contravention of any express direction given by Extraordinary Resolution of the holders of the Most Senior Class but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made.

12.8 Notification of modifications, waivers, authorisations or determinations

Any such modification, waiver, authorisation or determination by the Note Trustee and/or the Security Trustee, as applicable, in accordance with the Conditions, these ERC Certificates Conditions or the Transaction Documents shall be binding on the Certificateholders and, unless the Note Trustee or, as the case may be, the Security Trustee agrees otherwise, any such modification shall be notified by the Issuer to the Certificateholders in accordance with ERC Certificates Condition 15 (*Notice to Certificateholders*), the Rating Agencies (while any Notes remain outstanding) and the Secured Creditors as soon as practicable thereafter.

12.9 In connection with any such substitution of principal debtor referred to in Condition 8.4 (*Mandatory Redemption of the Notes for Taxation or Other Reasons*), the Note Trustee and the Security Trustee may also agree, without the consent of the Certificateholders or the other Secured Creditors, to a change of the laws governing the ERC Certificates, these ERC Certificates Conditions and/or any of the Transaction Documents, provided that such change would not, in the opinion of the Note Trustee or, as the case may be, the Security Trustee (in the case of the Security Trustee, acting in accordance

with the Deed of Charge), be materially prejudicial to the interests of the Certificateholders or the other Secured Creditors.

12.10 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 ERC Certificates Conditions or any of the Transaction Documents (including in relation to any modification, waiver, authorisation, determination, substitution or change of laws as referred to above), the Note Trustee or the Security Trustee is required to have regard to the interests of the Certificateholders of any Class or Classes, it shall (a) have regard to the general interests of the Certificateholders of such Class or Classes but shall not have regard to any interests arising from circumstances particular to individual 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 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 or, as the case may be, the Security Trustee shall not be entitled to require, nor shall any 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 Certificateholders and (b) subject to the more detailed provisions of the Trust Deed and the Deed of Charge, as applicable, have regard to the interests of holders of each Class of Certificates (except where expressly provided otherwise) but requiring the Note Trustee and the Security Trustee where there is a conflict of interest between one or more Classes of Certificates in any such case to have regard (except as expressly provided otherwise) prior to (but excluding) the Optional Redemption Date, to the holders of the RC1 Residual Certificates and, thereafter, to the holders of the RC2 Residual Certificates.

12.11 Other than in respect of any matter requiring an Extraordinary Resolution, Certificateholders are required to vote by way of an Ordinary Resolution.

12.12 "**Ordinary Resolution**" means, in respect of the holders of any of the Classes of ERC Certificates:

(a) a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the Trust Deed and the ERC Certificates Conditions by a clear majority of the Eligible Persons voting thereat on a show of hands or, if a poll is duly demanded, by a clear majority of the votes cast on such poll;

(b) a resolution in writing signed by or on behalf of the Certificateholders of not less than a clear majority in number of the holders of the relevant Class of ERC Certificates then in issue, 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 of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Certificateholders of not less than a clear majority in number of the relevant Class of ERC Certificates then in issue.

12.13 "**Extraordinary Resolution**" means, in respect of the holders of any of the Classes of ERC Certificates:

(a) a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the Trust Deed and the ERC Certificates Conditions by a majority consisting of not less than three-quarters of the Eligible Persons 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;

(b) a resolution in writing signed by or on behalf of the Certificateholders of not less than three-quarters in number of the holders of the relevant Class of ERC Certificates, 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 of the relevant Class; or

(c) consent given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Note Trustee) by or on behalf of the Certificateholders of not less than three-quarters in number of the holders of the relevant Class of ERC Certificates then in issue.

12.14 "**Eligible Person**" means any one of the following persons who shall be entitled to attend and vote at a meeting:

(a) a bearer of any Voting Certificate; and

(b) a proxy specified in any Block Voting Instruction.

12.15 "**Voting Certificate**" means an English language certificate issued by a Paying Agent in which it is stated:

(a) that on the date thereof the Notes and/or ERC Certificates (not being the Notes and/or ERC Certificates (as applicable) in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a clearing system and that no such Notes and/or ERC Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Voting Certificate; and

(ii) the surrender of the Voting Certificate to the Paying Agent who issued the same; and

(b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Notes and/or Certificates represented by such Voting Certificate.

12.16 "**Block Voting Instruction**" means an English language document issued by a Paying Agent in which:

(a) it is certified that on the date thereof Notes and/or ERC Certificates (not being Notes and/or ERC Certificates (as applicable) in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a clearing system and that no such Notes and/or such ERC Certificates will cease to be so blocked until the first to occur of:

(i) the conclusion of the meeting specified in such Block Voting Instruction; and

(ii) the Notes and/or the ERC Certificates ceasing with the agreement of the Paying Agent to be so blocked and the giving of notice by the Paying Agent to the Issuer of the necessary amendment to the Block Voting Instruction;

(b) it is certified that each holder of such Notes and/or such ERC Certificates has instructed such Paying Agent that the vote(s) attributable to the Notes and/or the ERC Certificates so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;

(c) the aggregate principal amount or aggregate total amount of the Notes and/or the number of ERC Certificates so blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable

thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and

(d) one or more persons named in such Block Voting Instruction (each hereinafter called a "**proxy**") is or are authorised and instructed by such Paying Agent to cast the votes attributable to the Notes and/or the ERC Certificates so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction, provided that no such person shall be named as a proxy whose appointment has been revoked and in relation to whom the relevant Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such meeting.

12.17 Details of any Extraordinary Resolution and any Ordinary 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.

12.18 Issuer Substitution Condition

The Note Trustee and Security Trustee may agree, subject to such amendment of these ERC Certificates Conditions, the Residual Certificates Conditions, the Conditions and of any of the Transaction Documents, and to such other conditions as the Note Trustee and Security Trustee may require and subject to the terms of the Trust Deed, but without the consent of the ERC Certificateholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed, the Notes, the Residual Certificates and the ERC 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 ERC 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 ERC Certificates Condition 5 (*Issuer Covenants*) (the "**Issuer Substitution Condition**"). In the case of a substitution pursuant to this ERC Certificates Condition 12.18, the Note Trustee and Security Trustee may in their absolute discretion agree, without the consent of the ERC Certificateholders, to a change in law governing the ERC Certificates and/or any of the Transaction Documents unless such change would, in the opinion of the Note Trustee and Security Trustee (acting on the direction of the Note Trustee), be materially prejudicial to the interests of the ERC Certificateholders.

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 ERC 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. REPLACEMENT OF ERC CERTIFICATES

If any ERC Certificate is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Registrar subject to all applicable laws. Replacement of any mutilated, defaced, lost, stolen or destroyed ERC 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 ERC Certificate must be surrendered before a new one will be issued.

If the Issuer Substitution Condition is satisfied, the Issuer may, without the consent of the ERC Certificateholders, issue replacement ERC Certificates to replace the ERC Certificates, which shall have terms and conditions which may differ from the terms and conditions of the ERC Certificates which it replaces.

15. NOTICE TO CERTIFICATEHOLDERS

15.1 Publication of Notice

While the ERC Certificates are represented by a Global ERC Certificate, notices to ERC Certificateholders will be valid if submitted to Euroclear and/or Clearstream, Luxembourg for communication by them to ERC 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.

While the ERC Certificates are represented by Definitive ERC Certificates, the Note Trustee shall be at liberty to sanction any method of giving notice to the ERC Certificateholders if, in its opinion, such method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the ERC Certificateholders in such manner as the Note Trustee shall deem appropriate.

15.2 Note Trustee's Discretion to Select Alternative Method

The Note Trustee shall be at liberty to sanction some other method of giving notice to the ERC Certificateholders or category of them if, in its sole opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the quotation systems on or by which the ERC Certificates are then quoted and/or traded and provided that notice of such other method is given to the ERC Certificateholders in such manner as the Note Trustee shall require.

16. JURISDICTION AND GOVERNING LAW

(a) The Courts of England (the "**Courts**") are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Certificates and the Transaction Documents (including a dispute relating to non-contractual obligations or a dispute regarding the existence, validity or termination of any of the Notes, the Certificates or the Transaction Documents or the consequences of their nullity) and accordingly any legal action or proceedings arising out of or in connection with the Notes and/or the Certificates and/or the Transaction Documents may be brought in such Courts.

(b) The Transaction Documents, the Notes, the Conditions, the Residual Certificates, the Residual Certificates Conditions, the ERC Certificates and the ERC 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.

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 ERC Certificates or these ERC Certificates Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

TAXATION

United Kingdom Taxation

*The following applies only to persons who are the beneficial owners of the 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 Certificates are not considered below.*

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 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**") for the purposes 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 the Regulated Market of Euronext Dublin. 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 withholding or deduction for or 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 or 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).

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes or Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes or Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes and Certificates, such withholding would not apply prior to the date that is two years after the date on which the final regulations defining "foreign passthru payment" are published in the U.S. Federal Register and 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 on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for the purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes or Certificates. In the event any withholding would be required pursuant to

FATCA or an IGA with respect to payments on the Notes or Certificates, no person will be required to pay additional amounts as a result of the withholding.

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 of the European Union ("**Member States**") (including Belgium, Germany, Estonia (although Estonia has since stated that it will not participate), Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia). 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 if the conditions for a charge to arise are satisfied and the FTT 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 and/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. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

However, the FTT proposal remains subject to negotiation between 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.

SUBSCRIPTION AND SALE

BofA Securities (trading name of Merrill Lynch International) ("**BofA Securities**", the "**Arranger**" and "**Lead Manager**") has entered into a subscription agreement dated on or about 4 August 2022 with the Seller and the Issuer (the "**Subscription Agreement**"), pursuant to which, as at the Closing Date, the Seller has agreed with the Issuer (subject to certain conditions) to subscribe and pay for:

(a) £589,732,000 of the Class A1 Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class A1 Notes;

(b) £518,446,000 of the Class A2 Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class A2 Notes;

(c) £187,936,000 of the Class Z Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class Z Notes; and

(d) £12,961,000 of the Class X Notes at the issue price of 100 per cent. of the aggregate principal amount of the Class X Notes.

The Issuer has agreed to indemnify the Seller, OSB, the Arranger and the Lead Manager against certain Liabilities in connection with the issue of the Notes and the Certificates.

Pursuant to the Subscription Agreement, OSB, (in its capacity as originator for the purposes of (i) the UK Securitisation Regulation and (ii) under the Transaction Documents in connection with the EU Securitisation Regulation) will undertake to the Lead Manager and the Arranger that it will (A) retain on an ongoing basis the Retained Interest in accordance with (I) the UK Retention Requirement and (ii) the EU Retention Requirement (subject to the Retained Interest), (B) comply with the disclosure obligations under Article 7(l)(e)(iii) of the UK Securitisation Regulation by confirming the risk retention of the Seller as contemplated by Articles 6(1) and 6.3(d) of the UK Securitisation Regulation, (C) not sell, hedge or otherwise mitigate (and shall procure that none of its affiliates shall sell, hedge or otherwise mitigate) the credit risk under or associated with the Retained Interest except to the extent permitted under the UK Securitisation Regulation or as would be permitted as determined in accordance with Article 6 of the EU Securitisation Regulation as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation and (D) not change the manner or form in which it holds the Retained Interest. As at the Closing Date, in the UK Retention Requirement and the EU Retention Requirement will each be satisfied by the Seller holding the first loss tranche and other tranches having the same or a more severe risk profile than those transferred or sold to investors, in this case, represented by the retention by the Seller of the Class Z Notes, (i) in accordance with Article 6(3)(d) of the UK Securitisation Regulation and (II) under the Transaction Documents in connection with Article 6(3)(d) of the EU Securitisation Regulation (as required for the purposes of Article 5(1)(d) of the EU Securitisation Regulation) as though Article 6 of the EU Securitisation Regulation applied to the transaction, not taking into account any relevant national measures, but solely as such articles are interpreted and applied on the Closing Date, **provided that** on and from the applicable SR Equivalency Date (but only for so long as SR Equivalency is maintained), references to, and obligations in respect of, the EU Securitisation Regulation shall not apply.

Except with the express written consent of the Seller 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 or the Residual Certificates offered and sold by the Issuer may not be purchased by any person except for persons that are not Risk Retention U.S. Persons.

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 have not been and will not be registered under the Securities Act or the state 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 registration requirements. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S.

The Lead Manager has 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, 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 "*Transfer Restrictions and Investor Representations*" below.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Ireland

The Lead Manager has represented and agreed that:

(a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 of Ireland, as amended, (the "**EU MiFID Regulations**") including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OTFs)) thereof and in connection with the EU MiFID Regulations, any applicable codes of conduct or rules and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland, Regulation (EU) No 600/2014, as amended, and any delegated or implementing acts adopted thereunder and the provisions of the Investor Compensation Act 1998 of Ireland, as amended;

(b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014 of Ireland, the Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under section 117(1) of the Central Bank Act 1989 of Ireland, as amended;

(c) it will not underwrite the issue 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 under section 1363 of the Companies Act; and

(d) it will not underwrite the issue 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, the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU), the European Union (Market Abuse) Regulations 2016 of Ireland, as amended, (S.I. No 349 of 2016) and any Irish market abuse law as defined in those Regulations and the Companies Act 2014 of Ireland, as amended, and any rules made or guidance issued by the Central Bank of Ireland in connection with the foregoing, including any rules or guidelines issued by the Central Bank of Ireland under section 1370 of the Companies Act 2014 of Ireland, as amended.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), the Lead Manager has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant State other than:

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

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the Arranger and the Lead Manager for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes will require the Issuer, the Lead Manager and the Arranger to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression of "**an offer of Notes to the public**" in relation to any notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes. The expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

In relation to the United Kingdom, the Lead Manager has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in the United Kingdom other than:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the EUWA (the "**UK Prospectus Regulation**");

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the Arranger and the Lead Manager for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes will require the Issuer, the Lead Manager and the Arranger to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to EEA Retail Investors

The 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 "**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; or

(c) not a qualified investor as defined in the EU Prospectus Regulation; and

the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes

Prohibition of Sales to UK Retail Investors

The 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 in the United Kingdom by virtue of the EUWA; or

(b) a customer 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 in the United Kingdom by virtue of the EUWA; or

(c) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; and

the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

General

Each of the Issuer, the Arranger, the Lead Manager and the Seller has acknowledged that, save for having obtained the approval of this 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 the admission of the Notes to trading on its Regulated Market, no action has been taken by the Issuer, the Arranger, the Lead Manager 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 Arranger and the Lead Manager 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.

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.

Investor Representations

Each purchaser of the Notes or the Certificates (which term for the purposes of this section will be deemed to include any interest in the Notes or Certificates, including Book-Entry Interests) during the initial syndication will be deemed to have represented and agreed as follows: 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, Certificate or a beneficial interest therein for its own account and not with a view to distribute such Notes or Certificates 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 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).

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, including Book-Entry Interests) will be deemed to have represented and agreed as follows:

(a) the Notes have not been and will not be registered under the Securities Act and 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 an effective registration statement 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 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;

(b) unless the relevant legend set out below has been removed from the Notes, 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 (a) 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

(c) the Issuer, the Registrar, the Arranger, the 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 WITH ANY SECURITIES

REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, AS A MATTER OF U.S. LAW, 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) (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) OTHERWISE 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, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES.

EACH PURCHASER OR HOLDER OF THIS NOTE SHALL BE DEEMED TO HAVE REPRESENTED BY SUCH PURCHASE AND/OR HOLDING THAT (I) IT IS NOT AND IS NOT USING THE ASSETS OF A BENEFIT PLAN INVESTOR, AND SHALL NOT AT ANY TIME HOLD THIS NOTE FOR OR ON BEHALF OF A BENEFIT PLAN INVESTOR AND (II) IT IS NOT AND IS NOT USING THE ASSETS OF A GOVERNMENTAL, CHURCH OR NON-U.S. PLAN WHICH IS SUBJECT TO FEDERAL, STATE, LOCAL OR NON-U.S. LAWS WHICH ARE 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 DESCRIBED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY UNDER U.S. DEPARTMENT OF LABOR REGULATIONS § 2510.3-101 (29 C.F.R. § 2510-101) AS MODIFIED BY SECTION 3(42) OF ERISA.

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

Authorisation

The issue of the Notes and Certificates was authorised pursuant to a resolution of the board of directors of the Issuer passed on 26 July 2022.

Listing of Notes

Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its Regulated Market on the Closing Date, subject only to the issue of the Global Note initially representing the Notes.

Documents Available

For the life of the Prospectus and for so long as the Notes are listed on Euronext Dublin and admitted to trading on its Regulated Market, physical copies of the following documents may be inspected at the registered office of the Issuer (and, in the case of paragraph (b) below at the specified office of the Paying Agents) during usual business hours, on any weekday (public holidays excepted) and electronic copies of the following documents may be inspected at https://dealdocs.eurodw.eu/RMBSUK000947500220225/ :

(a) the memorandum and articles of association of each of the Issuer and Holdings;

(b) the Trust Deed; and

(c) the most recently published audited annual financial statements of the Issuer.

Clearing Systems

The Notes and the Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg under the following ISINs and Common Codes:

Class of Notes/Residual Certificates	ISIN	Common Code
Class A1 Notes	XS2497072285	249707228
Class A2 Notes	XS2497073176	249707317
Class Z Notes	XS2497073333	249707333
Class X Notes	XS2497073507	249707350
RC1 Residual Certificates	XS2497074653	249707465
RC2 Residual Certificates	XS2497074901	249707490
ERC Certificates	XS2497074497	249707449

The Notes and the Certificates have the following CFIs and FISNs codes:

Class of Notes/Residual Certificates	CFI	FISN
Class A1 Notes	DAVNFR	CANTERBURY FINA/VARASST BKD 2200123
Class A2 Notes	DAVNFR	CANTERBURY FINA/VARASST BKD 2200123
Class Z Notes	DAVNFR	CANTERBURY FINA/VARASST BKD 2200123
Class X Notes	DAVNFR	CANTERBURY FINA/VARASST BKD 2200123
RC1 Residual Certificates	DAXNFR	CANTERBURY FINA/ASST BKD 22001231
RC2 Residual Certificates	DAXNFR	CANTERBURY FINA/ASST BKD 22001231
ERC Certificates	DAXNFR	CANTERBURY FINA/ASST BKD 22001231

Significant or Material Change

Since 9 May 2022 (being the date of incorporation of the Issuer and the date of incorporation of the Holdings), 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.

Litigation

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 9 May 2022 (being the date of incorporation of the Issuer and the date of incorporation of the Holdings) 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).

Accounts

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. 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 2022.

Post-issuance information

UK Securitisation Regulation Reporting

The Issuer will procure that the Cash Manager will prepare the monthly UK Investor Report detailing, *inter alia*, certain aggregated loan data in relation to the Portfolio as required by and in accordance with Article 7(1)(e) of the UK Securitisation Regulation and the UK Article 7 Technical Standards, and shall procure that the Cash Manager delivers such reports to the Servicer in accordance with the provisions of the Cash Management Agreement.

The Issuer will procure that the Servicer will prepare on a monthly basis certain loan-by-loan information in relation to the Portfolio in respect of each Collection Period as required by and in accordance with Article (1)(a) of the UK Securitisation Regulation and the UK Article 7 Technical Standards (the "**UK SR Data Tape**").

The Servicer will publish each UK Investor Report and each UK SR Data Tape in a manner consistent with the requirements of Article 7(2) of the UK Securitisation Regulation and, for these purposes, such reports or information shall be made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator (or their successors) and, upon request, to potential investors in the Notes, on the European DataWarehouse website at https://editor.eurodw.co.uk/esma/viewdeal?edcode=RMBSUK000947500220225,

a website which conforms with the requirements set out in Article 7(2) of the UK Securitisation Regulation (or such other website which may be available for such purpose and notified by the Servicer to the Issuer, the Cash Manager, the Security Trustee, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time).

The Issuer shall also procure that the Servicer shall publish in a manner consistent with the requirements of Article 7(2) of the UK Securitisation Regulation and, for these purposes, the information is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator (or their successors) and, upon request, to potential investors in the Notes, on the European DataWarehouse website at https://editor.eurodw.co.uk/esma/viewdeal?edcode=RMBSUK000947500220225 (or such other website which may be available for such purpose and notified by the Servicer to the Issuer, the Cash Manager, the Security Trustee, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time):

(a) any information required to be reported pursuant to Article 17 of Regulation (EU) No. 596/2014 as it forms part of UK law by virtue of the EUWA, Articles 7(1)(f) or 7(1)(g) (as applicable) of the UK Securitisation Regulation without delay and in accordance with the UK Article 7 Technical Standards; and

(b) within 15 days of the issuance of the Notes, copies of the Transaction Documents and this Prospectus.

The Servicer shall make the information referred to in above, including, for the avoidance of doubt, the UK Investor Reports and UK SR Data Tapes, available to the holders of any of the Notes, relevant competent authorities and, upon request, to potential investors in the Notes not later than one month after the Interest Payment Date in relation to which such information was prepared.

To the extent any technical standards prepared under the UK Securitisation Regulation come into effect after the date of this Prospectus and require such reports or information to be published in a different manner or on a different website, the Issuer shall procure that the Servicer complies with the requirements of such technical standards when publishing such reports or information.

In such circumstances, the Issuer and the Servicer and (if required and in respect of any changes in relation to the UK Investor Report only) the Cash Manager shall consult in good faith regarding the reporting contemplated under Article 7 of the UK Securitisation Regulation and may agree in writing any changes to the form, content, method of distribution and frequency of the UK Investor Report and UK SR Data Tape to ensure compliance with the requirements of Article 7 of the UK Securitisation Regulation. If any changes are agreed, the Issuer, the Servicer and the Cash Manager may enter for these purposes into any amendment agreement to the Servicing Agreement and/or the Cash Management Agreement as the case may be.

The Issuer in its capacity as Reporting Entity will also procure that the private securitisation notification is made, if applicable, to the FCA, the Bank of England, the PRA and/or the Pensions Regulator.

The Issuer confirms that OSB has made available the draft Transaction Documents and the draft Prospectus as required by Article 7(1)(b) of the UK Securitisation Regulation prior to the pricing of the Notes to the competent authorities and (upon request) to potential investors in the Notes in a manner consistent with the requirements of Article 7(2) of the UK Securitisation Regulation and, the information is made available to the Noteholders, the FCA, the Bank of England, the PRA and/or the Pensions Regulator (or their successors) and, upon request, to potential investors in the Notes, on European DataWarehouse website at https://editor.eurodw.co.uk/esma/viewdeal?edcode=RMBSUK000947500220225.

EU Securitisation Regulation Reporting

The Issuer will procure in respect of its contractually agreed obligations under Article 7 of the EU Securitisation Regulation that the Cash Manager will prepare the monthly EU Investor Report detailing, *inter alia*, certain aggregated loan data in relation to the Portfolio as required by and in accordance with

Article 7(1)(e) of the EU Securitisation Regulation and the EU Article 7 Technical Standards applicable as at the Closing Date, and shall procure that the Cash Manager delivers such reports to the Servicer in accordance with the provisions of the Cash Management Agreement.

The Issuer has appointed the Servicer to perform certain of the Issuer's contractually agreed obligations under Article 7 of the EU Securitisation Regulation.

The Issuer will procure in respect of its contractually agreed obligations under Article 7 of the EU Securitisation Regulation that the Servicer will prepare on a monthly basis certain loan-by-loan information in relation to the Portfolio in respect of each Collection Period as required by and in accordance with Article 7(1)(a) of the EU Securitisation Regulation and the EU Article 7 Technical Standards applicable as at the Closing Date (the "**EU SR Data Tape**").

The Servicer will make available each EU Investor Report, the Prospectus, each Transaction Document and each EU SR Data Tape to the Noteholders, the competent authorities and, upon request, to potential investors in the Notes, on the European DataWarehouse website at https://editor.eurodw.eu/deals/ukdeals/view?edcode=RMBSUK000947500220225 (or such other website which may be available for such purpose and notified by the Servicer to the Issuer, the Cash Manager, the Security Trustee, the Note Trustee, each Rating Agency, the Noteholders and the Certificateholders from time to time).

The Servicer or another third party will publish, without delay, any (i) inside information relating to the Issuer which the Issuer determines it is obliged to make pursuant to Article 17 of Regulation (EU) No. 596/2014 and Article 7(1)(f) of the EU Securitisation Regulation and will be disclosed to the public by the Issuer; or (ii) any significant event pursuant to Article 7(1)(g) of the EU Securitisation Regulation, in each case in accordance with the EU Article 7 Technical Standards.

In the case of each of the Issuer's contractually agreed obligations under Article 7 of the EU Securitisation Regulation described above such obligations only apply:

(a) as such articles and/or requirements under the EU Securitisation Regulation and the EU Article 7 Technical Standards described above are interpreted and applied solely on the Closing Date and not taking into account any relevant national measures (and, for the avoidance of doubt, none of the Issuer, the Servicer or Seller will be under any obligation to comply with any amendments to applicable EU technical standards, guidance or policy statements introduced above after the Closing Date);

(b) in the form or template prescribed under the EU Securitisation Regulation and the EU Article 7 Technical Standards as at the Closing Date only or in the form as the Issuer, the Seller, the Servicer and the Cash Manager may otherwise agree in writing and who shall consult in good faith regarding the reporting contemplated under this section entitled "*EU Securitisation Regulation Reporting*";

(c) based upon the requirements of the UK Securitisation Regulation and EU Securitisation Regulation that are applicable as at the date of this Prospectus, until the Servicer and the Cash Manager are notified in writing by the Issuer of any differences and/or deviations from the prescribed templates to be used pursuant to the EU Securitisation Regulation or the UK Securitisation Regulation (as applicable) it is expected that each EU Data Tape will be the same as each UK Data Tape (in which case the Servicer will only be required to produce one report for both requirements) and each EU Investor Report will be the same as each UK Investor Report (in which case the Cash Manager will only be required to produce one report for both requirements);

(d) until the applicable SR Equivalency Date (for so long as SR Equivalency is maintained);

(e) subject always to any requirement of law; and

(f) provided that:

(i) none of the Issuer, the Servicer or the Seller will be in breach of such obligation if it fails to so comply due to events, actions or circumstances beyond its control;

(ii) the Issuer, the Seller, the Servicer and the Cash Manager are only required to comply with such obligations to the extent that the disclosure requirements under Article 7 of the EU Securitisation Regulation and EU Article 7 Technical Standards (in each case, as in force as at the Closing Date) remain in effect.

The Issuer confirms that OSB has made available the draft Transaction Documents, the draft Prospectus as required by Article 7(1)(b) of the EU Securitisation Regulation (as if such requirement applied to it) prior to the pricing date of the Notes.

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

No other activities since incorporation

Since the date of its incorporation, the Issuer has not entered into any contracts or arrangements not being in the ordinary course of business.

Websites

Any website referred to in this document does not form part of this Prospectus.

Miscellaneous

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 the Prospectus together with any amendments or supplements thereto.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Regulated Market of Euronext Dublin.

INDEX OF TERMS

ISSUER
Canterbury Finance No.5 PLC
10th Floor, 5 Churchill Place
London E14 5HU

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

CASH MANAGER
U.S. Bank Global Corporate Trust Limited
125 Old Broad Street, Fifth Floor
London, EC2N 1AR

AGENT BANK, REGISTRAR, ISSUER ACCOUNT BANK AND PRINCIPAL PAYING AGENT
Elavon Financial Services DAC, UK Branch
125 Old Broad Street, Fifth Floor
London, EC2N 1AR

ARRANGER AND LEAD MANAGER
Merrill Lynch International
2 King Edward Street
London E14 5JP

NOTE TRUSTEE AND SECURITY TRUSTEE
U.S. Bank Trustees Limited
125 Old Broad Street, Fifth Floor
London, EC2N 1AR

LEGAL ADVISERS TO THE SELLER, THE ISSUER AND THE SERVICER
Allen & Overy LLP
One Bishops Square
London E1 6AD

LEGAL ADVISERS TO THE ARRANGER AND LEAD MANAGER
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

LEGAL ADVISERS TO THE NOTE TRUSTEE AND THE SECURITY TRUSTEE
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100 New Bridge Street
London EC4V 6JA

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10 Earlsfort Terrace
Dublin 2, Ireland